

## Regulatory Report

### ***ATTENTION CHARTER OPERATORS - NEW CUSTOMS USER FEES BEGIN ON NOVEMBER 5***

October 27, 2011

#### ***What's at Issue***

Beginning on November 5, 2011, all commercial passengers arriving in the U.S. from another country are subject to the \$5.50 Customs User Fee. Arrivals from Canada, Mexico and the adjacent islands are no longer exempt from this fee.

#### ***Why It's Important***

Currently, passengers arriving from Canada, Mexico, U.S. territories and possessions and the "adjacent islands" (defined below) are exempt from the \$5.50 fee. The exemption for Canada, Mexico and the adjacent islands has been rescinded. Only the exemption for the U.S. territories and possessions remains.

***Operators must begin collecting the per passenger fee on November 5, 2011.***

#### ***Major Provisions***

Since the 1980s, a fee has been imposed on the arrival of international commercial passengers by the United States Customs Service, now U.S. Customs and Border Protection. For many years, passengers from Canada, Mexico and the adjacent islands as well as passenger arrivals from any U.S. territory or possession were exempt from this fee.

Last week, the President signed legislation enacting a trade agreement between the U.S. and Columbia. A provision within that law (P.L. 112-42) removes many of the existing exemptions from the Customs User Fee.

The revised requirements are effective beginning on November 5, 2011. All air charter operators should prepare now to ensure that their invoicing and recordkeeping systems are updated to ensure the fee is properly collected and remitted. Operators that have not previously been required to collect this fee should act now to establish fee collection and remission procedures.

Information on the Customs User Fee is available on the U.S. Customs and Border Protection Web site at [http://www.cbp.gov/xp/cgov/trade/cargo\\_security/carriers/air\\_sea\\_fees/facthead.xml](http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/air_sea_fees/facthead.xml).

Please note that this page has not yet been updated to reflect the exemption changes imposed by the new law.

**Adjacent Islands:** The adjacent islands include St. Pierre, Miquelon, Cuba, the Dominican Republic, Haiti, Bermuda, the Bahamas, Barbados, Jamaica, the Windward and Leeward Islands, Trinidad, Martinique, and other British, French, and Netherlands territories or possessions in or bordering on the Caribbean Sea. Arrivals from these locations are now subject to the fee.

**U.S. Territories/Possessions:** Arrivals from U.S. territories and possessions remain exempt. Those locations are American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands.

### ***NATA Position***

NATA is disappointed that the Congress and President have chosen to impose new fees on commercial passengers and create new burdens on operators. The association strongly encourages operators to ensure that their business is prepared to implement this change.

### ***Status***

The imposition of the Customs User Fee on arrivals from Canada, Mexico and the adjacent islands begins on November 5, 2011.

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