



COMMERCIAL UNMANNED AVIATION ASSOCIATION OF SOUTHERN AFRICA (CUAASA) PRESIDENT'S REPORT 2018: MR DEAN POLLEY

Executive Summary

The 2018 year has been a short but incredibly busy one. Our umbrella association CAASA has decided to have its AGM in July of each year going forward. A proposal was submitted to all eight of CAASA's affiliates (including CUAASA) to coincide their respective AGMs with that of CAASA. So it has been agreed by all that commercial aviation South Africa will have an AGM all on the same day. Each affiliate will have their own separate AGM in the morning, to be immediately followed by the CAASA AGM.

The AGM signals a summary and review of the period preceding the AGM and is covered in the President's report. This report follows my last report submitted in December 2017 and hence will only cover the past 6 months.

At the first meeting of the newly elected Executive Committee following the AGM on the 27th January 2018, we emphasised the continuous struggles that the South African RPAS industry faces with regards to obtaining a Remotely Piloted Aircraft Systems Operating Certificate (ROC), a requirement, as per the Civil Aviation Regulations Part 101, that is needed to operate any RPAS in a commercial capacity in South African airspace.

To date, only 26 ROC's have been issued by the Regulator since the new laws came into effect in July 2015. There are currently around 400 ROC applications pending with the SACAA to date. The delays and excessive backlog have been attributed to two major factors; 1.) the SACAA does not have the required capacity to effectively implement the regulations. The current system and

processes are failing the industry. Current ROC holders are also affected by delays with millions of rands in economic losses being suffered, directly attributable to application processing delays. 2.) The second major factor is that every new applicant requires an Air Service License (ASL), which unnecessarily adds to the complexity of applications and the increased timelines for processing.

During 2017, CUAASA, together with CAASA, submitted proposed amendments to the Air Service Licensing Act, which will see the waiver of an Air Service License for RPAS below a weight of 25Kg. Although the amended Act has been approved by all stakeholders, the new Act still has to be signed into law by the Minister of Transport.

The economic impact has been significant, and according to leading Economist, Dr Roelof Botha, at the beginning of the second quarter of 2018, it was estimated that the cumulative loss in business that the RPAS industry in South Africa has suffered since the enactment of Part 101 amounts to approximately R4 billion. This has been borne out in the dossier prepared by CUAASA representing the losses incurred by legal ROC holders. The estimated contribution to national unemployment was approximately 46,000+ lost jobs.

CUAASA set out to prepare a dossier in a legal format, in conjunction with our legal team for presentations to SACAA. The SACAA was informed of this and has been advised that there may be legal implications that follow.

CUAASA has made it clear that we wish for SACAA to act on the dossier once received in an expedient fashion and to put together a plan to rectify their deficiencies, such that it will not place the industry at risk.

If there is to be no immediate reaction and an acceptable corrective action by the SACAA, this dossier would possibly be used as the basis for a possible Class Action supported by the documented and quantifiable extensive losses experienced by CUAASA members.

This dossier will be presented to the SACAA, Minister of Transport and the shadow Minister of Transport for appropriate action. The industry can no longer be expected to carry the losses and accept the rising safety issues where 99.5 % of the industry is not regulated. The industry by mere compliance is at a deficit financially compared with non-complying competitors. Timelines to have SACAA process applications and allow companies to operate are not reasonable compared

with other AOC (Manned Aviation) operators and international best practices, and has become a serious impediment to progressing this industry.

CUAASA has advocated the SACAA for the establishment of an RPAS Liaison Forum to improve drone safety across all users. After a series of engagements and successful meetings throughout 2017, a formal announcement should be forthcoming from the SACAA.

CUAASA has also improved its presence, for everyone interested in Drone related businesses, via an updated website, www.cuaasa.org

The key objectives for CUAASA for 2018 are:

- Increased representation for the industry and continued preparation of the dossier for a potential Class Action lawsuit.
- Continue to push for the revision of RPAS regulations governing the use of sub 2Kg RPAS for commercial use, and the implementation of sUAS regulations.
- Continue to work towards simplifying the regulations, reducing application complexity and simplifying compliance requirements for all RPAS users.
- Maintain a positive relationship with the SACAA via continued and regular meetings through the RPAS Liaison Forum.
- Grow the industry with live demonstrations to the SACAA to demonstrate practical operations relating to night flying operations and integrating RPAS into civilian airspace.

CUAASA Dossier

CUAASA completed the compilation of two dossiers at the beginning of May. The first dossier, addressed to the Director Civil Aviation Authority, detailed the problems and quantifiable financial losses being experienced by the industry based on actual submissions by organisations and individuals, representing both ROC holders and ROC applicants. The second dossier, addressed to the Minister of Transport, details the unacceptable delays in obtain and Air Services License through the Air Services Licensing Council.

On Monday morning the 14th May 2018, the CUAASA ExCo convened a meeting with the Director of Civil Aviation, Ms Poppy Khoza, and her team at the SACAA offices in Midrand to hand over a dossier detailing the immense problems and financial losses facing the RPAS industry in South Africa.



Ms Poppy Khoza, Director of Civil Aviation Authority, receives the dossier from CUAASA President, Dean Polley

The dossier was compiled over a 4 month period by CAASA appointed attorney, Grant Naude. Confidential inputs to the dossier were collected from both ROC holders and ROC applicants, detailing both procedural inconsistencies and quantifiable financial losses, with current accumulated losses exceeding R410 million. The dossier will potentially form the basis of a class action lawsuit in future, should no inroads be made with the SACAA in resolving the presented issues.

The CUAASA ExCo was represented by Dean Polley (President), Adam Rosman (Vice-President), Kevin Storie (COO CAASA), Tom Kruger, Mark Mansfield, Sean Reitz and Ken Venn.

Ken Venn presented a short summary covering the contents of the dossier, the contents being as follows:

Summary

- Part 101 has been in place for 34 months
 - Only 25 ROC's issued to date – that's less than one per month!!!
 - All 25 ROC's now experience the same pain. All commercial licensed entities experience additional cost burden due to mismanagement of regulations
- SACAA delays causing a MASSIVE impact on airspace safety
 - SACAA only regulates around 1% of the RPAS in South Africa
 - No overall drone/RPAS strategy being put forward by SACAA
- SACAA delays incurring significant financial losses to both ROC applicants and ROC Holders
 - R0.4 Billion Rand to date and increasing daily
 - SACAA process requires upfront cost outlay – staff and drones/RPAS
- SACAA created a barrier for transformation by forcing smaller market entrants out
- CUAASA engagement and discussions have been brushed off

Summary of Problem Statement

- SACAA only regulates around 1% of the RPAS in South Africa
- Rate of technological advancements faster than SACAA actions
- Significant financial losses incurred by both ROC applicants and ROC Holders
 - Approx. R0.4 Billion and growing based on delays
- Significant delays in ASLC processing Air Service Licenses
- Significant delays in SACAA processing ROC applications
 - Average 18 – 24+ months

- SACAA will not process application without ASL being issued
- Inconsistent regulation interpretations by SACAA inspectors
- Unsustainable costs directly related to ROC applications – staff and equipment
- Unacceptable delays in SACAA processing RLAs for existing ROC holders
 - 10+months in some cases
- Unnecessary logistical and administrative burden on operators due to delays
- Inadequate constructive engagements by SACAA with industry - CUAASA engagement as example

CUAASA Proposed Remedies

- Immediate establishment of the RPAS Liaison Forum. This has been requested since November 2016.
 - Uncompromising commitment to sticking to RLF meeting dates and addressing actions agreed to in RLF meetings
- Required for a national registration for all RPAS, using a “RICA” type of process, as for all cellphone SIM cards
- ASL Waiver for sub 25Kg RPAS - DCA to immediately issue an AIC. Sub 25Kg waiver is in the amended Air Services Licensing Act has been approved by all stakeholders
- Differentiate between different RPAS, RPAS Operators and Operations
- Adoption of a SORA process
 - Implementation of sUAS (sub 7Kg) Regulations – This will immediately alleviate almost all of the ROC applications backlog
- Implementation of a UTM Solution
- Eliminate ‘repeat’ RLA’s
- Appointment of a dedicated SACAA/Industry Liaison officer to handle all industry queries

- Automating ROC applications through online submissions (EMPIC)
- SACAA to provide visibility of budget funding for RPAS industry growth

Ms Khoza repeated her commitment to review the contents of the dossier, together with her team, over the next 7 working days, and further committed to convening a feedback meeting within the next 14 days. She further reiterated her and her team's commitment to collaborating with CUAASA and the RPAS industry to work towards workable solutions to the current challenges.

The CUAASA ExCo further advised Ms Khoza that failing the SACAA's commitment to addressing the issues presented, as a matter of utmost priority, and failing to implement the proposed remedies as set out in the dossier, it is CUAASA's intention to escalate the matter by way of submitting the dossier to the Minister of Transport and Shadow Minister of Transport for a Parliamentary review.

A meeting was called by the SACAA on the 30th May to clarify issues contained in the dossier.

- Mr Simon Segwabe, the Executive for Aviation Safety Operations, stated that no amendments or changes to Part 101 has been affected since its introduction in July 2015.
- According to Mr Simon Segwabe, the AIC's that have been issued and referenced to in the dossier are not legally binding and cannot supersede the regulations.
- It is important for ROC holders/applicants to bring any anomalies to CUAASA with respect to SACAA inspectors who implement their own interpretations of Part 101 which are contrary to the regulations.
- We noted that EMPIC is being used by Australia.
- According to Mr Simon Segwabe, the DCA does not have the authority to issue an AIC waiving the requirement for an ASL. This requirement has to be revoked by the Minister of Transport. It was noted that an ASL is not a requirement for air safety.
- Mr Simon Segwabe alluded to two approaches - a Short term and Long term fix.
 - For short term, he believes the issue of multiple RLAs for the identical type of aircraft

- We enquired about an OPS Manual template. SACAA still does not have a template available. A request was put forward by CUAASA for Mr Simon Segwabe to ask the RPAS inspectors, for all the Ops Manuals they have reviewed, which one stood out as the best.
- The question was put forward regarding the operating of independent/individual operators under an existing ROC.
- It was evident that SACAA does not understand or know exactly what or who CUAASA is.
- We referenced Mr Simon Segwabe's presentation at Drone Con (16 - 18 May 2018) and the DCA's presentation at the CAASA Commercial Aviation Symposium (22nd May 2018) with regards to inviting industry stakeholders to meetings to review the current regulations. We noted that CUAASA was not invited as one of the stakeholders and Sean Reitz asked what value or relevance does CUAASA have with SACAA.
- The question was raised again regarding the establishment of the RPAS Liaison forum, with the first meeting to be held in June. We proposed having the meeting at least monthly, for the first 6 months.
- Mr Simon Segwabe suggested that we apply for restricted airspace with NASCom for the purposes of carrying out RPAS demo flights.

Mr Simon Segwabe committed to responding to the dossier in writing by Friday 8th June 2018.

By close of business Friday 8th June 2018, no response had been received from the SACAA. Following numerous requests for SACAA to submit their response to the dossier, the issue was escalated at the CAASA Board Meeting held on the 14th June 2018. It was resolved that a letter be sent to the Director Civil Aviation undersigned by the President of CAASA and on behalf of the CAASA Board of Directors. The letter was sent on the 19th June 2018.

SACAA's written response to the dossier was received on Wednesday 20th June 2018.

In the opinion of the CUAASA ExCo, the submission was weak and lacked evidence of any immediate actions from SACAA to address key issues highlighted in the dossier.

A follow up meeting was held with SACAA on Monday 2nd July 2018 and a worksheet of action items was setup with agreed upon timelines. This worksheet will form the reference resource for further meetings and engagements with SACAA.

The key points identified to be actioned in the short term:

- CUAASA to compile a draft sUAS regulations for Class 1A & 1B RPAS
- The establishment of a SORA process (Special Operations Risk Analysis)
- Exemptions to certain elements of Part 101 related to sub 2Kg will be explored by SACAA
- CUAASA to submit sample Ops Manual, Safety Manual and RLA Application documents for SACAA to review and approve as acceptable document templates for future applicants
- CUAASA to be invited to attend and observe future inspections and demonstration of ROC applications, subject to approval by the respective applicant
- Related RPAS training for SACAA inspectors

Air Services License Issues

A separate Dossier, detailing the failing of the Air Services Licensing Council to clear the backlog of Air Service License applications, was submitted to the Minister of Transport, Dr Bonginkosi Emmanuel Nzimande on the 6th June 2018, with acknowledgement of receipt having been received on the 7th June 2018.

A face-to-face meeting was also scheduled with the Shadow Minister of Transport, Mr Manny de Freitas, where a copy of the ASL Dossier was handed over and a summary presented of the challenges being faced by the RPAS industry.

Following a 30-day absence of any further response from the Department of Transport, a follow up email was submitted on the 5th July enquiring about in progress in reviewing our submission. No reply has been received at the writing of this report.

CUAASA will now proceed with submitting the ASL Dossier to the Chairperson of the Parliamentary Portfolio Committee for Transport and request a formal inquiry in the issue.

Africa Aerospace and Defence Expo 2018

Following AAD 2016, and in my role as CUAASA representative serving on the CAASA Marketing Committee, we have been a proponent for the demonstration flying of drones at AAD 2018. As AAD is held at Airforce Base Waterkloof, there is a 3 Phase approval process that is required, namely AAD Executive Committee, the Policy Committee headed by Chief of the Airforce and National Defence Intelligence.

A case study presentation was compiled, together with a safety and security case, and was firstly presented to the AAD ExCo on the 14th of February 2018. Our application was approved and a recommendation was put forward to the Policy Committee.

The concept and application was presented to the Policy Committee, with Chief of the Airforce, General Msimanga present, on the 28th February 2018. The concept was approved and a recommendation was submitted to National Defence Intelligence.

The concept and application was once again presented on the 9th May 2018 to representatives from National Defence Intelligence and the South African Airforce. It should be noted that representatives of the Airforce endorsed our application and the allowing of drone flights at AAD, subject to agreed upon terms and conditions.

Unfortunately, National Defence Intelligence declined our approval on the 31st May 2018 and the prohibition of operating drones at AAD remains in place. Their letter declining our application was only received on the 12th July 2018.

Current state of ROC Applications with SACAA

According to SACAA, as of the 2nd July 2018, the following figures represent the number of ROC applicants for each phase of the ROC application process:



Phase 1 represents the ASL application process. With the Air Services Licensing Council only sitting one day per month and only reviewing 3 applicants, it will take 11 years to clear the current applicants in Phase 1.

During the meeting with SACAA on the 2nd July 2018, CUAASA proposed that SACAA begin the processing of applicants in Phase 2, 3 and 4 in parallel to an applicant processing their ASL application. The SACAA has refused to do this.

Authorised Training Organisations (ATO)

There are currently five ATO’s in South Africa that address the RPL training requirement. Over the last 12 months approximately 360 RPL’s have been issued in South Africa and they rate of increase in RPL licenses will see RPL’s overtake normal pilot licenses issued by the SACAA within the next 12-24 months.

Organisation	Location
ProWings	Sandton & Benoni
Cranfield Aviation Training	Fourways
RPAS Training Academy	Johannesburg & Durban
UAV Industries	Cape Town & Johannesburg
Drone X	Cape Town

On average, it costs R 25,000 - R 30,000 to obtain an RPL (Remotely Piloted Aircraft Pilot's License).

Two of the ATOs have been approved to provide BVLOS (Beyond Visual Line of Sight) training, namely RPAS Training Academy and UAV Industries.

Economic Impact

In the second quarter of 2018, Dr Roelof Botha was tasked with conducting a second economic assessment study of the South African Drone Industry, following on from the first one done in the beginning of 2017, and he surmised that a summary of the macro-economic impact of the drone industry for 2018 was a potential revenue generation of R4 billion per annum, up from R2.4 billion in 2017, and the creation of approx. 46,000 jobs, up from 26,000 in 2017.

An AUVSI economic impact study projects that the expansion of RPAS technology will create more than 100,000 jobs and generate more than \$82 billion to the global economy in the first decade following integration into the airspace.

Executive Committee 2018

The current Executive Committee was elected at the AGM on the 27th January 2018.

The current ExCo is:

Dean Polley	President	Aerial Vision Africa
Adam Rosman	Vice President	Aerial Monitoring Solutions
Thomas Kruger	Executive Committee Member	Hussar Security & Defence Solutions
Ken Venn	Executive Committee Member	UAV Industries (ROC Holder)
Sean Reitz	Executive Committee Member	United Drone Holdings (ROC Holder)
Mark Mansfield	Executive Committee Member	World Airnews Magazine
Kevin Storie	Executive Committee Member	COO CAASA

Nico van Rooyen Executive Committee Member DC Geomatics (ROC Holder)

Stephen Verheul Executive Committee Member Visual Air Productions (ROC Holder)

Membership

Membership numbers in CUAASA has stabilised. Considering the slow growth in the industry these membership figures can be understood.

The number of CUAASA members currently are 54.

A significant effort is being undertaken to grow the member base, starting with all the current ROC holders and expanding out to all ROC applicants. The revised CUAASA strategy will be able to offer these members more value.

Conclusion

This has been an incredibly busy 6 months of the year in the history of CUAASA and as president I am proud of what the ExCo and organisation as a whole has achieved. Based on what we have achieved over the past 6 months has given me faith that CUAASA will be better placed to represent the RPAS industry in South Africa and contribute meaningfully to the growth in the economy going forward.

As the RPAS industry grows, more businesses will be able to harness the power of RPAS and reap the substantial economic benefits. Based on the tremendous growth of and interest in RPAS technology, those numbers are likely to be even higher.

The SACAA has acknowledged the frustrations felt by the industry and has pledged to work together to resolve the logjam and allow the industry to grow.

The CUAASA ExCo will continue the engagement and will explore all avenues available to facilitate the growth of the industry whilst ensuring safe and compliant operations.

In closing, I would like to extend my sincere thanks and appreciation to the entire CAASA Board of Directors and the President of CAASA, Mrs Tracey Eloff, for their support of CUAASA; the CAASA office management led by the CEO, Mr Leon Dillman and the General Manager, Mrs Louise Olckers, for their constant guidance and support; the CAASA Office Manager, Ms Sam Keddle for

her tremendous administrative support, and last but not least, the COO of CAASA and CUAASA ExCo member, Mr Kevin Storie, for his tireless pursuit of issues with SACAA and ensuring their accountability to the industry.

DEAN POLLEY
PRESIDENT