



NOTICE OF REVISED SERVICE CHARGES

JUNE 1, 2000

General

Pursuant to Section 36 of the *Civil Air Navigation Services Commercialization Act*, S.C. 1996, c. 20 (the "ANS Act"), the following document provides notice (the "Notice") of NAV CANADA's proposed revised charges for air navigation services to become effective September 1st, 2000. A document setting out additional details in relation to these proposed revised service charges, including a justification in relation to the charging principles established under Section 35 of the ANS Act, is available upon request from NAV CANADA.

Persons interested in making representations to NAV CANADA with regard to the proposed revised charges set out in this Notice may do so by writing to the address set out under Section 3 so as to be received by NAV CANADA not later than July 31, 2000.

NAV CANADA applies service charges to the following categories of air navigation services: (i) terminal, (ii) enroute, and (iii) oceanic. The Notice provides for a proposed extension to the current rate adjustments, as well as proposed modifications to payment terms and conditions.

Except for the revisions proposed in this Notice, all the existing charges and related terms and conditions, as set out in earlier Announcements pertaining to charges, remain in effect.

This Notice consists of three sections:

- (1) Proposed Extension of the Existing Adjustment in Charges from September 1, 2000 to December 31, 2000.
- (2) Proposed Modifications to Terms and Conditions.
- (3) Additional Information Regarding the Notice and on Making Representations to NAV CANADA.

1. PROPOSED 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.

It is proposed to extend the existing adjustment to December 31, 2000.

2. PROPOSED MODIFICATIONS TO TERMS AND CONDITIONS

2.1 PAYMENT DUE DATE AND RELATED INTEREST CHARGES

It is proposed to replace the invoice due date definition with the following:

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

It is proposed to replace the provision concerning the demand for immediate payment in respect of delinquent accounts with 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.”

It is proposed to replace the interest calculation methodology with respect to overdue accounts with 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

NAV CANADA proposes to include the following Limitation of Liability Clause:

“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 indirect, consequential, special, incidental, punitive or similar or other 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

It is proposed to include the following:

“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

NAV CANADA proposes to include the following:

Advice to Aircraft Owners of their Joint and Several Liability:

“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.”

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.”

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.”

3. ADDITIONAL INFORMATION REGARDING THE NOTICE AND ON MAKING REPRESENTATIONS TO NAV CANADA

Further details of the proposal is provided in a document entitled *Details and Principles Regarding Proposed Revised Service Charges* ("Details and Principles") which is available on request. The Notice and Details and Principles documents are available on NAV CANADA's Internet site (www.navcanada.ca).

Information on the existing charges is provided in the *Customer Guide to Charges*, which is also available on the Internet site.

A hard copy of the Details and Principles document may be obtained by contacting NAV CANADA:

in writing: NAV CANADA
P.O. Box 3411, Station "D"
Ottawa, Ontario
Canada K1P 5L6
Attention: Director, Customer Relations

by e-mail: service@navcanada.ca
by facsimile: 1 - 613 - 563 - 3426
by telephone: 1 - 800 - 876 - 46934 (within North America, disregard the last digit)

Pursuant to Section 36 of the ANS Act, persons interested in making representations to NAV CANADA with regard to the proposed revisions contained in this Notice may do so in writing to the following address:

NAV CANADA
P.O. Box 3411, Station "D"
Ottawa, Ontario
Canada K1P 5L6
Attention: Director, Rates and Revenues

By facsimile 1 - 613 - 563 - 7994.

Note: Representations must be received by NAV CANADA not later than the close of business on July 31, 2000.