



**ILMA ETHICS INITIATIVE
TRACTOR HYDRAULIC FLUIDS (THFs)
FREQUENTLY-ASKED QUESTIONS**

1. In a “nutshell,” what is the ILMA ethics initiative or testing program as it applies to tractor hydraulic fluids?

The objective of ILMA’s ethics initiative is to protect and enhance the image and reputation of independent lubricant manufacturers by verifying on a random basis that its members comply with the Association’s Code of Ethics. Compliance with the ILMA Code of Ethics will expand the protection of consumers by minimizing or eliminating misrepresentations of the contents and quality of tractor hydraulic fluids (THFs).

Each year, ILMA expects that a representative number of THFs manufactured or marketed by its member companies will be randomly evaluated for conformance to the industry standards claimed by the oil marketer for the particular product. Bulk and packaged THFs will be tested as part of ILMA’s ethics initiative.

ILMA will use essentially the same process to collect and test samples of THFs manufactured and sold by ILMA members that the Association has put in place for engine oils. (*See ILMA’s frequently-asked questions document on the engine oil testing portion of the Association’s ethics initiative for further information on engine oils.*)

2. Who will collect and test THF samples?

The same qualified sample collection organization and lubricant testing laboratory that conduct the engine oil component of ILMA’s ethics initiative will handle the sample collection and testing of THFs. (The sample collection organization and lubricant testing laboratory currently provide similar services for the American Petroleum Institute’s AMAP for API-licensed engine oils.) This approach has been chosen to maximize the efficiency of the ILMA program. ILMA will conduct this collection and testing process on a confidential basis.

3. What authority does ILMA have to collect and test my THFs?

As part of the affirmation executed on behalf of your company when it renews its membership in and pays its dues to ILMA each year, you agreed to have your THFs collected and tested by ILMA under its ethics initiative.

4. *How will THFs be selected for testing?*

ILMA has developed from multiple sources, including member listings in the Association's *Directory*, a list of its members who manufacture THFs. This list will be updated on an ongoing basis. Each year, depending on the number of samples to be collected and tested, ILMA will randomly generate a list of those ILMA members' THFs to be collected and tested. ILMA will provide this list to the sample collection contractor. In addition, as part of its budget for the ethics initiative, ILMA has set aside funds for the collection and testing of a *limited* number of samples of THFs based upon complaints made under the Association's Code of Ethics. In a typical year, "X" samples of THFs are expected to be collected and tested under the ILMA program.

5. *How will THFs selected for testing be collected?*

A different organization collects the THF samples from the laboratory organization that tests and analyzes the samples. The collection organization is notified of the list of ILMA members' THFs that has been randomly generated. The collection company then will collect the required number of samples from this list on a timely basis consistent with maintaining cost efficiencies. The collection company then will repackage each of the samples collected into a new bottle labeled only with a blind numbering scheme that maintains confidentiality and allows for separation of the THF samples. The coded samples are then sent to the testing laboratory for analyses.

6. *How will the THFs be tested?*

The testing of the selected ILMA THF samples will be run in two tiers. Under Tier I, the following tests will be run on each ILMA THF sample:

- Viscosity (Kv, cSt 100°C Fresh Oil)
- Viscosity Index
- Additive Metals

For THFs with multiple performance claims, the testing will be run on a priority basis for such claims.

The acceptance ranges for the above tests will be the published limits of the four leading equipment manufacturers and confidential metals information provided to ILMA by the American Chemistry Council's Petroleum Additives Panel. ILMA will publish the established limits; however, it will not publish or make available the confidential metals profiles. The Tier I tests were selected because they are commonly-recognized and used tests throughout the industry.

7. *What happens with the Tier I Test Results?*

The test results from the laboratory will be returned to an independent industry

consultant for evaluation. ILMA has retained a consultant with substantial experience in interpreting the laboratory results of testing on lubricant products. ILMA's consultant will be given the testing results and will determine, whether based on the test results, each THF product is within or outside the limits and metals profile.

If the THF's test results fall outside the limits and profile, the consultant's report will be provided to ILMA Counsel and the Chair of the Association's Ethics Committee. The Chair will seek to resolve tests result issues directly with the ILMA member company. All of this activity will be conducted on a confidential basis.

8. *What is Tier II Testing?*

If the THF's test results fall within the limits and profile for Tier I, the product automatically will be subjected to additional Tier II testing. The following Tier II tests will be run in sequence by the testing laboratory on the retained sample of the THF:

- Brookfield viscosity at specified temperature according to individual fluid specification
- Sheared kinematic viscosity at 100°C

The acceptance ranges for the Tier II tests will be industry limits and will be published by ILMA. These tests were selected because they are used to analyze tractor lubricants in areas where problems frequently are found. Results of this additional testing will be reviewed by ILMA's consultant.

9. *Will I receive a letter from ILMA with the results of the testing on my product?*

If your product test results fall within the limits and profiles from *both* the Tier I or Tier II testing, you will *not* receive a notification from ILMA that your product was tested. This is to ensure that no one uses the passing test results in their company's marketing efforts – that is, the Association does not want advertising to the effect that “ILMA tested my tractor hydraulic fluids and says that they are quality oils.” However, if your product test results fall outside the limits and profiles for either the Tier I or Tier II tests, ILMA will provide you by letter on a confidential basis with the test results and will ask you to provide documentation to support the performance claims being made.

10. *What happens if my documentation does not support my product claims?*

As an ILMA member, and as a result of your affirmation of the Association's Code of Ethics, you agree that your THFs can be tested. If the results show that the THF is “off specification,” and after further discussions, the Chairman of ILMA's Ethics Committee concludes that your product's performance claims cannot be supported, you could be subject to an enforcement action under ILMA's Code of Ethics. As you should know, the Association's Code of Ethics seeks foremost to encourage voluntary correction and compliance. To the extent that voluntary correction and compliance cannot be assured, the Code of Ethics sets forth administrative procedures for resolving the matter and possible remedies and sanctions. In certain egregious circumstances, ILMA reserves the right to report the matter to the appropriate governmental authorities.

11. Will ILMA publish the names of companies whose THFs have been tested and the results of the test?

No. ILMA only will publish aggregate data on the number of THFs tested and the “Pass/Fail” ratio of samples tested.

12. Will ILMA make available the profile that is going to be used for assessing metals content in THFs?

No. The profile has been developed by the American Chemistry Council’s Petroleum Additives Panel and is being provided to ILMA on a confidential basis. The profile has been developed from reference THFs submitted by the additive companies for “typical” THFs within a specified performance category. The profile is not intended to establish “minimums” or “limits,” but will be used as a basis for asking for further information in support of the claims made.

13. I am concerned about confidentiality. Who within ILMA will know about my products?

ILMA has gone to great lengths to protect each member’s proprietary and confidential information. Except for matters brought by ILMA’s Ethics Committee, ILMA will not designate specific THFs to be tested beyond providing a list of randomly selected oils to the sample collection company with instructions to obtain a certain number of products from this list. The testing laboratory will not know whose product it is testing. ILMA’s consultant who will review the test results is subject to a confidentiality provision and under most circumstances will not know whose THF the test results belong to. ILMA Counsel will handle information and is obligated to keep it confidential. Matters before the ILMA Ethics Committee are handled on a confidential basis.

14. Bulk THFs present challenges. Will bulk products be tested?

Yes. ILMA is working with other industry groups to develop appropriate procedures for collecting and sampling bulk THFs, including issues such as chain-of-custody. However, ILMA expects that initially the majority of samples THFs will be packaged products.

15. How is the testing program being funded?

ILMA initially is covering the costs of the testing program from its special project fund. For your information, this is funded from investment income (another way that ILMA is providing return on investment to its members). At some point, however, the Association’s Board of Directors could decide to include the program costs in ILMA’s annual operating budget.

16. Who do I contact if I have any other questions?

You should contact the ILMA office, and your inquiry will be directed to the

appropriate person for response. Your questions and comments are always welcome.

17. Why is there an indemnification in the affirmation my company signed as part of its ILMA dues renewal?

ILMA counsel has insisted on the indemnification for several reasons. First, ILMA wants your acknowledgment that your company is responsible for its products. ILMA makes no representation or warranty about the fitness of your products because of the testing program. Second, the Association is not an insurer of your products by conducting any testing on them. For example, if your product was to “pass” the testing and then there is a failure of a piece of equipment in which the product is being used, ILMA does not want to become a party to the dispute as a result of the testing.

Note: ILMA views this as a “living” document. It will be updated and revised periodically based upon questions from members and developments as they occur. Please submit any questions you may have to the ILMA office.