UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

Spirit Airlines, LLC v. Transportation Security Administration

No. 25-10461 · No. No. 25-10461 · Decided April 13, 2026

SUMMARY

The Eleventh Circuit denied Spirit Airlines' petition for review of the Transportation Security Administration's determination that Spirit under-remitted passenger security fees. The court held that fees collected from customers who later do not travel must be remitted to the Administration unless refunded, and that expired travel credits and credits applied to cancellation fees do not constitute refunds under the Administration's guidance. The court also held that Spirit had fair notice of its obligation to remit the disputed funds.

CASE DETAILS

COURT	United States Court of Appeals for the Eleventh Circuit
WRITING FOR THE COURT	William Pryor, Chief Judge; Andrew L. Brasher, Circuit Judge; Virginia M. Abudu, Circuit Judge
JURISDICTION	United States Court of Appeals for the Eleventh Circuit
DECIDED	April 13, 2026
DOCKET	No. 25-10461
DISPOSITION	writ_denied
PROCEDURAL POSTURE	Spirit Airlines petitioned for review of a Transportation Security Administration decision, adopted after an audit by U.S. Customs and Border Protection, determining that Spirit had under-remitted aviation security fees attributable to expired travel credits.
STANDARD OF REVIEW	The court reviewed the agency decision under the Administrative Procedure Act to determine whether it was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; reviewed statutory interpretation de novo; accepted factual findings as conclusive if supported by substantial evidence; and reviewed the alleged denial of due process for lack of fair notice de novo.
PRECEDENTIAL VALUE	published and precedential
PARTIES	Spirit Airlines, LLC v. Transportation Security Administration

TOPICS

judicial review of agency action · administrative law · statutory interpretation · appellate jurisdiction · commercial litigation

PRACTICE AREAS

administrative law · aviation law · statutory interpretation · appellate procedure · commercial litigation

QUESTIONS PRESENTED

1. Whether 49 U.S.C. § 44940 requires an airline to remit security fees collected from customers who ultimately do not travel.
2. Whether an expired travel credit, or a credit applied to a cancellation fee, constitutes a refund of the security fee under the Transportation Security Administration's 2002 guidance.
3. Whether imposing liability on Spirit violated due process because Spirit lacked fair notice that it could not retain the disputed security-fee amounts.

HOLDINGS

1. Section 44940 requires an airline to remit to the Transportation Security Administration all security-fee amounts it collects, including amounts collected from customers who later do not travel, unless the Administration grants a refund.
2. An expired travel credit is not a refund under the Transportation Security Administration's 2002 guidance, and a credit immediately reclaimed by the airline to satisfy a cancellation fee is likewise not a refund.
3. The agency's enforcement action did not violate due process because Spirit had fair notice that it was required to remit collected security-fee amounts unless the Administration granted a refund.

KEY QUOTATIONS

> *"We agree with the Administration that the fee statute requires all collected fees to be remitted to the Administration, and expired credits do not count as refunds."* (2)

> *"By distinguishing between "fees imposed" and "amounts collected," the statute makes clear that the imposition of the fee is distinct from its collection."* (7)

> *"Expired credits do not constitute a refund under the 2002 guidance."* (9)

> *"The plain text of section 44940 made clear that Spirit had to remit any "amounts collected" to the Administration unless the Administration granted a refund."* (11)

FACTUAL BACKGROUND

Spirit Airlines collected aviation security fees from customers purchasing tickets. When customers canceled tickets, Spirit imposed a cancellation fee and issued any remaining value as a travel credit that expired after 60 days; if unused, Spirit retained the credit's value, including the security-fee portion, as revenue. A Customs and

Border Protection audit concluded that Spirit had under-remitted security fees because expired credits were not refunds, and the Transportation Security Administration adopted a liability determination of $2,838,849.11.

PROCEDURAL HISTORY

The Customs and Border Protection audit determined that Spirit had under-remitted $2,838,849.11 in security fees. The Transportation Security Administration adopted the audit's findings and liability determination, and after Spirit sought administrative review, the Administration upheld its decision. The Eleventh Circuit denied Spirit's petition for review.

DISPOSITION

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writ_denied
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CASES CITED

- Loper Bright Enterprises v. Raimondo, 144 S. Ct. 2244, 2273 (2024)
- Lapaix v. U.S. Attorney General, 605 F.3d 1138, 1143 (11th Cir. 2010)
- Southwest Airlines Co. v. United States, 777 F. Supp. 3d 1318, 1327 (Ct. Int'l Trade 2025)
- Biden v. Texas, 142 S. Ct. 2528, 2541 (2022)
- SEC v. Chenery Corp., 318 U.S. 80, 87 (1943)
- Hewitt v. Commissioner of Internal Revenue, 21 F.4th 1336, 1342 (11th Cir. 2021)
- Motor Vehicle Manufacturers Association of the United States v. State Farm Mutual Automobile Insurance Co., 463 U.S. 29, 43 (1983)
- Caver v. Central Alabama Electric Cooperative, 845 F.3d 1135, 1147 (11th Cir. 2017)
- SEC v. Almagarby, 92 F.4th 1306, 1319 (11th Cir. 2024)
