

Attachment

February 12, 2018

Submission of Comments to Federal Trade Commission

Title: Advance Notice of Proposed Rulemaking; Request for Public Comment

Subject Category: 16 CFR Part 311: Test Procedures and Labeling Standards for Recycled Oil;

Advance Notice of Proposed Rulemaking; Request for Public Comment, Matter No. R811006

Published: Wednesday, December 20, 2017

Comments Due: Monday, February 12, 2018

Submitter: Avista Oil Group

Comments:

***3) Benefits and Costs to Industry Members, What benefits, if any, has the Rule provided to businesses, and does the Rule impose any significant costs, including costs of compliance on businesses, including small businesses?***

The Rule has incentivized domestic re-refiners to pioneer new technology to remain leaders in their field. As an example, USA had the first API Group II re-refinery in the world. Today, due to the continuous investment from its re-refiners, USA has the highest API Group II capacity in the world. Recently, in 2017, Avista Oil Group's re-refinery was the first re-refiner producing API Group III base stock. At that time, the USA was a 100% importer of API Group III base stock.

***4) Recommended Changes: What modifications, if any, should the Commission make to the Rule to increase its benefits or reduce its costs?***

A crucial and overdue modification that the Commission should make to the Rule is to allow re-refiners to label their products as "equal in quality" to lubricating oil manufactured from crude oil. The current Rule allows re-refiners to label their products as "substantially equivalent" to oil produced from virgin petroleum. Given the significant technological improvements in the re-refining industry over the last decade, re-refined base oil is, at least, equal to refined oil and very frequently, of better quality than refined oil. It is never of lesser quality. This new fact must be reflected in the new Rule.