

## **Modernizing fees for aircraft registration services**

The Canadian Owners and Pilots Association (COPA) is the largest civil aviation organization in Canada and has the responsibility of representing more than 14,000 pilot and aircraft owner members. With this responsibility COPA would like to submit the following input to proposed amendments to Transport Canada fees associated with aircraft registration services.

First, COPA recognizes that service fees for aircraft registration have not changed since 1996 and that the Government of Canada is interested to 'modernize' fees to more accurately reflect the current cost of providing services. With this recognition of intent, COPA submits that the situation must be examined on more than a superficial level with the assumption that the services are solely for aircraft owner benefits so owners should pay the bulk of the costs. Looking more deeply into the purposes and benefits of the services one can quickly see that there is more to the story than may meet the casual observer's eye.

The fee proposal suggests that aircraft owners get 80% of the benefits from registration services; COPA submits that this estimate is too high. A detailed reading of the proposal indicates that Transport Canada also gets substantial benefit from having aircraft registered.

**“These activities are foundational regulatory requirements that support the Minister's powers and responsibilities under the Aeronautics Act in relation to aviation safety. The program fulfills Canada's requirements under the International Civil Aviation Organization's (ICAO) Convention on International Civil Aviation to register aircraft and have them display the appropriate nationality and registration marks.**

**Aircraft registration helps to promote the safety of the individuals aboard that aircraft, the safety of other users of the airspace, and even the safety of individuals and property on the ground through identification and communication with aircraft owners. Aircraft registration facilitates communication between TC and the operator of the aircraft, such as communicating mandatory maintenance or inspection requirements, and component replacement. The registration mark identifies the aircraft to support communications between the aircraft, air traffic control and with other pilots. The mark also assists in search and rescue activities in cases of emergencies or accidents.”**

Clearly seeing that the State uses registration information for its own purposes the question of public versus private benefit needs to be revisited. Looking in more detail one sees there are more benefits to a broader audience than just aircraft owners.

1. Access to information in the aircraft registry is available to the general public. Anyone can go to CCAR – Quick Search online to find out information on any aircraft for any reason.
2. Data about aircraft and owners in the registry gives TC information that allows them to collect additional data to support other programs. For example, the Annual Airworthiness Information Report (AAIR) is submitted each year which collects aircraft

information including the number of hours flown, total time, the date of the last annual, etc.

3. TC can use the data for enforcement and investigation purposes. Every accident and incident in the system is recorded and registry information provides baseline data and allows enforcement to review that aircraft information to make sure regulatory requirements are in order. For example, Enforcement gets registration information which gives them owner information. They check that the plane info is correct. They also check owner and pilot info to see if he is legal, i.e., that he is licensed and has a valid medical. This information may trigger charges that have nothing to do with the accident or incident for which they originally opened the file.
4. NAV CANADA the Air Navigation Service Provider uses an owner's address and basic aircraft information from the registry to bill for services.
5. Search and Rescue (SAR) uses the aircraft information to aid in searches.
6. The Transportation Safety Board (TSB) uses registry information to alert owners of certain makes and models of aircraft if an investigation identifies a widespread problem with an aircraft type.
7. Law enforcement can use the registry when they want information about a plane or pilot.
8. The media uses the registry for information anytime an aircraft is in the news. They can simply go to the aircraft registry and get all the information about a plane and its owner.

Using these examples of benefits, to government and other public entities / businesses as a starting point, one begins to see that many others benefit from registration services and information. Clearly aircraft owners are not the only beneficiaries of these services, and it could be argued that the public-private benefit analysis results should be reversed with private benefit (to owners) about 20% and the public benefit (to others) at 80%.

With this analysis in mind COPA submits that consideration should be made that Aircraft owners only pay 20% of the cost of registration services.

Following on this argument one must also assess the scope of changes being proposed where one quickly sees that virtually all fees are proposed to rise including in several cases by over 300%. Included in the items to rise significantly is the service of issuing a new ongoing Certificate of Registration. This is a regulatory required document that needs to be issued by the state in accordance with international requirements. Owners have no choice but to obtain a C of R or they cannot legally operate an aircraft. Raising this fee by such a significant amount could be argued to be exploiting a captive audience. Essentially every owner must pay whatever the Government decides as they have no choice. Interestingly in the same proposal the fee to issue an amendment to a C of R, other than a change of address, has been eliminated because TC wants to encourage aircraft owners to comply with the regulatory requirements to report changes to TC, which keeps the Register more accurate and up to date. Are these two situations not contrary to each other? On one hand TC is eliminating fees to ensure data is correct and on the other hand imposing significantly increased fees to get required data?

Even while considering the level of effort methodology applied to determine the proposed fees, there remains a fundamental policy question as to why some fee increases, and particularly those for optional services, appear to be proportionally lower than mandatory services. For example, as mentioned above, issuing an ongoing C of R, which is mandatory and occurs regularly, rises over 300% while a voluntary reservation of a particular mark only rises just over 90%. Granted one activity may have a greater level of effort but one also must consider why the service is needed. One must be done while the other is a choice. An argument could certainly be made that if voluntary services were not offered mandatory services would be more cost effective as total workload would be less. One must question the rationale of workload when each service is assessed in isolation and not as an entire operation.

Reading further through the fee proposal there is detailed information comparing Canada's proposed fees to international fees. The data presented is confusing at best if the fee comparisons are to be interpreted as supporting the need to increase fees? Looking at the included tables one quickly sees obvious differences between States but glaringly the proposed fees for Canada in nearly every case are significantly higher than any other State. The question easily comes to be "Why do Canada's fees need to be so high if others do not need to be?" Are other States that much more efficient at delivering services? Perhaps a review of their processes would be in order if efficiencies could be found for Canadians?

Finally, COPA wishes to applaud the proposals for Service Levels for the various Aircraft Registration Services. Having an expectation of service delivery timelines is a beneficial for all users. Establishing Service Levels is a step in the right direction and COPA remains hopeful that these commitments can be met on an ongoing basis once established.

In conclusion, COPA recognizes that the concept of user fees for some government services is valid when implemented in a reasonable, cost balanced and mutually beneficial manner. Unfortunately, COPA cannot recognize the current proposed changes as being reasonable, cost balanced or mutually beneficial between users and government. Therefore, COPA does not support the proposed changes to fees and submits that the cost benefit analysis of this proposal be revisited on a more than superficial level targeting aircraft owners as the sole beneficiaries of Registration Services.

Regards

James (Jim) Ferrier  
Interim President and CEO  
Canadian Owners and Pilots Association

Looks good the only addition is that you should say something about the fact they should balance any fee increases out – they seem to be targeting the ones that get the most traffic – ie aircraft registrations – they should not be a much larger proportional increase than picking your own registration which doesn't appear to have gone up much when it should be increased more because it's not a necessity – it's a want not a need!

