

September 4, 2003

Mr. Kevin Ferrick
American Petroleum Institute
1220 L Street, N.W.
Washington, D.C. 20005

Re: ILMA Comments on Draft ILSAC GF-4 Specification

Dear Mr. Ferrick:

The Independent Lubricant Manufacturers Association ("ILMA") submits the following comments on the ILSAC GF-4 draft specification. API, ILSAC, ACC and other stakeholders have worked diligently to develop a specification that results in measurable improvement in the overall performance of passenger car motor oils versus current ILSAC GF-3 products. However, ILMA has the following concerns with the ILSAC GF-4 draft specification: (1) the correction factor for the ASTM Sequence III-G test; (2) the percentage viscosity increase limits in the ASTM Sequence III-G test; (3) likely increased oil consumption problems; (4) the time for obtaining approvals; and (5) category life.

ASTM Sequence III-G Correction Factor

ILMA understands that it will be necessary to develop a correction factor for the ASTM Sequence III-G test as a result of the high oil consumption that occurs during the test. A good, reliable test should not need to have a correction factor built into the test. Accordingly, ILMA questions whether the ASTM Sequence III-G test procedures indeed are correct. Moreover, ILMA believes that not enough data have been presented that would show that the ASTM Sequence III-G test clearly distinguishes between good performing oil and poor performing oil.

Viscosity Increase

Under Item 2.b.1, ILMA questions the percent viscosity increase. The proposed limit essentially will eliminate the use of Group I base stocks. While the ILSAC GF-4 specification was under development, ILMA went on record in different forums, expressing its concerns with

adequate supplies of Group II base stocks after the promulgation of the final ILSAC GF-4 specification. Independent lubricant manufacturers depend on access to Group II base stocks at competitive prices. The effective elimination of Group I base stocks by the ILSAC GF-4 specification may be an effective restraint of trade for which lubricant manufacturers and marketers may need to seek redress.

In addition, the Association has competitive concerns if API were to decide to disallow the use of its "starburst" symbol for licensing products other than ILSAC GF-4 oils. ILMA members manufacturing and selling current API "S" licensed oils for use especially in older vehicles would be forced to license and make ILSAC GF-4 oils for which availability and affordability of the Group II base stocks becomes a real issue.

Increased Oil Consumption

ILMA members have expressed concerns to the Association with likely increased oil consumption in older vehicles using ILSAC GF-4 oils, especially 5W-20 ILSAC GF-4 oils. ILMA understands that the automobile manufacturers are encouraging the use of 5W-20 ILSAC GF-4 oils. For example, if one looks at the owner's manual for an eight-year old car, it will recommend an API SJ quality oil and a 10W-30 or 10W-40 viscosity grade. The use of a 5W-20 ILSAC GF-4 oil in this car will lead to increase oil consumption, which if not monitored, could lead to early engine failures. Consumers will look to their oil changer, who, in turn, will look to the oil manufacturer to resolve such problems. ILMA believes it is important for this issue to be addressed.

Approval Period

ILMA understands that API must strike a balance in the period between first use of the API licensing mark (July 2004) and discontinued use of the ILSAC GF-3 standard (April 2005). However, the Association believes that this 10-month period to obtain approvals for ILSAC GF-4 oils is too short and will exacerbate the competitive problems discussed above with independent lubricant manufacturers' access to Group II stocks. This short period for approvals also may be

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an effective restraint of trade for which lubricant manufacturers and marketers may need to seek redress.

Category Life

If the assertion is correct that the ILSAC GF-4 draft specification will result in improved robustness to protect the durability of future engines, then ILMA believes that a minimum, reasonable category life for the ILSAC GF-4 specification should be five years.

ILMA appreciates the opportunity to submit these comments.

Sincerely,

Celeste M. Powers, CAE
Executive Director

cc: Board of Directors
Engine Oil & Transmission Task Force