

ALERT

# FAA Proposes Record \$1.9 Million Civil Penalty Against UAS Operator SkyPan International

---

October 6, 2015

The Federal Aviation Administration (FAA) announced this morning that it sent an enforcement letter to SkyPan International, Inc. (SkyPan) proposing a civil penalty of \$1.9 million for alleged unauthorized unmanned aircraft systems (UAS) operations. The FAA alleges that SkyPan violated several FAA regulations and operating rules and operated “in a careless or reckless manner so as to endanger lives or property.” The proposed penalty is the largest that the FAA has proposed to date against a UAS operator.

According to the FAA Press Release, SkyPan, a Chicago-based company, conducted 65 unauthorized UAS aerial photography operations between March 2012 and December 2014. Forty-three of these flights were allegedly conducted in highly restricted Class B airspace in New York without the requisite air traffic control clearance. The FAA further alleges that SkyPan failed to obtain an airworthiness certificate; register the aircraft; obtain a certificate of waiver or authorization for the operations; and equip the aircraft with two-way radio, transponder, and altitude-reporting equipment.

The FAA issued SkyPan a grant of exemption authorizing the company to operate UAS on April 17, 2015 pursuant to Section 333 of the FAA Modernization and Reform Act of 2012. This grant of exemption imposes the same operating conditions typically imposed on commercial UAS operators pursuant to the FAA’s summary grant process. The terms of SkyPan’s grant limited the company to flying UAS below 400 feet above ground level and at least 500 feet away from non-participating persons, vehicles, and structures. From the FAA’s Press Release, it does not appear that the agency is alleging

## Authors

---

Joshua S. Turner  
Partner  
202.719.4807  
jturner@wiley.law  
Sara M. Baxenberg  
Associate  
202.719.3755  
sbaxenberg@wiley.law

## Practice Areas

---

Telecom, Media & Technology  
Uncrewed Aircraft Systems (UAS)

liability for any conduct that post-dates the company's grant of exemption.

The FAA Press Release states that SkyPan will have 30 days to respond to the FAA's enforcement letter.