



June 10, 2010

Mr. J. F. Bennett
Chief, Branch of environmental Assessment
Minerals Management Service
381 Elden Street, MS-4042
Herndon, VA 20170

Via: ocs5yeareis.anl.gov

**RE: Notice of Intent to Prepare an EIS for the Outer Continental Shelf
Oil and Gas Leasing Program for 2012-2017**

Dear Mr. Bennett:

The American Trucking Associations, Inc. (ATA) is pleased to comment on the Minerals Management Service (MMS) Notice of Intent to Prepare and Scope an Environmental Impact Statement (EIS) for the Outer Continental Shelf (OCS) Oil and gas Leasing Program for 2012-2017. ATA is the trade association that represents the interest of the U.S. trucking industry. Directly and through its affiliated organizations, ATA encompasses over 37,000 companies and every type and class of motor carrier operation.

The trucking industry is the lynchpin of the transportation system, hauling 68 percent of all domestic freight transportation tonnage in the United States in 2009 and accounting for 82 percent of all domestic freight transportation revenue. Over 80 percent of all towns and communities in the U.S. get the goods they consume exclusively from trucks. Trucking also accounts for a majority of the value of trade between the U.S. and Mexico and Canada.

In order to move the U.S. economy, the motor carrier industry consumes roughly 34 billion gallons of diesel fuel annually. In 2008, the industry paid a staggering \$143 billion for diesel fuel, a \$28.5 billion increase over 2007 and more than double what it paid in 2004. The industry is anticipating paying over \$100 billion for diesel fuel again this year.

For many motor carriers, the cost of fuel is the second largest expense after labor. It can account for upwards of 25 percent of total expenses in normal years and significantly more than that during diesel price spikes. Trucking is an extremely competitive industry comprised largely of small businesses. Roughly 96% of all interstate motor carriers operate 20 or fewer trucks, according to the Federal Motor Carrier Safety Administration. Small carriers are particularly vulnerable to the large and swift increases in fuel prices that we have seen over the last couple of years.

The U.S. economy depends upon a healthy trucking industry to ensure the efficient delivery of virtually all consumer products; with that in mind, the federal government needs to ensure that the industry has access to adequate supplies of high quality fuel at reasonable prices so that motor carriers can continue to deliver America. While the motor carrier industry has implemented a number of voluntary programs to conserve fuel, reducing consumption is only one part of the solution to our energy problems. A comprehensive solution to the energy crisis also depends upon increasing domestic supplies of petroleum.

ATA supports the use of alternative renewable fuels; however, these fuels present certain operational and economic challenges for the trucking industry and cannot substitute for petroleum-derived ultra

low sulfur diesel (ULSD). If we converted every acre of farmland in the U.S. to soybean production for energy, we could not replace the petroleum-based diesel fuel we consume each year. Moreover, biodiesel currently costs approximately \$1.30 more per gallon than ULSD. As such, few if any trucking companies can afford to use this renewable fuel and remain competitive. Finally, biodiesel presents certain operational challenges for trucking fleets – it has poor cold weather performance, lower energy content, and requires additional truck maintenance. As such, it should only be used in low percentage blends with petroleum-based diesel. For these reasons, we must continue to ensure an increasing supply of domestically-sourced petroleum.

Looking ahead to the 2012-2017 Five-Year Program, it is vital that our nation's abundant energy resources be fully utilized. We are writing in strong support of developing, in an environmentally responsible manner, more domestic oil and natural gas resources off our coasts by opening all water in the OCS as part of MMS' initial Scoping Process for the 2012-2017 Five-Year Program for leasing. Including these areas in the EIS is a prerequisite to the achievement of that goal and does not mean that a particular area will be included in a final leasing program.

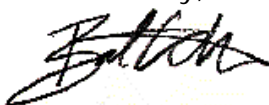
With that in mind, ATA urges MMS to expand the areas to be scoped in the 2012-2017 EIS. In order for an area to be included in a final leasing program, it must be analyzed and included in the EIS. Excluding areas from the EIS analysis artificially reduces the potential for developing our domestic petroleum resources and frustrates the goal of improving our energy security. A robust domestic petroleum supply is necessary to: 1) sustain and promote job growth; 2) stabilize energy prices, while responsibly developing affordable, commonsense domestic energy resources; 3) ensure additional federal offshore revenues for state and federal governments; and 4) reduce America's dependence on foreign energy supplies.

According to estimates from the U.S. Department of the Interior, the waters of the U.S. coasts adjacent to the lower 48 states contain enough oil and natural gas to maintain current oil production for 105 years and current natural gas production for 71 years; and to produce gasoline for 132 million cars and heating oil for 54 million homes for 15 years. Further, the waters off Alaska's coasts hold enough oil and natural gas to make it the 9th largest oil resource in the world – ahead of Nigeria, Libya and Norway.

We acknowledge the tragedy that occurred on the Horizon oil rig in April 2010. This type of accident is extremely rare and cannot be used to justify a shutdown of oil production in the Gulf of Mexico. There are more than 3,000 offshore oil rigs in the Gulf that produce more than 30% of the domestic oil & natural gas in the United States. This industry is critical to the U.S. economy. Gulf oil production accounts for hundreds of thousands of direct and indirect high-paying jobs and without expanding this supply of oil, gasoline and diesel prices could surpass \$5.00/gallon. Moreover, petroleum is a global commodity and whether we produce it in the United States or import it from elsewhere, the world's dependence on petroleum will continue for the foreseeable future. The EIS must consider this fact and recognize that it is far better to produce oil under the stringent environmental laws of the United States than it would be to develop petroleum resources elsewhere with limited environmental protections.

Opening all available domestic resources to safe and environmentally responsible development can significantly boost U.S. supplies of oil and natural gas; increase the nation's energy security; add more well-paying American jobs; help with our balance of payments and economic growth during these economic times, and bring billions of dollars into the Treasury instead of sending them abroad.

Sincerely,



Bob Costello
Chief Economist & Vice President