

U.S. Government Passenger Processing Fees

Why Government Passenger Processing Fees are Collected

The US government imposes certain fees to be collected for air passengers subject to customs, immigration and agricultural inspection, as well as a security service fee, to cover the costs of inspection services provided.

Existing passenger processing fees are subject to change, and new fees may be imposed from time to time. ARC will inform agents of these changes and additions.

Responsibility for Collection and How Much is Collected

It is the responsibility of travel agents issuing tickets to collect fees from all passengers whose itineraries are subject to any or all passenger processing fees. Tickets not reflecting payment of such fees at the time of issuance will require collection at the time of departure from the United States or the territories/possessions to which the fee applies. Tickets shall be marked to indicate the required fee has been collected.

Except as set forth as either specific or general exemptions, air travel that includes an arrival into the Customs territory of the US (defined as the 50 states, the District of Columbia, and Puerto Rico) or an Immigration port of entry (defined as the US, Puerto Rico, Guam and the US Virgin Islands), shall include one or more of the passenger processing fees as follows:

US Customs Fee - YC

The US Customs Fee (YC) is to be collected for the arrival of a passenger aboard a commercial aircraft in the customs territory of the United States (i.e., the United States and Puerto Rico) from a place outside the United States, in the following circumstances:

- When the journey of the arriving passenger originates in a place outside the United States other than a Specified Location, defined as Canada, Mexico, a territory or possession of the United States or an adjacent island (listed below); or
- When the journey of the arriving passenger originates in the United States and is not limited to Specified Locations.

For tickets issued before April 1, 2007, the applicable regulations indicated that no fee was to be collected if a passenger arrived in the US customs territory from a Specified Location, regardless of the origin or itinerary of the passenger's journey. For tickets issued on or after April 1, 2007, the regulations clarify that the fee is to be collected from passengers arriving from Specified Locations using the same rules as are applied to passengers arriving from other places.

The amount of the fee is \$5.50 for tickets issued on or after April 1, 2007.

For purposes of the fee, a "journey," which may encompass multiple destinations and more than one mode of transportation, will be deemed to originate in the location where the passenger's travel begins under cover of a transaction which includes the issuance of a ticket for transportation into the US customs territory. The passenger is considered to arrive from the last stop on the journey prior to arrival in the US customs territory.

The term "passenger" includes an infant whether a separate ticket is issued for the infant or the infant occupies a seat or is held or carried by another passenger. Even if airline policy precludes issuing the infant a ticket because no charge is made for the travel, the requirement that payment of the fee be documented still applies. The fee for an infant traveling without a ticket or travel document may be identified with a notation "Federal inspection fees" on a receipt or other document issued for that purpose or to record the infant's travel.



The following chart outlines the application of the fee for tickets issued on or after April 1, 2007:

<u>Place Where Journey Originates</u>	<u>Arrival from a Specified Location or otherwise</u>
Specified Location	No fee
Other than a Specified Location or United States	\$5.50
United States (and travel is limited to Specified Locations)	No fee
United States (and travel includes travel to at least one place other than a Specified Location)	\$5.50

Accordingly, the fee will be collected in the following circumstances:

- When a through ticket (or a receipt in the case of an infant traveling without a ticket) is issued covering a journey into the U.S. customs territory which originates in a place outside the United States other than a Specified Location, even if one of the stops in the journey is a Specified Location.
- When a return ticket (or receipt in the case of an infant traveling without a ticket) is issued in connection with a journey that originates in the United States and includes a stop in a place other than a Specified Location.
- When a passenger on a journey in transit through the United States to a foreign destination arrives in the U.S. customs territory, is processed by the Customs and Border Protection Bureau (CBP), and the journey does not originate from a Specified Location.

US Territories and Possessions

For purposes of this fee, the territories and possessions of the United States include:

- American Samoa
- Guam
- Northern Mariana Islands
- Puerto Rico
- U.S. Virgin Islands

Adjacent Islands

Adjacent islands include British, French and Netherlands territory and possessions in or bordering on the Caribbean Sea as well as:

- | | |
|------------------------|--|
| Saint Pierre | Jamaica |
| Miquelon | The Windward and Leeward Islands |
| Cuba | Trinidad |
| The Dominican Republic | Martinique |
| Haiti | Other British, French, and Netherlands territory and possessions in, or bordering on, the Caribbean Sea. |
| Bermuda | |
| The Bahamas | |
| Barbados | |



Exemptions from the US Customs Fee (YC)

- Diplomats and other persons in possession of a visa issued by the United States Department of State in class A-1, A-2, C-2 C-3, G-1 through G-4, or NATO 1-6.

Refer also to the listing below of general exemptions from customs, immigration and agricultural inspection fees.

Immigration Fee - \$7.00 XY

The \$7.00 Immigration Fee is to be collected for travel from any international point into the US, Puerto Rico, Guam, and the US Virgin Islands (St. Croix, St. John, and St. Thomas). Traveling from US Territories & Possessions (see list below) to the US, Puerto Rico, Guam, and the US Virgin Islands is considered travel from an international point, therefore the immigration fee applies.

Exemptions from the XY Immigration Fee:

- Passengers whose air travel is between any of the following: Guam, the US Virgin Islands, Puerto Rico, the Continental US, Alaska, and Hawaii.
- US Federal Aviation Administration inspectors, sky marshals, and airline employees traveling *on official business only*.
- Only diplomats who are accredited in the United States and/or have a diplomatic passport, visa (A-1 and 2, G1 through 4), or a diplomatic I.D. card issued by a foreign government.

Refer also to the listing below of general exemptions from customs, immigration and agricultural inspection fees.

US Territories & Possessions

- | | |
|-----------------|--------------------------|
| American Samoa | Kingman Reef |
| --Annua'u | Midway |
| --Manu'a Group | Northern Mariana Islands |
| --Rose Island | --Agrihan |
| --Swains Island | --Aguijan |
| --Tutuila | --Guguan |
| Baker Island | --Pagan |
| Howland Island | --Rota |
| Jarvis Island | --Saipan |
| Johnson Atoll | --Tinian |
| | Palmyra Island |
| | Wake Island |

Agricultural Inspection Fee - XA

The agricultural inspection fee is to be collected for travel from any international point (including Canada) into the US and Puerto Rico.

The amount of the fee is \$5.00 per entry for tickets issued on or after October 1, 2005, through December 31, 2010.

Exemptions from the agricultural inspection fee:

- Passengers whose air travel is between the US and Puerto Rico (in both directions).
- Passengers departing and returning to the US without having touched a foreign place.
- Persons traveling to Puerto Rico from the US Virgin Islands.
- Foreign diplomats who are accredited in the United States and/or have a diplomatic passport, visa (A-1 and 2, G1 through 4), or a diplomatic ID card issued by a foreign government.

General exemptions from Customs, Immigration and Agricultural Inspection Fees

- Passengers pre-cleared on Military Airlift Command (MAC) flights are exempt from these fees. Passengers on Category B charter flights are not exempt.
- Passengers arriving due to an emergency or forced landing are exempt, when the original destination was a foreign airport.
- Airline crew members and employees traveling in a working capacity.
- Persons arriving as passengers on any aircraft used exclusively in the governmental service of the United States or a foreign government, including any agency or political subdivision of the United States or a foreign government, so long as the aircraft is not carrying persons or merchandise for commercial purposes
- Passengers transiting the United States and not processed are exempt from these fees. Such passengers may use an airport in transit facility, such as those listed below.

Passengers traveling on tickets issued free of charge are subject to all processing fees, unless they are otherwise exempt, such as airline employees traveling on official business.

In transit facilities are located at:

- Anchorage International — International Terminal
- Bangor International — International Terminal
- Dallas/Fort Worth International—2E&2W Terminals
- Hartsfield - Atlanta International
- Honolulu International — Ewer, Diamond Head Concourses & Frontal Gates
- Kennedy International —IAB & Delta Flight Center
- Los Angeles International — Bradley Terminal
- Miami International — International Terminal & Concourse E, Main Terminal
- San Juan International — International Wing
- Sea-Tac International — International Satellite

NOTE: Transit via one of the above airports does not always involve use of the transit facility. Confirm with the airline(s) concerned.



Additional Information

If additional information is required concerning the collection and remittance of fees administered by the Bureau of Customs and Border Protection, please feel free to call:

Bureau of Customs and Border Protection
1300 Pennsylvania Ave., N.W.
Washington, DC 20229
(202)344-1416
www.cbp.gov

US Security Service Fee – AY

Effective for air transportation sold on or after February 1, 2002, the US Security Service Fee must be collected from each passenger (unless exempt, as discussed below). This fee is also called the “September 11th Security Fee.”

This fee is to be collected from passengers in domestic or international air transportation originating at airports in the United States (including its territories and possessions) that are enplaning:

- (1) A scheduled passenger or public charter passenger operation with an aircraft having passenger seating configuration of more than 60 seats;
- or
- (2) A scheduled passenger or public charter passenger operation with an aircraft having a passenger seating configuration of less than 61 seats when passengers are enplaned from or deplaned into a sterile area.

An enplaning passenger is a person boarding in the United States in scheduled or nonscheduled air service. Passengers enplaning a flight segment outside of the United States are not subject to the fee for that enplanement.

A passenger traveling on a ticket obtained with a frequent flyer award is subject to the fee.

The Transportation Security Administration has informally advised that, if an air carrier receives remuneration for any segment of a passenger’s itinerary, such as through a change fee or token fare, the US Security Service Fee applies to the passenger’s entire itinerary. However, the fee will not be imposed if charges are limited to amenities of seating, such as seating upgrades, meals, etc., and the passenger has not purchased the transportation or obtained it through a frequent flyer award.

Exemptions from the US Security Service Fee:

- 1. Non-revenue passengers (i.e., passengers for which the carrier does not receive remuneration), other than passengers who obtained the ticket for air transportation with a frequent flyer award.
- 2. A scheduled passenger or public charter passenger operation with an aircraft having a passenger seating capacity of less than 61 seats when passengers are not enplaned from or deplaned to a sterile area.
- 3. Passengers enplaning outside of the United States if no enplanement at an airport in the United States occurs in the course of the passenger’s air travel itinerary. Thus, no Fee would be owed if a passenger enplaned in Paris, France and deplaned in Houston, Texas after a direct flight.

Computation of the Amount of the Fee

The fee is \$2.50 per enplanement, but passengers may not be charged for more than 2 enplanements per one-way trip (i.e., \$5), or for more than 4 enplanements per round trip (i.e., \$10).

The Transportation Security Administration has informally advised that a “one-way trip” is continuous travel from one point to another that is not interrupted by a “Stopover.” A Stopover is a break in travel of more than (1) 4 hours between 2 domestic flights or (2) 12 hours between a domestic and an international flight or between 2 international flights. A “round trip” is a trip on an air itinerary that terminates or has a Stopover at the point of origin (or a co-terminal). Accordingly, there may be multiple one-way or

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round trips on a single itinerary. The Transportation Security Administration has offered the following examples to illustrate these definitions:

Example 1:

Newark to Chicago (Stopover)
Chicago to Denver (Stopover)
Denver to Las Vegas (Stopover)
Las Vegas to Chicago (Stopover)
Chicago to San Francisco

This is a series of 5 one-way trips because each enplanement is followed by a Stopover. The US Security Service Fee collected is \$12.50 (\$2.50 x 5).

Example 2:

Newark to Chicago (Stopover)
Chicago to Denver (Stopover)
Denver to Las Vegas (Stopover)
Las Vegas to Chicago (Stopover)
Chicago to Newark

This is a round trip itinerary because the itinerary terminates at the point of origin (or a co-terminal). Despite the 5 enplanements, the US Security Service Fee collected is capped at \$10.00 per round trip.

Example 3:

Orlando to Pittsburgh (Stopover)
Pittsburgh to Orlando (Stopover)
Orlando to Pittsburgh (Stopover)
Pittsburgh to Orlando (Stopover)
Orlando to Pittsburgh (Stopover)
Pittsburgh to Orlando

This itinerary constitutes 3 round trips because the itinerary has 2 Stopovers and a termination at the point of origin. As there are 2 enplanements on each round trip, the US Security Service Fee collected on each such trip is \$5.00. As there are 3 round trips on the itinerary, the total fee collected is \$15.00.

The Transportation Security Administration has also informally advised that passengers may not be charged any additional US Security Service Fee because of additional enplanements resulting from involuntary reroutes.

The US Security Service Fee Is Not Subject to US Air Passenger Transportation Taxes

The fee will not be considered part of the amount paid for taxable transportation for purposes of the US Air Passenger Transportation Taxes. Accordingly, imposition of the fee will not affect the determination of the US Air Passenger Transportation Taxes due with respect to a passenger's transportation.