



ANNOUNCEMENT OF REVISED SERVICE CHARGES

JULY 2004

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 September 1, 2004, 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) Increase in Service Charges; and
- (2) Modification to Terms and Conditions.

1. INCREASE IN SERVICE CHARGES

The *Notice of Revised Service Charges* of May 2004 proposed increases in charges effective August 1, 2004, except for the annual and quarterly charges which would be effective March 1, 2005.

Having considered the results since May 2004 of the Company's continued focus on cost control, NAV CANADA has been able to defer the August 1 effective date to September 1, 2004.

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

- Base rates, which are set to achieve breakeven for fiscal year 2004/05. These rates reflect the increases discussed in the *Notice of Revised Service Charges* released in May 2004 for consultation.
- Additional rate adjustments related to recovery of the past shortfall and replenishment of the Rate Stabilization Account. These existing adjustments have not been revised.

Movement-Based Charges

Charge	Base Rates Effective September 1, 2004	Additional Rate Adjustments [†]
Terminal	\$ 16.38	\$ 0.28
Enroute	\$ 0.03589	\$ 0.00065
North Atlantic	\$ 97.12	\$ 3.35
International Communication		
Data Link	\$ 26.44	Nil
Voice	\$ 52.33	Nil

[†] No changes to these rate adjustments, which are currently in place.

Daily Charges

Category and Weight Group* (in metric tonnes)	Base Rates Effective September 1, 2004	Additional Rate Adjustments[†]
<i>Propeller Aircraft</i>		
Over 3.0 up to 5.0	\$ 35	\$ 1
Over 5.0 up to 6.2	\$ 71	\$ 1
Over 6.2 up to 8.6	\$ 290	\$ 5
Over 8.6 up to 12.3	\$ 700	\$ 12
Over 12.3 up to 15.0	\$ 1,051	\$ 18
Over 15.0 up to 18.0	\$ 1,281	\$ 22
Over 18.0 up to 21.4	\$ 1,753	\$ 30
Over 21.4	\$ 2,358	\$ 40
Maximum for Helicopters	\$ 71	\$ 1
<i>Small Jet Aircraft</i>		
Over 3.0 up to 6.2	\$ 175	\$ 3
Over 6.2 up to 7.5	\$ 290	\$ 5

* Maximum permissible take-off weight (MTOW).

[†] No changes to these rate adjustments, which are currently in place.

Annual Charges*

Weight Group** (in metric tonnes)	Base Rates Effective March 1, 2005	Additional Rate Adjustments[†]
0.617 up to 2.0	\$ 71	\$ 1
Over 2.0 up to 3.0***	\$ 236	\$ 4

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

** Maximum permissible take-off weight (MTOW).

*** 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 increased rates.

[†] No changes to these rate adjustments, which are currently in place.

Annual Minimum Charge*

Aircraft Category	Base Rate Effective March 1, 2005	Additional Rate Adjustment[†]
Annual Minimum for Aircraft over 3.0 Metric Tonnes **	\$ 236	\$ 4

* 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 over 3 metric tonnes (maximum permissible take-off weight) restricted to Agricultural Spraying, for which the existing provisions remain, with the exception of the increased rates.

† No changes to these rate adjustments, which are currently in place.

2. MODIFICATION TO TERMS AND CONDITIONS

The following provision will be included in the Terms and Conditions, effective September 1, 2004:

“Without limiting NAV CANADA's general discretion to require security arrangements, where a customer has not been invoiced previously by NAV CANADA for ANS services, or has not been invoiced within the previous 6 months, and where monthly charges are expected to exceed \$1000, the customer will be required to make a pre-payment in an amount equal to twice the estimated monthly charges. The pre-payment amount will be subject to adjustments based on changes in the level of the estimated monthly charges.”