



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
On the 21st day of October

Arrow Air, Inc., d/b/a Arrow Cargo

**Violations of 49 U.S.C. § 41708 and
14 CFR Part 241**

Docket OST 2008-0031

Served: October 21, 2008

CONSENT ORDER

This consent order concerns reporting delinquencies by Arrow Air, Inc., d/b/a Arrow Cargo ("Arrow Cargo") that constitute violations of 49 U.S.C. § 41708 and the accounting and reporting requirements specified in 14 CFR Part 241. This order directs Arrow to cease and desist from future violations and assesses the carrier a compromise civil penalty of \$60,000.

Part 241 reports are needed to monitor carrier fitness and ownership, to examine the effects of air transportation industry policy initiatives, to apportion airport development funds, to forecast traffic and to develop airport and airway traffic policy. Failure of a carrier to file its reports prevents the Department from making knowledgeable decisions. Accordingly, the Department views these violations very seriously. Failure to file reports on time also constitutes violations of 49 U.S.C. § 41708 and applicable Department regulations.

Arrow Cargo has failed to file required reports on time on numerous occasions, prompting the Department's staff to send Arrow Cargo warning letters about its delinquencies. On April 22, 2005, the Department's Office of Airline Information (OAI) sent the company a warning letter regarding its delinquent Form 41 financial reports. After Arrow Cargo failed to correct its reporting delinquencies, the Office of Aviation Enforcement and Proceedings (Enforcement Office) warned Arrow Cargo in writing to correct its delinquencies and that any future failure to file required reports on time could result in enforcement action. Although Arrow Cargo eventually filed some of the reports, new delinquencies occurred. Arrow Cargo is now up to date in filing its reports.

We view seriously Arrow Cargo's failure to file its reports on time as required by Part 241. Accordingly, after carefully considering all of the facts in this case, the Enforcement Office believes that enforcement action is warranted. In order to avoid litigation, Arrow Cargo agrees to settle these matters with the Enforcement Office through the issuance of this consent order directing it to cease and desist from future similar violations of Part 241 and 49 U.S.C. § 41708 and assessing it \$60,000 in compromise of potential civil penalties otherwise due and payable. Of this total penalty amount, \$10,000 shall be due and payable within 15 days of the issuance of this order. Two additional payments of \$10,000 each shall be due 45 days, and 75 days, respectively, after the issuance of this order. The remaining \$30,000 will be due and payable if Arrow Cargo violates this order's cease and desist provision within one year of the issuance of this order, or fails to comply with the order's payment provisions, in which case the entire unpaid portion of the \$60,000 penalty shall become due and payable immediately, and the company may be subject to further enforcement action. We believe that this assessment is appropriate and serves the public interest. It represents an adequate deterrence to future noncompliance with the Department's reporting requirements by Arrow, as well as by other air carriers.

This order is issued under the authority contained in 49 CFR 1.57a and 14CFR 385.15.

ACCORDINGLY,

1. Based on the above discussion, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that Arrow Air, Inc., d/b/a Arrow Cargo has violated 14 CFR Part 241 by failing to file required reports in a timely manner;
3. We find that by engaging in the conduct and violations described in ordering paragraph 3 above, Arrow Air, Inc., d/b/a Arrow Cargo has also violated 49 U.S.C. § 41708;
4. Arrow Air, Inc., d/b/a Arrow Cargo and all other entities owned or controlled by or under common ownership with Arrow Air, Inc., d/b/a Arrow Cargo. and their successors and assignees, are ordered to cease and desist from violations of 49 U.S.C. § 41708 and 14 CFR Part 241;
5. Arrow Air, Inc., d/b/a Arrow Cargo is assessed \$60,000 in compromise of potential civil penalties that might otherwise be assessed for the violations found in ordering paragraphs 3 and 4 above. Of this total penalty amount, \$10,000 shall be due and payable within 15 days of the issuance of this order. Two additional payments of \$10,000 each shall be due 45 days, and 75 days, respectively, after the issuance of this order. The remaining \$30,000 will become due and payable if Arrow Air, Inc., d/b/a Arrow Cargo violates this order's cease and desist provision within one year following the date of issuance of this order, or fails to comply with the order's payment provisions, in which case the entire unpaid portion of the \$60,000 penalty shall become due and payable immediately, and the company may be subject to further enforcement action;

6. Failure to pay the penalty as ordered will subject Arrow Air, Inc., d/b/a Arrow Cargo to the assessment of interest, penalty and collection charges under the Debt Collection Act, and possible enforcement action for failure to comply with this order; and
7. Payment shall be made by wire transfer through the Federal Reserve Communications System, commonly know as "Fed Wire," to the account of the U.S. Treasury. The wire transfer shall be executed in accordance with the instructions contained in the Attachment to this order.

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own motion.

BY:

ROSALIND A. KNAPP
Deputy General Counsel

(SEAL)

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(1) To 021030004 (ABA #)	(2) Type		
(3) From	(4) Ref.	(5) Amount	
(6) Ordering Bank and Related Data			
(7/8) TREAS NYC/CTR/OST (Beneficiary Name)			
(9) Beneficial Agency Location Code = 69010005 (Account Number)			
(10) Payer			
(11)			

1. **Treasury Department Code—Provided**
2. **Type Code—To be provided by sending bank.**
3. **Sending Bank's Code—(ABA#)**
4. **Reference No.—Optional number, entered if sending bank desires to number transaction.**
5. **Amount—Include dollar sign and punctuation including cents digits.**
6. **Sending Bank Name—Telegraphic abbreviation corresponding to Item 4.**
- 7/8. **Entire line provided precisely as shown.**
9. **Entire line provided precisely as shown.**
10. **Enter name of air carrier or other payer (as shown on order).**
11. **Identify payment (maximum 80 digits). Enter order number (if any), issue date, and state "installment" or "full payment."**

NOTE: Questions about these instructions should be directed to **Barbara Brock, General Accounting Division, Accounts Receivable, AMZ-300 LCI/FAA/MMAC, Barbara.ctr.Brock@faa.gov, phone: (405) 954-8478 fax: (405) 954-1620.** To ensure proper credit, notify Ms. Brock when each payment is made.