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March 13, 2026

Via Overnight Delivery and Email (The.Secretary@hq.doe.gov)

The Honorable Christopher A. Wright
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Re: Critical Supply Chain Disruption to U.S. Lubricant Manufacturing

Dear Secretary Wright:

On behalf of the Independent Lubricant Manufacturers Association (ILMA) and our member companies, I write to bring to your urgent attention a critical energy security and economic issue arising from Iran's recent retaliatory missile and drone attacks on oil facilities in the Middle East. These attacks have severely disrupted the global supply chain for high-performance Group III base oils, creating an immediate and disproportionate threat to independent lubricant manufacturers and the commercial and industrial sectors they serve.

Group III base oils are essential feedstocks for producing high-performance lubricants used in critical applications, including automotive engines, industrial machinery, aerospace equipment, and defense systems. These premium base oils are produced through sophisticated hydroprocessing techniques and gas-to-liquids (GTL) technology at a limited number of refineries worldwide, with nearly half of U.S. imports of Group III base oils originating from Middle Eastern facilities now under attack or already forced offline.

The effective closure of the Strait of Hormuz has halted major seaborne shipments of Group III base oils. Physical attacks by the Iranians have been confirmed on major refineries including BAPCO (Bahrain) and ADNOC (UAE). In Qatar, Group III base oil production at facilities like Ras Laffan and Mesaieed was halted following drone strikes, and the status of the Shell Qatar Pearl GTL unit — a major global source of Group III base oils — remains unclear due to limited natural gas availability.

According to industry sources, the market and supply chain disruption has triggered multiple emergency price increases for Group III base oils:

President: **James P. Carroll**, Schaeffer Manufacturing
Immediate Past President: **Richard Camper**, Pacific Precision Formulators
Treasurer: **Michael Skuratovich**, Eastern Oil Company
General Counsel: **Jeffrey L. Leiter**

Vice President: **David F. Richards**, RichardsApex
Secretary: **Dean Froney**, Master Fluid Solutions
Chief Executive Officer: **Holly Alfano**

- SK Enmove: +\$0.10/gallon (March 1) and additional +\$0.20/gallon (March 12).
- Petro-Canada: +\$0.30/gallon increase for Group III (March 10) and additional +\$0.50/gallon (March 17)
- Brent crude prices spiked above \$100/barrel, driving lubricant manufacturing costs higher.

Our members report that Group III producers have pulled offers entirely or placed their available supplies on allocation. Unlike major integrated oil companies that own refining capacity or have long-term supply agreements, many independent lubricant manufacturers depend on open-market purchases of these base oils, leaving them disproportionately exposed to the current supply chain collapse.

Independent lubricant manufacturers supply critical sectors of the U.S. economy, including defense contractors requiring specialized military-grade lubricants; agricultural equipment manufacturers supporting food security; transportation fleets essential to supply chain continuity; and industrial manufacturers supporting critical infrastructure. Prolonged Group III base oil shortages will force independent manufacturers to reduce production, increase prices, or exit markets entirely. This threatens both competitive markets and national security by reducing the diversity and resilience of our lubricants supply.

ILMA respectfully urges the Department of Energy to take immediate action to address this energy security crisis:

- Conduct an immediate assessment of the base oil supply disruption's impact on critical U.S. industries, including defense, agriculture, and transportation sectors.
- Ensure that lubricant supply disruptions to critical infrastructure sectors are monitored and mitigated through DOE's energy security programs.
- Lead coordination with the Departments of Commerce, Defense, and Transportation to develop a comprehensive response to this supply chain crisis.

ILMA's members support over 21,000 American jobs and \$13.3 billion in economic activity in the U.S. More importantly, these companies provide essential products that keep American industry, transportation, and defense systems operating and moving, including a quarter of the engine oils produced in the U.S. The Iranian retaliatory attacks on Middle Eastern energy infrastructure threaten not just oil prices but the competitive structure and national security implications of domestic lubricant supply chains.

ILMA stands ready to work with the DOE and other relevant agencies to develop both immediate responses to this supply chain crisis and long-term strategies to enhance the resilience of America's lubricant manufacturing base.

We would welcome the opportunity to brief your staff on the technical and economic details of this crisis and to discuss potential solutions that fall within DOE's expertise and authority.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly Alfano". The signature is fluid and cursive, with the first name "Holly" and last name "Alfano" clearly distinguishable.

Holly Alfano
CEO

cc: Office of Cybersecurity, Energy Security & Energy Security