



SECTION 333 EXEMPTION INFORMATION
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1 Purpose

This informational sheet provides an overview to the Federal Aviation Administration (FAA) process for petitioning for a Section 333 Grant of Exemption from specific Federal Aviation Regulations (FAR) that restrict the flight of unmanned aircraft systems (UAS) for commercial purposes. In addition to the Approved Flight consulting service, Black Swift Technologies (BST) also offers UAS services including UAS product design, data analytics, and international regulatory consultation. Please contact our solutions team for more information at support@blackswifttech.com.

The operation of UAS in the national airspace (NAS) requires an FAA Certificate of Authorization (COA) because unmanned aircraft systems are not compliant with many sections of Title 14 of the Code of Federal Regulations and, thus, require an alternate means of compliance. Recognizing the need for a regulatory approval process that welcomed smaller and simpler UAS systems, Section 333 of FAA Modernization and Reform Act of 2012, Public Law 112-95 (P.L. 112-95), and 14 C.F.R. Part 11 were passed. Section 333(a)(b) permits the Secretary of Transportation to authorize safe flight operations for certain unmanned aircraft systems with either a Certificate of Waiver or a Certificate of Authorization.

As of March 31, 2015, once a Section 333 Grant of Exemption has been received by the user, a “blanket” Certificate of Authorization has been issued by the FAA which permits Section 333 Exemption holders to legally operate the UAS, anywhere in the United States, according to the following limitations:

- Flights must be at or below 400 feet;
- Aircraft must weigh less than 55 pounds;
- Operation must occur during daytime Visual Flight Rules (VFR) conditions;
- Operation must be within visual line-of-sight (VLOS) of the pilots;
- Operation must stay away from airports or heliports by certain distances:
 - 5 nautical miles from an airport with an operational control tower; or
 - 3 nautical miles from an airport with published instrument flight procedure, but not an operational tower; or
 - 2 nautical miles from an airport without published instrument flight procedures or an operational tower; or
 - 2 nautical miles from a helipad with published instrument flight procedures.

A Section 333 Petition requests that the UAS user be exempt from specific Federal Aviation Regulations, including operational requirements, emergency procedures, airworthiness inspection requirements, area of operations, and the crew proficiency requirements, thereby permitting the user to legally operate its UAS. The overarching goal of the Section 333 Petition is to demonstrate to the FAA that the operations of the UAS has an equivalent level of safety of manned operations. We guarantee our work and provide refunds if we are unable to receive FAA approval.

The full bios of our core team and their credentials can be found on the company website. The team has written more successful Section 333 and COA applications than any other firm to date.

We have an established relationship with the FAA, which has allowed us to support the unique needs of our diverse clients. Our growing list of clients has included universities, storm chasers, precision agriculture, real estate corporations and local government entities. The Section 333 process can be laborious for users not familiar with changing FAA requirements, air regulations, UAS operational protocols and technical system information. Black Swift Technologies creates an Approved Flight package that is straightforward and customized for each client. For more detailed information and to schedule an initial consultation please contact Black Swift Technologies at support@blackswifttech.com.

2 Process Overview

Black Swift Technologies, through its Approved Flight service, works directly with clients to submit FAA Section 333 Petitions specifically tailored to the UAS system and its applications. Figure 1 shows an overview of the process that is comprised of four primary steps.

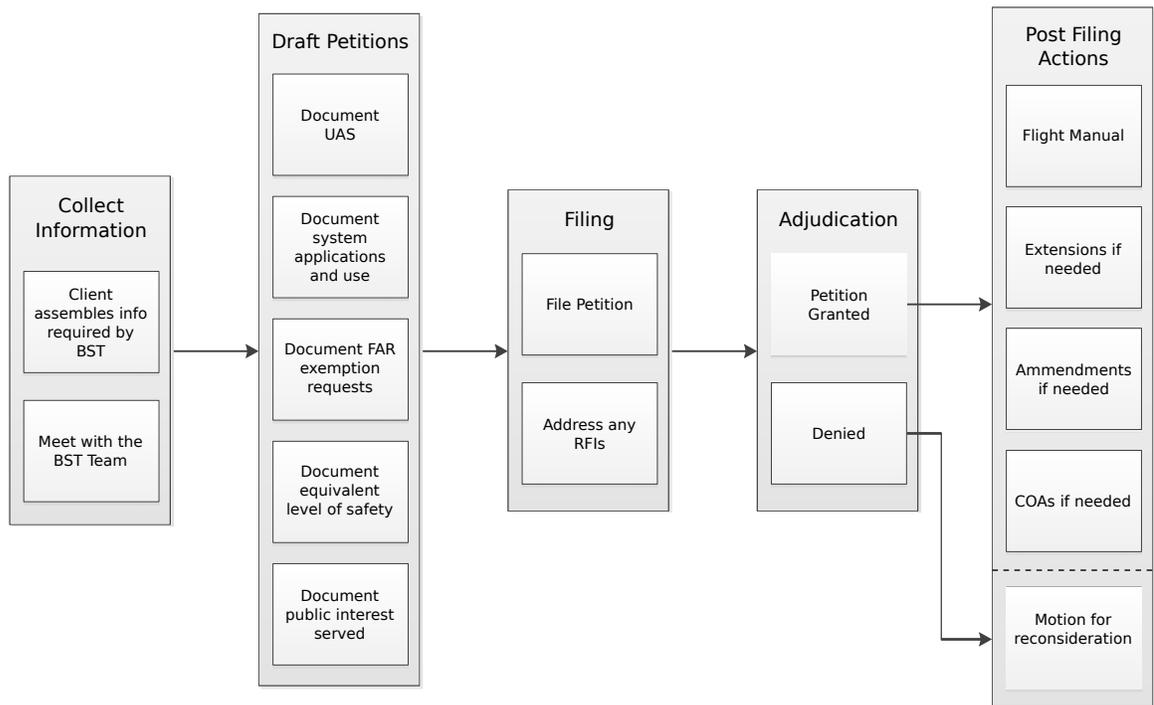


Figure 1: Overview of the section 333 process highlighting the main activities.

2.1 Prepare the Petition for Exemption

Crafting the Petition consists of a meeting between Black Swift Technologies and the client to get all of the details necessary, including UAS system information and the intended use of the system, to write the Section 333 Petition and initiate the processes required to submit the application. Black Swift Technologies will then assess the client information to determine which FAR rules are

necessary to seek exemption from. The Black Swift Technologies team will then draft the Petition based on information from the client. This process can take up to a week from the first meeting with the client and will include:

- relevant client information;
- the technical details of the UAS platform concerned;
- the specific sections of the FAR which the client requires exemption from in order to legally fly;
- the extent of the exemption requested and the reason for why relief from the rule is sought;
- a public interest argument as to why exemption from the FAR rules will benefit the public;
- the reasons and any illustration as to how safety would not be negatively impacted or how an equivalent level of safety under the FAR rule would be achieved;
- an addendum explaining precisely the exemption sought and the reasoning from each specific FAR rule;
- any further information and arguments supporting the clients request for exemption.

2.2 File the Petition for Exemption

After client review, approval and signature of the Petition, Black Swift Technologies then submits the Petition on behalf of the client

The FAA requires that the user submit a Petition for Exemption at least 120 days prior to the user needing the exemption to be in effect (i.e. before flight operations). However, the 120 days advised by the FAA is not a guarantee as to when the Petition will be adjudicated over. As of September, 2015, the FAA has processed over 1,500 Petitions for Exemption. Due to the daunting backlog of Petitions that the FAA is faced with, processing times for the approval or denial of Section 333 Petitions may take longer than the 120 day submission window. Often, Section 333 Petitions are taking as long as five to six months to be approved or denied.

The Section 333 Petition is then submitted electronically on the FAA's Automated Exemption System, its public docket. In some circumstances, a hard-copy paper submission of the Petition may be required.

2.3 Requests for Further Information

Occasionally, the FAA will request further information regarding the UAS system, its intended use, exemption requests from specific FAR regulations or the public benefit served thereby. Black Swift Technologies will assist the client in responding to these requests in a timely fashion and at no added cost.

2.4 Grant of Exemption or Denial of Petition

The FAA will then either grant or deny the Petition for Exemption. If a Petition is granted, Black Swift Technologies will subsequently provide a flight manual to the client which outlines the real-world implications of the conditions and limitations placed on the users flight plans. If the unique instance in which a Petition is denied, BST will assist the client with a Motion for Reconsideration of the denied Petition and will work with the client to address the issues in the intended use raised by the FAA.

2.5 Amendments and Extensions

Should the client require the use of additional UAS systems, Black Swift Technologies can assist in amending the clients Section 333 Exemption for an additional cost.

The FAA grants Section 333 exemptions for a period of two years. Should a client need to extend their Section 333 exemption beyond its expiry date, the FAA requires the client to submit a Request for Extension at least 120 days prior to the Grant of Exemptions expiry. Through its Flight Approved service, Black Swift Technologies can help customers apply for an extension as needed.

The Section 333 exemption process can vary greatly in effort depending on the specific system and on which Federal Aviation Regulations (FAR) are requested to be exempted. The typical price range of the Black Swift COA process starts at \$1,500 for simple operations utilizing Black Swift Technologies systems and start at \$1,650 for non-Black Swift systems and more unique requirements that involve back-and-forth with the FAA. Black Swift strives to offload almost all of the work from the client other than what is absolutely necessary. For most cases Black Swift will get all of the required information from the client at the initial kick-off meeting, write the entire Petition, and put together a customized list of actions for the client to complete to secure the required certifications and training to conduct legal and safe flight operations.

The automatic COA for the Section 333 comes with many restrictions on operations. If the user desires to operate beyond the limitations of the Section 333 “blanket” COA, the user can still seek a Certificate of Authorization. BST has in-depth experience in writing COAs and will work with the customer on any desired approvals and procedures beyond the automatic 333 COA.

2.6 Flights Manuals, Training and Preparation for Operation

Following receipt of the Section 333, BST will provide the customer with a customized manual that includes all of the necessary provisions, requirements, and actions required to legally and safely operate under the COA. This is presented in an easy to use manner that makes use of checklists customized for the customers specific system and operation types.