



May 3, 2010

Ms. Rene Orr
Department of the Interior
Leasing Division
381 Elden Street, MS-4010
Herndon, VA 20170-4817

Via E-mail: PRPcomments@mms.gov

**RE: Docket No. MMS-2009-OMM-0016 --
Remand of the 2007-2012 Oil and Gas Leasing Program**

Dear Ms Orr:

The American Trucking Associations, Inc. (ATA) is pleased to comment on the Minerals Management Service (MMS) Request for Comments on the remanded 2007-2012 Five-Year Outer Continental Shelf Program. 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 nearly 69 percent of all domestic freight transportation tonnage in the United States in 2008 and accounting for 83 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 \$146.2 billion for diesel fuel, a \$31.8 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

Good stuff.



energy problems. A comprehensive solution to the energy crisis must also depend upon increasing domestic supplies of petroleum.

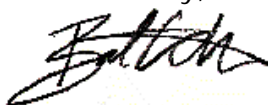
ATA supports the use of alternative renewable fuels; however, these fuels present certain operational and economic challenges for the trucking industry and cannot substitute for petroleum-derived ultra low sulfur diesel (ULSD). If we converted every acre of farmland in the U.S. to soybean production 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.

ATA urges MMS to move expeditiously with the remanded 2007-2012 Five-Year OCS Oil and Gas Leasing Program to ensure timely and appropriate action on existing leases in 2010. Any further delays of the 2007-2012 program directly hinder efforts to: 1) sustain and promote job growth during a period of high national unemployment; 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.

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 remanded EIS must consider this fact and recognize that it is far better to produce oil under the stringent environmental laws of the United States – a country with the resources necessary to respond to incidents – 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 economic growth and bring billions of dollars into the Treasury instead of sending them abroad.

Sincerely,



Bob Costello
Chief Economist & Vice President