# Tackling Passenger Data Charges

National border security is a responsibility of States and as such, they have the duty to implement the appropriate tools to achieve their objectives and to ensure their adequate funding. As States request passenger data from airlines, the exchange and processing of data should be funded by the national budget and not by air carriers and/or their passengers.

## SITUATION

Airlines Passenger data programs are an integral component of national border control functions, which is a State responsibility. To enhance their national security and to strengthen their intelligence capabilities, States are obliged to collect Advance Passenger Information (API) and Passenger Name Records (PNR) data. As a result of their obligations as Member States of the United Nations, passenger data exchange increases, and both States and airlines must bear a fair share of the cost related to IT systems, infrastructures and operations.

States rely on airlines to collect API, create PNR and to transmit data compliantly. Although airlines invest significant resources in heavy information technology (IT) infrastructures to collect and format passenger data for its transmission to national authorities, some States impose additional charges and costs on carriers to finance their own border control activities.

Receiving, processing and analysing API/PNR data is a State's duty and should be funded by the national budget, similarly to other border control functions, and not by airlines and/or passengers through user fees, charges and taxes.

## INTERNATIONAL PRINCIPLES

As per the global Standards and Recommended Practices (SARPs) developed by and for ICAO's Member States, it is mandatory for States to establish an API system[1].

The receiving and processing of passenger data should be funded by the national budget. This is an international principle confirmed at several levels.

Cross subsidization takes place between:

- ICAO's Standard 9.11 states that when a State requires API data "… then it shall seek, to the greatest extent possible, to limit the operational and administrative burdens on aircraft operators…" [2]

- ICAO's Policies state that: "Civil aviation should not be charged for any costs that would be incurred for more general security functions performed by States, such as general policing, intelligence gathering and national security".[3]

Other regions have reinforced these principles. The Recital 14 of the European Union PNR Directive 2016/681 states that: "Member States should bear the costs of using, retaining and exchanging PNR data".

## IATA POSITION

IATA and its airline members strongly oppose the introduction of user fees, charges and taxes by States to fund the transmission and processing of passenger data, and/or to support the connectivity between airline and government systems.

The airline industry fully understands its responsibility and its unique position in supporting States to perform their security functions. Airlines have already been transmitting passenger data to a large number of governments by setting up and developing sophisticated IT systems, which cost in the range of hundreds of thousands of dollars. Those costs will only increase as the ever-growing number of States require API and PNR data at departure, during transit, and/or on arrival.[4]

In addition to allocating the appropriate funding, IATA advises States to carefully plan for a reasonable number of transmissions (per flight, per origin/destination) and to adhere to international standard guidelines on passenger data exchange, as set forth in the API-PNR Toolkit developed by IATA, the International Civil Aviation

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[1] ICAO Annex 9 – Facilitation, Chapter 9. Passenger Data Exchanges, Standard 9.5.
[2] ICAO Annex 9 – Facilitation, Chapter 9. Passenger Data Exchanges.

[3] ICAO Doc 9082, ICAO's Policies on charges for Airports and Air Navigation Services (ninth edition), Section II paragraph 7 iv) and Section III paragraph 3. v).
[4] As of February 2019, 73 States are requesting API data and 25 States are requesting PNR data.

Organization (ICAO) and the World Customs Organization (WCO): www.iata.org/publications/api-pnr-toolkit.

User fees, charges and taxes may ultimately result in an increase in ticket prices. This poses the risk of reducing the demand, diverting trade and tourism to more attractive countries, and eroding the competitiveness of airlines, thus reducing the benefits of aviation to local economies.

## ASSISTANCE TO STATES

To set up and/or maintain their passenger data program, States can seek funding and implementation assistance from international organizations or other States. Having a proper plan to rollout a passenger program will allow States to carefully assess their needs and design their system accordingly, thereby limiting the costs related to unnecessary functionalities.

## KEY POINTS: WHY AIRLINES SHOULD NOT PAY FOR GOVERNMENT SYSTEMS ON PASSENGER DATA

1. Increased travel costs can restrict economic growth and tourism by negatively impacting the competitiveness of the aviation industry in the States concerned.

2. Border control functions are States' responsibilities and thus government passenger data systems and processes should be funded by the national budget.

3. Airlines or their passengers should not be charged for any costs that would be incurred for general security functions performed by States such as general policing, intelligence gathering and national security. Any deviation from this principle would violate ICAO's policies.

4. Airlines, in compliance with national and international requirements, have already developed IT systems at their own cost to ensure the electronic transmission of passenger data to State authorities.