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Legislative Summary

BILL C-28:
AN ACT TO AMEND THE AERONAUTICS ACT AND OTHER ACTS

45-1-C28-E

12 May 2026

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LEGISLATIVE SUMMARY OF BILL C-28: AN ACT TO AMEND THE AERONAUTICS ACT AND OTHER ACTS

1 BACKGROUND

Bill C-28, An Act to amend the Aeronautics Act and other Acts (short title: Canadian Space Launch Act), was introduced in the House of Commons on 21 April 2026 by the Honourable Steven MacKinnon, Minister of Transport and Leader of the Government in the House of Commons. The bill was read for the second time in the House of Commons on 28 April 2026.

Bill C-28 amends the *Aeronautics Act* to expand the regulatory scope of the Act to include launch vehicles and re-entry vehicles, as well as the launch and re-entry sites for such vehicles.[1] Among other things, Bill C-28:

- amends the definition of "aircraft" in the *Aeronautics Act* to include launch and re-entry vehicles;
- allows the Governor in Council to make regulations regarding the indemnification and, more generally, the financial responsibilities of operators of launch or re-entry vehicles;
- establishes a regulatory framework for the issuance of permits relating to launches and re-entries, and the issuance of certificates for the use of Canadian aerodromes for that purpose;
- incorporate new terms into the *Aeronautics Act*, namely certified launch site, designated launch site, certified re-entry site and designated re-entry site; and
- creates a zoning regulatory framework for certified launch and re-entry sites.

Bill C-28 is one of the federal measures intended to develop a Canadian sovereign space launch capability.[2] In a news release announcing the bill, the Minister of Transport notes that Canada is the only country in the Group of Seven (G7) that does not have space launch capabilities and must rely on other countries, particularly the United States, to go into space.[3]

In the 2025 budget, the Government of Canada announced the establishment of a Canadian defence industrial strategy and that it would include, among other things, an investment of $182.6 million over three years, starting in 2025–2026, to establish a sovereign space launch program.[4] This strategy was launched in February 2026 and identifies space technologies, such as satellite communications and space launches, as one of the "priority investment areas for which the Government aims to maximize secure strategic autonomy and reduce supply chain vulnerabilities."[5] In March 2026,

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the government also announced a $200 million investment for a spaceport near Canso, Nova Scotia.[6] Once operational, the site will allow satellites to be launched from Canadian soil.

2 DESCRIPTION AND ANALYSIS

Bill C-28 consists of 16 clauses. Its main provisions are described below.

2.1 DEFINITIONS AND ISSUANCE OF PERMITS, NOTICES OF DETERMINATION AND CERTIFICATES (CLAUSES 3, 4, 7 AND 9)

Clause 4 provides that the Governor in Council may make regulations defining "launch vehicle" and "re-entry vehicle." Until then, transitional definitions are added to the *Aeronautics Act*. A "launch vehicle" means a rocket or other vehicle designed to ascend to Earth orbit or beyond. A "re-entry vehicle" means a vehicle designed to return to Earth from its orbit or beyond. These definitions will be repealed upon the coming into force of regulations to that effect.

Section 5.3 of the Act stipulates that regulations respecting the use and operation of rockets made under Part I of the Act are added to the *Explosives Act*.[7] For consistency, clause 9 amends section 5.3 to replace "rockets" with "launch vehicles or re-entry vehicles."

The current definition of "aircraft" in the *Aeronautics Act* states that this includes rockets and any machine capable of deriving support in the atmosphere from reactions of the air.[8] Clause 3(1) amends the definition of "aircraft" to replace the reference to rockets with launch vehicles and re-entry vehicles. The definition of "airport" is also amended to specify that it does not include certified launch or re-entry sites.

Under the Act, a "Canadian aviation document" includes, among other things, permits, licences and certificates issued by the Minister of Transport (the minister) for persons, aerodromes and aeronautical products, facilities and services. Sections 6.6 to 7.21 of the Act contain provisions regarding the issuance of Canadian aviation documents and the remedies available to applicants in the event that the minister refuses to issue a permit, licence or certificate. Under clause 3(2), permits, notices of determination and certificates issued by the minister relating to launches and re-entries or to the use of an aerodrome for that purpose are not considered "Canadian aviation documents" for the purposes of sections 6.6 to 7.21 of the Act.

In fact, clauses 7(1) and 7(2) propose a separate regulatory regime for the issuance of certificates relating to the use of aerodromes for launch and re-entry vehicles and the

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issuance of permits or notices of determination relating to launch and re-entry vehicles. To that end, clause 7 amends section 4.9 of the Act to allow the Governor in Council to make regulations respecting the issuance of such documents by the minister. Section 4.9(w) of the Act is also amended to allow for the making of regulations to ensure the application of international conventions, agreements and standards (clause 7(3)). The current wording of section 4.9(w) refers only to the *Convention on International Civil Aviation*, which entered into force on 4 April 1947.[9]

2.2 INDEMNIFICATION AND FINANCIAL RESPONSIBILITY (CLAUSES 5, 8, 12 AND 13)

Clause 5 adds section 4.33 to the Act to allow the minister, if of the opinion that it is in the public interest to do so, to indemnify the owners or operators of launch or re-entry vehicles when they are held liable to third parties for loss or damage caused by a launch or re-entry. Similarly, clause 5 adds section 4.34 to the Act, allowing the minister to require that the Government of Canada be indemnified by the owners or operators of launch or re-entry vehicles for loss or damage suffered by third parties that the government would otherwise be required to compensate. This includes claims made under the *Convention on the international liability for damage caused by space objects*, which entered into force on 1 September 1972.[10]

Clause 8 adds sections 5(b.3) and 5(b.4) to the Act to allow the Governor in Council to make regulations governing the indemnification of the owners and operators referred to in new section 4.33 and the indemnification of the Government of Canada referred to in new section 4.34. Clause 8 authorizes the Governor in Council to make further regulations concerning, more generally, the financial responsibilities of users of launch or re-entry vehicles. Furthermore, clause 12 adds section 5.9(2.1) to the Act to allow the minister to exempt any person from financial liability for reasons of public interest. Clause 12 adds section 5.9(2.2) to the Act to allow the minister to adjust downward the minimum amount of a person's financial responsibility for reasons of public interest.

2.3 EMERGENCY DIRECTIONS (CLAUSE 6)

Clause 6 expands the minister's powers regarding emergency directions, as provided for in section 4.76 of the Act, to allow the minister to stop a launch or re-entry, or any related activity, in the event of an immediate threat.

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2.4 AIRPORT, CERTIFIED LAUNCH SITE AND CERTIFIED RE-ENTRY SITE ZONING (CLAUSES 10 AND 11)

Clauses 10 and 11 extend the application of airport zoning rules to launch sites and re-entry sites. First, clause 10 adds new terms to section 5.4 of the Act, namely certified launch site, designated launch site, certified re-entry site and designated re-entry site.

Certified launch and re-entry sites are aerodromes for which the minister issues a certificate authorizing their use for the launch of a launch vehicle or the re-entry of a re-entry vehicle, as the case may be. Designated launch and re-entry sites are lands declared by order of the Governor in Council to be required for use as certified launch and re-entry sites. These designated sites must either belong to or be leased by His Majesty in right of Canada or be the subject of a notice of expropriation registered under section 5 of the *Expropriation Act*.[11] Designated launch and re-entry sites are therefore equivalent to an airport site in the context of an airport.[12]

Clause 10(2) authorizes the Governor in Council to make zoning regulations to prevent lands adjacent to or in the vicinity of a designated or certified launch site or re-entry site from being used or developed. More specifically, clause 10(2) adds sections (a.1) and (a.2) to section 5.4(2)(b) of the Act. Thus, the Governor in Council may make a zoning regulation if, in the opinion of the minister, a type of use or development is incompatible with the operation of a certified launch or re-entry site. Clause 10(2) also adds clauses (b.1) and (b.2) to section 5.4(2)(b) of the Act. Under these sections, the Governor in Council may make a zoning regulation if, in the opinion of the minister, a type of use or development is incompatible with the safe operation of a certified launch site, a launch vehicle, a certified re-entry site or a re-entry vehicle.

Clause 10(3) adds sections 5.4(3.1) and 5.4(3.2) to the Act. Thus, before the Governor in Council may make a zoning regulation to prevent a use or development of lands that is incompatible with the operation of a certified launch or re-entry site under clause 10(2), the minister is required to make “a reasonable attempt” to reach an agreement with the government of a province regarding the use or development of the lands to which the zoning regulation could apply, unless the minister is of the opinion that a zoning regulation must be made immediately.

Clause 11(1) adds sections 5.81(1.1) and 5.81(1.2) to the Act. Specifically, in the event that the Governor in Council does not make a zoning regulation under clause 10(2), clause 11(1) authorizes the minister to enter into an agreement with a provincial authority to authorize that authority to make a zoning regulation to ensure the safe operation of certified launch sites, launch vehicles, certified re-entry sites or re-entry vehicles.

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2.5 AMENDMENTS TO OTHER ACTS (CLAUSES 14 TO 16)

Clause 14 amends section 1.1 of the *Carriage by Air Act* to add a clarification regarding the term "aircraft." Under new section 1.1(3), the term "aircraft," for the purposes of this Act, refers only to machines capable of deriving support in the atmosphere from reactions of the air and does not include launch vehicles or re-entry vehicles.[13]

The current definition of "air service" in section 55(1) of the *Canada Transportation Act* states that it means a service that is publicly available for the transportation by aircraft of goods and/or passengers.[14] Clause 15 amends this definition to clarify that it excludes services provided by launch vehicles or re-entry vehicles.

Clause 16 amends the definition of "air carrier" set out in section 3 of the *Secure Air Travel Act*[15] to specify that, for the purposes of this Act, commercial air services do not include those provided by launch vehicles or re-entry vehicles.

NOTES

1. *Aeronautics Act*, R.S.C. 1985, c. A-2.
2. Transport Canada, *Minister MacKinnon announces sovereign space launch capabilities through the Canadian Space Launch Act*, News release, 21 April 2026.
3. Ibid.
4. Department of Finance Canada, *Canada Strong*, Budget 2025, p. 187-188.
5. National Defence, *Canada's Defence Industrial Strategy*, 2026.
6. This is a 10-year, $200 million agreement to lease a space-launch pad, which "will serve as the central foundation for a multi-user spaceport." This spaceport will be operated by Maritime Launch Services. Atlantic Canada Opportunities Agency, *Historic $200 million investment positions Nova Scotia spaceport as cornerstone of Canada's defence capabilities*, News release, 16 March 2026.
7. *Explosives Act*, R.S.C. 1985, c. E-17.
8. The various types of aircraft are defined in section 101.01(1) of the *Canadian Aviation Regulations*, SOR/96-433. The types of aircraft certified in Canada can also be found on Transport Canada, "Aircraft classified under blanket rating," *Aircraft type designation for licensing*.
9. International Civil Aviation Organization, *Convention on International Civil Aviation – Doc 7300/9*, 9th ed., 2006.
10. United Nations, *Convention on the international liability for damage caused by space objects*, 29 March 1972.
11. *Expropriation Act*, R.S.C. 1985, c. E-21.
12. See the definition of "airport site": *Aeronautics Act*, R.S.C. 1985, c. A-2, s. 5.4(1).
13. *Carriage by Air Act*, R.S.C. 1985, c. C-26.
14. *Canada Transportation Act*, S.C. 1996, c. 10.
15. *Secure Air Travel Act*, S.C. 2015, c. 20, s. 11.