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ANNOUNCEMENT OF REVISED SERVICE CHARGES

DECEMBER 21, 2001

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 revised charges that apply to three categories of air navigation services: (i) Terminal, (ii) Enroute, and (iii) Oceanic. These revised charges will become effective on January 1, 2002, 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 the within revisions to charges may do so by making an application to the Canadian Transportation Agency within 30 days after the day the Announcement required by Section 37 in respect of the charge that is the subject of the appeal was filed with the Agency. The filing date of the said Announcement is December 21, 2001. 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 three sections:

- (1) Termination of the Existing Temporary Adjustments in Charges;
- (2) Modification in the Application of the Enroute Charge to Flights Between Two Points in the United States Transiting Canadian-Controlled Airspace; and
- (3) Modifications to the Terms and Conditions.

1. TERMINATION OF THE EXISTING TEMPORARY ADJUSTMENTS IN CHARGES

The Announcement of Reduced Service Charges dated August 16, 1999, provided for reduced rates, as well as temporary one-year adjustments representing an additional decrease in charges. The reduced charges were effective September 1, 1999, except for the annual and quarterly charges, which were effective March 1, 2000.

The temporary adjustments were extended from August 31, 2000, to December 31, 2000, by the Announcement of Revised Service Charges dated August 18, 2000, and then further extended to December 31, 2001, by the Announcement of Revised Service Charges dated December 15, 2000. The corresponding extension for annual and quarterly charges was to February 28, 2002.

With the expiration of these temporary adjustments on December 31, 2001, for terminal, enroute, oceanic and daily charges, and on February 28, 2002, for annual and quarterly charges, these charges will revert to the existing base rates on January 1, 2002, and on March 1, 2002, respectively. As noted above, these changes were provided for in the Announcement of Revised Service Charges, dated December 15, 2000.

The existing base rates date back to September 1, 1999, when they were reduced, and they are set out in the Announcement of Reduced Service Charges, dated August 16, 1999, except for the International Communication Services Charge. The existing base rates for the latter charge are set out in the Announcement of New and Revised Service Charges, dated January 28, 2000. The existing base rates are also provided in the Customer Guide to Charges, as well as on the NAV CANADA invoices.

The tables below summarize most of the charges that will be effective January 1, 2002, except in the case of annual and quarterly charges, where the rates will be effective March 1, 2002. As noted above, these charges represent the existing base rates, as set out in earlier announcements. It should also be noted that there have been no changes in the rules regarding the application of the charges, except as provided for in section 2.

Movement Based Charges

Charge	Unit Rate Effective January 1, 2002
Terminal Services Charge	\$13.38
Enroute Charge	\$0.03204
North Atlantic Enroute Facilities and Services Charge	\$77.44
International Com. Services Charge	
HF Voice	\$46.33
Datalink	\$23.43

Daily Charges

Category and Weight Group* (in metric tonnes)	Unit Rate Effective January 1, 2002
<i>Propeller Aircraft</i>	
Over 3.0 up to 5.0	\$29
Over 5.0 up to 6.2	\$58
Over 6.2 up to 8.6	\$240
Over 8.6 up to 12.3	\$580
Over 12.3 up to 15.0	\$870
Over 15.0 up to 18.0	\$1,060
Over 18.0	\$1,450
Maximum for Helicopters	\$58
<i>Small Jet Aircraft</i>	
Over 3.0 up to 6.2	\$145
Over 6.2 up to 7.5	\$240

* Maximum permissible take-off weight

Annual Charges*

Weight Group** (in metric tonnes)	Unit Rate Effective March 1, 2002
0.617 up to 2.0	\$58
Over 2.0 up to 3.0	\$195

*For foreign-registered aircraft, the corresponding quarterly charge is equal to 25% of these amounts.

** Maximum permissible take-off weight

The charge for Airport Surface Detection Equipment at L.B. Pearson International Airport remains unchanged at the unit rate of \$0.45, as the temporary adjustments did not apply to this charge.

2. MODIFICATION IN THE APPLICATION OF THE ENROUTE CHARGE TO FLIGHTS BETWEEN TWO POINTS IN THE UNITED STATES TRANSITING CANADIAN-CONTROLLED AIRSPACE

The application of the Enroute charge is extended to overflights by turbojet aircraft, with maximum permissible take-off weight (MTOW) of 20 metric tonnes or more and providing commercial service between two points in the United States, which operate in Canadian-controlled domestic airspace east of 95° W longitude and west of 68° W longitude, and enter and exit Canadian-controlled airspace south of 49° N latitude.

Should the United States introduce an enroute charge on flights between two points in Canada transiting U.S. airspace, NAV CANADA would extend the application of the Enroute charge to all flights between two points in the United States transiting Canadian-controlled airspace, following an announcement in accordance with the ANS Act.

3. MODIFICATIONS TO THE TERMS AND CONDITIONS

3.1 Demand for Immediate Payment

The provision concerning the demand for immediate payment in respect of delinquent accounts, set out in Subsection 2.1 of the Announcement of Revised Service Charges, dated August 18, 2000, is revoked.

3.2 Credit Security Arrangements

The provision concerning the Credit Security Arrangements, set out in Subsection 2.4 of the Announcement of Revised Service Charges, dated August 18, 2000, is revoked, and the following substituted therefor:

“Where an aircraft operator has significant and/or overdue charges or where NAV CANADA, acting reasonably and in good faith, is of the opinion that NAV CANADA charges will not be paid when due, NAV CANADA may seek credit security arrangements from the operator in a form and substance satisfactory to NAV CANADA.”

3.3 Withholding of Service

The following provision is included:

“Where an aircraft operator has overdue charges owed to NAV CANADA or where NAV CANADA, acting reasonably and in good faith, is of the opinion that NAV CANADA charges will not be paid when due, NAV CANADA shall have the right, on 24 hours' notice to the operator, to terminate or reduce (withhold) its services, except in an emergency situation, until such time as applicable charges have been paid or until such time as credit security arrangements have been made by the operator in a form and substance satisfactory to NAV CANADA.

Notice, as described in the above preceding paragraph, shall be sent by registered mail or by electronic means and will be considered to have been received (a) in the case of electronic means, on actual receipt and (b) in the case of registered mail, on the date of delivery.”