

# API Distributor and Installer Licensing Programs

Global Industry Services

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AMERICAN PETROLEUM INSTITUTE



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## **Foreword**

This document describes the voluntary API Distributor and Installer Licensing Programs, explains the steps required to become licensed, and describes the manner by which the API Distributor and Installer Quality Marks are displayed. Additionally, this document provides a description of the Marks and their use, licensing requirements, the aftermarket audit program, and program enforcement procedures.

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# API Distributor and Installer Licensing Programs

## 1 Scope

This document describes the API Distributor and Installer Licensing Programs, voluntary programs designed to ensure the quality of bulk engine oil from the point of manufacture to installation in the end user's vehicle. Engine oil distributors and installers that meet specific requirements for ensuring the quality of engine oils distributed in bulk and/or installed from tanks may be licensed to display the API Distributor and/or Installer Quality Marks in conjunction with their engine oils.

## 2 Normative References

API 1509<sup>1</sup>, *Engine Oil Licensing and Certification System*

API 1525A, *Bulk Engine Oil Chain of Custody and Quality Documentation*

## 3 Program Overview

**3.1** The API Distributor and Installer Licensing Programs are designed to ensure the quality of bulk engine oil from the point of manufacture to installation in the end user's vehicle. The programs include formal license agreements between distributors and installers and API. The program Marks are intended to help the consumer identify distributors and installers that have satisfied the requirements for licensing. The programs include an audit process to verify that distributors and installers comply with the terms of the Licensing Agreements.

**3.2** API issues a license to a distributor after determining that the distributor has met the requirements spelled out in this publication, the licensing application, and the latest edition of API 1525A, *Bulk Engine Oil Chain of Custody and Quality Documentation*. The distributor must execute a Licensing Agreement as a condition of licensure.

**3.3** API issues a license to an installer after the installer demonstrates that it has met all the requirements spelled out in this publication, the licensing application, and the latest edition of API 1525A. The installer must execute a Licensing Agreement as a condition of licensure.

**3.4** The API Lubricants Group established and maintains the requirements in API 1525A.

**3.5** The API Distributor and Installer Quality Marks do not change. Annual licenses for these marks are issued only for those distributors and installers that comply with the requirements of the programs.

**3.6** Distributors and installers licensed to use the API Distributor and/or Installer Quality Marks are subject to aftermarket conformance audits. Conformance is determined by the collection and testing of engine oils drawn from licensed distributor and installer locations and the comparison of these oils against licensing data on file at API and the performance requirements in the latest edition of API 1509, *Engine Oil Licensing and Certification System*.

**3.7** A task force has been established for the purpose of providing guidance to the API Distributor and Installer Licensing Programs. Membership on this board is at the discretion of API.

## 4 API Motor Oil Matters Distributor and Installer Quality Marks

Distributors and installers that are licensed under API's Distributor and Installer Licensing Programs are authorized to display one or more versions of the API Motor Oil Matters Quality Marks. The current versions and their intended use are described below:

- a. Figure 1 identifies the Motor Oil Matters program.
- b. Figure 2 identifies organizations that distribute bulk engine oil in compliance with API 1525A. The right to use this mark is granted after successful completion of the application process.
- c. Figure 3 identifies installers that demonstrate compliance with API 1525A. The right to use this mark is granted after successful completion of the application process.

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<sup>1</sup> API, 1220 L Street, NW, Washington, DC 20005 USA



Figure 1 — API Motor Oil Matters Mark



Figure 2 — API Distributor Quality Mark



Figure 3 — API Installer Quality Mark

## 5 License System for API Distributor and Installer Quality Marks

### 5.1 General

**5.1.1** The API Distributor and Installer Licensing Programs are voluntary programs designed to ensure the quality of bulk engine oil from the point of manufacture to installation in the end user's vehicle. Engine oil distributors and installers that meet specific requirements for ensuring the quality of engine oils distributed in bulk and/or installed from tanks may be licensed to display the API Distributor and/or Installer Quality Marks. The purpose of these marks is to ensure that bulk engine oils managed in accordance with API 1525A are easily identified by distributors, installers, and consumers.

**5.1.2** A bulk engine oil distributor or installer must obtain a license from API to use the API Distributor and/or Installer Quality Marks. The program's conformance and enforcement procedures, fees, application procedures, and licensing requirements are posted on-line at [www.motoroilmatters.org](http://www.motoroilmatters.org). The procedures the distributor and/or installer must follow and the online application they must complete and submit to API to secure the right to use the

Marks are described below and in the online application. A distributor and/or installer desiring to apply for a license should complete the most recent version of the online application at [www.motoroilmatters.org](http://www.motoroilmatters.org). Licenses are valid for 1 year as long as all program requirements continue to be met. Annual renewals are issued when all renewal steps are completed.

## **5.2 Licensing Fees**

**5.2.1** A distributor must pay API a non-refundable application fee to become licensed under the API Distributor Licensing Program and a fee for API sampling and testing of engine oil samples drawn from the distributor's on-site tanks. When API has determined that the distributor has completed the application and demonstrated compliance with API 1525A and the oil samples collected conform to API 1509 requirements, API will issue the distributor a license valid for 1 year. The license may be renewed annually as long as the distributor demonstrates compliance with program requirements, pays the annual licensing fee, and every 3 years pays for and submits to sampling and testing of engine oils stored by the distributor. Note that API will randomly sample and test oils at licensed distributor locations as part of the API Aftermarket Audit Program. Conducted at API's expense, this aftermarket audit testing cannot be counted as renewal sampling and testing.

All fees are reviewed annually. The current fee structure is available on-line at [www.motoroilmatters.org](http://www.motoroilmatters.org).

**5.2.2** An installer must pay API a non-refundable application fee to become licensed under the API Installer Licensing Program. When API has determined that the installer has completed the application and demonstrated compliance with API 1525A, API will issue the installer a license valid for 1 year. The license may be renewed annually as long as the installer demonstrates compliance with program requirements and pays the annual licensing fee. Note that unannounced audits conducted as part of the API Aftermarket Audit Program are performed at API's expense.

All fees are reviewed annually. The current fee structure is available on-line at [www.motoroilmatters.org](http://www.motoroilmatters.org).

## **5.3 Responsibility of Licensed Distributors and Installers**

Only organizations that distribute or install engine oils in compliance with API 1525A may apply for and be awarded a license to display the API Motor Oil Matters Distributor or Installer Quality Mark. A distributor is the entity that stores and delivers to multiple users (other distributors or installers) finished engine oils obtained from another source or from an in-house blending operation. An installer is the entity that puts engine oil into the engine of a consumer. Each licensed distributor or installer is solely responsible for ensuring that it meets all of the requirements of the distributor or installer program.

## **5.4 Licensing Procedures**

### **5.4.1 Distributor Licensing**

**5.4.1.1** A valid API license permits the distributor to use the API Distributor Quality Mark and the installer the API Installer Quality Mark. The license agreement requires applicants to certify that they are in compliance with the requirements of API 1525A and will abide by all the requirements of the API Distributor and Installer Licensing Program.

**5.4.1.2** API will issue a license to display the API Distributor Quality Mark after the distributor seeking the license completes the API Distributor Licensing Program Application on-line at [www.motoroilmatters.org](http://www.motoroilmatters.org). To complete the application, the distributor must answer the questionnaire shown as Figure 4, upload documents requested by the questionnaire, and submit to sampling and testing of oils stored at the distributor's location. For multilocation distributors, API will sample half the distributor locations. The oils sampled and tested must meet the API 1509 standard and match the claims made on the distributor's uploaded documents. Sample collection personnel under contract to API will collect and test oil samples after API has reviewed the distributor's responses to the questionnaire and supporting documents.

QUESTION	STEP	ACTION	YES	NO
1	ORDERING	When ordering engine oil from a marketer/blender, do you order oils by specific brand name, SAE viscosity grade, API service category and API license status? (API 1525A, Section 6.2.1)	Order	
2	BULK TANK LABELING	Are your bulk engine oil storage tanks labeled with the brand name, SAE viscosity grade, and API service category of the engine oils being stored? (API 1525, Section 4.1)		
3	QUALITY CONFIRMATION FOR ENGINE OIL RECEIVED	Does the Bill of Lading received from the marketer/blender delivering engine oil(s) show the marketer/blender name, brand name, SAE viscosity grade and API service category of the engine oil(s) you purchase? (API 1525A, Section 6.2.3)	Bill of Lading	
4	QUALITY TRACING	Do documents accompanying a marketer/blender delivery of engine oil(s) identify the delivery vehicle compartment from which the oils are dispensed and a batch number or other method of traceability to the oil batch(es) supplied? (API 1525A, Section 6.2.3)	Delivery Documents	
5	RETAIN SAMPLES FOR OIL RECEIPTS	Do you draw a minimum 4-ounce sample from each compartment of the vehicle delivering motor oil to your facility and retain the samples for at least 3 months? (API 1525A, Section 6.2.5)		
6	CUSTOMER ORDERS FROM INSTALLERS	Do you document specific oils ordered by customers by recording the brand name, SAE viscosity grade and API service category of the oil(s) ordered? (API 1525A, Section 6.3.1)	Customer Order Confirmation	
7	DROP TICKETS FOR DELIVERY TO INSTALLERS	Do the drop tickets you provide installers when delivering oil identify the marketer/blender, brand name, SAE viscosity grade, API service category and quantity of the oil delivered? (API 1525A, Section 6.3.2)	Drop Tickets	
8	INVOICES TO INSTALLERS	Do the invoices you provide installers for oil delivered identify the marketer/blender, brand name, SAE viscosity grade, API service category and API license status of the oil delivered? (API 1525A, Section 6.3.3)	Invoices to Installers	
9	RETAIN SAMPLES FOR OIL DELIVERIES	As a best practice, do you draw a minimum 4-ounce sample from each compartment of your delivery vehicle either at time of loading or at time of delivery to installers and retain for a minimum of 3 months? (API 1525A, Section 6.4.1)		
10	RECORDS	Do you keep for at least 6 months records of marketer/blender product deliveries; copies of purchase orders and bills of lading; and other types of information including dates of delivery and the unique identification of the delivery vehicle? (API 1525A, Section 6.2.4)		

Note: Three pdf copies of items listed under “Yes” column must be uploaded as part of application process.

**Figure 4—Distributor Self-Assessment Questionnaire**

**5.4.1.3** After the distributor has completed the application process, passed the oil sampling and testing requirement, paid the application and oil sampling fees, and been granted the license, the distributor may display the API Distributor Quality Mark as indicated in Section 6.

**5.4.2 Installer Licensing**

**5.4.2.1** API will issue a license to display the API Installer Quality Mark after the company seeking the license completes the API Installer Licensing Program Application on-line at [www.motoroilmatters.org](http://www.motoroilmatters.org). To complete the application, the installer must answer the questionnaire shown as Figure 5 and upload documents requested by the questionnaire. Random audits of licensed installers will be conducted by API to confirm compliance with API 1525A. If a licensed installer refuses to sell samples to an API auditor, API may cancel the license in accordance with the API Installer Licensing Program license agreement.

QUESTION	STEP	ACTION	YES	NO
1	ORDERING	When ordering engine oil from a distributor, do you request oils by specific brand name, SAE viscosity grade and API service category? (API 1525A, Section 7.3.1)		
2	QUALITY CONFIRMATION FOR ENGINE OIL RECEIVED	Do the invoices from your distributor show the brand name, SAE viscosity grade and API service category of the engine oil you purchased? (API 1525A, Section 6.3.3)	X	
3	ENGINE OIL OFFERING TO CONSUMERS	Do you clearly represent to consumers through a menu board list, list of services, or other promotional methods your location's oil change options? (API 1525A, Section 7.5.1)		
4	DISPENSER LABELING	Are your bulk engine oil installation hoses, hose reels and/or nozzles labeled with the brand names, SAE viscosity grades and API service categories of the oils being dispensed? (API 1525A, Section 7.5.2)		
5	CUSTOMER RECEIPT	Do the receipts you give customers for an engine oil change identify the brand name, SAE viscosity grade and API service category of the oil installed? (API 1525A, Section 7.6)	Y	
6	RECORDS	Do you keep copies of invoices from distributors and customer receipts for at least 6 months? (API 1525A, Section 7.4.3)		

Note: X = upload minimum of three pdf copies of invoices from distributors covering time period from latest delivery to deliveries received 3 to 6 months prior to application; Y = upload minimum of three pdf copies of customer receipts covering time period from 1 week before application to installations made 3 to 6 months prior to application.

**Figure 5—Installer Self-Assessment Questionnaire**

**5.4.2.2** After the installer has completed the application process, paid the fee, and been granted the license, the installer may display the API Installer Certification Mark as indicated in Section 6.

**5.4.2.3** API maintains strict confidentiality of all proprietary data provided by license applicants. Information submitted is used only as specified in the license agreement.

**5.5 Renewals**

Distributor and installer licenses may be renewed annually by mutual agreement of the parties, provided the licensee pays the required annual fees, completes the application questionnaire annually, and agrees to comply with any amendments to the license agreement and any modifications or additional specifications of the license requirements.

**5.6 System Monitoring and Enforcement**

The integrity of the API Distributor and Installer Licensing Programs is maintained by means of a formal monitoring and enforcement program defined in Section 7.

**6 Use and Labeling Requirements for API Distributor and Installer Quality Marks**

**6.1 API Distributor or Installer Quality Mark**

A distributor or installer may display the API Distributor or Installer Quality Mark, as described in this section, only after obtaining a license to use it. Under the terms of the License Agreement, distributors may use the Distributor Mark in a number of ways: for example, displayed within their facilities, on vehicles delivering engine oils in compliance with API 1525A, in advertisements, and in materials such as invoices and drop tickets. The API Distributor and Installer Marks shall be located and displayed as described in 6.2.

**6.2 Displaying API Distributor and Installer Quality Marks**

**6.2.1** The outside diameter of the API Distributor and Installer Quality Marks (measured from the outside tips) shall be at least 2.1 centimeters. The design must be identical to the mark shown in Figure 6, but color substitutions are acceptable as long as the contrasts remain the same (for example, a blue background could be used as long as the lettering, inner circle, outer border, and grid effect match Figure 6).

**6.2.2** API shall supply electronic versions of the Distributor and Installer Quality Marks in a variety of formats (JPG, TIF, BMP, and/or EPS).



**Figure 6—API Motor Oil Matters Mark**

**6.2.3** API has registered the API Distributor and Installer Quality Marks only in the English language, and they can be displayed only as registered (see Figure 6). However, the purpose of the API Distributor and Installer Quality Marks is to assist consumers, so API encourages licensees to translate the words LICENSED DISTRIBUTOR OR LICENSED INSTALLER into any appropriate language outside of the Marks but in close proximity to the marks. The translations must be literal. AMERICAN PETROLEUM INSTITUTE is also a licensed mark and cannot be translated without permission of API.

## **7 System Monitoring, Enforcement, and Conformance**

### **7.1 General**

**7.1.1** API's Distributor and Installer Licensing Aftermarket Audit Program (DILAMAP) is a monitoring and enforcement program designed to ensure compliance with the API Distributor and Installer Licensing Program. The integrity of this voluntary system depends on adherence by distributors and installers (licensees) to requirements laid out in API 1525A and compliance with the terms of the distributor and installer licensing agreements. Monitoring and enforcement efforts are directed to ensure that licensed distributors and installers meet API 1525A and that the API Distributor and Installer Licensing Marks are properly used to promote the use of quality engine oils.

**7.1.2** Random audits will be conducted to confirm that distributors and installers are continuously meeting API 1525A requirements.

**7.1.3** Sample collection personnel will secure samples of bulk engine oils from storage tanks at distributors and installers. Each of the engine oil samples will be analyzed using physical, chemical, and bench tests. Physical and chemical audit data are compared to published specifications and to information available to API through the API 1509 engine oil licensing process. Test results must meet the physical and chemical tolerances described in API 1509, Annex K.

**7.1.4** API will contract with independent organizations and/or auditors to ensure compliance with API 1525A, collect bulk oil samples from distributors and installers, and conduct all physical and chemical analyses and bench tests.

**7.1.5** Data obtained through DILAMAP are considered confidential, are available only to the appropriate API staff and the licensee, and are used only for the purposes stated in the inquiry. Specific data derived from DILAMAP will not be used for any reason other than the monitoring process without written permission from the licensee. Any summary data issued by API will not be company specific.

## **7.2 Violations**

### **7.2.1 General**

Violations of the API Distributor and Installer Licensing Programs are divided into three categories: (a) noncompliance with chain-of-custody requirements, (b) failure of engine oil samples to meet published specifications and API licensing information for the brand(s) claimed and (c) improper use of the API Distributor and Installer Licensing Marks.

#### **7.2.1.1 Noncompliance with Chain of Custody Requirements**

If an API-licensed distributor or installer is found to not meet chain-of-custody or engine oil performance requirements, API will attempt to work directly with the distributor or installer to evaluate the degree and time period of nonconformity and to allow corrective action as appropriate on a voluntary basis. If the matter cannot be satisfactorily resolved, API will take or initiate the actions listed below, singly or in combination, to maintain the credibility of the API Mark and protect the consumer.

#### **7.2.1.2 Noncompliance with Technical Specifications**

If an API-licensed distributor or installer is found to be distributing or installing engine oil that does not meet published specifications and API licensing information for the brand(s) claimed, API will attempt to work directly with the engine oil marketer, distributor or installer to evaluate the nonconformity and take additional corrective action as appropriate on a voluntary basis. If the matter cannot be satisfactorily resolved, API will take or initiate the actions listed below, singly or in combination, to maintain the credibility of the API Mark and protect the consumer.

#### **7.2.1.3 Enforcement Action**

Enforcement action will be related to the severity of the alleged offense, the period of time that the violating product has been in the marketplace, the efforts made by the marketer to correct the violation, and the possible harmful impact on the consumer. These actions include the following:

- a. Temporary suspension of the authority of the licensee to use the API Mark in conjunction with distributor or installer product operations and installations until corrective action has been taken.
- b. Termination of the authority of the licensee to use the API Mark associated with distributor operations or at installer locations shown to violate the terms of the API license to use the mark.
- c. Requirement for the licensee to discontinue use and remove the API Mark from the marketplace (distributor operations and promotional material and from installer stores). Discontinued licenses will be listed on-line as "cancelled" at [www.motoroilmatters.org](http://www.motoroilmatters.org).

Note: All monitoring and enforcement actions must be resolved to API's satisfaction before an existing license will be renewed or a new license issued.

#### **7.2.1.4 Improper Use of API Mark**

If licensed or unlicensed oils display an improper label or unauthorized labeling data or a distributor or installer displays an improper Mark, API will require the marketer, distributor or installer to cease and desist from committing the violation and will request verification that the violation has been corrected.

### **7.2.2 Verification of Compliance with API Enforcement Action**

API will take steps to verify that required corrective action has been executed. Actions requested to verify compliance will depend on the seriousness of the violation. The cost of these verification procedures will be borne by the licensee, as specified in the license agreement. Verification procedures include the following:

- a. Submission of chain-of-custody documents. The distributor or installer will be required to provide sufficient copies of product orders, invoices, drop tickets and/or customer receipts to prove the API 1525A chain-of-custody requirements are being continuously followed.
- b. Attestations. The distributor or installer will be required to furnish an affidavit from a third party (for example, a law firm, a test lab or an accounting firm) that the specified remedial action has been completed.

- c. Retesting. The distributor or installer will agree to provide and/or support any agreed-upon retesting of the engine oil(s) in question.
- d. Other evidence of compliance. API can make other reasonable requests to verify compliance.

### **7.2.3 Appeals**

When API suspends or revokes a license, the former licensee may appeal the decision. Appeals must be submitted in writing to the Director, Global Industry Services. The appeal shall include a statement of the basis for the objection. The appeal must be filed with API within 45 days of the date of notification of the suspension or revocation of the license. The API Director shall investigate the objections raised and respond to them in writing within 45 days of receipt. If the objections cannot be resolved by the Director, a hearing by a designated appeals board shall be convened in accordance with API Policy 104.