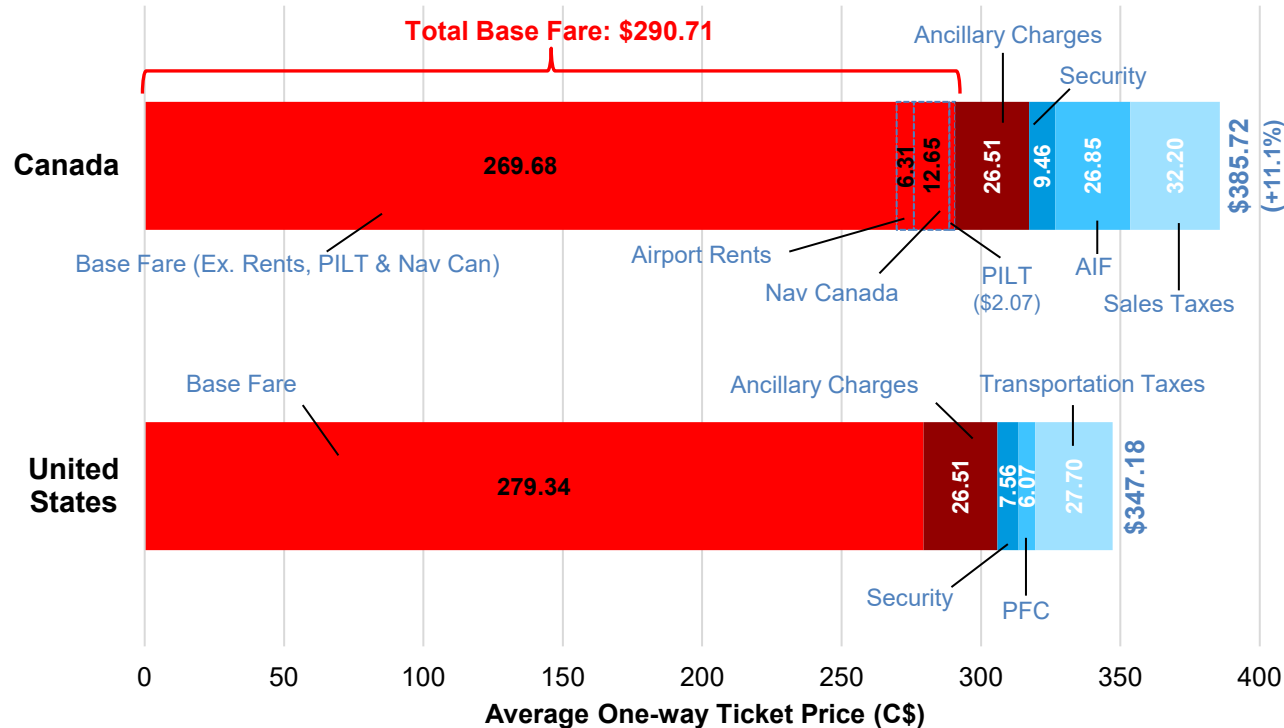


Excluding Differences in the Funding and Taxation of Aviation, Canadian Domestic Air Fares are Lower than the United States

- Excluding airport rents, PILT and Nav Canada charges (where the U.S. has no equivalent), the base fare is C\$269.68 compared with C\$279.34.
- Government imposed charges and taxes in Canada are C\$48.21 higher per one-way domestic trip - total ticket prices are 11% higher than the U.S.
- Unlike Canada, U.S. taxation on air fares goes to funding the FAA and airports (the Airport & Airway Trust Fund) rather than to general funds.



Add-on Charges & Taxes: C\$68.51

Rent, PILT & Nav Can: C\$21.03

Total Govt Charges: C\$89.54



Add-on Charges & Taxes: C\$41.33

Rent, PILT & Nav Can: C\$0

Total Govt Charges: C\$41.33

Difference: C\$48.21

Notes:

- The airport rent, PILT and Nav Canada costs are assumed to be embedded in the base fare and have been estimated as a weighted average of all itineraries.
- Ancillary charges for Canada are assumed to be equal to U.S. public reporting (data from U.S. BTS) and does not represent Air Canada ancillary charges.
- Canadian sales taxes are a weighted average of GST, HST, PST/QST applicable in each province.
- U.S. taxes are the Flight Segment Tax and Transportation Tax which contribute to the Airport & Airway Trust Fund.