

MEMORANDUM OF CONSULTATIONS

1. Delegations representing the Government of the United States of America and the Government of the Argentine Republic met in Washington, D.C., Buenos Aires, and by phone and digital video conference on multiple occasions since March 2018, and reached agreement, *ad referendum*, on the text of a Protocol of Amendment (the "Protocol") to the 1985 Air Transport Services Agreement Between the Governments of the United States of America and the Republic of Argentina, as amended (the "Air Transport Agreement"). The Protocol modernizes the air transport relationship between the United States and Argentina. The composition of the two delegations is attached (**Attachment A**).
2. Discussions were held in a friendly and constructive atmosphere and the delegations initialled the text of the Protocol in Buenos Aires, on June 5, 2019 (**Attachment B**).
3. The Argentine delegation noted that while Argentina has made significant progress in liberalizing its aviation sector over the past few years, additional work to this end remains to be done and requires time to fully implement. The U.S. delegation noted these developments and expressed its view that Argentina has indeed made significant progress and that implementation of this Protocol should further support the expansion and modernization of air transport within Argentina, and between Argentina and the United States.
4. In response to a question from the Argentine delegation regarding what would become Article 3 (Designation and Authorization) of the Air Transport Agreement, as amended by the Protocol, the U.S. delegation explained that the U.S. Department of Transportation licenses airlines to serve the United States consistent with the authorization provisions of the applicable air transport agreement and U.S. laws and regulations. The U.S. delegation further stated that, with respect to Article 3, the U.S. Department of Transportation has broad authority to waive ownership and control standards, and that the U.S. Department of Transportation has established a practice of waiving such standards for airlines when all countries involved are parties to modern, liberal air transport agreements with the United States.
5. With respect to what would become paragraph 4 of Article 11 of the Air Transport Agreement, as amended by the Protocol, the delegations affirmed their understanding that neither Party requires approval of schedules for purposes of controlling capacity in the market. The Argentine delegation noted, however, that Argentina requires the filing of schedules according to its law and regulations, and in a manner consistent with Article 11, in an effort to ensure uniform conditions.
6. The Protocol includes a transitional Annex containing provisions relating to ground handling at Argentine airports. The Argentine delegation remarked that the Government of the Argentine Republic had recently issued an executive order which authorized the creation of a new legal framework to allow for competition in the ground-handling market at Argentine airports. Accordingly, the transitional Annex provides all designated airlines of the United States the right to perform their own ground handling in Argentina or to select among competing agents for such services, effective January 1, 2020, or by an earlier date as communicated by the Government of the Argentine Republic via diplomatic note.

7. The U.S. delegation asked for clarification concerning the status of Argentina's charter regulations as they relate to the provisions of Annex II of the Air Transport Agreement. The Argentine delegation noted that the Air Transport Agreement has the status of a treaty under Argentine law and therefore takes precedence over Argentine regulations, including those governing charters. The Argentine delegation explained that Argentina would consider applications for charter operations in a manner consistent with Annex II of the Air Transport Agreement. Accordingly, airlines in the U.S.-Argentina air transport market would not have to comply with any Argentine charter requirements inconsistent with the terms of the Air Transport Agreement. The delegations further affirmed their respective governments' understanding that U.S. and Argentine charter airlines in or seeking to enter the U.S.-Argentine air transport market would continue to benefit from open entry and fair competition in the marketplace.
8. The delegations confirmed their intention to develop mutually acceptable provisions on dispute resolution and on the application of customs duties and charges in relation to promotional materials used by airlines to be recommended to their respective authorities for approval, with the goal of further amending the Air Transport Agreement and bringing them into force as soon as possible.

**For the Delegation of the
United States of America:**



Elaine L. Chao
Secretary of Transportation

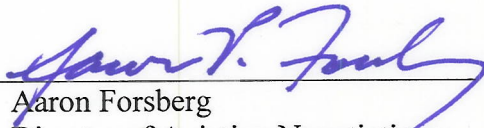
Date: June 26, 2019

**For the Delegation of the
Argentine Republic:**



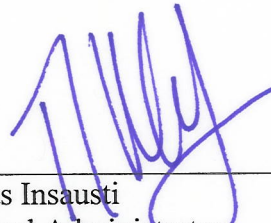
Guillermo Javier Dietrich
Minister of Transport

Date: June 26, 2019



Aaron Forsberg
Director of Aviation Negotiations
U.S. Department of State

Date: June 25, 2019



Tomas Insausti
National Administrator
National Administration of Civil
Aviation

Date: June 25, 2019

Signed at Washington, DC.