



Service Line

NEWS AND IDEAS FROM AMSOIL

Industry News . . .

New Standards Put Pressure on Lubes

As the Environmental Protection Agency continues to tighten its pollution standards for diesel truck engines, manufacturers also are increasing the demands they place on oil companies for lubricants that can protect sophisticated vehicle power plants that run at higher temperatures.

At about the same time as cooled exhaust gas recirculation and other technologies were placed in October 2002 engines, the major manufacturers were looking to install different new systems in their 2007 model-year products in order to comply with a new tier of regulations.

Industry executives predicted the costs to of the new systems would be prohibitive.

When the stricter EPA rules kick in, more demands will be placed on lube oils, according to lubricant manufacturers and the organizations that set the standards and govern their use.

Adding to the pressure to improve lubricants are new fuel economy standards unveiled this spring for light trucks. The standards will save 10.7 billion gallons of fuel and include the largest sport utility vehicles for the first time, according to the Department of Transportation (DOT).

The new fuel economy standards strengthen the miles-per-gallon target for light trucks, boosting it from 21.6 to 24 mpg by 2011, the highest level ever for the program, according to the DOT.

Transportation Secretary Norman Mineta announced the updated regulations. Mineta said more was being asked of automakers because they have to factor in 240,000 of the least efficient SUVs for the first time.

The new standards also set individual mpg goals for all passenger trucks sold in the United States, requiring manufacturers to install fuel-saving technology on all passenger trucks.

The changes mark the second time the Bush administration has raised mileage standards for light trucks and the first complete reform of the corporate average fuel economy, or CAFE, program for pickup trucks, SUVs and minivans, according to the DOT.

The new standards mean that some light trucks will have to meet a fuel economy target of 28.4 mpg, higher than the current standard for passenger cars.

Truck Sales White Hot During Pre-buy

Class 8 truck sales in the U.S. totaled 25,895 in March, according to reports. This number is indicative of a white-hot sales environment as carriers buy to both expand capacity and horde '06 models before the more-expensive '07 models are rolled out.

The number represents a 26.2 percent increase over that of March 2005 (20,518) and a 26.9 percent rise over revised February 2006 totals (20,399).

Some heavy truck manufacturers report Class 8s will cost more to buy and to operate as they meet the new EPA emissions controls.

The '07 model Class 8s are mandated by EPA to be equipped with emissions reduction technology, which brings a higher initial cost for the equipment, according to manufacturers.

A spokesman for GM recently told an industry conference medium-duty trucks also will cost more to own and operate. A Class 7, 2007 emissions-compliant truck could cost between \$3,500 and \$5,000 more to buy because of the additional emission-control components, according to the spokesman.

Higher operating costs will be driven by the higher costs for ultra-low-sulfur diesel fuel and the new engine oil formula, the possibility of slightly lower fuel economy and higher maintenance costs for cleaning the emission controlling components, manufacturers report.

Class 8 retail sales are expected to remain high, with some months in the second half of 2006 to even exceed an annual rate of 300,000 as pre-buy sales heat up.

AMSOIL Heavy Duty Synthetic Diesel Oils

- Formulated to meet industry standards
- Increase fuel efficiency
- Control soot thickening, oxidation and wear





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Manufacturers Predict More Diesel Vehicles

Although a mere 3 percent of vehicles sold in the United States last year were diesel powered, auto manufacturers predict sizable growth in the market for diesel vehicles, according to a recent issue of National Oil and Lube News.

Beginning on October 15, fuel retailers will be required to sell only ultra low-sulfur diesel that has no more than 15 parts per million of sulfur. Diesel fuel regulations presently allow 500 parts per million of sulfur.

Companies such as DaimlerChrysler, Honda and Ford report they expect to produce diesel vehicles capable of meeting emissions regulations in all 50 states.

A recent federal law makes diesel-powered vehicles eligible for tax credits of up to \$3,400 per vehicle through 2010 if they meet stringent emission levels.

According to J.D. Power and Associates, diesel sales are expected to nearly double by 2010 to more than 1 million vehicles, compared to sales of 550,000 in 2005.

The Environmental Protection Agency is easing emissions rules for diesel cars in order to increase their use on American highways.

Over time, according to the EPA, the new standards will improve the environment because manufacturers will choose to build more diesels, which typically run cleaner, longer.

However, environmental groups have said the change allows diesel cars to emit more nitrous oxide, at least initially.

U.S. policy makers see diesel cars as a solution to oil dependence because they get better mileage than gasoline powered vehicles.

The rule makes it easier for diesel cars to pass emissions tests in the 2007, 2008 and 2009 model years.

Starting with the 2007 model year engines' sulfur emissions must be reduced to 15 parts per million of sulfur, as opposed to the current 500 parts per million allowable in 2006. In model year 2010, the EPA will impose greater emissions guidelines.

Advent of More Diesel Vehicles Signals Greater Profits for Quick Lubes

Big changes in the automotive industry give aftermarket sellers and quick lubes an unprecedented opportunity to increase the bottom line. The advent of newly-designed diesel-fueled vehicles brings the need for more diesel-specific products as well as motor oils and lubricants.

Quick lube centers armed with the knowledge and proper products to service diesel engines should add substantial profit to their bottom line.

Most services and products for these heavy-duty vehicles command a premium price. Basic oil, air and fuel filters provide a solid profit margin.

AMSOIL INC. offers the industry's best motor oils and other lubricants, as well as a complete line of light and heavy duty air and oil filters to meet the demands of modern diesel engines.

AMSOIL Series 3000 Synthetic 5W-30 Heavy Duty Diesel Oil is a fuel-efficient formula for both gasoline and diesel fleets. It delivers better wear protection than other popular diesel oils and reduces fuel consumption. AMSOIL Series 3000 is ideal for EGR engines and resists soot thickening and breakdown.



AMSOIL Synthetic 15W-40 Heavy Duty Diesel and Marine Oil provides up to 25,000-mile or one-year drain intervals in normal service. It controls acids from combustion, blow-by and EGR. Heavy Duty Diesel and Marine controls soot thickening, oxidation and wear. It also protects against bore polishing, deposit formation and ring sticking; provides clean engine performance.

AMSOIL Diesel Fuel Modifier improves combustion, fuel efficiency, cold-weather starting, power and performance. AMSOIL Diesel Fuel Modifier cleans injectors, fuel screens, pumps and filters. For use in diesel-fueled cars and light-duty trucks. One bottle treats up to 40 gallons.

AMSOIL offers these and other lubricants for the growing diesel market. AMSOIL also offers a full line of Donaldson and Ea oil and air filters for light and heavy-duty diesel engines. For complete information, contact your AMSOIL Servicing Dealer, or visit the corporate website at www.amsoil.com.

AMSOIL diesel products and AMSOIL Synthetic XL Motor Oils together can earn quick lubes an even healthier profit.



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Automotive Industry Changes Challenge Retailers

AMSOIL Still A Great Value

Increased gasoline and diesel fuel costs during the summer months are nothing new. However, this driving season includes all-time record-high crude oil prices that also have pushed fuel costs to record highs.

In April, the average price of a gallon of diesel fuel continued to soar, jumping 11.1 cents to \$2.765 a gallon, according to the U.S. Department of Energy (DOE).

Gasoline, meanwhile, continued its spikes, increasing a dime to \$2.783 a gallon on April 17.

Diesel reached its highest level since just a week after its all-time \$3.157 record set Oct. 24 following last fall's hurricanes; it was \$2.876 on Oct. 31.

Gasoline reached its highest level since averaging \$2.848 on Oct. 10. Its record was \$3.069, set last Sept.

5 on Labor Day weekend following Hurricane Katrina.

The two fuels have skyrocketed this year, with diesel rising 32.3 cents and gasoline soaring 54.5 cents a gallon from the Jan. 2 price through April 17, according to DOE figures.

Gasoline and diesel fuel prices jumped while crude oil set all-time records closing at more than \$74 a barrel, unprecedented high closing prices on the New York Mercantile Exchange.

Each week, DOE surveys 350 diesel filling stations to compile a national snapshot average price.

Experts in the industry have consistently warned that gasoline and diesel prices would top out at about \$3 a gallon and fall back to an average of about \$2.62 a gallon.

However, the third week of April saw unexpected declines in supply that spiked the price of gasoline and diesel fuel even higher than anticipated by the government.

Oil futures contracts through November 2009 began trading above \$70 a barrel in late April, indicating traders believe high prices could be here to stay.



As the EPA-mandated June 1 start date for refineries to produce ultra low sulfur diesel (ULSD) fuel draws nearer analysts predict the transition will translate to still higher diesel prices especially as spot shortages occur at the completed transition on October 15.

All of this means retail prices for all goods have increased. Consumers report rising fuel prices impact other buying choices, according to news reports.

As a retailer, you know the difference between cost and value. AMSOIL Synthetic Motor Oils and other lubricants deliver true value to your customers. AMSOIL Synthetic Motor Oils always have been a good value, with prices similar to or less than other manufacturers of synthetic motor oils and lubes.

However, AMSOIL is an even better value because it's specifically formulated for extended drain intervals.

The service life of AMSOIL Synthetic Motor Oils is 25,000 miles or one year, whichever comes first in normal service. Typically, that means customers only need to change their oil once a year.

If customers prefer, AMSOIL XL Motor Oils are formulated for 7,500 miles/six months, or even longer if indicated by vehicle owners' manuals or oil life monitoring systems, that still saves money. Along with savings, AMSOIL motor oils are proven through millions of road miles to increase fuel economy, prolong engine life, increase wear protection and enhance vehicle performance.

AMSOIL Synthetic Motor Oils are formulated with the highest quality base stocks and additives on the market, insuring its full line of oils and lubricants are the finest available for any application.

AMSOIL INC., the First in Synthetics, has delivered incomparable quality and performance since 1972.

Lawnmower Survives Without Oil

While buying and using AMSOIL products is the best thing you can do for any motor you own, one customer found he not only loves the products, he loves that it helps him to support domestic oil.

"I'm just another happy customer wanting to let you know I'm sold on your products," said Jerry Nightingale of Brookline Station, MO. "I just converted my Suzuki Volusia motorcycle over to AMSOIL 20W-50 Synthetic Motorcycle Oil and I noticed an immediate improvement in how smooth it shifts and the way it idles. I'm going to be totally 'AMSOILED' real soon. My wife agrees that we need not to support foreign oil companies. Thanks for awesome products."

But his story doesn't end there. Nightingale tells a nightmare story that makes every mechanic cringe, every equipment owner certain the engine is ruined.

"In 1998, I bought a Honda self-propelled push mower. I ran fossil oil in it the first year," Nightingale said. "Then I decided to run AMSOIL in it and

leave it at that. It's been mowing the lawn just fine all of these years."

Last spring he decided to replace the AMSOIL 10W-30 Synthetic Motor Oil. "I drained it, put the plug back in and got sidetracked doing other things that day. My wife loves to mow which leaves me forgetting about the mower. She puts gas in it and away she goes. Her sister lives down the street and uses the mower also," he said.

After awhile, Nightingale remembered the mower. But not before his sister-in-law had mowed with it twice and his wife had mowed three times with no oil in the engine. "I freaked," he said.

He put new AMSOIL motor oil in the mower weeks later. "It fired up and ran as it always did," he said in amazement. "Now that's about five hours it ran with no oil, and it didn't lock up. I was impressed. It still runs like nothing ever happened. That's one for the books.

Thanks again for an awesome oil. I'm totally convinced that AMSOIL makes the best lubricants on the market today."



STILL MOWING – Jerry Nightingale, Brookline Station, MO, shows off his Honda self-propelled lawn mower that escaped ruin because he used AMSOIL Synthetic 10W-30 Motor Oil.

The AMSOIL Service Line sent courtesy of your Servicing AMSOIL Dealer.

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