VIA U.S. MAIL

Sixty-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986(Cal. Health & Saf. Code, §§ 25249.5 et seq.) ("Proposition 65")

Ace Aviation Holdings Inc. (Air Canada)
Montie R. Brewer-President and CEO
5100 de Maisonneuve Blvd. West
Montreal H4A 3T2
Canada

Dear Mr. Brewer:

Consumer Advocacy Group, Inc. ("CAG"), the noticing entity, located at 9000 Wilshire Blvd., Beverly Hills, CA 90211, serves this Notice of Violation ("Notice") upon **Ace Aviation Holdings Inc. (Air Canada)** ("Violator") pursuant to and in compliance with Proposition 65. Violator **may contact CAG concerning this Notice through its designated person within the entity, its attorney, Reuben Yeroushalmi, Esq., 3700 Wilshire Boulevard, Suite 480, Los Angeles, CA 90010, telephone no. 213-382-3183, facsimile no. 213-382-3430**. This Notice satisfies a prerequisite for CAG to commence an action against Violator in Superior Court of California to enforce Proposition 65. The violations addressed by this Notice occurred in each California county reflected in the district attorney addresses listed in the attached certificate of service. CAG is serving this Notice upon each person or entity responsible for the alleged violations, the California Attorney General, the district attorney for each county where alleged violations occurred, and the City Attorney for each city with a population (according to the most recent decennial census) of over 750,000 located within counties where the alleged violations occurred.

CAG is a registered corporation based in California. By sending this Notice, CAG is acting "in the public interest" pursuant to Proposition 65. CAG is a nonprofit entity dedicated to protecting the environment, improving human health, and supporting environmentally sound practices.

This Notice concerns violations of the warning prong of Proposition 65, which states that "[n]o person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to the state to cause cancer or reproductive toxicity without first giving clear and reasonable warning to such individual . . ." (Cal. Health & Saf. Code, § 25249.6.)

I. BACKGROUND AND ALLEGATIONS

Violator has exposed persons to jet engine exhaust, which contains the chemicals listed below and designated to cause cancer or reproductive toxicity ("Covered Chemicals"), pursuant to California Code of Regulations, title 22, section 12000, without first giving clear and reasonable warning of such to the exposed persons pursuant to Proposition 65.

PERIOD OF VIOLATION

From: December 29, 2000 Through December 20 , 2006 and continuing thereafter.

Environmental Exposures

This Notice addresses environmental exposure. "An 'environmental exposure' is an exposure which

may foreseeably occur as the result of contact with an environmental medium, including, but not limited to, ambient air, indoor air, drinking water, standing water, running water, soil, vegetation, or manmade or natural substances, either through inhalation, ingestion, skin contact or otherwise. Environmental exposures include all exposures which are not consumer products exposures, or occupational exposures." (Cal. Code Regs., tit. 22, § 12601, subd.(d).)

During the period referenced above, Violator exposed persons to jet engine exhaust and the Covered Chemicals contained therein. The exposures occurred when Violator landed its airplanes, during the process of refueling, while passengers exited the airplanes, while Violator maintained the airplanes, while passengers boarded Violator's airplanes, while the airplanes taxied, and during take-off. Exposed persons included people visiting and working at the airports listed in Exhibit A, including passengers, police and security personnel, catering personnel, and food service delivery personnel. Violator exposed these persons to the Covered Chemicals contained in jet engine exhaust without first giving clear and reasonable warning of such pursuant to Proposition 65. The sources of exposures included inhalation caused by the exposed persons inhaling and breathing the ambient air containing jet engine exhaust while traversing runway areas and jet bridges at the airports found in Exhibit A. Some of the exposures for which a warning is required occurred near the terminal where Violator docks its airplanes. Exposures occurred at each of the airports listed in Exhibit A. Furthermore, members of the public throughout California purchased tickets from and conducted business with the Violator without receiving a notice.

As to environmental exposures, Violator failed to provide a warning either that (A) appears on a sign in the affected area, (B) constitutes a posting of signs in the manner described in Cal. Code Regs., tit. 3, § 6776(d), (C) is in a notice mailed or otherwise delivered to each occupant in the affected area at least once in any three-month period, or (D) provided by public media announcements that targets the affected area at least once in any three-month period.

The locations of exposure occurred both within and beyond the property owned or controlled by the alleged violator.

Occupational Exposures

This Notice also addresses Occupational Exposures. "An 'occupational exposure' is an exposure, in the workplace of the employer causing the exposure, to any employee." (Cal. Code Regs., tit. 22, § 12601, subd. (c).)

During the period referenced above, Violator exposed its employees to jet engine exhaust. The exposures occurred when Violator landed its airplanes, during the process of refueling, while passengers exited the airplanes, while the airplanes received maintenance, while passengers boarded Violator's airplanes, while the airplanes taxied, and during take-off, or any other time while Violator operated its airplanes on or near the ground. Exposed employees included baggage handlers, maintenance workers, pilots, flight attendants, and cleaning personnel. Violator exposed these employees to the Covered Chemicals contained in jet engine exhaust without first giving clear and reasonable warning of such pursuant to Proposition 65. The sources of exposures included inhalation caused by the exposed employees inhaling and breathing the ambient air, which contained jet engine exhaust, while the airplanes were on the runway, at the terminal, and while the airplanes were taxiing at the airports listed in Exhibit A. Exposures occurred at each of the airports listed in Exhibit A.

This notice alleges the violation of Proposition 65 concerning occupational exposures governed by the California State Plan for Occupational Safety and Health. The State Plan incorporates the provisions of

Proposition 65, as approved by Federal OSHA on June 6, 1997.

This approval specifically placed certain conditions with regard to occupational exposures on Proposition 65, including that it does not apply to (a.) the conduct of manufacturers occurring outside the State of California; and (b.) employers with less than 10 employees. The approval also provides that an employer may use any means of compliance in the general hazard communication requirements to comply with Proposition 65.* It also requires that supplemental enforcement be subject to the supervision of the California Occupational Safety and Health Administration. Accordingly, any settlement, civil complaint, or substantive court orders in this matter must be submitted to the California Attorney General.

As to occupational exposures, Violator failed to provide a warning either that (A) appears on the product that employees would read and understand prior to the exposure for which warning is given, or (B) appears on a sign in the workplace posted conspicuously and under conditions that employees would likely read and understand prior to the exposure for which warning is given.

For each type and means of exposure, Violator has exposed the above referenced persons to:

CARCINOGENS

Benz[a]anthracene	Chrysene	Benzo[a]pyrene	Indeno[1,2,3-cd]pyrene
Formaldehyde (gas)	Acetaldehyde	Naphthalene	Benzene
Ethylbenzene	Benzo[b]fluoranthene	Benzo[k]fluoranthene	Dibenz[a,h]anthracene
1,3-Butadiene			

REPRODUCTIVE TOXINS

Toluene	Carbon Monoxide	1,3-Butadiene	Benzene

CAG has been investigating the airline industry since 2003. CAG, including its investigators, officers, and attorneys were intimately involved in every aspect of the series of Notices sent to airline entities in late 2004 and early 2005. CAG's involvement was extensive in every aspect, including, but not limited to, research, investigations, drafting and mailing of notices, and the subsequent lawsuits filed pursuant to those notices. The notices sent by Environmental World Watch, Inc. ("EWW") in late 2004 and early 2005 were prepared by CAG's officers and legal representatives, and the scientific consultations and investigations were conducted by experts hired by CAG. Therefore, the notices sent by EWW to the airline industry in late 2004 and early 2005 were a result of CAG's and CAG's attorney's time, resources, and money.

Proposition 65 requires that notice and intent to sue be given to the violator(s) 60 days before the suit is filed. With this letter, Consumer Advocacy Group, Inc. gives notice of the alleged violations to Violator and the appropriate governmental authorities. In absence of any action by the appropriate governmental authorities within 60 days of the sending of this notice, Consumer Advocacy Group, Inc. may file suit. This notice covers all violations of Proposition 65 that Consumer Advocacy Group, Inc. currently knows of from information now available to it. The copy of this notice submitted to Violator includes a copy of *The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary.*

Dated: December 20, 2006

By: _____

REUBEN YEROUSHALMI
Attorney for
Consumer Advocacy Group, Inc., Inc.

* One may refer to the Hazard Communication Standard (HCS) requirements.

Appendix A

OFFICE OF ENVIRONMENTAL HEALTH
HAZARD ASSESSMENT
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC
ENFORCEMENT ACTION 1986
(PROPOSITION 65): A SUMMARY

The following summary has been prepared by the Office of Environmental Health Hazard Assessment, the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and its implementing regulations(see citations below) for further information.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 22 of the California Code of Regulations, Sections 12000 through 14000.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer, or birth defects or other reproductive harm. This list must be updated at least once a year. Over 550 chemicals have been listed as of May 1, 1996. Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release, or otherwise engage in activities involving those chemicals must comply with the following:

Clear and Reasonable Warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical. The warning given must be "clear and reasonable." This means that the warning must:(l) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Exposures are exempt from the warning requirement if they occur less than twelve months after the date of listing of the chemical.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Discharges are exempt from this requirement if they occur less than twenty months after the date of listing of the chemical.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. The law exempts:

Governmental agencies and public water utilities. All agencies of the federal, State or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees.. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "no significant risk" levels for more than 250 listed carcinogens.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause birth defects or other reproductive harm ("reproductive toxicants"), a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level (NOEL)," divided by a 1,000-fold safety or uncertainty factor. The "no observable effect level" is the highest dose level which has not been associated with an observable adverse reproductive or developmental effect.

Discharge that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply If the discharger is able to demonstrate that a "significant amount" of the list chemical has not, does not, or will not enter any drinking water source, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" or "no observable effect" test if an individual were exposed to such an amount in drinking water.

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys(those in cities with a population exceeding 750,000). Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. A notice must comply with the information and procedural requirements specified in regulations(Title 22, California Code of Regulations, Section 12903). A private party may not pursue an enforcement action directly under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to $2,500 per day for each violation. In addition, the business may be ordered by a court of law to stop committing the violation.

FOR FURTHER INFORMATION...

Contact the Office of Environmental Health Hazard Assessment's
Proposition 65 Implementation Office at (916) 445-6900.

§14000. Chemicals Required by State or Federal Law to Have been Tested for Potential to Cause Cancer or Reproductive Toxicity, but Which Have Not Been Adequately Tested As Required.

(a) The Safe Drinking Water and Toxic Enforcement Act of 1986 requires the Governor to publish a list of chemicals formally required by state or federal agencies to have testing for carcinogenicity or reproductive toxicity, but that the state's qualified experts have not found to have been adequately tested as required [Health and Safety Code 25249.8)c)].

Readers should note a chemical that already has been designated as known to the state to cause cancer or reproductive toxicity is not included in the following listing as requiring additional testing for that particular toxicological endpoint. However, the "data gap" may continue to exist, for purposes of the state or federal agency's requirements. Additional information on the requirements for testing may be obtained from the specific agency identified below.

(b) Chemicals required to be tested by the California Department of Pesticide Regulation.

The Birth Defect Prevention Act of 1984(SB 950) mandates that the California Department of Pesticide Regulation (CDPR) review chronic toxicology studies supporting the registration of pesticidal active ingredients.

CERTIFICATE OF MERIT
Ace Aviation Holdings Inc.
Health and Safety Code Section 25249.7(d)

I, Reuben Yeroushalmi, hereby declare:

1. This Certificate of Merit accompanies the attached sixty-day notice(s) in which it is alleged the party(s) identified in the notice(s) has violated Health and Safety Code section 25249.6 by failing to provide clear and reasonable warnings.

2. I am the attorney for the noticing party.

3. I have consulted with at least one person with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the action.

4. Based on the information obtained through those consultations, and on all other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiffs' case can be established and the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.

5. The copy of this Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health and Safety Code section 25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: December 20, 2006

By: REUBEN YEROUSHALMI

CERTIFICATE OF SERVICE

I am over the age of 18 and not a party to this case. I am a resident of or employed in the county where the mailing occurred. My business address is 3700 Wilshire Boulevard, Suite 480, Los Angeles, CA 90010.

I SERVED THE FOLLOWING:

1) 60-Day Notice of Intent to Sue Under Health & Safety Code Section 25249.6
2) Certificate of Merit: Health and Safety Code Section 25249.7(d)
3) Certificate of Merit: Health and Safety Code Section 25249.7(d) *Attorney General Copy* (*only sent to Attorney General*)
4) The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary

by enclosing a true copy of the same, along with an unsigned copy of this declaration, in a sealed envelope addressed to each person shown below and depositing the envelope in the United States mail with the postage fully prepaid.

Place of Mailing: Los Angeles, CA

NAME AND ADDRESS OF EACH VIOLATOR TO WHOM DOCUMENTS WERE MAILED:

Ace Aviation Holdings Inc. (Air Canada)
Montie R. Brewer-President and CEO
5100 de Maisonneuve Blvd. West
Montreal H4A 3T2
Canada

NAME AND ADDRESS OF EACH PUBLIC PROSECUTOR TO WHOM DOCUMENTS WERE MAILED:

See Distribution List

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: December 20, 2006

By: _____
Rabin Saidian

DISTRIBUTION LIST
(Name and address of each public prosecutor to whom documents were mailed)

Alameda County District Attorney 1225 Fallon St, Room 900 Oakland, CA 94612	Los Angeles County District Attorney 210 W Temple St, 18th Floor Los Angeles, CA 90012	Mono County District Attorney PO Box 617 Bridgeport, CA 93517
Alpine County District Attorney PO Box 248 Markleeville, CA 96120	Madera County District Attorney 209 W Yosemite Ave Madera, CA 93637	San Joaquin County District Attorney PO Box 990 Stockton, CA 95201 -0990
Amador County District Attorney 708 Court, Suite 202 Jackson, CA 95642	Mariposa County District Attorney P.O. Box 730 Mariposa, CA 95338	San Francisco County District Attorney 850 Bryant St, Rm 322 San Francisco, CA 94103
Butte County District Attorney 25 County Center Dr. Oroville, CA 95965-3385	Marin County District Attorney 3501 Civic Center Drive, #130 San Rafael, CA 94903	San Diego County District Attorney 330 W. Broadway, Ste 1300 San Diego, CA 92101-3803
Calaveras County District Attorney 891 Mountain Ranch Road San Andreas, CA 95249	Mendocino County District Attorney P.O. Box 1000 Ukiah, CA 95482	San Bernardino County District Attorney 316 N Mountain View Ave San Bernardino, CA 92415-0004
Office of the Attorney General P.O. Box 70550 Oakland, CA 94612-0550	Los Angeles City Attorney 200 N Main St Ste 1800 Los Angeles CA 90012	San Francisco City Attorney # 1 Dr. Carlton B. Goodlett Place, Suite 234 San Francisco, CA 94102
Colusa County District Attorney Courthouse, 547 Market St. Colusa, CA 95932	Inyo County District Attorney P.O. Drawer D Independence, CA 93526	Placer County District Attorney 11562 "B" Ave Auburn, CA 95603-2687
Contra Costa County District Attorney 725 Court St., Room 402 Martinez, CA 94553	Orange County District Attorney PO Box 808 Santa Ana, CA 92702	Merced County District Attorney 2222 "M" St. Merced, CA 95340
Del Norte County District Attorney 450 "H" St. Crescent City, CA 95531	Nevada County District Attorney 201 Church St, Suite 8 Nevada City, CA 95959-2504	Napa County District Attorney PO Box 720 Napa, CA 94559-0720
El Dorado County District Attorney 515 Main St. Placerville, CA 95667-5697	Plumas County District Attorney 520 Main Street, Rm 404 Quincy, CA 95971	Riverside County District Attorney 4075 Main St Riverside, CA 92501
Fresno County District Attorney 2220 Tulare St, Ste. 1000 Fresno, CA 93721	Sacramento County District Attorney 901 G Street Sacramento, CA 95814	San Benito County District Attorney 419 4th St Hollister, CA 95023
Glenn County District Attorney PO Box 430 Willows, CA 95988	San Luis Obispo County District Attorney County Government Center, Rm 450 San Luis Obispo, CA 93408	Siskiyou County District Attorney PO Box 986 Yreka, CA 96097

Humboldt County District Attorney 825 5th St., 4th Floor Eureka, CA 95501	San Mateo County District Attorney 400 County Center Redwood City, CA 94063	Solano County District Attorney 600 Union Ave Fairfield, CA 94533
Imperial County District Attorney 939 W. Main St., 2nd Floor El Centro, CA 92243-2860	Santa Barbara County District Attorney 1112 Santa Barbara St. Santa Barbara, CA 93101	Sonoma County District Attorney 600 Administration Dr., Rm 212-J Santa Rosa, CA 95403
Kern County District Attorney 1215 Truxtun Ave. Bakersfield, CA 93301	Santa Clara County District Attorney 70 W Hedding St. San Jose, CA 95110	Shasta County District Attorney 1525 Court St, 3rd Floor Redding, CA 96001-1632
Kings County District Attorney Gov't Ctr, 1400 W Lacey Blvd Hanford, CA 93230	Santa Cruz County District Attorney PO Box 1159 Santa Cruz, CA 95061	Sierra County District Attorney PO Box 457 Downieville, CA 95936-0457
Lake County District Attorney 255 N Forbes St Lakeport, CA 95453-4790	Stanislaus County District Attorney PO Box 442 Modesto, CA 95353	Trinity County District Attorney PO Box 310 Weaverville, CA 96093
Modoc County District Attorney 204 S. Court Street Alturas, CA 96101-4020	Sutter County District Attorney 446 Second Street Yuba City, CA 95991	Yuba County District Attorney 215 5th St Marysville, CA 95901
San Diego City Attorney City Center Plaza 1200 3rd Ave # 1100 San Diego, CA 92101	Lassen County District Attorney 200 S Lassen St, Suite 8 Susanville, CA 96130	Monterey County District Attorney PO Box 1131 Salinas, CA 93902
Tuolumne County District Attorney 2 S Green St Sonora, CA 95370	Tulare County District Attorney County Civic Center, Rm 224 Visalia, CA 93291	Yolo County District Attorney 310 Second St Woodland, CA 95695
Ventura County District Attorney 800 S Victoria Ave Ventura, CA 93009	Tehama County District Attorney P.O. Box 519 Red Bluff, CA 96080	San Jose City Attorney 151 W. Mission St. San Jose, CA 95110

EXHIBIT A

Los Angeles International Airport
1 World Way
Los Angeles, CA 90045-5830
Airport Latitude: 37-37-08.3000N ESTIMATED
Airport Longitude: 122-22-29.6000W

San Francisco International Airport
San Francisco, CA 94128-8097
Airport Latitude: 37-37-08.3000N ESTIMATED
Airport Longitude: 122-22-29.6000W

Ontario International Airport
2900 East Airport Dr
Ontario, CA 91761
Airport Latitude: 34-03-21.6000N ESTIMATED
Airport Longitude: 117-36-04.3000W