

AEROSPACE

CENTRE of EXCELLENCE

REAL PEOPLE

REAL SUPPORT

REAL OPPORTUNITY

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Executive Summary

Gander, Canada, offers aviation and aerospace companies an opportunity to expand their infrastructure and operations in a strategic location that affords significant cost savings on the ground and easy access to both North American and European markets.

Our position is unique, not just geographically but in our ability to offer a competitive advantage through lower wage and benefits costs; tax incentives up to and including a 15-year tax abatement; wage and training subsidies; and the flexibility to meet your operational needs, from customized training to a skilled and dedicated labour force.

Boasting advanced communications infrastructure and abundant water and power, Gander is the ideal location for companies interested in improving efficiency, reducing costs and increasing profitability without compromising quality.

At Gander, Canada, you'll find real people, real support and real opportunity!

- 5.6% or greater wage cost advantage over North American aerospace hubs
- Established aerospace community
- Ample commercial land available
- Three colleges, two specializing in aerospace training
- 70% of population has completed post-secondary education
- Foreign Trade Zone with direct import/export assistance
- Advanced communications infrastructure
- GMT-3:30 - 4.5 hours behind Frankfurt / 4.5 hours ahead of Los Angeles
- CYQX offers fast turnaround, no congestion, no restrictions, no noise abatement

Please review the following pages for an overview of what we can offer your company and feel free to contact me for more detailed information on these topics, or to discuss any other questions or concerns you may have.

Sincerely,

RJ Locke
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Town of Gander

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Life at the Crossroads of the World

REAL PEOPLE

Location, Accessibility and Time Zone



Gander is located in the heart of Newfoundland (48° 56' N 54° 34' W) and directly on the North Atlantic Great Circle Route utilized by more than 1,000 aircraft daily. Gander services international air cargo and passenger flights and is located directly on the Trans Canada Highway, which connects to mainland Canada via a modern ferry system. It also offers access to major ocean shipping companies and ice-free deep-water ports at Lewisporte and Carmanville.

Lewisporte: Situated 52 kilometres from Gander, Lewisporte's marine terminal serves some of the biggest names in Newfoundland and Labrador's surging offshore oil industry. Lewisporte is open year-round with icebreaking and has a channel depth of 5.5 to 9.7 metres (18 to 32 feet). Lewisporte Harbour has excellent warehousing facilities and is the offloading centre for aviation fuel supplied to Gander International Airport.

Carmanville: Carmanville Harbour handles over 10 million pounds of product annually. Shore power and water services, as well as a 600' x 300' docking facility, are available. The port is located 80 kilometres from Gander International Airport.

| From YQX to | Distance |
|-----------------------|----------|
| HFD-Hartford | 876 nm |
| JFK-New York City | 956 nm |
| YYZ-Toronto | 1084 nm |
| KEF-Reykjavik | 1371 nm |
| ORD-Chicago | 1455 nm |
| SMA-Santa Maria | 1468 nm |
| SNN-Shannon | 1722 nm |
| LHR-London | 2043 nm |
| DFW-Dallas-Fort Worth | 2122 nm |
| LBG-Paris | 2199 nm |
| FRA-Frankfurt | 2395 nm |
| LAX-Los Angeles | 2924 nm |

Newfoundland Standard Time

Newfoundland Standard Time is GMT-3:30, 1 hour and 30 minutes ahead of Eastern Standard Time and 30 minutes ahead of Atlantic Standard Time. Daylight Savings Time is observed from April through October annually. Gander is 4.5 hours behind Frankfurt and 4.5 hours ahead of Los Angeles, allowing realtime communication across both North America and Europe over the course of a single business day.

The runways at Gander International Airport routinely handle the world's largest, fastest and heaviest aircraft, up to and including the Antonov An-225. Due to its strategic location and runway capacity, Gander was a designated alternate landing site throughout NASA's Space Shuttle program.

Community Profile

The main economic industries for the Town of Gander include transportation, communications, public administration and defense. In addition, a large portion of the economy in Gander is driven by the service industry as it is central to a service area consisting of some 81,000 people in more than 125 communities within a 100 km radius.

The Town of Gander has large tracts of available and serviced land in close proximity to Gander International Airport and the downtown area of the community adjacent to arterial routes and the Trans Canada Highway. These assets make the community ready for any type of development including manufacturing.

The community is also extremely well situated for new developments in the information technology industry. Already more than 500 businesses have made their home in Gander with approximately 100 businesses in the home based business sector.

Gander is a participating community in the Economic Diversification and Growth Enterprises (EDGE) Program offering tax incentives to qualifying companies. The Town's low tax rates and manufacturing incentives are just two of the obvious advantages Gander has to offer.

The Town supports and operates many parks, hiking trails, playgrounds and recreational programs year round including a multi-purpose hockey arena, a curling club and an 18-hole golf course overlooking beautiful Gander Lake. The nearby Gander River is a world class waterway offering thrilling adventures and superb angling.

The Town is also a regional post-secondary training centre with three community colleges offering a variety of trades and technology career choices. As a result, Gander's skilled labour force boasts a higher level of training than that of the province as a whole, with 70% having completed post-secondary education as compared to 60% provincially. As well, the labour force participation rate for both men and women is above the provincial average.

The Town is a progressive community with an available and skilled labour force, training institutions ready to respond to the needs of industry, available land for business development, excellent tax rates, available and affordable housing and a committed Council and community anxious to respond to the needs of new business development.



Cuban President Fidel Castro once tobogganed with local youngsters on the slopes overlooking Gander Lake. Gander's municipal water supply, the lake is 56km long and 5km wide, its bottom extending far below sea level. Its odd topography, currents and even tidal action have consistently foiled attempts to accurately determine its maximum depth and its ability to absorb or baffle sonar signals reinforces the longstanding lore of "bottomless" Gander Lake.

History

In June of 1936, workers spilled off the train at Milepost 213 on the Newfoundland Railway. Still incredulous at the task they had been assigned, they set about clearing land for what would become the world's largest airport, boasting one square mile of tarmac. On January 11, 1938, Captain Douglas Fraser flew a single-engine biplane, Fox Moth VO-ADE, to the first landing at the completed 'Newfoundland Airport', now known around the world as Gander International.

With the threat of war in Europe, Gander became a strategic post for the Royal Air Force Ferry Command. Too new to appear on maps, the air base remained shrouded in secrecy as some 24,000 North American-built fighters and heavy bombers were transported overseas.

As many as 15,000 British, Canadian and American servicemen lived in crowded barracks beside and between the runways. Essential services were provided from makeshift quarters wherever a niche could be found and the air base soon took on the appearance of a bustling community. After the war, the airport reverted to civilian control and efforts began to move residents a safer distance from the runways. Construction began in the 1950s on the present townsite. The municipality was incorporated in 1958 and the airport settlement was eventually abandoned.



The vast resources of a world at war had conquered the problems of transatlantic flight and Gander stepped back into its original role as a global hub of civil aviation. Throughout the 'Jet Age' of the '50s and '60s, virtually every transatlantic flight required a refueling stop at Gander. The airport terminal became a rest stop for the rich and famous, from the Hollywood who's who to kings and presidents, and 'star-gazing' was a popular local pastime.

While the 'Cold War' drew hard lines between eastern-bloc and western nations, Gander remained a safe haven for all, one of the few places where American spyplanes might share the ramp with then-Soviet jetliners. In restaurants and shopping malls, Russian or Cuban voices scarcely raised an eyebrow among residents long accustomed to welcoming the world.

Since its inception, Gander has remained at the forefront of international aviation technology. During the war years, Gander tested direction-finding radio equipment and housed one of North America's first radar units; in the '70s, it hosted cold-weather avionics testing for the SST Concorde; today an airside manufacturer produces bonded-composite components for Canada's fleet of Cormorant rescue helicopters and the airport itself served as a designated alternate landing site for NASA's Space Shuttle program.

The municipality, too, continues to rise to ever new challenges, diversifying to become the regional service centre for more than 81,000 people in some 125 neighbouring communities.

Gander International Airport

Gander continues to be a strategic choice in air transportation. Gander International Airport welcomes in excess of 350,000 international passengers a year, and boasts extremely efficient ground handling services, excellent weather and the highest level of emergency response and policing in the province.

Gander International has the capabilities and infrastructure to handle the world's largest aircraft, including the A-380 and An-225. Air Traffic Control, flight services, weather, emergency response, police and Canadian Inspection Services are provided 24 hours daily to ensure safe, secure and efficient operations. The airport is equipped to handle sudden and large amounts of traffic while maintaining its fast, unmatched turnaround times.



The Gander International Airport is designated as a National Airport System facility under the National Airports Policy. NAS airports link the country from coast to coast, as well as internationally, and are considered essential to Canada's domestic prosperity and international competitiveness.

Strategically located along the Great Circle Route between the Americas and Europe, Gander International provides technical stop services to commercial carriers and corporate aircraft for their transatlantic activities. As the main entry point into North American airspace, the airport and the town also provide essential medical and security services in the event of in-flight emergencies. Customs and immigration services are also provided on-site in support of this role.

Within the regional network, the airport provides local residents and communities in Central Newfoundland with scheduled and charter services for passengers and cargo to major airports, connecting with transcontinental and international routes. It also provides regional/local charter services, other commercial operations, flying training and government civil/military aircraft activities such as search and rescue, fire protection services, etc. In addition, four Fixed Base Operators (FBOs) serve corporate and private aircraft transiting Gander.

The Department of National Defense (DND) operates the Canadian Forces Base (CFB) 9 Wing Gander on the airport site. The base's primary operation is search and rescue.



Military Activity



At the onset of World War II, the new airport at Gander hosted one of the first radar units on this side of the Atlantic and quickly became one of the most strategically important sites in the Allied effort. By 1943, when the famed and storied 'North Atlantic Squadron' plugged the mid-ocean gap in anti-submarine surveillance with its long range Liberator reconnaissance aircraft, Gander was the largest RCAF base worldwide with a population reaching 15,000, including personnel from the RAF, the United States Army Air Force and the Canadian Army.

Gander was chosen as one of the sites for the North American Radar Defence System (NORAD) in early 1952 and 226 Aircraft Warning Squadron began operations in 1954. In 1970, a new communications research facility was opened to house 770 Communications Research Squadron and Canadian Forces Communications Command took control of the station.

In 1977, 103 Rescue Unit was reactivated to meet search and rescue requirements and CFS Gander became an Air Command Unit. By 1984, military strength at Gander stood at 420 personnel, making CFS Gander the largest station in the Canadian Forces. The station was officially upgraded to Base status that year.

CFB 9 Wing Gander was formed in 1993 and is comprised of 103 Rescue Squadron, 9 Air Reserve Flight, 91 Airfield Engineering Flight (AEF) and CFB Gander. The Wing also operates and maintains Canadian Coastal Radar on behalf of NORAD. The CFB 9 Wing is host to CFB L'Anse-au-Loup Detachment, 9 Wing Telecommunications, 12 Dental Unit Detachment and the CFB 9 Wing Military Police. As the principal military establishment in Newfoundland, the Wing supports Canadian Forces Recruiting Centre Detachment Corner Brook and 41 various Cadet Corps, and maintains armouries at Grand Falls-Windsor, Corner Brook and Stephenville.

Major Employers

The Government of Newfoundland and Labrador is Gander's largest employer, providing a total of 1,247 jobs, led by the health care and education sectors, as well as the Government Air Services Division. The Government of Canada follows with 489 jobs, most associated with 9 Wing CFB Gander. Nav Canada employs 309 workers, while D-J Composites and GFT Aerospace Technologies each have more than 200 on staff.

Other major employers represent the retail and hospitality sectors. The Town of Gander and Bell Aliant also rank among the top 10 employers.

Quality of life

Gander is a prosperous community offering an excellent school system and a broad range of cultural and recreational activities. Gander is also within an hour's drive of Terra Nova National Park and "Iceberg Alley", where whales and icebergs meet.

Residential Information

Gander has a variety of apartments, condominiums, houses and residential care centres to meet every need.

Single Family Detached Housing

Gander offers houses in a range of sizes, prices and locations. Beautiful homes are available in both the older and newer sections of town.

| | |
|-------------------|-----------------------------|
| Average lot size: | 18.3 x 36.6 m (60 x 120 ft) |
| Large lot size: | 21.4 x 45.8 m (70 x 150 ft) |
| Small lot size: | 15.3 x 30.5 m (50 x 100 ft) |

| | |
|--------------------|-----------|
| Average home cost: | \$240,000 |
| Low home cost: | \$120,000 |
| High home cost: | \$450,000 |



Seniors' Accommodations

The community has seniors apartments, cottages and a housing development dedicated exclusively to the needs of the retired, in addition to three personal care facilities.

Lakeside Homes:

Lakeside Homes is a long-term care facility for 102 residents requiring Level II to IV nursing care. A full range of services are offered to residents on-site, including nursing, medical, social work, dietary, physiotherapy, recreational and personal. Pastoral care services and volunteer services are also available to enhance quality of life. A protective care unit, with 26 beds, is available for those with Alzheimer's Disease and related disorders. A respite care bed is also available for community use.

Golden Legion Manor:

The Golden Legion Manor, designed for retired and elderly people, is comprised of 102 stretcher, wheel chair and special needs accessible units. Four units are designed for wheel chair confined residents. Services offered include Meals-on-Wheels, church, bingo, cards and laundry facilities. Victorian Order of Nurses is available and provides bedside care to residents living in the Manor.

Nightingale Manor:

This home is located in a new residential sub-division and is licensed for Level I & II care. There are private, semi-private and executive suites. Executive suites have a built-in kitchenette. Private rooms are single rooms with a bathroom but no kitchen, while semi-private rooms have two people in a room. The living room is spacious enough to fit 72 people. The home also includes a chapel, quiet rooms, lounge/TV room, smoke room, beauty salon and numerous sitting rooms throughout.

Education

Day Care/Pre-School:

Gander has three day care facilities catering to children ages 2 - 6 years. All staff have training in Early Childhood Development and are hired on a ratio of 1 worker per 6 children aged 2 years, and 1 worker per 8 children aged 3 to 6 years. The community also supports two pre-schools for children ages 3½ to 5 years. This program focuses on readiness training for Kindergarten.

Secondary School:

The English School District directs three schools in Gander accommodating approximately 2000 students from Kindergarten to Grade 12. The schools offer a variety of programs including French Immersion and a range of arts, sports, technical and pre-employment exploration courses.

Post-Secondary:

Gander offers three fully-accredited community colleges, two of which specialize in aviation and aerospace programs. The third is a business college focusing primarily on computer training, marketing and systems administration.

Health Services

Gander is a service centre for a population of some 81,000 people, offering a wide range of health services. In addition to the fully accredited regional hospital, there are various specialty clinics in physiotherapy, rehabilitation, chiropractic, optometry, community health and dentistry.

James Paton Memorial Regional Health Centre

James Paton Memorial Regional Health Centre is a regional referral centre with a 106 bed capacity operated by Central Health, a volunteer board under the direction of, and fully funded by, the Provincial Department of Health.

James Paton Memorial offers a full spectrum of medical and surgical services with consultants in General Surgery, Obstetrics/Gynaecology, Paediatrics, Orthopaedics, Psychiatry, Ophthalmology, Internal Medicine, Radiology, Pathology, and Anaesthesiology. The hospital also hosts visiting specialists in Urology, Rheumatology, Dermatology and Neurology.

To complement the medical services provided, the hospital has a dedicated nursing department and a full range of diagnostic and treatment departments including: Laboratory, Nuclear Medicine, CT, Ultrasound, Physiotherapy, Occupational Therapy, Respiratory Therapy (including Asthma Clinic), Speech and Hearing, Pharmacy, Social Work, Psychology, Therapeutic Dietetics and Diabetes.

Gander's advanced communications technologies have allowed sophisticated initiatives in medical technology. As a result, Central Health based in Gander boasts one of the leading Health Care Information Systems in Canada. The Board's technology and expertise have facilitated the development of a region-wide electronic health record and allow Gander's James Paton Memorial Regional Health Centre to provide 24-hour support to its rural health centres. Examples of the technology in use include: Picture Archiving and Communications System (PACS), utilizing digital diagnostic imaging to send images from rural health centres to Gander for diagnosis; telemedicine, telepathology and video-conferencing.

Built by the Royal Canadian Air Force early in World War II, Gander's first full-service hospital was renamed Banting Memorial for Sir Frederick Banting, co-discoverer of insulin, who died when his Lockheed Hudson crashed shortly after leaving Gander. Banting was on his way to England to deliver results of top secret medical research on the effects of altitude and G-forces on fighter pilots.

Policing

Gander's excellent quality of life is reflected in its low crime rate. The low incidence of crime may be explained by the large involvement in community life and the opportunities presented to Gander's youth and the population as a whole. The community offers many recreational activities, summer programs, school and church groups, as well as quality entertainment and activities for different age groups, making Gander an excellent town to raise a family.

The Gander area has a complement of law enforcement agencies, each being responsible for the administration of various jurisdictions.

The Town of Gander Municipal Enforcement Department has three police officers who enforce all municipal regulations within the Town's boundaries and perform duties that include traffic enforcement, school safety monitoring and protection of homes and businesses, as well as animal control services.

The Royal Canadian Mounted Police (RCMP) are represented in the Town of Gander by Gander District Headquarters and the Gander Airport Detachment. Gander District Headquarters supervises all RCMP detachments in the Gander area, as well as the RCMP detachments at Lewisporte, Twillingate and Fogo. The Gander Detachment (12 officers and 2 civilians) is mainly responsible for general law enforcement duties in the Gander area. The detachment's jurisdiction includes the Town of Gander and region from Glenwood to Gambo. Gander District Headquarters also includes a number of specialist units. These include a General Investigation Unit (GIU), Federal Enforcement Section, Drug Section and the RCMP Communications Centre. In addition, a separate RCMP facility located at Gander International Airport houses a National Security Intelligence Section and a three-man Telecommunications Workshop.

The CFB 9-Wing Gander Military Police Detachment is responsible for providing police services at 9 Wing Gander and at various high-security off-base facilities, as well as for military housing and property located in the Town of Gander. Military Police officers are also called upon to conduct investigations throughout the province on an as-required basis. The 9 Wing Gander Military Police Department has a strength of 10 police officers.

Fire Protection

Gander Fire Rescue is a modern, fully-equipped fire-fighting and rescue service with a compliment of six full-time, two part-time and 43 volunteer members. The department also monitors many private and government building alarm systems, as well as direct lines to police and ambulance.

The department is equipped with two triple combination pumper trucks, one quad aerial ladder/pumper, one rescue/pumper, one tanker/pumper, multi-function mobile command vehicle, four wheel drive pick-up, as well as vehicles for the Fire Chief and Fire Inspector. The department serves the community of Gander and provides response to local area highways to perform rescue services.

Gander Fire Rescue operates its own training school located just west of the community and its training program is recognized by the provincial fire authorities for certification of firefighters. The department also provides fire inspection services within the community, as well as fire prevention and fire safety education.

Due to the high quality of fire and rescue services, training, equipment and other efforts, insurance underwriters have given the Town of Gander the highest rating allowable for a fire department in its category. Gander Fire Rescue is recognized as a leader within the region and the province.

Culture and Recreation

Gander is the service centre for a large area and as such, is home to a wide array of cultural and recreational amenities, including the North Atlantic Aviation Museum and a challenging 18-hole golf course overlooking beautiful Gander Lake. Gander's facilities are managed by a number of organizations, ranging from the municipality to the province, CFB 9 Wing Gander and various community groups.

The Town of Gander supports and operates parks, playgrounds and recreational programs year-round. Outdoor facilities include two regulation-sized baseball diamonds, soccer fields, basketball courts, tennis courts, playgrounds, slo-pitch fields, a skateboard park and splashpad. The Town also operates a modern Community Centre featuring an ice surface, convention facilities and cafeteria. The Community Centre is attached to the Joseph R Smallwood Arts and Culture Centre, which includes a proscenium theatre, art gallery and swimming pool, and is adjacent to the Gander Curling Club.



Energy

Newfoundland Power Inc., a regulated investor-owned electric utility, serves approximately 172,000 customers across the island of Newfoundland.

- Lowest electrical rates in Atlantic Canada
- 3-phase power for industrial customers
- Total installed capacity of 147.6 MW
- More than \$20 million invested in insulator replacements over the past 10 years to improve reliability



Newfoundland Power has served the people of Newfoundland and Labrador since 1885 and takes pride in its excellent customer service record. In order to protect customers from fluctuating energy costs, Newfoundland Power's regulations include a Rate Stabilization Clause, whereby rate changes are made annually, reflecting increases and decreases in energy costs during the twelve-month period.

Water Resources

The water supply for the Town of Gander is Gander Lake. The lake is approximately 56 km long and 5 km wide and is one of the deepest lakes in North America, estimated at 305 metres deep. A pump house located on the lake shore pumps the water approximately 3 km to a 1.5 million gallon reservoir located on Bell Place in the middle of Gander. A pressure boosting station, located adjacent to the reservoir, pumps the water at constant pressure into the water distribution system.

A new Water Treatment Plant uses an environmentally-friendly process utilizing ozone plus filtration, with no chemicals used in the treatment process. The new plant supplies 50 per cent more volume than the previous system and is designed to accommodate further expansion as required.

Waste Management

The Town of Gander has had a long record of following sound environmental practices through its waste disposal, wastewater and recycling services.

Car wrecks and white goods are collected and recycled with all valuable metal being salvaged. Waste motor oil and other hazardous goods, including household hazardous waste products, are collected and sent for recycling. All of Central Newfoundland is serviced by the Central Newfoundland Waste Management Authority from a new, modern facility at nearby Norris Arm, NL. The Town also operates and maintains two Sewage Treatment Plants, 12 Sewage Lift Stations and 56 kilometres of sewers.

Recycling services are offered through Scotia Recycling, a private company, while curbside collection of beverage containers, newspapers and cardboard is operated as a community service by a not-for-profit organization.

Labour Force Characteristics

Gander offers a growing skilled labour force and an expanding arena of post-secondary educational and training opportunities. Due to its integral role in the development of both military and civil aviation, Gander has a much larger labour pool in the aviation industry than may be apparent from local statistics. The Town maintains two labour market databases, one cross-sector and another specifically for aviation/aerospace trades.

Available Labour Force - Gander's total labour force includes more than 37,000 workers from 125 communities within a 100-km radius.

Labour Force Participation Rate - The labour force participation rate for both men and women is above the provincial average and is among the highest in Newfoundland.

Unemployment Rate - The unemployment rate for Gander is 7.0%, substantially lower than the province's unemployment rate.

Youth Labour Force - Gander's youth is a major part of its labour force. Labour force activity for the age group of 15 - 24 years is 58%. Of those, 76% are employed and 24% are unemployed.

Training - Gander's population is unique as almost 80% of people over 20 years of age have completed post-secondary education. Included in these statistics are trade certificates, diplomas, non-university education and university certificates and degrees.

Average weekly earnings by industry:

| | Newfoundland | Canada |
|--------------------|------------------------|------------------------|
| Industry Aggregate | \$529.72 (US \$355.50) | \$591.94 (US \$397.25) |
| Manufacturing | \$559.35 (US \$375.38) | \$709.03 (US \$475.83) |
| Construction | \$536.41 (US \$360.00) | \$666.37 (US \$447.20) |

At the time of its completion in 1938, the then 'Newfoundland Airport' was the largest airfield on the planet, with four huge paved runways covering a combined area of one square mile.



Gander's Aerospace Community

REAL SUPPORT

CYQX - Crossroads of the World



The name Gander conjures a certain nostalgia, calling to mind the romance of transatlantic flight when a fuel stop at the Crossroads of the World was a requisite for planes traversing the North Atlantic. Today, Gander International Airport's consistent record of efficient ground handling, fast turnaround time, reliable weather, lack of operating restrictions, on-site police and catering, and nearby full-service hospital continue to make it the technical stop of choice for route planners and pilots transiting the North Atlantic.

Known worldwide for its effective, efficient and courteous handling of technical stops, Gander handles 5,000 flights per year between Europe and the Americas. With its strategic location midway between North America and Europe, Gander offers optimal economics as a money-saving technical stop.

Gander is well positioned to facilitate cargo movements to Europe, Asia and the rest of the Americas. Unused traffic rights for cargo transshipment, fifth freedom carriage and cargo distribution are available. Gander has an aggressive agenda to develop the airport as a key North American transshipment and cargo centre. Gander International Airport welcomes 500 cargo flights per year, many of whom are engaged in charter or heavylift activity for the aerospace industry.

| | |
|---------------------|---|
| Status | IFR Airport, 24 hours/day - 7 days/week |
| Curfews | None |
| Noise Restrictions | None - exempt from Chapter 3 requirements; YQX is the only airport in North America accepting Stage I & II aircraft |
| Elevation | 496 feet (151.2 metres) above mean sea level |
| Location | Latitude 48° 56' N; Longitude 54° 34' W |
| Weather | 98.3% reliable |
| Traffic Density | No congestion |
| Apron | Hydrant refuelling system |
| Alternate | Stephenville, NL (160 nautical miles away) |
| Surrounding Terrain | Woods, lakes, all approaches clear with airport situated on a plateau 496 feet above sea level |

Runways - Two paved runways: 03/21 at 10,500 x 200 feet and 13/31 at 8,900 x 200 feet. Runways 03/21 and 13/31 are designed to carry the heaviest aircraft in the world and could accommodate Boeing's 787 Dreamliner.

Runway 1: Heading 03/21, 3,109m (10,200ft), 67/F/A/W/T
Aircraft size max: B747-400, AN-225, C5
Rwy 03, ILS, Lighting: HIRL, T, AE (TE HI)
Rwy 21, ILS, Lighting: HIRL, REIL, BF, PAPI, D, A5 (TE HI) P3, Thld

Runway 2: Heading 13/31, 2,713m (8,900ft), 67/F/A/W/T
Aircraft size max: B747-400, AN-225
Rwy 13, Lighting: HIRL, T, AE (TE HI)
Rwy 31, Lighting: HIRL, REIL, BF, PAPI, AD, AS (TE HI) V3

Navigational Aids - VOR, NDB, VORTAC, DME

Navigational Aids include an ILS II Instrument Landing System; surveillance radar; Non Directional Beacon (NDB); Runway Visual Range (RVR); Omni Directional Range Beacon (VORTAC); and a Visual Approach Slope Indicator System (VASIS).

Fees - Specialized rates and incentives are available for scheduled cargo and passenger service that complements the airport authority's strategic development objectives. Parking fees are only charged for aircraft parked in excess of six hours. International terminal fees are not charged to technical stop carriers transiting Gander en route to other destinations.

Passenger Facilities - 3 check-in desks, 10 gates, Post Office, Bureau de Change, Restaurants, Cafeterias, Bars, VIP Lounge, Duty Free Shop, Newsagent/Tobacconist, Gift Shop, Travel Agent, Tourist Help Desk, Car Rental, Taxi Service/Rank, First Aid, Baby/Parent Room, Disabled Access/Facilities

Cargo Facilities - 7 x 747 Freighter Docks, Main Deck Loader, Bonded Warehouse, Aircraft Maintenance, Heated Storage, Air-Conditioned Storage, Refrigerated Storage, Deep Freeze Storage, Health Officials, X-Ray Equipment, Decompression Chamber, Dangerous Goods, Very Large/Heavy Cargo, Express/Courier Centre

Support Operations - Gander Oceanic Area Control Centre, Airport Control Tower, Canada Customs, Royal Canadian Mounted Police

Ground Handling Services (Allied Aviation) - ample ramp space and high-speed pits

Four Fixed Base Operators (FBOs): Woodward Aviation; Irving Aviation Services; General Aviation Terminal Inc.; and the YQX Distinguished Visitors' Lounge.

High speed hydrant refuelling, Power Cart, De-icing, Air Starts, Heaters, Lav, Water Services, etc.

Aircraft maintenance and structural repair services to all types of aircraft, as well as aerospace manufacturing, aerospace training and light training.

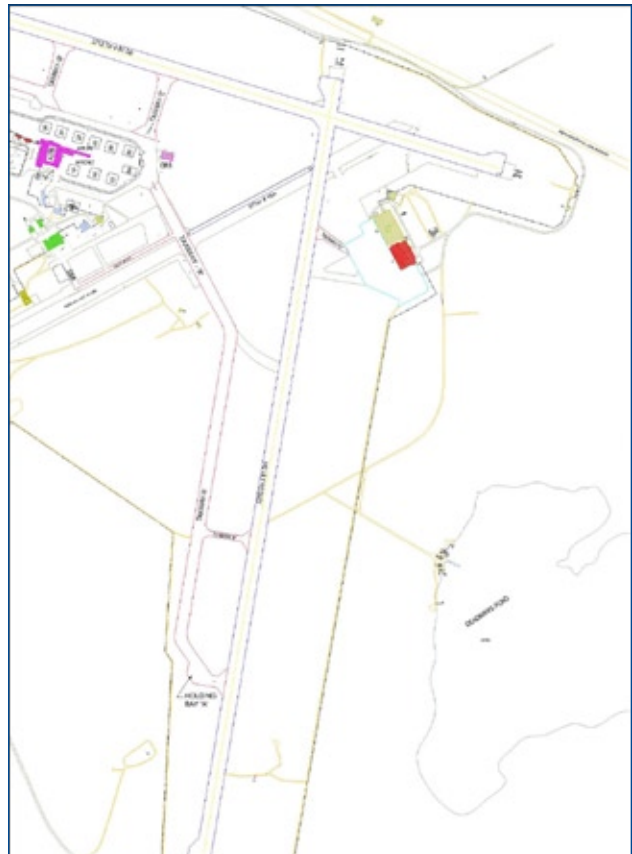
Seaplane Base

Since the great ocean-going flying boats helped make commercial transatlantic flight a viable option, seaplanes have found safe refuge at Gander.

Even as the airport was being built, Gander Lake served as a freshwater base for the luxury airliners of Pan Am and BOAC. Through the 1950s and '60s, the fledgling Eastern Provincial Airways flew float-rigged Beavers and Twin Otters from Deadman's Pond in bush operations ranging from Greenland to Frobisher Bay.

Today, the Deadman's Pond seaplane base still serves recreational pilots and enables instructors at Gander Flight Training to offer float endorsement training a stone's throw from their airside facility at Gander International.

Pilots enjoy the luxury of access to 24-7 tower control and real-time atmospheric data. The site is accessible by road and ample commercial land - already zoned for aerospace development - is readily available.

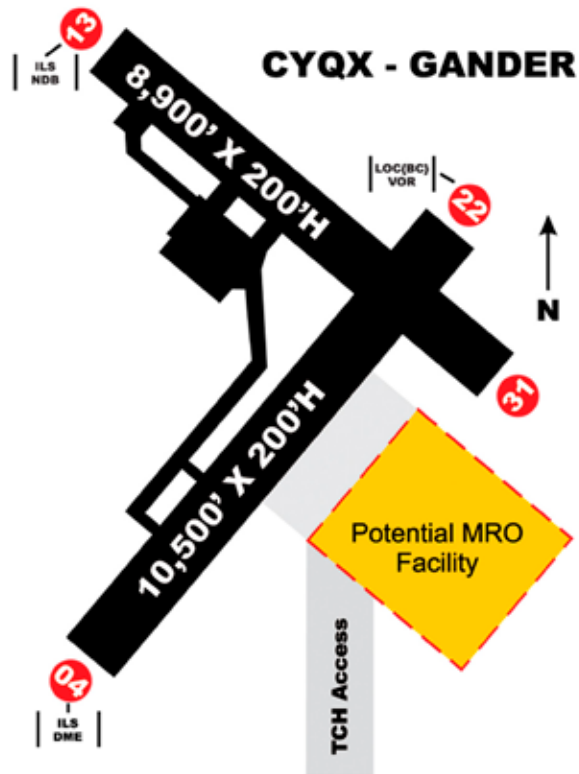


A crater on the surface of Mars has been named for the Town of Gander, in recognition of the airport town's history of pioneering aviation and aerospace technologies. Located south of the red planet's equator in a region known as Hellas Planitia, the Gander crater is 38 kilometres in diameter, roughly the distance from Appleton through Gander to Benton.

Gander has also found its way into the complex and detailed culture of Star Trek, where the USS Gander is a Danube-class runabout which, unfortunately, is destroyed by two Jem'Hadar attack ships. In the original script for the Deep Space Nine episode, the craft was named USS Ganges, but the writers later discovered the Ganges had been destroyed in an earlier episode, so Gander was selected as the last-minute replacement.

Airside Land

With 64 hectares of land (40 hectares airside frontage) available for development, plus additional serviced land available within minutes of the airport at three business parks, Gander International Airport and the Town of Gander offer ample space for your company to build and expand.



Commercial Land

Baird Place – Gander Business Park

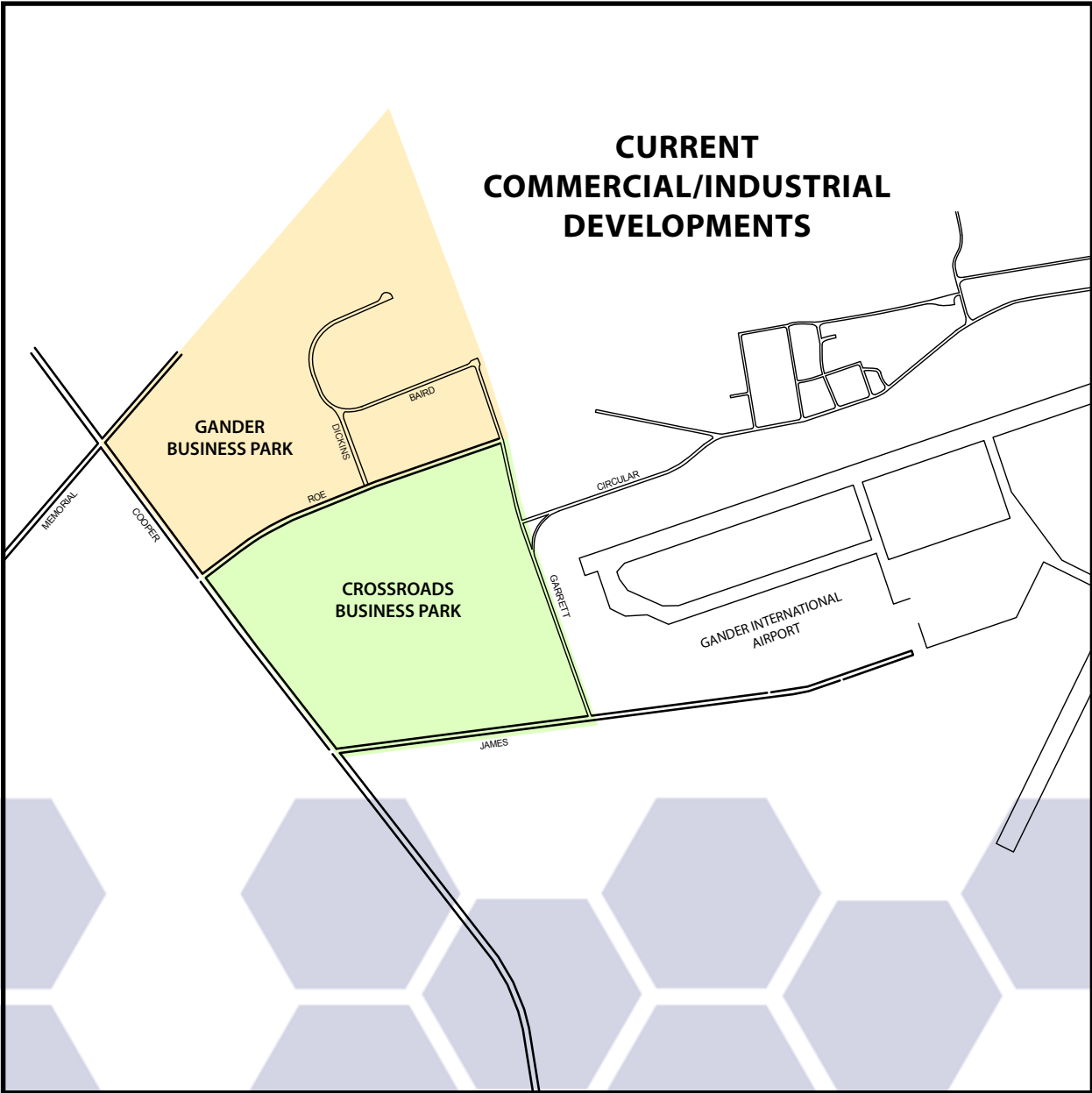
- Commercial land \$75,000 per acre
- Industrial land \$20,000 per acre
- Sized for demand

Contact:
Town of Gander
Economic Development Department
Tel: 651-5910/Fax: 256-5809
Email: dqinton@gandercanada.ca

Crossroads Business Park Gander

- Gander International Airport Authority development
- 150 Acres of commercial land available for lease

Contact:
Stephen Burbridge
Tel: 256-2614/Fax: 256-6725/Cell:571-2372
Email: burbridges@giaa.nf.ca



Climate Normals 1981-2010

(Source: Environment Canada)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| TEMPERATURE | | | | | | | | | | | | |
| Daily Average (°C) | -7.1 | -7.1 | -3.9 | 1.6 | 7 | 11.6 | 16.3 | 16.2 | 11.9 | 6.3 | 1.4 | -3.5 |
| Daily Maximum (°C) | -3.1 | -2.9 | 0.2 | 5.6 | 12 | 17 | 21 | 21 | 16 | 9.9 | 4.7 | -0.1 |
| Daily Minimum (°C) | -11 | -11.3 | -8 | -2.5 | 1.9 | 6.1 | 11 | 11 | 7.4 | 2.5 | -1.9 | -6.9 |
| PRECIPITATION | | | | | | | | | | | | |
| Rainfall (mm) | 26.7 | 26.4 | 29.5 | 51 | 77.9 | 85.7 | 95.4 | 104.2 | 114.7 | 102.3 | 75.2 | 48.9 |
| Snowfall (cm) | 95.8 | 84.3 | 85.9 | 42.2 | 10.7 | 2 | 0 | 0 | 0 | 11.2 | 37.3 | 82.4 |
| Precipitation (mm) | 111.9 | 104.6 | 112.6 | 94.8 | 89.8 | 88.3 | 95.4 | 104.2 | 114.8 | 114.1 | 113 | 126.7 |
| Average Snow Depth (cm) | 37 | 51 | 47 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 17 |
| DAYS WITH RAINFALL | | | | | | | | | | | | |
| >= 0.2 mm | 6.7 | 6.8 | 9.5 | 12 | 16.9 | 16.8 | 17.1 | 15.8 | 16.8 | 18.9 | 14.2 | 10.6 |
| >= 5 mm | 1.9 | 1.8 | 2.1 | 3.3 | 4.8 | 5.8 | 6.5 | 5.9 | 6.3 | 6.1 | 5 | 3.1 |
| >= 10 mm | 0.93 | 0.67 | 0.7 | 1.5 | 2.4 | 2.6 | 3.3 | 3.4 | 3.5 | 3.4 | 2.2 | 1.5 |
| >= 25 mm | 0.03 | 0.07 | 0.3 | 0.13 | 0.37 | 0.33 | 0.47 | 0.93 | 0.83 | 0.4 | 0.3 | 0.27 |
| DAYS WITH SNOWFALL | | | | | | | | | | | | |
| >= 0.2 cm | 18.8 | 16.2 | 15.9 | 10.6 | 4.3 | 0.4 | 0 | 0 | 0.13 | 4 | 11 | 17.8 |
| >= 5 cm | 5.7 | 5.1 | 5.3 | 2.6 | 0.73 | 0.13 | 0 | 0 | 0 | 0.53 | 2.2 | 5.3 |
| >= 10 cm | 2.9 | 2.6 | 2.6 | 1.2 | 0.13 | 0.07 | 0 | 0 | 0 | 0.23 | 0.87 | 2.5 |
| >= 25 cm | 0.53 | 0.47 | 0.47 | 0.2 | 0 | 0 | 0 | 0 | 0 | 0.03 | 0.13 | 0.4 |
| DAYS WITH PRECIPITATION | | | | | | | | | | | | |
| >= 0.2 mm | 20.5 | 18.4 | 19.6 | 17.6 | 18.4 | 16.8 | 17.1 | 15.8 | 16.8 | 20.1 | 20.2 | 21.9 |
| >= 5 mm | 7.2 | 6.7 | 6.9 | 6 | 5.6 | 5.8 | 6.5 | 5.9 | 6.3 | 6.7 | 7.5 | 7.2 |
| >= 10 mm | 3.7 | 3.4 | 3.5 | 2.9 | 2.8 | 2.6 | 3.3 | 3.4 | 3.5 | 3.8 | 3.5 | 4 |
| >= 25 mm | 0.53 | 0.6 | 0.63 | 0.47 | 0.43 | 0.37 | 0.47 | 0.93 | 0.83 | 0.57 | 0.5 | 0.83 |
| WIND | | | | | | | | | | | | |
| Speed (km/h) | 23.6 | 22.7 | 22.7 | 20.5 | 19.1 | 17.8 | 16.6 | 16.3 | 17.9 | 19.5 | 21.1 | 23 |
| Most Frequent Direction | W | W | W | W | W | SW | SW | SW | W | W | W | W |
| Days with Winds >= 52 km/hr | 5.6 | 3.7 | 4.8 | 1.6 | 1.1 | 0.6 | 0.2 | 0.4 | 0.9 | 2 | 2.9 | 5.3 |
| Days with Winds >= 63 km/hr | 2.6 | 1.5 | 1.6 | 0.5 | 0.4 | 0.1 | 0 | 0 | 0.2 | 0.6 | 1 | 1.9 |
| HUMIDEX | | | | | | | | | | | | |
| Days with Humidex >= 30 | 0 | 0 | 0 | 0 | 0 | 1 | 4.8 | 3.6 | 0.6 | 0 | 0 | 0 |
| Days with Humidex >= 35 | 0 | 0 | 0 | 0 | 0 | 0.1 | 0.5 | 0.2 | 0 | 0 | 0 | 0 |
| Days with Humidex >= 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| WIND CHILL | | | | | | | | | | | | |
| Days with Wind Chill < -20 | 13.8 | 13.3 | 8 | 0.4 | 0 | 0 | 0 | 0 | 0 | 0 | 0.4 | 6.2 |
| Days with Wind Chill < -30 | 2 | 2.4 | 0.7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.4 |
| Days with Wind Chill < -40 | 0 | 0.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VISIBILITY (HOURS WITH) | | | | | | | | | | | | |
| < 1 km | 25.6 | 39.3 | 47 | 5.3 | 45.1 | 35.7 | 26.2 | 17.2 | 14 | 18.1 | 28.5 | 41.6 |
| 1 to 9 km | 140.6 | 142.9 | 153 | 130.8 | 126.1 | 95.9 | 78.1 | 81.3 | 86 | 116.4 | 131.4 | 155.6 |
| > 9 km | 577.8 | 494.3 | 544 | 533.9 | 572.8 | 588.4 | 639.7 | 645.5 | 619.9 | 609.5 | 560.1 | 546.8 |
| CLOUD AMOUNT (HOURS WITH) | | | | | | | | | | | | |
| 0 to 2 tenths | 131.5 | 124.9 | 129.8 | 111.2 | 91.1 | 85.7 | 84.4 | 105.4 | 123.6 | 103.2 | 80.9 | 96.1 |
| 3 to 7 tenths | 144.7 | 115.9 | 116.4 | 106.9 | 121.9 | 146.5 | 189 | 186.4 | 157.4 | 134.4 | 118.2 | 121.5 |
| 8 to 10 tenths | 467.8 | 435.7 | 497.8 | 501.9 | 531 | 487.8 | 470.6 | 452.3 | 439 | 506.4 | 520.9 | 526.4 |

Training - College of the North Atlantic

Gander is a regional post-secondary training centre with several community colleges and private training institutions offering a variety of trades and technology career choices.

The College of the North Atlantic is a large multi-campus provincial college with over 70 full-time and 300 part-time programs and is a member of the Association of Canadian Colleges. The Gander Campus of the College of the North Atlantic offers trades and technology courses, specializing in aircraft maintenance engineering in partnership with **Lufthansa Technical Training**.



Approximately 300 students participate in a variety of 1-year trade, 2-year technical (nationally accredited), and 3-year technology (nationally accredited) programs. Specialty and custom designed courses ranging from telephony services to advanced composite and bonding manufacturing can be offered for organizations and industry. Diploma and certificate programs are offered in:

- Aircraft Structural Repair (1 year)
- Aircraft Maintenance Engineering & Avionics (3 years)
- First Year Engineering Technology
- Computer Support Specialist (2 years)
- Automotive Service Technician - Entry Level
- Automotive Technician - Apprenticeship
- Licensed Practical Nursing (1 year)

The College is a Transport Canada accredited school, meeting requirements for all categories of AME licence. It is also approved by the Canadian Aviation Maintenance Council. Gander Campus graduates can immediately be certified to work on aircraft registered anywhere in North America or Europe and are aggressively recruited by major aerospace corporations worldwide. The college maintains a fleet of single- and twin-engine fixed- and rotary-wing aircraft for training purposes.

Aircraft Maintenance Engineering Technology

is a Transport Canada accredited three-year diploma program leading to AME "M" and "E" licenses. It includes diagnostics and aircraft systems testing, removal, repair and installation of structures and components, and certification of airworthiness, with an emphasis on electrical, electronics and computer technologies.

Aircraft Structural Repair Technician

is a 10-month certificate program accredited by Transport Canada and the Canadian Aviation Maintenance Council, leading to the AME "S" license. The program consists of two regular semesters and a technical intersession, where students learn precision machining and assembly skills, inspection techniques and damage assessment, corrosion control and aircraft materials and hardware.

"Graduates of the aircraft maintenance programs at the Gander Campus have contributed greatly to our success"

- Kevin Pike
Line Maintenance Manager
Air Canada Jazz

"We find your graduates exemplify tangible qualities that make for a stronger and more productive work force"

- WCP Seaward
Director Rotary Wing Production
IMP Group, Aerospace Division

"The aviation maintenance training at Gander Campus is recognized as the best in Canada"

- Hon. Sandra C. Kelly
Former MHA, Cabinet Minister
Government of Newfoundland & Labrador

Training - Private Institutions

GFT Aerospace College

The GFT Aerospace College is located at Gander International Airport and specializes in aircraft composite and bonding design, manufacturing and repair. The College provides industry specific training for employees of aviation manufacturing and repair companies, as well as recurrent training to Aircraft Maintenance and Structural Repair Technicians and Engineers.

The nine-month Advanced Bonding and Composites Repair Technician Program includes classroom theory, laboratory practice and an enhanced work term at a state-of-the-art aviation composites manufacturing facility, producing skilled technicians trained in the design, manufacture and repair of composite parts to exact specifications. Courses include Maintenance and Repair of Composite Structures, Advanced Composite Fabrication and Tooling, Engineering Graphics, Non-Destructive Testing, Aerospace Fundamentals and The Manufacturing Process.

GFT Aerospace Technologies is a certified member of the American Composites Manufacturers Association.

GFT Aerospace College is dedicated to maintaining a highly effective and safe training environment, specializing in a wide range of aviation programs. GFT offers private and commercial pilot license training for fixed-wing and rotary-wing aircraft. It is one of only seven schools in Canada approved to offer the Integrated Commercial Pilot Licence.

GFT also specializes in ski and seaplane training to give graduates that edge in today's competitive aviation market. Other endorsements and ratings available include multi-engine, instrument, flight instructor, turbine helicopter, night and VFR-OTT.

Additional courses are offered in technical disciplines ranging from advanced avionics to airline operations, and in airline safety, including wilderness survival training.

International flight students can also be accommodated under guidelines laid down by the European Joint Aviation Authorities. GFT Aerospace College is registered with the Provincial Department of Education, is a member of the Air Transport Association of Canada (ATAC) and is Transport Canada certified.



Keyin College - Gander Campus

Keyin College has campuses throughout Eastern Canada. Its curriculum is designed to offer skills training that prepares its students for the demands of today's competitive marketplace. Programs at the Gander Campus include Computer Studies, Business Management, Office Administration, Network and Design Management, Software and Systems Administration, PC/Internet Programming, Software Applications and Media/Marketing.

Nearly all of Gander's streets are named for famous aviators, from the Wright brothers, Lindbergh and Earhart, to more modern pioneers like Canadian astronauts Marc Garneau, Roberta Bondar and Chris Hadfield.

Partners in Aerospace: Nav Canada

Gander is home to three Nav Canada facilities: the Area Control Centre (ACC), Air Traffic Control Tower and International Flight Service Station (IFSS).

The Gander ACC controls aircraft in the western half of the North Atlantic oceanic airspace, as well as sharing the control of Atlantic Canada's domestic airspace. Gander oceanic airspace is the busiest in the world, falling within the shortest great circle distance between North America and Europe. More than 1,000 flights a day transit the airspace.

The international airspace over the North Atlantic is divided up into seven areas. The Gander Area Control Center provides oceanic air traffic control services on behalf of the International Civil Aviation Organisation (ICAO), from the east coast of Canada to about halfway across the North Atlantic (30 degrees west longitude, between 45 and 65 degrees north latitude).

Gander ACC handles approximately 400,000 aircraft movements annually and employs some 270 staff, including 150 controllers. The Gander Automated Air Traffic System is the most sophisticated system of its kind in the world.



The control tower at the Gander airport handles traffic within a 13-km radius. It is responsible for controlling aircraft movement within that control zone - aircraft landing, departing and transiting that airspace up to an altitude of 3000 feet. It coordinates the movement of all Instrument Flight Rules (IFR) traffic within its control zone.

The IFSS located at the Gander ACC maintains voice (HF and VHF) communications with aircraft which fall outside radar coverage (beyond 200 nautical miles).



Partners in Aerospace: **D-J Composites Inc.**



D-J Engineering, Inc., specializes in machining, sheet metal, assembly, composites, extrusions, hot forming and engineering for the global aviation and aerospace industries. D-J Engineering, Inc., employs over 300 people with 300,000 square feet of manufacturing facilities in Augusta and Conway Springs, Kansas, USA; Subic Bay, Philippines; and Gander, Canada.

D-J Composites Inc., located in Gander, is a purpose-built facility for the manufacture of advanced composite and bonded-metal components for the aerospace industry. The 60,000 square foot state-of-the-art, ISO 9002 certified production facility at Gander International Airport is strategically located midway between the major markets of North America and Europe.

D-J Composites manufactures advanced composite and bonded-metal components for aerospace applications. Its contracts include the manufacture of aircraft components for military and tactical helicopters.

The D-J Composites plant is equipped with the newest technology in the industry, including leading-edge manufacturing and testing equipment, such as CATIA design engineering and six-axis ultrasonic router to provide outstanding quality. This allows D-J's experienced team to manufacture aerospace components with unrealized levels of efficiency that meet rigorous aerospace industry standards.



In the early years of the supersonic transport Concorde, while most nations still refused to allow the futuristic craft into their airspace, Gander successfully lobbied to host cold-weather avionics testing. Two prototypes were based at Gander International two years before Concorde's first commercial flight.

Partners in Aerospace: GFT Aerospace Technologies

GFT Aerospace Technologies incorporates several operational divisions, including aerospace repair and overhaul, with certifications in composite repair, aviation welding and sheet metal fabrication. Other divisions include professional flight training, aircraft charter, and sales and service, all located in a state-of-the-art complex specifically designed to meet all operational needs.

GFT Aerospace College offers a range of private and commercial flight training opportunities in both fixed- and rotary-wing aircraft. Other training programs include advance bonding and composites manufacturing and repair, technical courses on specific aircraft types, advanced avionics and a variety of safety enhancement training programs.



The aerospace repair and overhaul division offers services in avionics, airframe structures, system components and precision aerospace welding of materials including titanium, stainless steel, aluminum and chromium-based alloys. Highly trained technicians have full inspection capabilities including ultrasound, eddy current, liquid penetration and x-ray. GFT is an Approved Maintenance Organization, which has certification, engineering staff and facilities to ensure aircraft are well maintained with the utmost efficiency and safety standards exceeding Transport Canada requirements.



GFT combines the experience and expertise of numerous disciplines in the aerospace industry to offer comprehensive design, prototyping and manufacture of aerospace parts, components and systems. Technicians in composite fabrication and manufacturing, metal forming, avionics and project management allow the company to produce high quality products to exacting standards.



The first refueling vehicle at Gander's airport was a 45-gallon drum lashed to a sled and towed to waiting aircraft by an enthusiastic Newfoundland dog named Pal. Pal later became the mascot of the Royal Rifles of Canada and the only Canadian dog to be awarded the Dickin Medal, the animal equivalent of the Victoria Cross. Renamed 'Gander', our hero "engaged the enemy" on three documented occasions on Hong Kong Island in December, 1941. As stated in his citation, "Twice, Gander's attacks halted the enemy's advance and protected groups of wounded soldiers. In a final act of bravery the war dog was killed in action gathering a grenade. Without Gander's intervention many more lives would have been lost in the assault."

Partners in Aerospace: Briggs Aero Limited

Briggs Aero Limited was established in 1980 and provides aircraft maintenance and repair services for all types of aircraft.

The Briggs team has a combined experience of over 100 years in the aviation business. This experience, combined with a highly trained and professional staff, provides the best possible service and customer satisfaction.



Briggs Aero repairs and overhauls private and commercial aircraft, from the classic bush planes of yesteryear through the supersonic Concorde and 'Beluga' Super Transporter to the Boeing 777. A sister company leases planes that Briggs has refurbished, for aerial photography, wildlife surveys and med-evac.

Briggs Aero performs maintenance and structural repair on general aviation aircraft, including Learjet and Falcon, and on helicopters, as well as line maintenance on heavy aircraft. Staff includes both Canadian 'M' & 'S' and American 'A' & 'P' licensed personnel. The company is 180 ETOPS qualified.

Personnel are trained and experienced in the Airbus A300-600; Boeing 727, 737, 747, 757 and 767; Douglas DC-8 and DC-10; and Lockheed L-1011.

The company holds service and maintenance contracts with some of the world's largest scheduled, charter and cargo airlines, as well as providing maintenance and oxygen services to med-evac aircraft.

Briggs Aero offers liquid oxygen service, high pressure nitrogen, sheet metal repair and fabrication, popular engine oils and hydraulic fluids, airframe repair or reconstruction, composite repair, hot section, inspection services, interiors and painting.



From his early years supporting bush operations with Maritime Central Airways in Greenland and northern Canada during DEW Line construction, Robert Whitfield Briggs joined Eastern Provincial Airways (EPA) at Gander in 1954.

Already an aircraft mechanic and flight engineer, he obtained his Aircraft Maintenance Engineer (AME) license in 1955 and 'B' license in 1965. He added his radio operator's license and private pilot license, and eventually served as AME flight engineer, AME crew chief, planning manager, quality assurance manager and director of technical services for EPA.

By the time he left EPA in 1979, Bob had accumulated a raft of AME endorsements, ranging from the WWII-era PB5Y-5A flying boat to Boeing's then-newest 737.

Bob served as instructor for the aircraft maintenance program at the College of the North Atlantic, Gander Campus, from 1986 through 1990. He is a past recipient of the Earl Blakney Aviall Canada Ltd. Award for outstanding performance in aircraft maintenance and, in 2004, was inducted into the Canadian Aircraft Maintenance Engineers Hall of Fame.

He officially retired in 2011 after 60 years in the aviation industry, but remains active in the community. He has served on the Board of the North Atlantic Aviation Museum since 1987 and currently sits as its President.

In 2013, the Town of Gander named Briggs Street in the Eastgate subdivision in his honour, recognizing his lifetime contribution to the aerospace industry and his dedication to preserving and promoting Gander's aviation heritage.



The Bottom Line

REAL OPPORTUNITY

Business Cost Comparison

Doing business in Gander is a winning strategy for investors. The town and region offer well-educated and highly motivated employees, easy access to lucrative international markets, world-class utilities and established transportation networks, all of which help to keep business costs well below national and international averages.

Per cent cost advantage/disadvantage relative to the United States U.S. cost index is taken as the baseline.

| Industry | Gander | Canada | U.S. | U.K. | Germany |
|-----------------------------|--------|--------|-------|------|---------|
| Aircraft Parts | 89.0 | 92.9 | 100.0 | 97.9 | 117.1 |
| Specialty Chemicals | 91.3 | 93.9 | 100.0 | 98.1 | 109.8 |
| Electronics Assembly | 89.6 | 93.2 | 100.0 | 98.7 | 115.0 |
| Metal Machining | 92.2 | 93.7 | 100.0 | 97.4 | 114.0 |
| Plastic Products | 93.4 | 93.6 | 100.0 | 97.4 | 114.4 |
| Precision Components | 87.2 | 91.8 | 100.0 | 95.9 | 124.4 |
| Telecom Equipment | 93.7 | 95.7 | 100.0 | 97.2 | 105.1 |
| Electronics Dev't & Testing | 66.6 | 75.3 | 100.0 | 85.4 | 102.2 |
| Advanced Software | 82.7 | 86.4 | 100.0 | 92.9 | 108.2 |

Source: KPMG Business Study 2004

The Town of Gander also makes housing your business cost effective, with serviced commercial land available at rates well below other locations along the eastern seaboard. Lower construction costs further help lower the cost of establishing new infrastructure.

| Cost of Serviced Land | | Construction Costs | |
|--|----------|--|------|
| (Cost per acre, US dollars, zoned for light to medium industrial use. Source: KPMG 1999) | | (Cost per square-foot, US dollars, single level turnkey facility, approximately 10% office space.) | |
| Gander | \$20,500 | Gander | \$24 |
| Halifax | \$59,000 | Halifax | \$30 |
| Montreal | \$98,000 | Montreal | \$25 |
| Bangor | \$38,000 | Bangor | \$44 |

In addition to land available for purchase from the Town, some 64 hectares of commercial land is offered for lease on Gander International Airport property, including 40 hectares of airside frontage. The Airport Authority is aggressively marketing airside business development and favourable lease rates can be negotiated.

As a qualifying company under terms of the Economic Diversification and Growth Enterprises (EDGE) program, you may also access unserviced Crown land for \$1 (See "Tax Reduction, Deferrals and Abatement").



Labour Cost Advantage

Wage and benefits costs comprise a significant portion of annual operating costs. In Gander, labour costs are consistently lower across all sectors and skilled disciplines compared with other North American centres.

For example, the average hourly wage for an aircraft maintenance engineer/aircraft mechanic in Gander is \$19.89 U.S./hr. This compares favourably against other Canadian centers such as Montreal at \$22.60/hr or Toronto at \$24.07/hr.

| Job Title | Phoenix | Hartford | Seattle | Toronto | Montreal | Gander |
|--------------------------|---------|----------|---------|---------|----------|---------|
| Aircraft Mechanic | \$21.00 | \$21.46 | \$21.24 | \$24.07 | \$22.60 | \$19.89 |
| Administrative Assistant | \$15.96 | \$19.04 | \$19.06 | \$20.96 | \$14.69 | \$16.19 |
| Admin. Service Manager | \$27.91 | \$37.60 | \$35.16 | \$24.35 | \$30.14 | \$21.82 |
| Accounting Clerk | \$14.08 | \$16.42 | \$15.64 | \$17.91 | \$17.10 | \$13.90 |

As illustrated below, for aircraft mechanics, Gander can offer as high as a 21% cost advantage over locations such as Toronto and an average cost advantage of between 5.6% and 7.9% compared to major U.S. aerospace hubs.

| | Phoenix | Hartford | Seattle | Toronto | Montreal |
|-------------------------|----------|----------|----------|----------|----------|
| Hourly Wage | \$21.00 | \$21.46 | \$21.24 | \$24.07 | \$22.60 |
| Annual Wage | \$43,680 | \$44,637 | \$44,179 | \$50,898 | \$47,008 |
| Gander Cost Advantage | 5.6% | 7.9% | 6.8% | 21.0% | 13.6% |
| Annual Savings/Employee | \$2,184 | \$3,526 | \$3,004 | \$10,688 | \$6,393 |

In Canada, as in the United States, employers must contribute toward employees' work related benefits. A 2005 study by KPMG indicates that in the U.S., benefits account for an average additional cost of 40.62%, while in Canada the amount is more than 25% lower at 29.22%. A full description of mandatory benefits costs for Gander employers appears on the following page.

The table below illustrates the total labour costs for companies operating in six locations. For a Phoenix based company with an annual payroll of \$4,368,000, benefits would add an additional \$1,774,282 to the total labour cost while, dollar for dollar, companies operating in Canada could expect to incur an additional \$1,276,330 for the same benefits, for a savings of \$497,952. Companies operating in Gander have the lowest labour cost of all six locations with savings of \$796,332 over Phoenix and \$1,231,079 compared to Toronto.

| Labour Cost | Phoenix | Hartford | Seattle | Toronto | Montreal | Gander |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Wages | \$4,368,000 | \$4,463,700 | \$4,417,900 | \$5,089,800 | \$4,700,800 | \$4,137,100 |
| Benefits | \$1,774,282 | \$1,813,155 | \$1,794,551 | \$1,487,239 | \$1,373,537 | \$1,208,860 |
| Total | \$6,142,282 | \$6,276,855 | \$6,212,451 | \$6,577,039 | \$6,074,337 | \$5,345,960 |

Note: All amounts in U.S. Dollars.

Calculations are based on labour cost for 100 aircraft mechanics.

Canadian Labour Benefits

Canada Pension Plan (CPP)

The Canada Pension Plan is a contributory, earnings-related social insurance program. It ensures a measure of protection to a contributor and his or her family against the loss of income due to a retirement, disability or death.

There are three kinds of Canada Pension Plan benefits:

- Disability Benefits (which include benefits for disabled contributors and benefits for their dependent children);
- Retirement Pension; and
- Survivor Benefits (which include the death benefit, the survivor's pension and the children's benefit).

The Canada Pension Plan, which operates throughout Canada, is mandatory for all employees and employers. Both the employee and employer contribute 4.95% of the employee's gross salary to the program up to a maximum of \$2,356.20 per employee per year.

Employment Insurance

Employment Insurance (EI) provides temporary financial assistance for unemployed Canadians while they look for work or upgrade their skills. Canadians who are sick, pregnant or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death, may also be assisted by Employment Insurance.

The employee contributes 1.88% of their gross salary to the program to a maximum of \$891.12 (CAD) per employee per year. The employer contributes the amount contributed by the employee x 1.4 to a maximum of \$1,247.57 (CAD) per employee per year.

Worker's Compensation Insurance

The Workplace Health, Safety and Compensation Commission operates a no-fault work-injury program. Employers pay the cost and are protected from most law suits by injured workers. Workers are provided with benefits in the event of a work-related injury.

All employers in the Province of Newfoundland and Labrador are required to register with the Workplace Health, Safety and Compensation Commission (WHSCC) and pay assessments based on their annual payroll. For the aerospace maintenance sector, the rate is 3.04%, or \$3.04 for every \$100 of payroll, to a maximum of \$1,646.31 per employee per year.

Health & Post Secondary Education Tax (HAPSET)

Health and Post Secondary Education Tax (HAPSET), commonly referred to as payroll tax, is payable by an employer with respect to remuneration paid or credited to employees who report for work in Newfoundland and Labrador. Remuneration includes those salaries, wages, bonuses, commissions and allowances or benefits that are paid or credited to an employee.

The tax rate, payable by all employers, is 2% of taxable remuneration. Taxable remuneration equals total remuneration paid by an employer less its allocated deduction (currently \$1.2 million per employer each calendar year).

Municipal Taxation Rates

Commercial Property Tax and Water/Sewer Tax are each set at 5.75 mills on the assessed value of the property.

Business Tax rates are also tied to commercial property value and are assessed by business type. For example, the mill rate for manufacturers is 9.30.

Thus, a light manufacturing facility with an assessed value of \$1,000,000 would pay annual taxes as follows:

Property Tax: $\$1,000,000 \times 5.75 \text{ mills} = \$ 5,750$

Water/Sewer Tax: $\$1,000,000 \times 5.75 \text{ mills} = \$ 5,750$

Business Tax: $\$1,000,000 \times 9.30 \text{ mills} = \$ 9,300$

Total taxes per year: \$20,800

Permit Fees

Commercial Building Permit: \$5.00 per \$1,000 construction value

Commercial Occupancy Permit: \$100.00

(An occupancy permit is required by anyone moving into a building that has been vacant for a period of six months or more, a newly constructed building or a building whose use has changed.)

Commercial License of Occupation: \$50.00 per year plus 10% of land value



Gander hosted early experiments in aerial refuelling in the late 1930s. The decidedly low-tech system of the day required some brave soul to lean out of the target plane with a large hook and try to snag a fuel line dangling from a tanker flying in close formation overhead. The modified Harrow bombers were recalled when war broke out in Europe, but in-flight refueling went on to become an essential part of long-haul military transport and intelligence-gathering logistics around the world.

Tax Reduction, Deferrals and Abatement

Companies operating in the Gander area are responsible for full payment of all federal, provincial and municipal income, property, business and payroll taxes. It is important to note that each level of government offers economic incentives that can reduce or abate these taxes for short, medium and long terms.

Economic Diversification and Growth Enterprises Program (EDGE)

In cooperation with the Government of Canada and the Government of Newfoundland and Labrador, the Town of Gander offers companies tax benefits under the Economic Diversification and Growth Enterprises Program (EDGE). For eligible companies, EDGE offers a number of lucrative tax incentives including:

- 100% rebate on provincial corporate income tax and the provincial health and post-secondary education (payroll) tax for a period of 15 years;
- 50% rebate on federal corporate income tax for up to 15 years;
- further five-year period of partial rebates on the provincial and federal taxes referenced above, declining by 20% in each year of this phase-out period; and
- 100% rebate on municipal business taxes for a full fifteen years, followed by a five year phase-in of the business tax.

As an example, we have assumed an aerospace related manufacturing company that employs 20 aircraft mechanics and operates out of a company owned property worth \$10M. Its 2013 profit before income tax is \$2.5M. By applying all available tax abatements, the company would save at least \$653,300 annually for up to 15 years.

A detailed breakdown of the taxes payable, both with and without EDGE status, is provided in the following table:

| Tax | Without EDGE | With EDGE | Annual Savings |
|------------------------|--------------|------------|----------------|
| Federal Income Tax | \$ 375,000 | \$ 187,500 | \$ 187,500 |
| Provincial Income Tax | \$ 350,000 | \$ 0 | \$ 350,000 |
| Health/Education Tax | \$ 30,000 | \$ 0 | \$ 30,000 |
| Municipal Property Tax | \$ 109,000 | \$ 109,000 | \$ 0 |
| Municipal Business Tax | \$ 85,800 | \$ 0 | \$ 85,800 |
| Total Taxes/Savings | \$ 949,800 | \$ 296,500 | \$ 653,300 |

Notes: Federal Income tax rate is 15%.

Provincial income tax rate for manufacturing sector is 5%, all others 14%.

Health and Education Tax is based on 2% of total taxable payroll.

Municipal Property Tax is calculated at 10.9 mils based on property value.

Municipal Business Tax is calculated at 8.85 mils based on property value.

Tax abatement is available for up to 15 years.

EDGE-designated companies may also be granted access to unserviced Crown land for \$1.00 where such land is required to implement the company's business plan.

Research and Development Tax Credit

The Scientific Research and Experimental Development (SR&ED) program is a federal tax incentive program to encourage Canadian businesses of all sizes and in all sectors to conduct research and development in Canada that will lead to new, improved, or technologically advanced products or processes. The SR&ED program is the largest single source of federal government support for industrial research and development.

SR&ED investment tax credits can be earned for expenditures such as wages, materials, machinery, equipment, some overhead, and SR&ED contracts.

Generally, a Canadian-controlled private corporation can earn an investment tax credit (ITC) of 35% up to the first \$2 million of qualified expenditures for SR&ED carried out in Canada, and 20% on any excess amount. Other Canadian corporations, proprietorships, partnerships, and trusts can earn an ITC of 20% of qualified expenditures.



A CCPC with a taxable income in the immediately preceding year that does not exceed the business limit may receive a portion of the ITC earned as a refund, after applying these tax credits against taxes payable.

The ITC earned by a Canadian corporation that is not a CCPC is non-refundable, but may be used to reduce any taxes payable. The ITC earned by a proprietorship or certain trusts may be partially refunded after applying these tax credits against taxes payable.

Qualifying Projects

To qualify for the SR&ED program, work must advance the understanding of scientific relations or technologies, address scientific or technological uncertainty, and incorporate a systematic investigation by qualified personnel.

Work that qualifies for SR&ED tax credits includes:

- experimental development to achieve technological advancement to create new materials, devices, products, or processes, or improve existing ones;
- applied research to advance scientific knowledge with a specific practical application in view;
- basic research to advance scientific knowledge without a specific practical application in view;
- support work in engineering, design, operations research, mathematical analysis, computer programming, data collection, testing, or psychological research, but only if the work is commensurate with, and directly supports, the eligible experimental development, or applied or basic research.

Foreign Trade Zone

The Gander Foreign Trade Zone allows goods to be brought into Canada without the prepayment of duties or taxes. Goods can be re-exported, and no duties or taxes ever need to be paid. Facilities located at Gander can escape prepayment of high and inverted duties on goods. Quota limitations can be managed to balance optimal shipment and purchase quantities with market allowances. Off site processing of goods is allowed without penalty or paperwork.

Duty Deferral Program

The Canada Customs and Revenue Agency can waive, postpone or refund duties and taxes normally paid on imported goods. The Duty Deferral Program has three options, which can be used individually or in combination, to suit your business needs.

Bonded Warehouse

Place imported and domestic goods destined for export in an appropriate location for up to four years. Duties (including taxes) are payable only on the portion of the goods that enter into the Canadian economy.

Wage Subsidies

Wage subsidies are available through the Government of Canada and the Government of Newfoundland and Labrador. Under the federally funded Targeted Wage Subsidy program, qualifying employers can receive support of up to 60% of the first year's salary for eligible employees.

Provincially sponsored programs offer similar benefits and include special incentives for employers interested in hiring recent college and university graduates.

Customized Incentives

At Gander, Canada, we understand that your business is unique. Working with federal and provincial governments, the Town of Gander can customize an incentives package to meet your company's specific needs. Incentives may include assistance with infrastructure, employee recruitment, training and wage subsidies, to name just a few.

Should you decide to establish operations in Gander, you will be invited to meet with officials from the various levels of government to discuss your needs in greater detail, so that we may craft a regulatory regime aimed at maximizing your profitability and, in turn, the benefits to our community and region.





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