

## GENERAL INFORMATION AND REQUIREMENTS FOR ARC APPROVAL OF NEW CORPORATE TRAVEL DEPARTMENT ENTITIES

The Airlines Reporting Corporation (ARC) is a service company owned by the principal scheduled airlines of the United States. Approximately 160 domestic and international scheduled airlines and rail carriers participate in the ARC program. One of its functions is to process and evaluate applications by organizations seeking ARC approval as new Corporate Travel Department (CTD) entities. Another function is supplying ARC traffic documents, which are used to issue airline tickets, and other accountable documents used in connection with the issuance of air and rail transportation and related services. Other important functions include transmission of weekly sales reports and monitoring remittances for sales and transferring funds to the appropriate carriers. The transmission of weekly sales reports is now being done electronically using ARC's Interactive Agent Reporting (IAR) – Electronic Sales Reporting System. The IAR system is the electronic way to submit ARC Sales Reports directly through the CTD's Computer Reservation System (CRS), Global Distribution System (GDS) or Internet Service Provider.

A summary of standards and requirements for ARC approval are described below. An annual fee of \$140 is charged for each ARC approved CTD location. Please note, however, that some carriers have supplemental requirements and therefore may not automatically appoint an ARC-approved CTD to issue their tickets through the ARC system. See Section E, Carrier Requirements, below.

### A. FINANCIAL REQUIREMENTS

1. The applicant must procure and maintain, for the benefit of the carriers and ARC, a surety bond issued by a bonding company that is listed in US Treasury Circular 570, or a standby irrevocable letter of credit that is issued by a federally insured bank or provide coverage through the new Cash Security Deposit (CD) program option. The minimum amount must be \$20,000. ARC's application kit contains bond and letter of credit formats which may be photocopied and used by applicants. However, if your surety or bank chooses to use its own form, the language of the bond or letter of credit must be identical to the ARC format. ARC cannot accept any changes to the language in the bond or letter of credit. The instructions and application for the CD option may be downloaded from <http://www.arccorp.com/forms/aas/form309.pdf>. The application is brief and simple – no underwriters, no bankers, no credit reports and no financial statements.
2. If the corporation seeking accreditation as a Corporate Travel Department is an entity whose shares are listed on a U.S. securities exchange or are regularly traded in a U.S. over-the-counter market (e.g., publicly traded companies and investment companies, etc.), a Personal History Form may not be required for each owner, officer, and director of the corporation.

Instead, as an alternative to providing such information, the corporation would be required to provide the following: (1) a Personal History Form for the corporate officer(s) and director(s) directly responsible for the corporate travel department function; and (2) a copy of the periodic financial report required by the U.S. Securities and Exchange Commission, which provides the name, office, term, and other specific background data on corporate directors and officers (e.g., Form 10-K, etc).

3. Each ARC approved CTD must have an IRS Taxpayers Employers Identification Number (EIN), which is obtained from the Internal Revenue Service. ARC will not approve an application without a copy of the written confirmation issued by the IRS.
4. ARC will accredit New CTD Entity applications as electronic reporting locations. These locations will electronically submit weekly sales reports through ARC's Interactive Agent Reporting (IAR) system. Those CTDs that are automated using a CRS/GDS will have the option of submitting their weekly sales reports to ARC through their CRS/GDS or their Internet Service Provider. If the CTD is a manual location issuing only handwritten tickets (i.e., will not order, store or issue automated traffic documents), the CTD can submit their weekly sales reports to ARC through their Internet Service Provider. Information pertaining to IAR will be enclosed with the New CTD Entity application kit.

### B. PERSONNEL REQUIREMENTS

1. Each authorized CTD location shall have at least one person who is a full-time employee of the CTD at the authorized location for the CTD, and is either the owner, partner, officer, manager, supervisor of the CTD, or a full-time employee of an ARC-accredited Agent affiliated with the CTD, who fulfills each of the following qualifications:
  - a. Exercises daily supervision of, and responsibility for, the operations of that CTD location and has the authority to make management decisions therefore;
  - b. Has at least two years' full-time experience in either (1) providing general travel services to a business or its employees in a company or in-house travel office (2) selling general travel services to the general public or (3) supervising the operation of a business offering such services; and
  - c. Has demonstrated knowledge of the provisions of ARC's *Industry Agents' Handbook*.

2. Each authorized CTD location shall have at least one full-time employee of the CTD, or of an ARC-accredited Agent affiliated with the CTD, who is an ARC Specialist status, having demonstrated knowledge of the provisions of the Industry Agents' Handbook, including, for example, Area Settlement Plan (ASP) processing, ARC traffic document preparation, refunds and exchanges, ticket security rules and procedures, and preparation and reconciliation of weekly sales reports, through successful completion of the Certified ARC Specialist Examination. Applicants can obtain more information concerning the ARC Specialist Qualifier (ASQ) Training and examination by reading and completing ARC forms available from the ARC Web Site at [www.arccorp.com](http://www.arccorp.com), *Forms 20-26*.

### C. GENERAL QUALIFICATION REQUIREMENTS

1. The CTD applicant must be a citizen or national of the U.S. or an alien authorized to be employed in the U.S., or a foreign corporation authorized to do business in the local jurisdiction in which the CTD is situated.
2. The applicant must not have a name, fictitious name or "doing business as" name, which is the same as, or misleadingly similar to, that of a carrier participating in the ARC program; and the location must not be identified as an airline office.
3. The CTD location is not intended to be open and accessible to the general public. The CTD shall not solicit customers or advertise or promote its services or operations to its customers, the general public, or non-affiliated businesses.
4. A CTD may be located on the CTD's premises, or on the premises of one of its wholly owned subsidiaries or on the premises of an ARC-accredited travel agency.

### D. THE APPLICANT WILL BE INELIGIBLE FOR ARC APPROVAL IF:

1. There was a material misrepresentation or inaccuracy in the application or any attachments to the application
2. Any person involved in the day-to-day operations who has access to money from sales in which ARC traffic documents are issued is not a citizen or national of the U.S. or an alien authorized employment in the U.S.
3. The location does not have the requisite licenses of the jurisdiction in which it is located.
4. ARC has reason to believe that the CTD, or any person with a financial interest in the applicant, any officer, director, qualifying manager or anyone employed in any capacity in which that person has access to ARC traffic documents or money from a sale in which ARC traffic documents are issued:
  - a. has or had a financial interest in, or a connection with, or was employed by, any ARC Agent or CTD previously canceled from the ARC list.
  - b. has or had a financial interest in, or a connection with, or is or was employed by any ARC Agent or CTD presently declared in default, under provisions of the ARC Agent Reporting Agreement or ARC CTD Reporting Agreement.
  - c. has been convicted of a felony, or of a misdemeanor related to financial activities, or has been judged by a court to have committed a breach of fiduciary duty involving the use of funds of others.
  - d. has been involved in the distribution, sale, or issuance of ARC traffic documents which were known, or reasonably should have been known, to have been stolen or reported missing.

**NOTE: ARC WILL DISAPPROVE APPLICATIONS DETERMINED TO BE INELIGIBLE UNDER 4.a - 4.d ABOVE UNLESS ARC CAN DETERMINE FROM ALL THE FACTS THAT THE APPLICANT CAN BE RELIED ON TO ADHERE TO THE TERMS OF THE CTD REPORTING AGREEMENT.**

### E. CARRIER REQUIREMENTS

Individual ARC Carriers may maintain standards in addition to those required by ARC. Individual carriers may require approved CTDs to provide additional information or copies of ARC applications for further review. ARC does not monitor which carriers require additional information nor can ARC direct you to individual carrier points of contact. Carriers will normally contact new CTD entities and individually notify them if additional information is required.

## **F. TRAFFIC DOCUMENT AND OTHER SECURITY REQUIREMENTS**

Traffic document security is of utmost importance to the CTD, ARC and the carriers. Each CTD location must have an off-premises bank safe deposit box or equivalent facility or an on-site facility approved in writing by ARC for the storage of its reserve supply of ARC traffic documents. A new CTD location may have on hand one box of automated tickets for each printer and a spare box per printer. Similarly, manual tickets will be limited to a box, or mailing unit, of each. The on-premises supplies must be locked up in a metal safe, or functional equivalent, weighing at least 200 lbs. and having a locking device meeting Underwriters' Laboratory (UL) Classification 768 (combination/timelock). All automated ticket printers must be locked, housed in a locked container, or placed in a locked room. Ticket printers must be located in a separate room or area within the CTD which is accessible only to that CTD's personnel. CTDs are also required to maintain daily ticket inventory procedures.

Detailed information concerning all the traffic document security requirements is provided in the CTD application kit.

## **G. PROCESSING TIME**

ARC may take up to 90 days to process a complete application and will conduct such investigations, as it deems necessary to verify the accuracy of the information presented. An application is not considered complete until all information and documents requested have been submitted, all documents have all signatures and notarizations, and all fees have been paid.

## **H. APPLICATION KIT AND FEES**

You may obtain an ARC New CTD Independent Entity application by completing the attached New Corporate Travel Department Entity Application Kit Order form.

The ARC Application – processing fee for a New Corporate Travel Department Entity application is \$1,850.00. The Application kit includes the application form, instructions and reference information required to complete the application, a voucher showing ARC's receipt of payment of your application processing fee, as well as, information on how to take part in ARC's electronic reporting program (IAR).

To request the application kit, please complete the attached form and send it with your check payable to Airlines Reporting Corporation. Please insure that you complete all portions of the order form. If you have any questions please contact, Accreditation Information Center at (703) 816-8085 between 9:00 a.m. to 5:00 p.m. EST Monday through Friday.

Should you decide not to submit the application after you have purchased an Application Kit, you may return the unused Application Kit, within 12 months of purchase along with the original receipt letter and receive a refund of \$1,500.00.



**CORPORATE TRAVEL DEPARTMENT ORDER FORM**

**IMPORTANT - READ AND SIGN THIS PORTION**

Please send me the ARC New Corporate Travel Department Application Kit. I understand that the application kit includes a paper version of the application form, instructions and other reference materials required to complete the application, and a voucher showing ARC's receipt of payment of all applicable fees. Please allow one week for delivery.

Proposed owner/officer name (PRINT): \_\_\_\_\_

Proposed owner/officer signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SELECT A PAYMENT METHOD**

Payment Method:  Check payable to **Airlines Reporting Corporation** in the amount of \$1,850.00

Credit Card Method:  Please visit ARC's arccorp.com and click on the following link <http://www.arccorp.com/forms/aas/form354.pdf> and [print Form 354](#), complete and fax to 703.816.8043 to "Attn: Credit Card Services Dept."

**IMPORTANT - TELL US WHERE TO SEND YOUR KIT**

Address for delivery of ARC New CTD Application Kit:

Name of Company: \_\_\_\_\_

Attention: \_\_\_\_\_

Street Address ONLY\*: \_\_\_\_\_ Suite: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Telephone number: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

\* NOTE: Express mail services require signature of addressee at time of delivery. Please ensure that the delivery address shown is occupied by an individual authorized to sign for the package during normal business hours.

**PLEASE ENSURE THAT ALL INFORMATION ABOVE IS COMPLETE AND THAT YOUR CHECK IS ENCLOSED. MAIL YOUR REQUEST TO THE ADDRESS SHOWN BELOW:**

**Airlines Reporting Corporation  
Attention: CTD Applications  
Suite 600  
4100 North Fairfax Drive  
Arlington, VA 22203**