

Secretary Salazar:

- My name is Rich Moskowitz; I am Vice President of the American Trucking Associations, a trade association that represents the trucking industry.
- Examples of consumer goods delivered by trucks. . . .
- The trucking industry depends upon a plentiful supply of affordable diesel fuel to deliver virtually all consumer goods.
- Diesel fuel typically is a trucking company's second largest expense after labor.
- The trucking industry spent a record \$ 149 billion on diesel fuel in 2008.
- This was approximately double the amount spent in 2004 and three times the amount spent in 2003.
- This increased price for diesel fuel took its toll on the trucking industry and more than 3,000 trucking companies failed last year. These bankruptcies removed 140,000 trucks from the road and at least as many trucking industry employees.
- Today diesel sells for less than half of the record high prices we saw last summer. This is primarily due to the global recession, which has eroded the demand for petroleum.
- Notwithstanding the relatively cheap prices we are enjoying today, diesel prices will rise significantly as soon as the economy recovers.
- In the absence of new petroleum supplies, we are certain to see record high fuel prices as soon as demand returns to normal levels.
- Against this backdrop, we greatly appreciate the opportunity to discuss actions that the federal government should take to ensure that a plentiful supply of diesel fuel is available at reasonable prices.

- The trucking industry is focused on a comprehensive solution to the energy crisis. This comprehensive solution rests upon a three-legged stool comprised of fuel conservation, increasing fuel supplies, and ensuring orderly futures markets.
  - The trucking industry has embraced fuel conservation as a way of life.
    - 65 mph national speed limit for all motor vehicles
    - Electronically limiting the maximum speed of trucks
    - Incentivizing fuel conservation technologies.
  - While we have been strong advocates of fuel conservation, we are never going to be able to conserve ourselves into energy independence.
- Part of the comprehensive solution rests upon our ability to increase the supply of available, domestically-sourced fuel.
  - We are investigating the voluntary use of alternative fuels, such as biodiesel; however, even if we dedicated every acre of farmland in the U.S. to the production of biodiesel, we would only be able to replace 7% of the diesel fuel that the trucking industry consumes. We will never be able to grow our way into energy independence.
  - We also note that biodiesel blends in excess of 5% presents significant challenges to the over-the-road trucking industry (cost, cold weather performance, fuel economy penalty).
- For the foreseeable future, the trucking industry – and the U.S. economy – will depend upon adequate supplies of diesel and gasoline.
- For these reasons, we strongly believe that the federal government should allow drilling on the Outer Continental Shelf and that the Minerals Management Service should designate as much land as possible for such development.
- This is not to say that we should exploit the OCS at the expense of the environment.

- But, the plain truth is that oil is a global commodity and will be in high demand for the foreseeable future. If we don't develop this resource here, then other nations will produce it and export it to us.
- So, I ask those who oppose the U.S. efforts to drill on OCS – Isn't it better to have drilling operations occur under the protections of the Clean Water Act, the Clean Air Act, NEPA and a host of other environmental regulations. Or is it better to drill for oil off the coast of Cuba with little or no environmental protection or government oversight.
- The goals of developing new sources of petroleum and preserving our environment are not mutually exclusive goals. The petroleum industry has an excellent safety record. The National Academy of Science has determined that less than 1% of the oil present in the oceans is attributed to drilling and extraction activities.
- The U.S. needs a plentiful supply of domestically produced petroleum. We can't afford to lose more jobs from the high cost of energy. We can't afford to forgo the tax revenues that OCS leases will generate. And, we can't afford to allow other nations to produce the petroleum we consume without safeguarding the environment.
- For these reasons, MMS should open up the maximum amount of OCS resources to petroleum development.