

## **January 3<sup>rd</sup> 2018 Sequence V Surveillance Panel Call to Discuss New Fuel Batch**

Afton: E. Altman, B. Campbell

BP: J. Agudelo

Ford: R. Romano

GM: E. Johnson

Haltermann: M. Overaker

Infineum: D.Boese, C. Leverett, A.Ritchie

Intertek: A. Lopez

Lubrizol: J. Brys, J. Matasic

OHT: J. Bowden, M. Bowden

Oronite: R. Stockwell, J. Martinez

Shell. J. Hsu

SwRI: C. Hudson, P.Lang, M. Lochte

TEI: D. Lanctot

Toyota: J. Linden

### **Meeting Details:**

Chairman Ritchie introduced the subject by explaining that the Sequence V fuel is typically reblended every 2-3 years and that with a remaining inventory of 108,000 gallons which started from 360,000 gallons, it is time to press on with this. It has long been the desire of the SP to have a bigger batch of fuel, to increase the time between a required reblend and reduce the total new fuel approval cost over an extended period of time. Recently up to 30 Sequence V tests have been run to approve the single new batch of fuel of 360,000 gallons

Mark Overaker from the current fuel supplier Haltermann addressed the SP to get their input around building a batch of fuel of up to 1.1 million gallons in Tank 79 in Nixon TX instead of a reblend of 360,000 gallons. The current Sequence V fuel Tank 62, would be reassigned to house Sequence VIE/VIF fuel. A 1.1 million gallon batch of fuel could last up to 7 years. After much discussion, the panel's view was that a more conservative approach to commission a fuel batch of 800,000 gallons, with a projected life of closer to 5 years, made the most sense. In the process of discussing this, the Chair expressed a view that with the number of approval tests significantly reduced to approve one large batch instead of 2 or 3 smaller batches, that the overall cost of the fuel should be lower. One member Jeff Hsu stated that he was uncomfortable about discussing the subject of the price of the fuel. In particular he felt that the group could be considered as negotiating with the fuel supplier on the price per gallon if they order

smaller volumes versus larger volumes, and how much the fuel supplier would charge to store it. Members of the group countered that there was no discussion of fuel price, here but rather a discussion of the general principle that a larger fuel batch would over time reduce the considerable total costs of approval of the fuel and the reasonable expectation that this would be connected to the final lower fuel price.

The group lead by Mike Lochte from SwRI and Bob Campbell in his role as Chair of the ASTM Technical Executive Committee requested that the Sequence V Surveillance Panel, instruct the TMC to facilitate the process of negotiating a contract for the supply of the new batch of Sequence V fuel consistent with the May 25th motion passed by the ASTM Technical Executive Committee which reads as follows:

Executive Committee Motion: Allow the TMC to facilitate, develop and oversee contracts desired by the industry to source test fuels and parts as approved by respective surveillance panels.

After reviewing this motion from the minutes of the May 25th Executive Committee meeting, the Sequence V Surveillance Panel passed the following motion proposed by Bob Campbell and seconded by Pat Lang:

The Surveillance Panel instructs the TMC to begin the process of negotiating a contract for a new batch of Sequence V fuel.

This motion passed with 9 For, 4 waives and 1 Against

FOR: Al Lopez IAR, Ron Romano -Ford, Pat Lang - SwRI, Bob Campbell -Afton, Jim Matasic - LZ, Robert Stockwell - Oronite, Chris Taylor - VP Racing, Jeff Hsu - Shell, Jim Linden - Toyota

WAIVE: Jason Bowden -OHT, Dan Lanctot - TEI, Mark Overaker - Haltermann, Amol Savant - Valvoline

AGAINST: Eric Johnson - GM

Eric Johnson explained that he was voting against the motion because he didn't think that TMC should be involved in the discussion of a fuel price in negotiating a contract with the supplier. Note, at no time did the SP group discuss the price of the fuel other than the discussion referred to above, about the general principle of expecting the significantly lower fuel approval costs from approving a larger batch of fuel, to reflect in a final lower cost of the fuel from the larger batch. Any contract negotiations around the supply of Sequence V fuel conducted by the TMC on the behalf of ASTM will be totally separated from the Surveillance Panel group.