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## PRESS RELEASE

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September 16, 2004

### **Commercial Travel Office (CTO) to Begin Charging Fees to Book Official and Leisure Travel**

**HEIDELBERG, GE** – As a result of changes in the commercial airline industry, beginning Oct 1, 2004, the Commercial Travel Office (CTO) will begin charging a transaction fee for each official and leisure travel booking.

Between September 2004 and January 2005, most airlines operating in Europe are eliminating commissions. This includes the major U.S. flagged carriers that comprise the majority of the CTO business.

Without commissions from the airlines as a source of revenue, the current CTO, SatoTravel, will receive little to no compensation for the services they provide to the government. To ensure these services continue, SatoTravel will begin charging a transaction fee for each ticket that it books through their agents. The transaction fee for booking official and leisure airline tickets is projected to be between \$14 and \$15 per ticket.

The fees will apply to airline reservations for both official and leisure travel and are non-refundable. If the ticket is canceled, the fee will not be returned. The fees do not apply to rental car, train, ferry and hotel bookings.

The transaction fee is charged for every individual traveler for each complete trip. A complete trip is considered a departure, intermediate stops, and a return. If making one complete trip requires the issuance of two separate tickets for the same traveler, only one fee will be charged. For example, if a complete trip for a single traveler involves flights on two separate airlines (an interline connection), the traveler will only be billed one transaction fee.

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In addition, if the change or modification requires the cancellation and reissuing of the ticket, an additional fee will be charged. For example, if the traveler changes airlines, the travel route, or the name of the traveler changes, an additional fee will be charged.

If the change or modification does not require the cancellation and reissuing of the ticket, no additional fee will be charged. For example if the traveler changes the date or time of a flight on the same route and with the same airline, no additional fee will be charged.

If the traveler chooses to book a leisure flight in conjunction with an official flight (leave in conjunction with official travel), the Government will be charged a transaction fee for the official portion of the flight, and the traveler will be charged a separate transaction fee for the leisure portion of the flight.

In the past, travel agencies did not charge customers for providing travel services. Airlines paid the travel agent a commission for selling and booking tickets on their respective flights. The travel agents used these commissions to cover their operating costs, and provide for a profit. As a result, the CTO had no reason to charge customers for the service.

In the United States, airlines ended the practice of paying commissions in the late 1990's, forcing travel agencies to begin charging customers fees for travel services. All U.S. Government travel contracts are based on the CTO charging a transaction fee. Unlike those in the U.S., overseas airlines continued to pay commissions for international travel until recently. SatoTravel, the agent contracted by the Government for travel services in Europe, continued to operate without imposing transaction fees because of this unique overseas situation.