



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

MAR 24 1999

MEMORANDUM FOR DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Re-Refined Lubricating Oil

Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition," the Resource Conservation and Recovery Act (RCRA), and DoD policy (attachment 1) require DoD activities to purchase certain items designated by the Environmental Protection Agency, such as re-refined lubricating oil, that are produced from recovered materials, unless one of three exemptions (price, performance, timely delivery) is applicable. DLA is to be commended for developing programs to increase DoD use of re-refined oil. Through DLA's efforts, DoD use of re-refined oil has increased substantially over the last five years.

In order to increase DoD usage of re-refined oil, I request that you establish a program to automatically substitute commercial grades of re-refined oil when DoD activities order comparable grades of virgin oil, where economically feasible.

It is appropriate to institute an automatic substitution policy for re-refined oil at this time because:

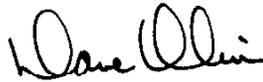
- DLA's Defense Supply Center Richmond already has under contract several grades of commercial re-refined oil that meet American Petroleum Institute (API) performance classification and will continue to add more products as qualifications are received.
- Major automotive and diesel manufacturers have approved use of re-refined oil in their vehicles providing it meets API performance classifications.
- Army's Tank & Automotive Command has evaluated and approved several grades of re-refined oil meeting commercial specifications for use in appropriate DoD vehicles.
- The Military Departments have policies in place giving preference to the use of re-refined oil.
- The price of re-refined oil is comparable to virgin oil.
- Establishing the program will enable the Department to meet standards for increasing re-refined oil use contained in the Senate Report to the FY 1999 Defense Appropriations Act (attachment 2).

It is not feasible at this time to institute an automatic substitution policy for re-refined oils meeting military specifications because of valid concerns about whether there are sufficient suppliers to meet surge requirements. However, this situation may change in the future as new suppliers of re-refined oil enter the market. Therefore, I request that you continue to monitor the re-refined oil market and advise me when it is appropriate to extend the automatic substitution program to include military specification oils.



I understand that other federal agencies, in particular the Department of Justice, soon may request that DLA institute an automatic substitution program for oil ordered by their activities. I request that you make all reasonable efforts to accommodate automatic oil substitution requests received from other federal agencies.

To help educate the DoD components regarding the legal requirements for using re-refined oil, and the environmental benefits that will result from its use, I am writing a memorandum to the DoD components explaining the reasons for instituting this program (attachment 3). I am also requesting that the Deputy Under Secretary of Defense (Environmental Security) monitor DoD use of re-refined oil and report on any performance problems encountered and on progress toward our goal of using re-refined oil exclusively. DoD support of quality products made with recycled materials demonstrates our commitment to creating new markets for environmentally preferable products and helps achieve our environmental security goals.



Dave Oliver
Principal Deputy

Attachments(3)

cc:

Federal Environmental Executive (Ms. Fran McPoland)
Assistant Attorney General for Administration (Mr. Steven Colgate)
Honorable James M. Jeffords, U.S. Senate



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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
UNDER SECRETARY OF DEFENSE (POLICY)
UNDER SECRETARY OF DEFENSE (PERSONNEL AND
READINESS)
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: DoD Use of Re-refined Lubricating Oil

Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition," the Resource Conservation and Recovery Act (RCRA), and DoD policy (attachment 1) require DoD activities to purchase certain items designated by the Environmental Protection Agency, such as re-refined lubricating oil, that are produced from recovered materials, unless one of three exemptions (price, performance, timely delivery) is applicable. The Defense Logistics Agency (DLA), through its Defense Supply Center Richmond (DSCR), has two programs in place that will assist DoD components in meeting their legal requirements to purchase re-refined lubricating oil.

The first program provides closed-loop recycling of 10W30 and 15W40 grades of oil. Other oils will soon be added to the Closed Loop Program. This program ensures that participating activities will receive re-refined oil when they submit their orders for these grades of oil, eliminates the requirement for separate contracts for the disposal of waste oil, and may provide participating DoD activities with substantial savings. Attachment 2 is a DSCR brochure that explains the details of this program. Under its second program, DSCR offers several grades of re-refined oil for sale to federal customers through the federal supply system. Attachment 3 is a DSCR brochure that explains this program.

In order to help DoD meet its legal requirements to increase its purchases of re-refined oil, I have directed that DLA automatically substitute re-refined oil when DoD activities order certain



grades of commercial oil (attachment 4). It is timely to institute an automatic substitution program at this time because:

- DLA's Defense Supply Center Richmond already has under contract several grades of commercial re-refined oil that meet American Petroleum Institute performance classifications and will continue to add more products as qualifications are received.
- Major automotive and diesel manufacturers have approved use of re-refined oil in their vehicles providing it meets API performance classifications.
- Army's Tank & Automotive Command has evaluated and approved several grades of re-refined oil meeting commercial specifications for use in appropriate DoD vehicles.
- The Military Departments have policies in place promoting the use of re-refined oil.
- The price of re-refined oil is comparable to virgin oil.
- Establishing the program will enable the Department to meet its requirements for increasing re-refined oil use contained in the Senate Report to the FY 1999 Defense Appropriations Act.

All DoD activities purchasing oil from sources other than DLA must comply with the legal requirement to use re-refined oil, and I remind all activities that the central supply system is a preferred method for DoD activities to purchase supplies (attachment 5). I am requesting that the Deputy Under Secretary of Defense (Environmental Security) monitor DoD use of re-refined oil and report on any performance problems encountered and on progress toward our goal of using re-refined oil exclusively. DoD support of quality products made with recycled materials demonstrates our commitment to creating new markets for environmentally preferable products and helps achieve our environmental security goals.



Dave Oliver
Principal Deputy

Attachments(5)