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COELUM is Latin for air space or sky. The Romans began questioning the rights they had in the space above the land they owned and to how high above did that right extended to. Ad coelum et ad inferos, they discussed, meaning that their right of property would extend as high up to the heavens and down to hell.

MEDIATION AND MEXICO

Mario Molina

All societies, communities, organizations, and interpersonal relationships experience conflict at one time or another in the process of day to day interactions. Conflict is not necessarily bad, abnormal or dysfunctional, it is a fact of life. Conflict and disputes exist from the moment people or groups are engaged in competition to reach goals that they perceive to be, or actually may be incompatible. However, conflict may go beyond competitive behavior and acquire the additional purpose of inflicting physical or psychological damage on an opponent, even to the point of their annihilation. It is then that the negative and harmful dynamics of conflict exact their full costs.

But disputes are not inherently destined to follow a negative course. Conflict can also lead to growth and be productive for those involved.

Whether this happens often depends on the participants ability to devise efficient procedures for cooperative problem solving, on their capacity to lay aside distrust and animosity while they work together on resolving their conflict. They need to find solutions that will at least partially satisfy all of the parties interests. Unfortunately, many people in conflict are unable to develop these effective procedures, deal with the psychological barriers to settlement, or create workable solutions on their own. They often need help to do so.

Mediation is the answer to this kind of problem.

In Mexico City, the most important Judicial District of the country, there are 64 Civil Courts and every one of them handles up to 700 new civil trials every year. These numbers are clear symptoms of a society that does not know how to negotiate agreeable solutions for their commercial conflicts.



The year Mexico City's government established as their motto "Mediation, an intelligent way for solving controversies".

This message seems to be very clear. We need better and cheaper ways to solve our commercial controversies. Top law schools and lawyer's associations are the main promoters of the dispute resolution method. Some of us believe that there is no economy or society that can fully develop with every mercantile problem ending up in court.

However, like every new proposal, mediation will have to face a lot of resistance and skepticism before it establishes itself as a common practice or an "obligatory" clause in every contract. Family mediation seems to be the cutting edge that will position commercial mediation on the map of Mexican Law. Nowadays, family conflicts like divorce, child support, custody, visitation, and spousal support are often solved by a mediation process handled with government assistance, as a free service to the community.

Before mediation obtains the place it deserves in the Mexican Law, we must continue to push for the best alternative dispute resolution methods available in order to reduce the number of trials and increase the flexibility of business in our country.



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TAX BENEFITS FOR COMMERCIAL AVIATION IN MEXICO

Adriana Padilla

On November 29th, 2006 the Ministry of Finance of Mexico published a decree in the Official Diary by which an income tax benefit is granted to residents in Mexico using a commercial aircraft¹, which is leased to an operator who is not resident in Mexico and where the related lease contract establishes that the income tax amount in terms of article 188 of the Income Tax Law should be paid by the Mexican resident.

This benefit grants a credit equivalent to 80% of the income tax rate² stated in article 188, for all

aircraft operated under the conditions stated above and which will be credited only against the income tax that should be withhold by those who are required to make the payments under the terms of this article.

This decree was published because principle foreign countries do not have any law or international treaty to provide any Mexican tax withholding obligations to the foreign companies, where companies are leasing commercial aircraft from Mexico.

This credit will be effective from January 1st, 2006.

It is important to emphasize that the main benefit is that costs to aircraft owners resident in Mexico will not be increased by entering into aircraft lease agreements and that this sector of the aviation industry can now be more competitive with foreign airlines.

This is an important condition that is be included in major aircraft lease transactions where the lessee should include a clause wherein he declares that lessor will not be liable for any tax in the United Mexican States by reason of entering to this lease.

This decree will enable commercial aviation to be more competitive and will be a fundamental part in the development of Mexican aviation that will generate important sources of employment. It will be a positive benefit to other areas such as tourism or trade.



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¹ By grant or permission of the Federal Government of Mexico

² 5%



THIS MONTH'S EXTRACT OF MEXICAN AVIATION NEWS

o **Gadair European Airlines will flight to Puebla**

The Spanish airline Gadair European, will begin to flights Madrid-Puebla next September. The company plans is to sell tourist packages, principally to pensioners.

El Economista. 04/ Apr / 2007

<http://www.eleconomista.com.mx/articulos/2007-04-03-33552>

o **'Low cost' airlines increase market share.**

The SCT reported that the low cost airlines carried 19% of the domestic passenger market in 2006. That means that Aeroméxico and Mexicana lost 17 percentage points of this market.

Reforma. 10 / Apr / 2007

<http://www.reforma.com/negocios/articulo/757297/>

o **Mexicana wants to negotiate with ASSA**

Mexicana reiterated that it wants to restart negotiations, to avert the threats of *Asociación Sindical de Sobrecargos de Aviación* (Association of Flight Attendants) to continue with its protests and even some strikes before the rejection of its collective work agreement.

El Financiero. 13 / Apr / 2007

<http://impreso.elfinanciero.com.mx/pages/Nota.aspx?IdNota=182317>

o **OMA increase its domestic traffic during March**

The *Grupo Aeroportuario del Centro Norte* (North Central Airport Group) reported that the total passengers handled at its 13 airports during March reached to 1.29 million, a growth of 16.8 per cent compared to the same month last year. The airports that had the most significant increases were Monterrey, Culiacán, Chihuahua and Ciudad Juárez.

El Financiero. 13 / Apr / 2007

<http://www.elfinanciero.com.mx/ElFinanciero/Portal/cfpages/contentmgr.cfm?docId=52083&docTipo=1&orderby=docid&sortby=ASC>

o **Click adds to Aeroméxico's difficult life**

Click began operations on the México-Aguascalientes route. Volaris will also add the route. Two facts that will complicate the life to Aeroméxico, which has had a leadership position on this route.

El Excelsior. 16 / Apr / 2007

<http://www.nuevoexcelsior.com.mx/main.aspx?pid=72&idioma=27&parent=99999999.6.¬icia=27477&ruta=Veranda>



- **America Airlines recovers its profitability in the first quarter**

America Airlines announced a net profit of 81 million Dollars or 30 Cents per share for the first quarter of 2007. This compares to a loss of 92 million Dollars or 49 cents per share for the same period last year.

El Financiero. 19 / Apr / 2007

<http://www.elfinanciero.com.mx/ElFinanciero/Portal/cfpages/contentmgr.cfm?docId=53093&docTipo=1&orderby=docid&sortby=ASC>

- **Aerolitoral flights to Mexico's Southern Border**

Aerolitoral will start operations to the airport of Chiapas, which will now give this state better communications with the rest of the country.

El Financiero. 22 / Apr / 2007

<http://www.elfinanciero.com.mx/ElFinanciero/Portal/cfpages/contentmgr.cfm?docId=53748&docTipo=1&orderby=docid&sortby=ASC>

- **Aeroméxico extends its routes**

Aeroméxico announced the opening of a new route between Mexico City and Seattle, Washington, from next July 4th. The new route will be the only direct flight between these two cities.

El Financiero. 26 / Apr / 2007

<http://www.elfinanciero.com.mx/ElFinanciero/Portal/cfpages/contentmgr.cfm?docId=54391&docTipo=1&orderby=docid&sortby=ASC>

- **Aeroméxico lost 464.3 million Pesos in the first quarter of 2007**

During the first quarter of this year, Aeroméxico registered net losses of 464,387 million Pesos. That represents an increase of 64.84 per cent when compared to the first quarter of 2006.

Milenio. 27 / Abr / 2007

<http://www.milenio.com/mexico/milenio/nota.asp?id=504212&sec=5>

- **Delta leaves of the bankruptcy after 19 months of restructuring**

Delta put end to the restructuring process, which it started 19 months ago, when it declared bankruptcy. It also had to fight off an attempt at a hostile buyout by its competitor, US Airways, which offered 10 billion dollars for the company.

El Universal. 30 / Apr / 2007

<http://www.eluniversal.com.mx/notas/421995.html>

The links above will direct the reader to the original Spanish version of the article involved. For English translations please contact us at mail@asyv.com



COELUM

NEWSLETTER



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