



## 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 ("the ANS Act"). This Announcement describes NAV CANADA's charges which apply to three categories of air navigation services: (i) oceanic, (ii) terminal, and (iii) enroute, to overflights and flights departing from and/or landing at Canadian airports. NAV CANADA received statutory approval of the new and revised charges from the Minister of Transport on September 5, 1997.

NAV CANADA's Notice of New and Revised Charges issued on May 29, 1997 indicated that user charges would be introduced on November 1, 1997. However, under the terms of this Announcement, the charges will become effective on March 1, 1998, except for one aspect of the Overflight Charge. If on November 1, 1997 the U.S. overflight fee applies to Canadian domestic flights, NAV CANADA will eliminate the current exemption from the Overflight Charge which currently applies to 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.

This Announcement consists of six sections:

- (1) *Oceanic* charges
- (2) *En-route* charges
- (3) *Terminal Services* charge
- (4) *Exemptions from Charges*
- (5) *Reductions in the Terminal Services Charge*
- (6) *Terms and Conditions of Payment*  
regarding charges

Note: All references to dollars refer to Canadian dollars.

## 1. Oceanic Charges

- NAV CANADA currently levies two Oceanic charges – the North Atlantic Enroute Facilities and Services Charge (NAT) and the International Communication Services Charge (Int'l Comm).
- 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 existing charge is \$71.60 per flight.
- 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 charge is \$53.68 per flight.
- *NAV CANADA will maintain the NAT and Int'l Comm charges.*
- *The rates will be increased to \$88.33 per flight for NAT and \$58.49 per flight for Int'l Comm.*
- 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 charge per flight will be 40% of the Oceanic Charges otherwise payable.

## 2. Enroute Charges

- Enroute services are air navigation services other than terminal and oceanic services.
- Enroute charges will be applied to flights in Canadian sovereign airspace and international airspace for which Canada has air navigation services responsibility (hereinafter referred to as Canadian-controlled airspace), excluding the Gander Oceanic FIR/CTA, and cover enroute services provided or made available by NAV CANADA or by a person acting under the authority of the Minister of National Defence.
- The following flights will be subject to the enroute charges:
  - overflights -- flights that pass through Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA) which do not land or take off in Canada, and
  - flights landing and/or taking off in Canada -- any flight between two airports, one of which is an airport where NAV CANADA applies the Terminal Services Charge (refer to Section 3).
- Only an overflight charge is levied by NAV CANADA at the present time.

### ***Exemption for US Domestic Overflights***

- 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 (“U.S. domestic overflights”) are exempt from NAV CANADA’s Overflight Charge.
- If the U.S. overflight fee as set out in an Interim Final Rule (IFR) dated March 20, 1997 published by the U.S. Department of Transportation applies to Canadian domestic flights on November 1, 1997, then NAV CANADA will eliminate on this date the exemption for U.S. domestic overflights. The rate charged for these flights will be \$0.026142 per charging unit until March 1, 1998, which is the rate for the existing overflight fee.

### ***Charge Calculation***

- The enroute charge for a flight will be the unit rate multiplied by the number of charging units for that flight.
- The number of charging units for each flight will be the square root of the aircraft weight expressed in tonnes multiplied by the distance in kilometres.
- For flights which remain entirely within Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA), distance will be calculated as the great circle distance between the departure and arrival airports.
- For flights which enter or exit Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA), distance will be calculated as the sum of the great circle distances of each leg of the flight in that airspace, based on the flight plan or position reports.
- Enroute distances will be reduced to take into account areas around both the arrival and departure airports in Canada in accordance with the paragraph below.
  - At airports where the Terminal Services Charge applies (refer to Section 3):
    - 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.
- For the purpose of calculating the charges, the following three methodologies may be used for determining the weight of an aircraft. The aircraft operator will have a choice between the first two options; whereas the third option will exist as a default method should the operator fail to provide the required information.

### Provision of Information

At least one month prior to the start of each six-month period, with the first period commencing on March 1, 1998, the aircraft operator must provide a fleet submission to NAV CANADA listing each aircraft expected to transit Canadian-controlled airspace (excluding aircraft that transit only the Gander Oceanic FIR/CTA). The fleet submission must indicate the registration mark 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. In the fleet submission, the operator will be required to select either Option (1) or Option (2) below.

### Options

- (1) The weight of an aircraft would be defined as the maximum permissible take-off weight of that aircraft, expressed in tonnes rounded to the first decimal place, as stated in the fleet submission noted above; under this option, the operator must also include aircraft registration mark in every flight plan.
  - (2) The weight of an aircraft would be calculated as the average maximum permissible take-off weight of the aircraft of the same type utilized by the operator, expressed in tonnes rounded to the first decimal place, as stated in the fleet submission noted above.
  - (3) Where the fleet submission is not provided to NAV CANADA within the specified time frame, or where under option (1) the aircraft registration mark is not recorded on the flight plan, the weight of any aircraft utilized by the operator for a flight in Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA) will be the highest maximum permissible take-off weight for an aircraft of the same type.
- ***The Overflight Charge will be based on a unit rate of \$0.03263 per charging unit, effective March 1, 1998, increased from the existing unit rate of \$0.026142.***
  - ***The Enroute Charge for flights either departing from or landing at a Canadian airport will be \$0.02174 per charging unit, effective March 1, 1998.***
  - The Overflight Charge has a higher unit rate than the Enroute Charge applicable to flights landing or taking off in Canada because the latter category of flights will still be subject to the Air Transportation Tax ("ATT") while it is being phased out during the transition period (to November 1, 1998).

### **3. Terminal Services Charge**

- Terminal services are air navigation services provided or made available to an aircraft at or in the vicinity of an airport, excluding aircraft overflying the airport, 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 Terminal Services Charge will be applied to departures from airports with air navigation facilities staffed either by NAV CANADA personnel or by a person acting under the authority of the Minister of National Defence, i.e., airports with air traffic control towers or flight service stations (FSSs), except the airport located at Portage-La Prairie, Manitoba. Airports which currently meet this criterion are listed in Attachment I.

### *Charge Calculation*

- The Terminal Services Charge for a departure will be the unit rate multiplied by the number of charging units for that departure.
- The number of charging units for each departure will be the aircraft's weight expressed in tonnes raised to the 0.9 power (i.e., weight<sup>0.9</sup>).
- For the purpose of calculating the charge, the following three methodologies may be used for determining the weight of an aircraft. The aircraft operator has a choice between the first two options; whereas the third option exists as a default method should the operator fail to provide the required information.

### Provision of Information

At least one month prior to the start of each six-month period, with the first period commencing on March 1, 1998, the aircraft operator must provide a fleet submission to NAV CANADA listing each aircraft expected to transit Canadian-controlled airspace (excluding aircraft that transit only the Gander Oceanic FIR/CTA). The fleet submission must indicate the registration mark 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. In the fleet submission, the operator will be required to select either Option (1) or Option (2) below.

### Options

- (1) The weight of an aircraft would be defined as the maximum permissible take-off weight of that aircraft, expressed in tonnes rounded to the first decimal place, as stated in the fleet submission noted above; under this option, the operator must also include the aircraft registration mark in every flight plan.
- (2) The weight of an aircraft would be calculated as the average maximum permissible take-off weight of the aircraft of the same type utilized by the operator, expressed in tonnes rounded to the first decimal place, as stated in the fleet submission noted above.
- (3) Where the fleet submission is not provided to NAV CANADA within the specified timeframe, or where under option (1) the aircraft registration mark is not recorded on the flight plan, the weight of any aircraft utilized by the operator for a flight in Canadian-controlled airspace (excluding the Gander Oceanic FIR/CTA) will be the highest maximum permissible take-off weight for an aircraft of the same type.

- ***The Terminal Services Charge, effective March 1, 1998, will be \$7.74 per charging unit.***

#### **4. Exemptions from Charges**

- Certain categories of flights shall be exempt from air navigation services charges.
- Under Subsection 32(2) of the *ANS Act*, air navigation services charges will not be imposed on:
  - a) A user who is a person acting under the authority of the Minister of National Defence;  
or
  - 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*.
- In addition, air navigation services charges will not apply in respect of the following flights:
  - i) Search and rescue flights operated under the direction of the Department of National Defence or police authorities responsible for locating missing persons.
  - ii) 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;
  - iii) Flights of aircraft the maximum take-off weight of which, as shown in their certificate of airworthiness or a document referred to in that certificate, is 8.0 tonnes or less.

It should be noted that the exemption for aircraft weighing 8.0 tonnes or less is provided as part of NAV CANADA's plan for developing charges for large aircraft in the first 16 months of the transition period and for small aircraft in the last eight months.

#### **5. Reductions in Terminal Services Charge**

- Reductions will be 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 flight crew to obtain, upgrade or renew a licence, but not to maintain a licence, a charge will be applied only on the first departure at any given airport.

If during a particular training flight operation, an aircraft transits to a second airport, the reduction shall apply in the same way at both airports.

### **Test Flights:**

A rebate of 50 per cent will be 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 the above reductions, flights must not be for commercial gain, i.e. earning revenue, nor for positioning of aircraft.

### **6. Terms and Conditions for Payment**

The following terms and conditions will be applicable regarding payment of charges imposed by NAV CANADA with regard to services:

- Remittances may be made in either Canadian dollars or U.S. dollars. U.S. dollars will be converted at the exchange rate for buying Canadian dollars on the day the remittance is deposited into a NAV CANADA bank account. Any material gains/losses will be credited/debited to the customer's account.
- All charges become due and payable on the thirtieth (30<sup>th</sup>) day after the date on which the invoice is issued in respect of the charges (the "due date").
- Invoices will be issued every month for flights occurring in the preceding month.
- When payment in full has not been received by the due date, interest shall commence being charged on the first day after the due date.
- Interest shall be calculated monthly on the outstanding amount, including principal plus any accrued interest.
- 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.
- The interest rate shall be calculated on the basis of an annual rate of 18 per cent.
- 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.
- 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 and Overflight Charges

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.

**AIRPORTS WITH STAFFED AIR NAVIGATION FACILITIES**

**TOWERS**

**FSSs**

**Atlantic**

Gander  
St. John's  
Halifax \*  
Moncton

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

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**Québec**

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

Gatineau \*  
Gaspé  
Iles-de-la-Mdeine  
Iqaluit  
Kuujjuaq  
Kuujjuarapik  
La Grande Rivière  
Mont Joli  
Montréal (Dorval)  
Québec  
Roberval  
Rouyn  
Sept-Iles  
Val D'Or

**TOWERS**

**FSSs**

**Ontario**

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

Kingston  
London  
Sault Ste. Marie  
St. Catharines  
Timmins  
Tor/Buttonville

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**Central**

Regina \*  
Saskatoon \*  
St. Andrews \*  
Thunder Bay \*  
Winnipeg \*

Baker Lake  
Brandon  
Churchill  
Kenora  
La Ronge  
Prince Albert  
Rankin Inlet  
Regina  
Resolute Bay  
Saskatoon  
Sioux Lookout  
Thompson  
Thunder Bay  
Winnipeg Int'l

**TOWERS**

**FSSs**

**Western**

Calgary \*  
Edmonton Int'l \*  
Edmonton City Centre \*  
Springbank \*  
Villeneuve  
Whitehorse  
Yellowknife

Dawson Creek  
Edmonton Intl  
Ft. McMurray  
Fort Nelson  
Fort Simpson  
Fort Smith  
Fort St. John  
Grande Prairie  
Hay River  
High Level  
Inuvik  
Lethbridge  
Lloydminster  
Medecine Hat  
Norman Wells  
Peace River  
Red Deer  
Springbank/Calgary  
Whitecourt  
Whitehorse  
Yellowknife

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**Pacific**

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

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

In addition to the airports listed above, the Terminal Services Charge will apply to departures of civilian aircraft from aerodromes receiving ANS services from DND, including the following:

Bagotville \*  
Cold Lake \*  
Comox \*  
Goose Bay \*  
Trenton \*

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Notes:

The list was prepared in July, 1997 and may change before Terminal Services Charges are implemented on March 1, 1998.

At the airports marked with an asterisk (\*), flights receive dedicated arrival/departure control services.