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ANNOUNCEMENT OF REVISED SERVICE CHARGES

AUGUST 2017

GENERAL

NAV CANADA hereby announces revised service charges, pursuant to Section 37 of the *Civil Air Navigation Services Commercialization Act*, S.C. 1996, c. 20 (ANS Act). This Announcement sets out the revisions in charges that apply to three categories of air navigation charges: (i) Terminal, (ii) Enroute, and (iii) Oceanic. These revised charges will become effective on September 1, 2017, except where otherwise indicated. All other service charges provisions not amended by this Announcement remain in effect.

Pursuant to Section 42 of the ANS Act, persons wishing to appeal these revisions may do so by making an application to the Canadian Transportation Agency. The application must be filed within 30 days after the filing of this Announcement with the Agency. An appeal may only be made on one or more of the grounds set out in Section 43 of the ANS Act.

This Announcement consists of two sections:

- (1) Revision to Service Charge Rates; and
- (2) Refund of Service Charges

1. REVISION TO SERVICE CHARGE RATES

The revised charges will be effective September 1, 2017, except where otherwise indicated.

The following tables set out the revised rates. The revised rates have two components:

- Base rates, which are set to breakeven for fiscal year 2018, and
- Additional rate adjustments, to be in effect for one year, which will return to customers a financial surplus that is anticipated at the end of fiscal 2017.

Movement-Based Charges

Charge	Base Rates Prior to September 1, 2017	Base Rates Effective September 1, 2017	Additional Rate Adjustments [†]
Terminal	\$ 24.14	\$ 24.02	-\$ 0.10
Enroute	\$ 0.03194	\$ 0.03015	-\$ 0.00013
North Atlantic	\$ 87.18	\$ 78.90	-\$ 0.33
International Communication			
Data Link	\$ 19.02	\$ 18.35	-\$ 0.08
Voice	\$ 50.54	\$ 48.78	-\$ 0.20

[†] These temporary rate adjustments will be effective September 1, 2017 to August 31, 2018.

Daily Charges

Category and Weight Group* (in metric tonnes)	Base Rates Prior to September 1, 2017	Base Rates Effective September 1, 2017	Additional Rate Adjustments [†]
Propeller Aircraft			
Over 3.0 up to 5.0	\$ 41.79	\$ 41.20	-\$ 0.16
Over 5.0 up to 6.2	\$ 83.58	\$ 82.41	-\$ 0.33
Over 6.2 up to 8.6	\$ 331.34	\$ 326.70	-\$ 1.31
Over 8.6 up to 12.3	\$ 769.14	\$ 758.37	-\$ 3.03
Over 12.3 up to 15.0	\$ 1,146.24	\$ 1,130.19	-\$ 4.52
Over 15.0 up to 18.0	\$ 1,377.08	\$ 1,357.80	-\$ 5.43
Over 18.0 up to 21.4	\$ 1,856.67	\$ 1,830.68	-\$ 7.32
Over 21.4	\$ 2,408.90	\$ 2,375.18	-\$ 9.50
Maximum for Helicopters	\$ 83.58	\$ 82.41	-\$ 0.33
<i>Small Jet Aircraft</i>			
Up to 3.0	\$ 158.21	\$ 156.00	-\$ 0.62
Over 3.0 up to 6.2	\$ 203.98	\$ 201.12	-\$ 0.80
Over 6.2 up to 7.5	\$ 331.34	\$ 326.70	-\$ 1.31

* Maximum permissible take-off weight.

[†] These rate adjustments will be effective September 1, 2017 to August 31, 2018.

Annual Charges*

Weight Group** (in metric tonnes)	Base Rates Prior to March 1, 2018	Base Rates Effective March 1, 2018	Additional Rate Adjustments†
0.617 up to 2.0	\$ 67.64	\$ 66.68	-\$ 0.28
Over 2.0 up to 3.0***	\$ 225.84	\$ 222.68	-\$ 0.88

* For foreign-registered aircraft, the corresponding Quarterly Charge is equal to 25% of the Annual Charge.

** Maximum permissible take-off weight.

*** The existing provisions regarding private aircraft used exclusively for recreational purposes (regardless of aircraft weight) and for aircraft restricted to aerial agricultural spraying remain with the exception of the revised rates.

† These temporary rate adjustments will be effective March 1, 2018 to February 28, 2019.

Daily Charge at Seven Specified International Airports

Aircraft Category	Base Rates Prior to March 1, 2018	Base Rates Effective March 1, 2018	Additional Rate Adjustments†
Daily Charge for Propeller Aircraft up to 3.0 Metric Tonnes*	\$ 9.95	\$ 9.81	-\$ 0.04

* Maximum permissible take-off weight.

† These temporary rate adjustments will be effective March 1, 2018 to February 28, 2019.

Annual Minimum Charges*

Aircraft Category	Base Rates Prior to March 1, 2018	Base Rates Effective March 1, 2018	Additional Rate Adjustments†
Annual Minimum for Propeller Aircraft over 3.0 Metric Tonnes and Jet Aircraft **	\$ 225.84	\$ 222.68	-\$ 0.88

* Applicable to aircraft not subject to the Annual Charge or the Quarterly Charge. For foreign-registered aircraft, the corresponding Quarterly Minimum Charge is equal to 25% of the Annual Minimum Charge.

** Except for aircraft restricted to Agricultural Spraying, for which the existing provisions remain with the exception of the revised rates.

† These temporary rate adjustments will be effective March 1, 2018 to February 28, 2019.

2. REFUND OF SERVICE CHARGES

The Company will issue a one-time refund of 4.6% of billings, including taxes, for fiscal 2017 charges. Fiscal 2017 charges refers to charges for fiscal 2017 services, even though some of these charges may be invoiced or adjusted in early fiscal 2018.

Fiscal 2017 runs from September 1, 2016 to August 31, 2017. In order to allow sufficient time for fiscal 2017 billings to be issued and the standard 90-day query period to have elapsed and associated adjustments processed, the refund will be calculated and issued in January 2018.

For all charge types except the three general aviation charges (Annual Charge, Quarterly Charge and Daily Charge at Seven Specified International Airports), and the annual minimum charges, the primary method of providing the refunds will be through a one-time credit applied to customer accounts. However, at its discretion NAV CANADA may decide to issue payments in lieu of credits in some cases.

For the three general aviation charges and the annual minimum charges, the credit will take the form of a credit to the unit rate for charges invoiced for the March 2018 – February 2019 period. The additional credit applied to 2018 rates will be 4.6% of the 2017 rates charged. The 2018 unit rate credits for the three general aviation charges will be:

Annual Charge			
Aircraft up to 2.0 tonnes	-\$	3.00	
Aircraft over 2.0 tonnes up to 3.0 tonnes	-\$	10.00	
Quarterly Charge			
Aircraft up to 2.0 tonnes	-\$	0.75	
Aircraft over 2.0 tonnes up to 3.0 tonnes	-\$	2.50	
Daily Charge at Seven Specified International Airports	-\$	0.44	
Annual Minimum			
Propeller aircraft over 3.0 tonnes and jets	-\$	10.00	
If restricted to agricultural spraying	-\$	3.00	

These unit rate credits will apply *in addition to* the temporary rate reductions set out in section 1.