



Basis Points – October 8, 2020

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Above the Fold

Did the FAA Just Open the Drone Floodgates?

We're already seeing companies like Amazon, Alphabet and UPS registering with the Federal Aviation Administration (FAA) to operate fleets of delivery drones, but that doesn't mean they can skirt the very restrictive rules when it comes to flight. So while these three companies can now operate aviation businesses similar to airlines, the drones they will fly don't have free reign to go anywhere, anytime they want. Drones are not allowed to operate at night or over populated areas, but most importantly, the operator must see the drone with the naked eye, or have a dedicated spotter who can do so, at all times. Those restrictions can be quite limiting, but the FAA may have just set a precedent that could change all that.

This week, the FAA granted the North Carolina Department of Transportation (NCDOT) a blanket, four-year waiver to fly their smart Skydio drones beyond the critical visual line-of-sight regulations. The drones will mainly be used to inspect bridges, but the waiver could be the break that other drone operators are looking for, setting precedent for broader use. To be fair, Skydio drones have proprietary obstacle avoidance software that helps avert dangerous interactions with people and/or property. If the FAA is to expand these types of waivers, the drones will likely need to have specific and maybe even standardized safety systems, like those used by Skydio.

Three Things

1. ***Apple May Be Late, but Expect Big Things Next Week*** – Apple announced it will hold a special online event Oct. 13. Experts believe that the tech giant will release its latest, and perhaps most anticipated, suite of iPhones that will finally offer 5G connectivity and a potential shell redesign. Industry watchers say the expectations are high and that the company is likely to release an even more varied lineup of smart devices this year.
2. ***Boom! The Next Concorde Might Be Coming*** – Aviation startup, Boom Supersonic, revealed a large prototype that could be the next Concorde. Dubbed the XB-1, flight tests are expected to begin next year and it will reportedly reach speeds of Mach 1.3. The final commercial version, called Overture, will be 199 feet long and carry between 65 and 88 passengers.
3. ***What Do Holograms and Cars Have in Common?*** – Several large automotive companies, including General Motors, Hyundai Mobis and China’s SAIC Motor Corp, have all invested in hologram technology startup Envisics Inc. Based in the U.K., Envisics produces a holographic modulator and processor chip that will help drivers better interface with partially or fully-autonomous vehicles by superimposing imagery and graphics in the driver’s line of sight.

Did You Know?

Worst Week on Wall Street, but...

In 2008, the Dow Jones Industrial Average lost 1,874 points (18.2%) during the week ending Oct. 10 — the worst week in history for the Dow. Three years later, in 2011, October was the second month that the Dow gained more than 1,000 points.

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