

Innovation and Business Environment Working Group

Dr. Tom Dingus, VTTI

November 5, 2015

Creating a Virginia-based UMS Ecosystem

Strengths of Virginia:

- Attractive market location supporting high-quality customers within close proximity of one another
- Efficient access/channel to customers/partners, large pool of prospective employees, and ready sources of funding
- Northern Virginia is the center of the universe for federal agencies and large enterprises that sell to government agencies
- Qualified labor, business-friendly regulations, attractive market dynamics, access to technologies, vibrant business ecosystem

Creating a Virginia-based UMS Ecosystem (cont.)

Leveraging Strengths towards UMS Growth:

- Define incentives needed for both small/entrepreneurial and large companies
- Recommend a required innovation environment:
 - Spanning research, engineering, and testing
 - Connecting innovators, entrepreneurs, venture capital, academia, and federal labs
- Examine all elements of the UMS supply chain to estimate relative value for Virginia and relative importance of targeting marketing and investments/incentives
 - Manufacturing, software, cyber, data services, component technologies, testing, education
- Define focal point for UMS marketing, economic/business development, and integration of resources
- Examine role of test ranges in the current industry environment
- Examine potential in increased collaboration; e.g.:
 - DoD and NATO ACT
- Define regional hubs of UMS industry in Virginia

Select Recommendations

- Design and leverage hubs around various aspects of UMS (e.g., research, design, development, manufacture, test, regulation); examples:
 - Northern Virginia
 - Hampton Roads/Virginia Beach (East)
 - Western Virginia/Virginia Tech (West; includes FAA-approved test sites)
- Expand R&D tax credit for large, innovative companies
- Expand/develop program to support historical Virginia companies that are retaining jobs in the Commonwealth (e.g., contract awards)
- For both large and small companies, create effective and timely state incentives associated with economic development
- Create “accelerators” that are connected to UMS test sites
- Provide a reasonable assessment of the entire market space (with a focus on how much of that market could affect Virginia), including:
 - DoD (e.g., Unmanned Systems Integrated Roadmap FY 2013 – 2038)
 - Commercial
 - Foreign

Select Recommendations (cont.)

- Establish a short-term (one-year) study group to establish/define specific ROI
- Create matching funds for SBIR-/STTR-like projects
- Establish opportunities that reward teaming arrangements between businesses and colleges/universities
- Ensure IP protection
- Streamline contract process to ensure efficient contract award/use
- Tie all efforts/projects to known requirements/funding by larger companies and agencies; e.g.:
 - DoD, FAA, DHS, DOE, etc.
- Create an environment/venue for venture capital organizations to be exposed to new and innovative technology and provide a forum for active investment
- Enjoin congressional bipartisan support to motivate entities to fund programs of interest
- Conduct private sector and USG conferences and seminars