



**ICAO AVIATION AND SUSTAINABLE
ALTERNATIVE FUELS
WORKSHOP**

ICAO Headquarters, Montréal, Canada

18 to 20 October 2011



Legal and Regulatory Framework

How to Create Policies and Incentive Schemes for getting Aviation Biofuels to Market in Mexico

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Overview



1. Introduction
2. Legal framework
3. Availability of biojet fuel
4. Incentives to market creation
5. The Role of Government



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Introduction



- Mexico and its petroleum industry
 - PEMEX is the sole producer of jet fuel
- Aviation fuel market
 - ASA is the sole supplier of jet fuel





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Legal Framework



The Flight Plan exercise analyzed the existing legal framework

- 54 laws have something to do with biofuels
- Certain inconsistencies were discovered
- In many ways, the regulatory landscape is like the “wild west”
- Working with the different Ministries to modify the legal framework to enable aviation biofuels





- Plantations are being established
 - There are jatropha (30,000+ hectares) and palm oil (60,000+ hectares) plantations established. Tests for castor ongoing.
- Small farmers need to be considered (Ejidos)
- Cluster type organization
- Consider all feedstock streams





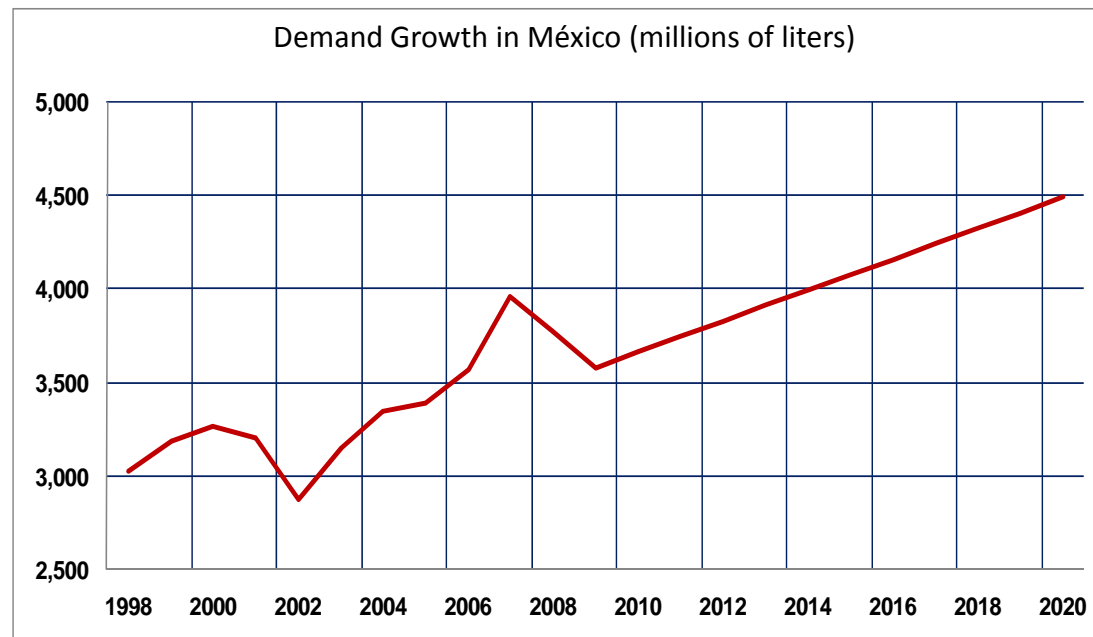
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Availability of Biojet Fuel



- In order to comply with demand, policies must be drafted to promote the production, at scale, of sustainable aviation biofuels





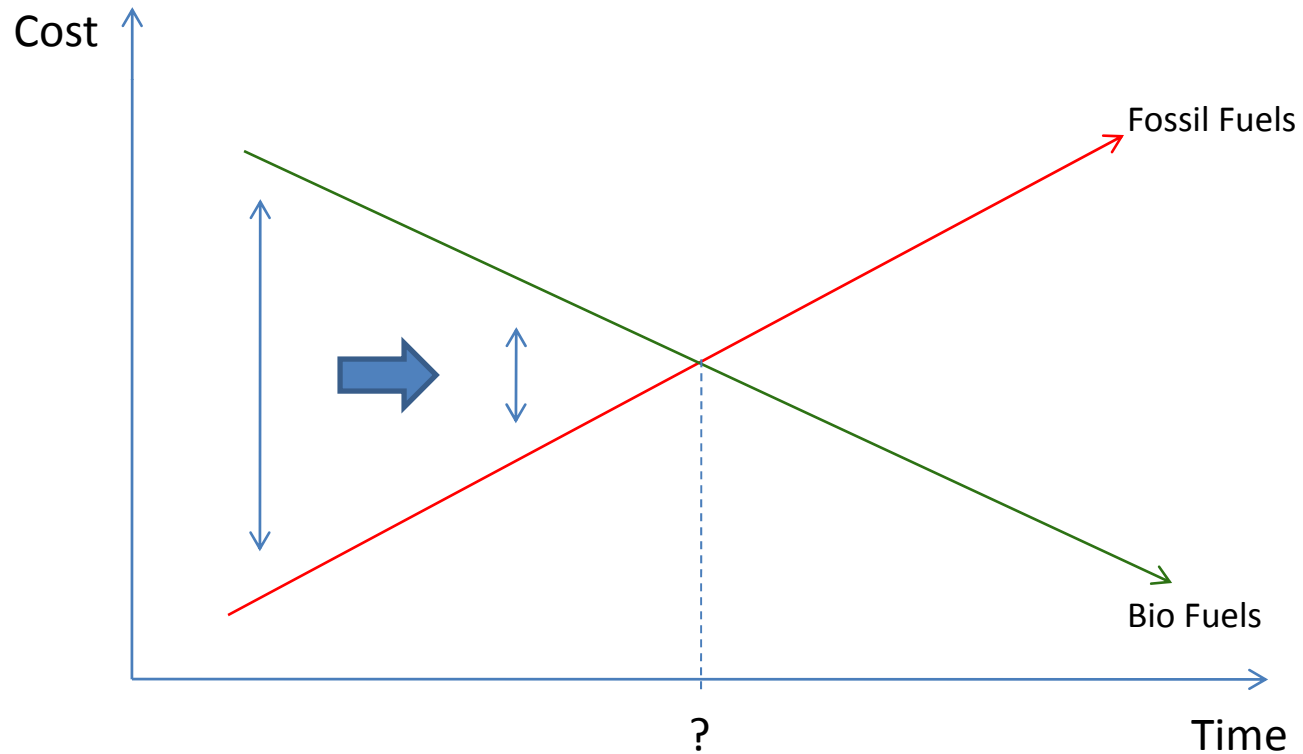
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Incentives to Market Creation



- We need ways of “closing the gap”...





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The Role of Government



- **Mandates**
- **Fiscal incentives**
- **Loan guarantees**
- **Uptake agreements**
- **Subsidies**



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Conclusions



- Covering the price gap will be the key
- Smart public policies are needed to promote the development of the different parts of the supply chain
- Governments must take an active role in pushing this industry forward





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Thank you!

