

BEFORE THE
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

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U.S.-Ecuador All-Cargo))
Frequency Allocation) Docket OST-2000-7513
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**JOINT-SUPPLEMENT OF FINE AIR SERVICES, INC.
AND ARROW AIR, INC. TO APPLICATIONS FOR
ALLOCATION OF ALL-CARGO FREQUENCIES**

1. In an August 8, 2000 letter filed in this proceeding, the Department requested that in light of the recently-issued DOT Order 2000-8-5, Fine Air Services, Inc. ("Fine Air") and Arrow Air, Inc. ("Arrow Air") clarify and indicate any changes to previously-stated positions and proposals and to include such detail as necessary to permit other parties to provide a meaningful response.

2. The Department is correct that in Order 2000-8-5 the merger of Fine Air's operations and authorities into Arrow Air's was approved, including the two (2) weekly Ecuador frequencies previously awarded to Fine Air. See DOT Order 95-2-19. With this recent Departmental approval, the merger of the operations of Fine Air into Arrow Air can now proceed and is underway.

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3. However, the issue of how the then-pending route transfer application would affect the frequency allocation applications of Fine Air and Arrow Air in the event of a an approval of the merger has been addressed by Fine Air, and the parties herein were afforded the opportunity to respond. In June, Fine Air stated:

Fine Air has taken no position on the application of Arrow Air, Inc. ("Arrow"). As the Department and parties are aware, both Fine Air and Arrow are under the common ownership and control of Fine Air Services Corp. See DOT Order 99-4-5, Exemption approving acquisition of Arrow by Fine Air Service Corp. The application of Fine Air and Arrow Air for de facto route transfer dated February 23, 1999, subsequently amended to seek approval of a full merger of Fine Air, Inc. into Arrow Air, Inc. remains pending in Docket OST-99-5140. Pursuant to Order 99-4-5, Fine Air and Arrow are required to be run as two (2) separate air carriers, and Fine Air and Arrow are also both obliged to apply separately for the frequencies available herein. In the event Fine Air were awarded any frequencies herein, those frequencies and all of Fine's other authorities would be transferred to the merged carrier, Arrow Air. See Fine Air Consolidated Answer, 1-2, n.2.

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4. Procedurally therefore, with the issuance of Order 2000-8-5 now permitting the merger of Fine Air into Arrow Air to be implemented, the application herein of Arrow Air for the three (3) frequencies available for reallocation stands unchanged. To the extent necessary, the application of Fine Air is hereby withdrawn.

Respectfully submitted,

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