



SEPTEMBER 1998

## ANNOUNCEMENT OF NEW AND REVISED SERVICE CHARGES

### GENERAL

NAV CANADA hereby announces new and revised service charges, pursuant to Section 40 of the *Civil Air Navigation Services Commercialization Act*, S.C. 1996, c. 20 (*ANS Act*). This Announcement sets out NAV CANADA's charges which apply to three categories of air navigation services: (i) Terminal, (ii) Enroute, and (iii) Oceanic. NAV CANADA received statutory approval of the new and revised charges from the Minister of Transport on September 11, 1998.

NAV CANADA's *Notice of New and Revised Service Charges*, issued on June 1, 1998, indicated that new and revised charges would be effective on November 1, 1998. However, under the terms of this Announcement, the charges will become effective on March 1, 1999, with the following exceptions: the reductions to the Oceanic Charges and the new exemptions will become effective November 1, 1998, while the increase in the Terminal Services Charge at applicable airports North of 60° N will be phased in over a two-year period with the first increase effective November 1, 1999 and the second increase on November 1, 2000.

This Announcement consists of seven sections:

- (1) Charges for aircraft weighing 3 metric tonnes (6,614 lbs) or less
- (2) Charges for propeller aircraft, including helicopters, weighing more than 3 metric tonnes (6,614 lbs) in respect of Terminal and Enroute Services
- (3) Terminal Services Charge and Enroute Charge for jet aircraft weighing more than 3 metric tonnes (6,614 lbs)
- (4) Oceanic Charges

(5) Charges for Extra Services

(6) Exemptions and Reductions

(7) Billing Information and Terms and Conditions of  
Payment regarding charges

Note: All references to dollars refer to Canadian dollars.

All references to tonnes refer to metric tonnes.

Further details regarding the administration and billing of charges will be provided in the amended *Customer Guide to Charges* which will be issued later this year.

# **1. CHARGES FOR AIRCRAFT WEIGHING 3 METRIC TONNES (6,614 lbs) OR LESS**

## **1.1 CANADIAN-REGISTERED AIRCRAFT**

An annual charge will be applied to a Canadian-registered aircraft weighing 3 tonnes or less for air navigation services provided or made available by NAV CANADA or by a person acting under the authority of the Minister of National Defence. The charge will vary by aircraft weight, except for private aircraft not used for business purposes (refer to Subsection 1.3).

The aircraft weight used is the maximum permissible take-off weight as reported in the Canadian Civil Aircraft Register.

The Annual Charges cover the 12-month period commencing March 1 each year and terminating February 28 (29) the subsequent year, referred to as the annual fee period.

The Annual Charges will apply to aircraft in service for all or part of the annual fee period.

For new aircraft acquired within an annual fee period, the Annual Charges will be prorated based on the number of months or part thereof between the date of acquisition of the new aircraft and the end of the annual fee period.

The Annual Charges will not be prorated in respect of aircraft changing owner during an annual fee period, with the exception of the acquisition of new aircraft from a manufacturer or a dealer.

A dealer acquiring an aircraft for the purpose of sale will not be assessed the Annual Charge for that aircraft.

The Annual Charges are set out in Table 1.

**Table 1. ANNUAL CHARGES FOR CANADIAN-REGISTERED AIRCRAFT WEIGHING 3 TONNES OR LESS**

<b>Weight (metric tonnes)</b>	<b>Annual Charge</b>
0 - 2.0	\$ 60
over 2.0 to 3.0	\$ 200 (except as provided in Subsection 1.3)

## **1.2 FOREIGN-REGISTERED AIRCRAFT**

A quarterly charge of 25 % of the charge set out in Table 1 above will be applied to a foreign-registered aircraft weighing 3 tonnes or less, for air navigation services provided or made available by NAV CANADA or by a person acting under the authority of the Minister of National Defence.

The aircraft weight used is the typical maximum permissible take-off weight for that aircraft type by reference to the Canadian Civil Aircraft Register.

The aircraft will be charged on the basis of the first recorded arrival into a Canadian aerodrome during each quarter of the annual fee period (as defined in Subsection 1.1). If the aircraft registration marks are not provided for each flight, each arrival will be charged the Quarterly Charge.

## **1.3 CHARGE FOR PRIVATE AIRCRAFT NOT USED FOR BUSINESS PURPOSES**

The annual charge for privately registered aircraft not used for business purposes during an annual fee period will be \$60. This fee is the same for all such aircraft, regardless of weight, and applies to aircraft over 3 metric tonnes as well. Similar provisions will apply with respect to the charges set out in Subsection 1.2.

**The charges in Section 1 will be effective March 1, 1999.**

## **2. CHARGES FOR PROPELLER AIRCRAFT, INCLUDING HELICOPTERS, WEIGHING MORE THAN 3 METRIC TONNES (6,614 lbs), IN RESPECT OF TERMINAL AND ENROUTE SERVICES**

Except as provided in Subsection 1.3, a daily charge will be applied to propeller aircraft weighing more than 3 metric tonnes, for Terminal and Enroute Services, for each day (hereafter referred to as "chargeable day") it makes one or more departures from one or more aerodromes with air navigation facilities staffed either by NAV CANADA or by a person acting under the authority of the Minister of National Defence.

Except as provided in Subsection 1.3, an annual minimum charge of \$300 per aircraft will apply to Canadian-registered aircraft weighing more than 3 metric tonnes for each annual fee period (as defined in Subsection 1.1). For foreign-registered aircraft, the corresponding minimum charge will be a quarterly charge equal to 25% of this amount.

Propeller aircraft means fixed-wing piston-engine aircraft, turboprop aircraft and helicopters.

The Daily Charge varies by aircraft weight.

The aircraft weight is determined in accordance with Subsection 7.1.

For the purposes of applying the Daily Charge, a day is defined as each 24-hour period commencing at 0800 GMT.

The Daily Charges are set out in Table 2.

**TABLE 2. DAILY CHARGES FOR PROPELLER AIRCRAFT GREATER THAN 3 TONNES <sup>(1)</sup>**

<b>Weight (metric tonnes)</b>	<b>Daily Charge*</b>
over 3.0 to 5.0	\$ 30
over 5.0 to 6.2	\$ 60
over 6.2 to 8.6	\$ 250
over 8.6 to 12.0	\$ 600
over 12.0 to 15.0	\$ 900
over 15.0 to 18.0	\$1,100
over 18.0	\$1,500
* Maximum Daily Charge for helicopters	\$ 60

(1) Except as provided in Subsection 1.3

To ensure that the Daily Charge is applied to a propeller aircraft only once per chargeable day, the aircraft registration marks are required for each flight by the aircraft. Any flight for which this information is not provided will be subject to the same charges that apply to jet aircraft (Section 3) instead of the Daily Charge.

An operator of a propeller aircraft will have the option of being charged the same fees that apply to jet aircraft instead of the Daily Charge.

A propeller aircraft overflying Canada without landing or taking off in Canada is subject to the same Enroute Charge that applies to a jet aircraft overflying Canada (Subsection 3.2).

**The charges in Section 2 will be effective March 1, 1999.**

**3. TERMINAL SERVICES CHARGE AND ENROUTE CHARGE FOR JET AIRCRAFT WEIGHING MORE THAN 3 METRIC TONNES (6,614 lbs)**

A jet aircraft weighing more than 3 metric tonnes will be subject to a Terminal Services Charge and an Enroute Charge as described in Subsections 3.1 and 3.2.

An operator of a jet aircraft weighing 7.5 metric tonnes or less will have the option of being assessed a daily charge instead of the movement-based charges. The daily charge will be \$150 for aircraft weighing 6.2 metric tonnes or less and \$250 for aircraft weighing over 6.2 and up to 7.5 metric tonnes.

An annual minimum charge of \$300 per aircraft will apply for each annual fee period (as defined in Subsection 1.1), to Canadian-registered aircraft weighing more than 3 metric tonnes. For foreign-registered aircraft, the corresponding minimum charge will be a quarterly charge equal to 25% of this amount.

### **3.1 TERMINAL SERVICES CHARGE**

The Terminal Services Charge is levied for flights departing from aerodromes with air navigation facilities staffed either by NAV CANADA or by a person acting under the authority of the Minister of National Defence, i.e., aerodromes with air traffic control towers and/or flight service stations (FSSs), except the airport located at Portage-La Prairie, Manitoba. Aerodromes which meet this criterion are listed in Attachment I.

Terminal services are air navigation services provided or made available to an aircraft at or in the vicinity of an aerodrome, excluding aircraft overflying the aerodrome, such as i) dedicated arrival/departure control services provided by Area Control Centres and Terminal Control Units or ii) aerodrome services including, for example, airport advisories and air traffic control from a tower.

**The existing Terminal Services Unit Rate will be increased to \$13.65 per charging unit, effective March 1, 1999, except as noted below.**

**At applicable airports located north of 60° N., the increase in the Terminal Services Unit Rate will be phased in over a two-year period. Effective November 1, 1999, the rate will be 75% of the otherwise applicable Terminal Services Unit Rate; on November 1, 2000, the rate will be 100% of the Terminal Services Unit Rate in effect at that time.**

### **CHARGE CALCULATION**

The Terminal Services Charge for a departure is the unit rate multiplied by the number of charging units for that departure.

The number of charging units for each departure is the aircraft's weight expressed in metric tonnes raised to the 0.9 power (i.e., weight<sup>0.9</sup>).

Weight in relation to an aircraft is determined in accordance with Subsection 7.1.

## 3.2 ENROUTE CHARGE

The Enroute Charge is applied to flights in Canadian-sovereign airspace or any other airspace in respect of which Canada has responsibility for the provision of air navigation services (hereinafter referred to as Canadian-controlled airspace), excluding the Gander Oceanic FIR/CTA, and relates to the cost of enroute services provided or made available by NAV CANADA or by a person acting under the authority of the Minister of National Defence.

Enroute services are air navigation services other than terminal and oceanic services.

The Enroute Charge will apply to both overflights and flights which land or take off in Canada. With respect to flights which land or take off in Canada, the Enroute Charge applies to flights between two airports, at least one of which is an airport where NAV CANADA applies the Terminal Services Charge (refer to Subsection 3.1).

For the purpose of NAV CANADA charges, airport means a certified aerodrome, or an uncertified aerodrome with air navigation services staffed either by NAV CANADA or by a person acting under the authority of the Minister of National Defence.

### *EXEMPTION FOR FLIGHTS BETWEEN TWO POINTS IN THE CONTINENTAL UNITED STATES TRANSITING CANADIAN AIRSPACE*

- Currently, flights (other than flights landing or taking off in Alaska of aircraft that weigh more than 200 tonnes) between two points in the continental United States transiting Canadian airspace are exempt from NAV CANADA's Enroute Charge for overflights.
- Should the United States introduce an enroute charge on flights between two points in Canada transiting U.S. airspace, NAV CANADA would terminate this exemption and commence charging the enroute fee (as applicable to overflights) on such flights, following an announcement in accordance with the *ANS Act*.

**The existing Enroute Unit Rates will be increased to \$0.03506 per charging unit, effective March 1, 1999.**

### **ENROUTE CHARGE CALCULATION**

The Enroute Charge for a flight is the unit rate multiplied by the number of charging units for that flight.

The number of charging units for each flight is the square root of the aircraft weight expressed in metric tonnes multiplied by the distance in kilometres (i.e.,  $\text{weight}^{0.5} \times \text{distance}$ ).

Weight in relation to an aircraft is determined in accordance with Subsection 7.1.

For flights between two points in Canada, distance is calculated as the great circle distance between the departure and arrival airports, regardless of whether the flight transits U.S. airspace.

For international flights which enter or exit Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA), distance is calculated as the sum of the great circle distances of each leg of the flight in that airspace, based on the flight plan, position reports or other record pertaining to the flight.

Enroute distances are reduced to take into account areas around both the arrival and departure airports in Canada in accordance with the following:

- At airports where the Terminal Services Charge applies (refer to Attachment I):
  - If dedicated arrival/departure control services are provided, as indicated in Attachment I, the reduction is 65 km (approximately 35 nautical miles);
  - If dedicated arrival/departure control services are not provided, the reduction for the airport is 35 km (approximately 20 nautical miles).
- At airports where the Terminal Services Charge does not apply, the reduction is nil.

#### **4. OCEANIC CHARGES**

NAV CANADA levies two Oceanic charges – the North Atlantic Enroute Facilities and Services Charge (NAT) and the International Communication Services Charge (Int'l Comm). Oceanic charges are based on a flat fee per flight, and apply to both propeller and jet aircraft.

The NAT Charge is for air navigation services provided or made available by NAV CANADA or a person acting under the authority of the Minister of National Defence to an aircraft during the course of a flight in the Gander Oceanic Flight Information Region/Control Area (FIR/CTA).

The Int'l Comm Charge is for air-ground radio frequencies, provided or made available by NAV CANADA or by a person acting under the authority of the Minister of National Defence at one or more aeronautical stations to an aircraft during the course of an international flight, other than a flight between Canada and the continental United States, to obtain communication services.

**The existing NAT Charge will be reduced to \$83.81 per flight and the existing Int'l Comm Charge will be reduced to \$50.61 per flight, effective November 1, 1998.**

Where, in the course of a flight, an aircraft lands or takes off from an airport in Canada located north of the sixtieth parallel of north latitude and lands or takes off from an airport in Greenland, the charges per flight is 40% of the Oceanic Charges otherwise applicable.



## **5. CHARGES FOR EXTRA SERVICES**

### **CHARGES FOR SERVICES REQUESTED OUTSIDE NORMAL HOURS OF OPERATION**

Incremental costs will be charged to users who request services outside normal hours of operation, in addition to the applicable air navigation services charges.

### **CHARGES FOR SERVICES REQUESTED ABOVE THE LEVEL OF SERVICE POLICY**

The cost of services in excess of the Level of Service Policy will be separately identified and recovered through the existing charging methodology for air navigation services.

Such costs will be recovered on a site specific basis with respect to terminal services and on a system-wide basis with respect to enroute or oceanic services.

### **CHARGES FOR AIRSHOWS**

Any incremental costs will be recovered. However, an exemption is provided for any applicable air navigation services charges to flights taking part in such events.

## **6. EXEMPTIONS AND REDUCTIONS**

### **6.1 EXEMPTIONS**

Air navigation services charges do not apply in respect of the following:

- a) a user who is a person acting under the authority of the Minister of National Defence;
- b) a user in respect of a state aircraft of a foreign country, unless the foreign country has been designated otherwise by a Canadian federal Order in Council under Subsection 32(3) of the *ANS Act*;

NAV CANADA has requested the government to identify the countries whose state aircraft can be charged NAV CANADA fees. Once the necessary authorization is provided by the government, NAV CANADA will issue an announcement in accordance with the *ANS Act*. Also, a list of the foreign countries whose state aircraft will no longer be exempt, and which will be required to pay ANS charges, will be posted on NAV CANADA's Internet site.

- c) search and rescue flights operated under the direction of the Department of National Defence or police authorities responsible for locating missing persons; and

- d) flights operated for a registered charity within the meaning of the *Income Tax Act* (Canada) or equivalent foreign statute; proof of such status to be provided to NAV CANADA.

Effective November 1, 1998, air navigation charges will not apply in respect of the following:

- e) flights dedicated to fire-fighting and related operational training;
- f) dedicated air ambulance flights paid for by government;
- g) flights taking part in airshows; and
- h) flights not reaching their next destination and returning to the point of flight departure due to weather conditions.

Effective March 1, 1999, when charges for small aircraft will be implemented, air navigation charges will not apply in respect of the following:

- i) gliders, ultralights and balloons; and
- j) all aircraft weighing less than 600 kg.

## **6.2 REDUCTIONS IN THE TERMINAL SERVICES CHARGE**

Reductions are applied to training and test flights, as follows:

### **TRAINING FLIGHTS:**

For a flight operation performed exclusively for the purpose of the training or testing of a person or persons (such as flight crew) to obtain, upgrade or renew a licence, including pilot proficiency checks, a charge is applied only on the first departure at any given airport.

However, training flights that transit from a main airport to a smaller airport because training flights are not allowed at the main airport, are exempt from the Terminal Services Charge at the main airport.

### **TEST FLIGHTS:**

A reduction of 50 per cent is applied to flights performed exclusively for the following purposes:

- testing aircraft following overhauls, modifications, repairs and inspections for which a certificate of compliance is to be given; or

- enabling aircraft to qualify for the issue or renewal of a certificate of airworthiness.

To qualify for these reductions in the Terminal Services Charge, training and testing as described above must be the sole purpose of the flight.

## **7. BILLING INFORMATION AND TERMS AND CONDITIONS OF PAYMENT**

### **7.1 WEIGHT CALCULATION OPTIONS**

Weight used in calculating a charge is determined in one of two ways, at the operator's election. The options are:

#### ***OPTION 1: AVERAGE WEIGHT BY AIRCRAFT TYPE WITHIN THE OPERATOR'S FLEET***

The weight of a specific aircraft type is calculated by NAV CANADA as the average maximum permissible take-off weight for each aircraft of the same type expected to be operated in Canadian-controlled airspace (excluding aircraft that transit only the Gander Oceanic FIR/CTA) during the fleet validity period. The weight as stated in the fleet submission, is expressed in metric tonnes rounded to the first decimal place.

*This is the administratively simpler option.*

#### ***OPTION 2: SPECIFIC WEIGHT OF EACH AIRCRAFT***

The weight of the aircraft is defined as the maximum permissible take-off weight of that aircraft as stated in the fleet submission, in metric tonnes rounded to the first decimal place.

Under this option, in addition to providing fleet submissions, the operator must include the correct aircraft registration marks on all flight plans (or, should flight plans not be filed, in other communication provided to identify the aircraft).

**With respect to propeller aircraft over 3 metric tonnes, and jet aircraft weighing 7.5 metric tonnes or less, information on the aircraft registration marks for each flight will be necessary to qualify for the daily charge, regardless of which weight calculation option is chosen.**

#### ***PROVISION OF INFORMATION:***

Fleet submissions are necessary to determine the aircraft weight that is used in the fee calculation for each flight billed by NAV CANADA. In the absence of a fleet submission, or where under Option 2, the aircraft registration marks are not recorded on the flight

plan, NAV CANADA calculates the charge for the flight based upon the highest published maximum permissible take-off weight for an aircraft of the same type.

Fleet submissions are not needed for aircraft weighing 3 metric tonnes or less.

NAV CANADA issues a letter to customers twice a year requesting current fleet submissions. The validity periods are:

- March 1 to August 31
- September 1 to February 28 (or 29)

At least one month prior to the start of each six-month period, the aircraft operator must provide a fleet submission to NAV CANADA listing each aircraft expected to be operated in Canadian-controlled airspace (excluding aircraft that transit only the Gander Oceanic FIR/CTA). In the fleet submission, the operator indicates the registration marks and the maximum permissible take-off weight of each aircraft, as specified in the aircraft's certificate of airworthiness or in a document referred to in that certificate. ***The operator is also required to select one of the two weight calculation options as noted above.***

## **7.2 BILLING INFORMATION**

### **7.2.1 Annual Charges** (Subsection 1.1):

The Annual Charges will be billed in March each year commencing in March 1999.

### **7.2.2 Quarterly Charges** (Subsection 1.2)

The Quarterly Charges will be billed following the quarter in which air navigation services are provided or made available to the aircraft.

### **7.2.3 Daily Charges And Other Charges** (Sections 2, 3 and 4)

Invoices are issued every month for flights occurring in the preceding month.

## **7.3 TERMS AND CONDITIONS OF PAYMENT**

Remittances may be made in either Canadian dollars or equivalent U.S. dollars. U.S. dollar payments will be converted at the exchange rate for buying Canadian dollars on the day the remittance is deposited into a NAV CANADA bank account.

Payments made by mail or through any financial institution will be credited to the customer account on the date of receipt by NAV CANADA.

All charges, except for interest and administration charges, are due and payable by the thirtieth (30<sup>th</sup>) day after the date on which the invoice is issued in respect of the charges (the "due date").

When payment in full is not received by the due date, interest shall be calculated daily on the amount outstanding, commencing on the first day after the due date.

Interest shall be calculated at an annual rate of 18 per cent.

When a payment is made on an overdue account, the period for which interest is charged shall end on the day the payment is received.

NSF cheques and stop payments will be debited to customer accounts together with a \$25 administrative charge and any applicable interest charges.

Interest and administrative charges are due upon receipt of invoice for same.

*Pursuant to Section 55 of the ANS Act, the owner and operator of an aircraft are jointly and severally liable for the payment of any charge for air navigation services imposed by NAV CANADA in respect of the aircraft.*

*NAV CANADA may apply to the courts for an order authorizing the corporation to seize and detain aircraft in respect of unpaid and overdue charges. For Oceanic Charges and Enroute Charges applicable to overflights, which are collected by the UK Civil Aviation Authority (the "CAA"), the CAA may seize and detain aircraft in respect of unpaid and overdue bills.*

**AERODROMES WITH STAFFED AIR NAVIGATION FACILITIES**

**Atlantic**

**TOWERS**

Gander  
St. John's  
Halifax \*  
Moncton

**FSSs**

Charlo  
Charlottetown  
Deer Lake  
Gander  
Fredericton  
Halifax  
Saint John  
St. John's  
St. Anthony  
Sydney  
Wabush

**Québec**

**TOWERS**

Montréal/Dorval \*  
Montréal/Mirabel \*  
Québec \*  
Sept-Iles  
St-Honoré \*  
St-Hubert \*  
St-Jean \*

**FSSs**

Gatineau \*  
Iles-de-la-Madeleine  
Iqaluit  
Kuujuaq  
Kuujuarapik  
La Grande Rivière  
Mont Joli  
Montréal (Dorval)  
Québec  
Roberval  
Rouyn  
Sept-Iles  
Val d'Or

## Ontario

### TOWERS

Buttonville \*  
Hamilton  
London  
North Bay  
Oshawa \*  
Ottawa \*  
Sault Ste. Marie  
Sudbury  
Toronto LBPIA \*  
Toronto Island\*  
Waterloo  
Windsor \*

### FSSs

Kingston  
London  
North Bay ROCC  
Sault Ste. Marie  
St. Catharines  
Timmins  
Toronto/Buttonville

## Western

### TOWERS

Calgary \*  
Edmonton Int'l \*  
Edmonton City Centre \*  
Regina \*  
Saskatoon \*  
Springbank \*  
St. Andrews \*  
Thunder Bay \*  
Villeneuve  
Whitehorse  
Winnipeg\*  
Yellowknife

### FSSs

Baker Lake  
Brandon  
Churchill  
Dawson Creek  
Edmonton Int'l  
Ft. McMurray  
Fort Nelson  
Fort Simpson  
Fort Smith  
Fort St. John  
Grande Prairie  
Hay River  
High Level  
Inuvik  
Kenora  
La Ronge  
Lethbridge  
Lloydminster  
Medicine Hat  
Norman Wells  
Peace River  
Prince Albert  
Rankin Inlet  
Red Deer  
Regina  
Resolute Bay  
Saskatoon  
Sioux Lookout  
Springbank/Calgary  
Thompson  
Thunder Bay  
Whitcourt  
Whitehorse  
Winnipeg  
Yellowknife



## Pacific

### TOWERS

Abbotsford \*  
Boundary Bay \*  
Kelowna  
Langley \*  
Pitt Meadows \*  
Prince George  
Vancouver \*  
Vancouver Harbour \*  
Victoria \*

### FSSs

Abbotsford  
Campbell River \*  
Castlegar  
Cranbrook  
Kamloops  
Nanaimo \*  
Penticton  
Port Hardy  
Prince George  
Prince Rupert/Seal Cove  
Smithers  
Terrace  
Vancouver  
Victoria Harbour \*  
Williams Lake

In addition to the aerodromes listed, NAV CANADA charges apply at aerodromes receiving air navigation services from the Department of National Defence, including, but not limited to, the following:

Bagotville*	Greenwood*	Borden
Cold Lake*	Moose Jaw*	Petawawa
Comox*	Shearwater*	Valcartier
Goose Bay*	Gagetown	
Trenton*	Namao (Edmonton)	

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#### Notes:

- 1. The list was prepared in September 1998 and is subject to change, either through additions or deletions, thus resulting in appropriate changes to the application of charges.**
- 2. At aerodromes marked with an asterisk (\*), flights receive dedicated arrival/ departure control services, and qualify for a 65km enroute distance reduction; the reduction for other listed aerodromes is 35 km.**