



September 2021

To API Engine Oil Licensing and Certification System Licensees:

Thank you for your participation in the API Engine Oil Licensing and Certification System (EOLCS) program. Your participation and commitment to manufacturing quality oils have helped to ensure that car and truck engines continuously meet more stringent fuel economy requirements globally while being protected against common causes of engine stress: heat, deposits, wear, oxidation and corrosion.

Effective January 1, 2022, the following fee changes will be applied: (1) new application and license renewal fees will be increased to \$5,500, (2) the volume-of-sale royalty fee will be increased to \$0.0080 per gallon and (3) the royalty fee threshold of licensed oil sold will be reduced from 1,000,000 US-gallons to 750,000 gallons. The complete 2022 fee structure is shown below:

	Current	Effective 1/1/2022
License application fee, USD	\$4,500	\$5,500
License renewal fee, USD	\$4,500	\$5,500
Royalty fee threshold, US Gal	1,000,000	750,000
Royalty fee based on volumes above threshold, USD	\$0.007	\$0.008
<u>Effective Jan 1, 2022</u>		
At time of annual license renewal, licensee must report volume of API-licensed engine oil sold. API assesses \$0.0080 per gallon fee on each gallon reported in excess of 750,000 gallons. All API-licensed engine oil brands, whether sold in packages or in bulk, must be counted in the volume reported.		

[Note that the application and renewal fees are per license, not per engine oil. For example, if an oil marketer submits an application for one oil, the application fee is \$5,500. If the marketer submits an application for more than one oil, the application fee is still just \$5,500.]

As an EOLCS licensee, your participation in the program demonstrates to all stakeholders in the supply chain that they can have confidence in the quality of your API-licensed motor oils in the marketplace. The program’s goal is to provide the highest level of quality and service to the worldwide lubricants industry, and we are committed to meeting this objective. The increase in fees helps to enhance EOLCS and continue to provide this valuable service to the industry in the long term. Again, we thank you for your involvement and support of the Engine Oil Licensing and Certification System.

Sincerely,

Jeffrey Harmening
Sr Manager - EOLCS/DEF/MOM