July 10, 2012

File No. M 4120-3/11-06673

BY FACSIMILE: 514-422-5839

BY E-MAIL:

Gábor Lukács

Air Canada Law Branch P.O. Box 7000, Airport Station Dorval, Québec H4Y 1J2

Halifax, Nova Scotia

Attention: Julianna Fox

Counsel Regulatory and International

Dear Madam/Sir:

Re: Overselling practices and denied boarding compensation (domestic)

This refers to the complaint dated December 12, 2011 by Gábor Lukács respecting Air Canada's current practice of overselling its domestic flights, and certain portions of Rule 245 of Air Canada's domestic tariff governing compensation for denied boarding.

On December 16, 2011, the Canadian Transportation Agency (Agency) opened pleadings regarding Mr. Lukács' complaint. On January 16, 2012, Air Canada filed its answer, and on January 24, 2012, Mr. Lukács filed his reply. Pleadings were then closed.

In separate complaints dated June 8, 2009, Mr. Lukács raised questions that also related to Air Canada's denied boarding policy, as found in its domestic and international tariffs. In those complaints, he argued that certain provisions of Air Canada's tariffs related to denied boarding are unreasonable and contrary to the principles of the Montreal Convention.

In Decision No. LET-C-A-57-2012 dated April 2, 2012, the Agency noted that while the June 8, 2009 and December 12, 2011 complaints were separate, they each dealt with some aspect of the reasonableness of Air Canada's denied boarding policy. The Agency expressed the opinion that, in order to ensure the practical and efficient management of these files, it would first conclude its consideration of Mr. Lukács' earlier filed complaints of June 2009 before proceeding further with its consideration into the December 2011 complaint.

Accordingly, the Agency determined that it was appropriate to stay the December 12, 2011 complaint. The Agency indicated that it would resume its consideration of that complaint immediately upon rendering final decisions respecting the issues raised in Mr. Lukács' complaints of June 8, 2009. On June 28, 2012, those final decisions were issued.

> Ottawa (Ontario) K1A 0N9 www.otc.gc.ca

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In view of the foregoing, the Agency lifts the stay respecting Mr. Lukács' complaint dated December 12, 2011. The Agency will now resume its consideration of that complaint based on the submissions filed by the parties.

Should you have any questions regarding the foregoing, you may contact Mike Redmond by telephone at 819-997-1219, by facsimile at 819-953-7910, or by e-mail at <a href="mike.redmond@otc-cta.gc.ca">mike.redmond@otc-cta.gc.ca</a>.

Sincerely,

Cathy Murphy

Secretary

BY THE AGENCY:

J. MARK MACKEIGAN

Member

Geoffrey C. Hare

Member