



ANNOUNCEMENT OF REVISED SERVICE CHARGES

AUGUST 18, 2000

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 charges will become effective on September 1, 2000. All other Service Charges not amended by this Announcement remain in effect.

Pursuant to Section 42 of the ANS Act, persons wishing to appeal the within changes 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 August 18, 2000. 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) Extension of the Existing Adjustment in Charges from September 1, 2000 to December 31, 2000.
- (2) Modifications to Terms and Conditions.

1. EXTENSION OF THE EXISTING ADJUSTMENT IN CHARGES FROM SEPTEMBER 1, 2000 TO DECEMBER 31, 2000

The Announcement of Reduced Service Charges dated August 16, 1999, provided for reduced rates, as well as a one-year adjustment representing an additional decrease in charges. This one-year adjustment currently terminates on August 31, 2000.

The existing adjustment is extended to December 31, 2000.

2. MODIFICATIONS TO TERMS AND CONDITIONS

2.1 PAYMENT DUE DATE AND RELATED INTEREST CHARGES

The invoice due date definition is replaced by the following:

“All charges are due by the date of the invoice (the “due date”), and payable upon receipt of invoice.”

The provision concerning the demand for immediate payment in respect of delinquent accounts is replaced by the following:

“If an operator frequently fails to pay any invoice, or any undisputed part thereof, by the 30th day following the due date, NAV CANADA may demand immediate payment upon receipt of invoices with any interest on overdue accounts being calculated commencing on the first day after the due date and continuing until all outstanding amounts are paid in full.”

The interest calculation methodology with respect to overdue accounts is replaced by the following:

“When payment in full is not received by the 30th day following the due date, NAV CANADA shall charge interest on the amount outstanding and such interest shall be calculated commencing on the first day after the due date and continuing until all outstanding amounts are paid in full.”

2.2 LIMITATION OF LIABILITY CLAUSE

The following Limitation of Liability Clause is included, to clarify that the company does not assume responsibility for any business, economic or indirect loss or damage incurred by its customers or any third party:

“In no event shall NAV CANADA, or any of its officers, directors, employees or affiliates, be liable to its Customer or any of its officers, directors, employees or affiliates, or to any third party for any loss of profit or revenue, loss of data, loss of income, failure to realize expected savings, or

for any other indirect, consequential, special, incidental, punitive or other similar damages, whether incurred or suffered as a result of unavailability of services, delay in delivery of services, performance, non-performance, suspension, termination, negligence, breach (including fundamental breach or otherwise), or other action or inaction by NAV CANADA, or for any other reason, theory of law or equity, even if the Customer has advised NAV CANADA of the possibility of such loss or damage or NAV CANADA had knowledge of, or reasonably could have foreseen the possibility of such loss or damage.”

2.3 REQUIREMENT FOR AIRCRAFT OPERATORS TO IDENTIFY AIRCRAFT OWNERS

The following is included:

“Aircraft operators may be required to provide to NAV CANADA identification of the owners of the aircraft that they operate.”

2.4 ADDITIONAL COLLECTION MEASURES FOR DELINQUENT ACCOUNTS

Regarding advice to Aircraft Owners of their Joint and Several Liability, the following is included:

“Where an aircraft operator has significant and/or long overdue charges, NAV CANADA may contact the owner of the aircraft and advise of the operator’s overdue account status and of the owner’s joint and several liability and seek payment from the owner accordingly.”

The following is included with respect to Credit Security Arrangements:

“Where an aircraft operator has significant and/or long overdue charges, NAV CANADA may seek credit security arrangements from the operator. These arrangements will include, but not be limited to, requiring the operator to furnish advance payments, an irrevocable letter of credit or refundable deposits.”

The following is included in regards to Offset of Fee Adjustments:

“Where NAV CANADA provides its customers with a fee adjustment as a result of prior revenues in excess of the Company’s financial requirements, it may withhold that adjustment to any customer who has not fully paid two or more previous consecutive invoices. However, when a customer brings his account back up to current status, the accumulated adjustments will be credited to the customer.”