

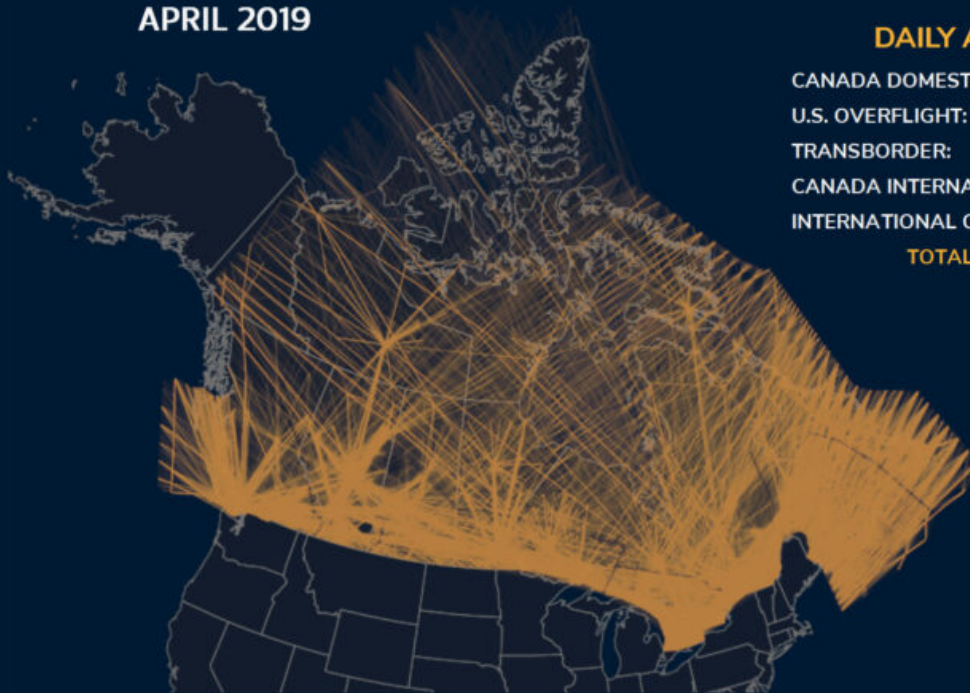
Increased ATC charges in Canada

David Mumford
8 September, 2020



Nav Canada has proceeded with its earlier proposal to **significantly increase ATC service charges**. The new fees were implemented on September 1. The price increase is to cover the loss of income caused by dwindling traffic levels during the Covid pandemic.

APRIL 2019



DAILY AVERAGES

CANADA DOMESTIC:	5,472
U.S. OVERFLIGHT:	1,818
TRANSBORDER:	1,370
CANADA INTERNATIONAL:	558
INTERNATIONAL OVERFLIGHT:	86
TOTAL	9,304

APRIL 2020



DAILY AVERAGES

CANADA DOMESTIC:	1,966
U.S. OVERFLIGHT:	493
TRANSBORDER:	149
CANADA INTERNATIONAL:	61
INTERNATIONAL OVERFLIGHT:	11
TOTAL	2,680

Terminal fees have increased by 30 percent; **en-route** by 26 percent; **North Atlantic Track** by 48 percent; and **international communications** by 41 percent. The good news is that the added cost to operators can be deferred over time to help absorb some of the impact.

Movement-Based Charges

Charge	Base Rates Prior to September 1, 2020	Base Rates Effective September 1, 2020
Terminal Charge	\$ 24.36	\$ 31.86
Enroute Charge (including Overflight)	\$ 0.03008	\$ 0.03802
NAT	\$ 155.03	\$ 230.22
International Communications		
Data Link	\$ 19.99	\$ 28.19
Voice	\$ 53.14	\$ 74.93

The **NAT** and **International Comms charges** are not really a big deal – those are just flat fees charged per flight. It's the **Terminal Charge** and **Enroute Charge** where the pain will most be felt; don't be fooled by the figures in the table above – these are just the base rates that get incorporated into bigger equations and multiplied by other factors (MTOW, distance flown, etc).

If you want to test your math skills and take a deep plunge into how these equations work, check out Nav Canada's Guide To Charges. But if not, here's a basic example of how the charges have changed:

Aircraft: B777-300

Route: CYUL/Montreal to LFPG/Paris

MTOW: 344.5 metric tonnes

Distance: 1,550 km

	Before 1st Sep 2020	After 1st Sep 2020
Oceanic Charges: NAT	\$155	\$230
Oceanic Charges: Datalink	\$20	\$28
Oceanic Charges: Voice	\$53	\$75
Enroute Charge	\$829	\$1047
Terminal Charge	\$2608	\$3411
TOTAL	\$3665	\$4801

NAV Canada is a private company and not government-funded, and is therefore entirely reliant on the fees it charges to operators. And since most of its costs are fixed, it appears there wasn't much alternative than to increase these fees, given the huge drop in air traffic over the past few months.

You can view the full schedule of revised fees here:

ANNOUNCEMENT OF REVISED SERVICE CHARGES

AUGUST 2020

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 revisions in charges that apply to four categories of air navigation charges: (i) Terminal, (ii) Enroute, (iii) North Atlantic Enroute, and (iv) International Communications. These revised charges will become effective on September 1, 2020 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 three sections:

- (1) Revision to Service Charge Rates;
- (2) Implementation of the Revised Service Charges; and
- (3) Modification to Terms and Conditions.