Abstract

Following four years of intense negotiations, the first Open Sky agreement between the European Union (EU) and a third country, the USA in this case, was reached. It entered into force on 30th March this year. In addition, the second stage of negotiations has been launched during the Slovenian Presidency on 15 May¹. This Master thesis aims to evaluate how a similar agreement between the European Union and MERCOSUR (Mercado Comum del Sur) would be perceived.

With regards to the literature, articles from specialized magazines constitute the main source. A meticulous attention was given to the articles of law in air transport, in particular bilateral agreements, national law, European Court of Justice Rulings. Moreover, all the documents concerning air transport supplied by the European Commission on air transport policy were particularly interesting to evaluate its development and to define its relations with third countries. Interviews with Commission officials as well as industry representatives played also an important role.

The structure of this thesis is divided in three chapters. The first chapter aims to assess the relationship between the European Union and MERCOSUR in general and the MERCOSUR itself in particular. Needless to say that MERCOSUR is a group of countries, where the level of integration in air transport is limited. Consequently, the second part seeks to analyze the regional forces in the domain and how the EU can supply some expertise and foster this integration. The Horizontal Agreement between the EU and Chile indicates the framework in which the EU develops its air policy towards South American countries. From the EU perspective, several improvements would be needed to succeed in future negotiations as the USA experience showed. The last and the main part discusses in detail the main questions raised by the USA delegation in the

negotiation phase, namely foreign airline ownership, freedoms & hubs, in the case of MERCOSUR.

As far as the results are concerned, it can be claimed that the concept of an European carrier as well as a MERCOSUR carrier will not be an obstacle in the negotiation process. Furthermore, the extension of the fifth freedom - 5th freedom – to carry freight and passengers between two countries by an airline of a third country on route with origin/destination in its home country - to all the countries involved is rather reasonable. On the other hand, cabotage remains a sensitive subject to the MERCOSUR authorities. Considering the foreign participation in MERCOSUR carriers, governments would seriously take into account this option, knowing that their national carriers face financial difficulties. Moreover, airports are prepared to receive the increased number of passengers thanks to the potential agreement. From a technical point of view, the potential agreement is not a revolution. However, in reality, it is politically a huge step for MERCOSUR since this requires not only more integration at the regional level but also a new attitude towards liberalization of the services sector.