



400 North Columbus Street, Suite 201
Alexandria, VA 22314
p 703.684.5574
f 703.836.8503
www.ilma.org
ilma@ilma.org

July 11, 2017

Mr. Ethan Bogren, Chair
Laws and Regulations Committee
National Conference on Weights and Measures
1135 Street, Suite 110
Lincoln, Nebraska 68505

Re: Laws and Regulations Committee Items 2302-9 and 2307-1

Dear Mr. Bogren:

The Independent Lubricant Manufacturers Association (ILMA) supports the National Conference on Weights and Measures' (NCWM) adoption at its 2017 annual meeting of Items 2302-9 and 2307-1 with certain, further changes proposed by the American Petroleum Institute (API) to Item 2307-1 to make it fully consistent with Item 2302-9. These two Items, which were introduced by API and which were previously amended to address ILMA and other stakeholders' concerns, define how transmission fluids shall be identified and labeled in the market, including on delivery documents and invoices and receipts from service, in NIST Handbook 130's Uniform Regulation for the Method of Sale of Commodities and Uniform Engine Fuels and Automotive Lubricants Regulation.

Introduction of ILMA

ILMA is a national trade association with 338 member companies that is headquartered in Alexandria, Virginia. ILMA's manufacturing members blend, compound, and sell over 25 percent of the United States' lubricant needs (*e.g.*, passenger car motor oils, transmission fluids, gear oils, and hydraulic fluids) and over 75 percent of the metalworking fluids utilized in the country. The overwhelming majority of ILMA's manufacturing members are "small businesses" based on the Small Business Administration's size standards.

Independent lubricant manufacturers are neither owned nor controlled by the companies that explore for or refine crude oil to produce lubricant base stocks or that produce chemical additives. Base oils are purchased from refiners and re-refiners, who are also direct competitors in the sale of finished products. Additives are purchased from suppliers, who also may be direct competitors in the sale of finished products. ILMA members succeed over their suppliers/competitors by manufacturing and distributing high-quality, often specialized, lubricants accompanied by localized, allied services to their customers.

President, Beth Ann Jones, Hangsterfer's Laboratories, Inc.
Vice President, Dave Croghan, Maxum Petroleum
Treasurer, Barbara Kudis, Allegheny Petroleum Products Company
Secretary, Chuck Decker, American Oil & Supply International LLC

Immediate Past President, Frank H Hamilton III,
South Atlantic Services, Inc.
Chief Executive Officer, Holly Alfano
General Counsel, Jeffrey L. Leiter

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ILMA's CEO, Holly Alfano, and General Counsel, Jeffrey Leiter, are members of the Fuels and Lubricants Subcommittee.

Multi-Vehicle ATFs are Mainstream Products in the U.S. Service Fill Market

The transmission fluids market has grown increasingly more complex over the past 25 years. Vehicle manufacturers (OEMs) look to transmission fluids, as a vehicle component, for their contributions to fuel economy improvement, while they have extended drain intervals and have reduced transmission sump sizes. While one might expect these trends to reduce the volume of ATFs and other transmission fluids used in service fills, increasing U.S. miles travelled have sustained this market. U.S. miles travelled reached a record high of three trillion miles in 2016.

The service fill market for light-duty vehicles is continuing to evolve. While it is predicted that the market for Dexron® III and Mercon® (the most common single ATFs in North America), along with other high-viscosity transmission fluids, will decline, the service fill volumes for lower-viscosity transmission fluids for fuel economy improvements will increase. There are more than 100 automatic transmission fluid (ATF) types or technologies available in today's market. Multi-vehicle ATF technologies have been developed and are used by both OEM dealerships and independent repair shops to manage effectively this increasingly complex market, reduce inventories, reduce potential misapplication and increase customer choice. Based on additive company estimates, including an average vehicle mileage of 10,000 miles per year, multi-vehicle ATF technologies have accumulated over 5.5 trillion miles of real-world experience since their introduction.

The two referenced voting items before the NCWM are not intended to address performance issues with transmission fluids, especially multi-vehicle ATFs. Based on automotive market research by IMR, Inc., transmission replacements accounted for only one percent of all vehicle repairs in 2016. With some 12 million vehicles serviced annually with multi-vehicle ATF technologies, these fluids are providing the proper level of protection against transmission failure.

Additive Company Testing Supports Multi-Vehicle ATF Label Claims

The two referenced voting items before the NCWM are intended to address the proper labeling of transmission fluids as they travel down the distribution chain to the end user. OEM's current transmission performance specifications for factory and service fill generally are not publicly available. Some of ILMA's Manufacturing Members make and market OEM-licensed transmission fluids for service fill. Other ILMA members will rely on their additive suppliers who typically run field trials in the specific application to validate performance and demonstrate no harm for "suitable for use" transmission fluids.

Service fill specifications generally are public for non-licensable General Motors and Ford transmission fluids and for the JASO 1-A specification for certain Japanese automobile transmissions. ILMA Manufacturing Members purchase multi-vehicle ATF additive packages from their additive suppliers who have conducted or sponsored extensive field trials on these

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multi-vehicle ATF technologies to validate their performance against these service fill specifications. Multi-vehicle ATF technologies typically exceed the requirements of JASO 1-A and Dexron® III/Mercon® in the areas of friction, viscometrics, oxidation and wear protection.

Because multi-vehicle ATFs are now in the mainstream in the U.S., and because they are helping to manage the increasingly complex service fill market, NIST Handbook 130 should not discriminate against these fluids. At the same time, ILMA agrees that multi-vehicle ATFs, along with “suitable for use” transmission fluids, need to be properly labeled for performance claims. ILMA supports labeling that directs the end user to the manufacturer’s website for specifications and other information.

The critical provision in Items 2302-9 and 2307-1 is how oil marketers, including ILMA members demonstrate their transmission fluid performance claims. ILMA supports the language that allows the oil marketer to rely upon the field testing and other validation conducted by its additive supplier(s), including data provided in confidence by the additive supplier(s) to the enforcement agency.

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As noted above, ILMA supports API’s proposal to add language to Item 2307-1 to make it consistent with Item 2302-9.

ILMA appreciates this opportunity to comment and recommends the adoption of Items 2302-9 and 2307-1 by the NCWM with the additional language change submitted by API.

Sincerely,



Holly Alfano
CEO

cc: ILMA Board of Directors
Matthew Curran, FALS
Kevin Ferrick, API
Joanna Johnson, AOCA
Jeffrey L. Leiter, Esq.
Daniel T. Bryant, Esq.