

Post Office Box 1056  
Hightstown, NJ 08520  
Phone: (877) 448-7037  
Fax: (267) 200-0430

C & S  
Scientific  
Corp / PARKE HILL

**The Changing Role of the Additive Industry**

*By Jerome P. Sava*

The fuel oil additive industry has always been one that has stimulated much controversy among fuel oil dealers. There is no denying that, at one time, many additives were composed of nothing more than basic No. 2 oil with various colored dyes. Since these unreliable additive suppliers were usually the most vocal, many dealers began to view all additives as nothing more than "snake oil." Fortunately, in recent years most of these inferior manufacturers have been weeded out of the industry. Today, it is apparent that there really are legitimate chemical companies marketing additives that have been tested and proven to provide a great variety of benefits, as well as to resolve a host of handling and firing problems.

In technology, the availability of specific chemicals to perform many of the functions necessary for optimum handling and combustion has never been more plentiful. In product usage, the stress on fuel conservation has resulted in a new focus on not only combustion equipment, but also on chemical combustion catalysts designed to optimize the combustion process. In environmental areas, federal and state regulations controlling sulfur content and combustion byproducts have prompted the development of new chemicals to minimize acidic stack emissions and hydrocarbon deposits. In fuel oil marketing, the concept of chemically treated premium heating oils and diesel fuels is now accepted as an excellent sales tool to maintain existing accounts and to spur new business.

**Companies prove their worth**

There are many specific situations where the additive companies have proven to provide a valuable service. For example, one area of recent concern to the additive manufacturer has been the effect of the EPA regulations on sulfur content, and how the new specifications have changed the nature of the fuel supply. In order to comply with the new sulfur limits, diesel fuel in particular was initially found to detrimentally affect o-rings and seals, and also to significantly reduce the lubricating quality of the fuel. Responsible additive suppliers were quick to respond with chemicals that added compensatory levels of neutralizing components to control the adverse attack on the

*Chemicals for the Oil Industry*

internals, as well as lubricity agents to raise the fuel quality to acceptable levels for good engine performance [ie. DieselAdd].

Another area of additive response is with the continuing development of more effective cold-flow improvers [ie. Antigel 2000], designed to not only lower the Pour Point but also to improve the practical concerns of cold flow filter plugging and low temperature fluidity. This ongoing development has permitted the dealer to supply a winterized product without the need to resort to high-priced, often-scarce kerosene blends that result in diluted heat output and lubricating ability.

Still another instance of recognized additive contribution is in the ability of chemicals to stabilize the fuel and to enhance its homogeneity. This ability is most important today as refineries seek to intensify their cracking processes in order to produce more and more high-priced petrochemicals and distillates, resulting in a more unstable and heavier heating oil by-product. Because of this situation, the overall quality of the fuel oil has suffered to the point where today's fuels inherently possess a definite potential for hydrocarbon breakdown and sludge repolymerization. To counter this possibility, responsible additive suppliers now routinely formulate their products with stabilizers [ie. Treat Now] to extend and enhance overall fuel quality.

One other area in which many additive companies are proving their worth in the field of technical consulting. The new face of the additive industry often involves companies that recognize the interdependency between the additive program and the overall efficiency of the fuel oil supply and distribution process. For this reason, many additive companies now stress their ability to consult on a wide range of fuel problems that may not be directly related to additive usage. [C&S provides extensive and free expert technical support including in-house lab analyses and on-site troubleshooting].

### **A new look**

Perhaps the most significant factor of change within the oil industry, and the one that is of prime importance to the fuel oil dealer when deciding on an additive supplier, is with the nature of the additive business itself. Many long-established chemical companies are now subsidiaries of large conglomerates. Many of these conglomerates are then linked in joint ventures with major oil companies or claim to be principal suppliers to the refineries. Because these developments have raised many questions, it should prove useful to consider some such trends in more detail.

In the case of merging with a conglomerate, some drawbacks for the oil dealer are obvious. Since it is only good business sense to emphasize the areas of a company promoting the largest revenues and net profits, then obviously the less-productive divisions will tend to be downplayed. Fuel oil dealers are painfully aware of the problems engendered when a utility enters the oil market, because of the utility's rightful priority to focus on net profit regardless of the energy source chosen by the customer. Likewise, the focus of the conglomerate-owned additive company to provide meaningful service to the oil dealer may also become secondary to its need to concentrate on justifying its place in the corporate chart – at the expense of personalized service for each customer.

A second changing situation involves the joint ventures existing between some conglomerates and major oil companies. It is interesting to note that additives have always been an essential component in the refinery process, but that independent additive companies generally developed the additives used for such processes. Often, because of the added cost, specific chemicals that would prevent some of the downstream problems, such as long-term stability, are not used at the refinery level and so must then be added by the oil dealer to help minimize the high cost of running the service department. Now that some majors have joint ventures with some additive companies, it is understandable why an oil dealer might be skeptical of whether such an arrangement is truly providing the most cost-effective and efficient means of chemical treatment.

### **A working relationship**

The additive supplier has proven valuable in being able to develop and distribute chemical adjuncts that compensate for any shortcomings in today's typical fuel product. Cold-flow enhancement, oil stabilization, and compensating lubrication derivatives, are a few such examples. The modern additive company is also able to perform and interpret a variety of oil-related problems and thereby serve as a consulting arm to the oil dealer.

A different aspect of the new look of the additive industry involves the organizational structure of the additive companies, as detailed in the previous paragraphs. However, not every merger or acquisition need be considered unproductive. C & S, for example, also extended its capabilities through the acquisition of Parke Hill Chemical – but did so in order to reinforce its sole focus on the continued development of cost-effective fuel conditioners. There are other such independent companies who devote their total time and effort in working within the oil industry, but they are now the exception.

The oil dealer should be aware of this trend so that he can make an informed choice when deciding on a chemical-treatment program. Every fuel oil dealer has the right to expect that any reliable additive company should have the ability to satisfactorily meet the needs of its customers. However, by definition, a company that concentrates solely on the fuel oil industry and whose only allegiance is to its customers, should be the type of company best suited to provide every dealer, regardless of size, with effective and practical chemical programs.

Obviously, the oil dealer must weigh the pros and cons of which company to choose, once becoming fully aware of its organization, its capabilities, its interests, its dedication to the oil industry, its technical qualifications, its technical services and responsiveness, and its overall commitment to the sole perpetuation of a viable fuel oil industry.

