

**Richard Moskowitz**  
Vice President and Regulatory Affairs Counsel

July 1, 2011

James Kendall, Regional Director  
BOEMR – Alaska OCS  
3801 Centerpoint Drive, Suite 500  
Anchorage, AK 99503-5820

Re: Comments on the Revised Draft SEIS, Lease Sale 193 - Chukchi Sea

Dear Mr. Kendall:

The American Trucking Associations<sup>1</sup> (“ATA”) is writing to urge the Bureau of Ocean Energy, Management, Regulation and Enforcement (“BOEMR”) to finalize the environmental impact statement supporting the Chukchi Sea Lease Sale 193. Developing our domestic petroleum reserves in the Chukchi Sea is critically important to reducing our dependence on foreign oil.

The trucking industry is the backbone of this Nation's economy with nearly 7 million Americans working in trucking-related jobs. Trucks move 70% of our Nation's freight tonnage and earn 82% of the Nation's freight revenue. The trucking industry delivers virtually all of the consumer goods in the United States.

This year, the trucking industry will consume over 35 billion gallons of diesel fuel. Each one-cent increase in the average price of diesel costs the trucking industry an additional \$356 million a year in fuel expenses. The trucking industry is on pace to spend more than \$135 billion on fuel this year -- \$34 billion more than we spent in 2010, and \$56 billion more than in 2009.

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<sup>1</sup> ATA is a united federation of motor carriers, state trucking associations, and national trucking conferences created to promote and protect the interests of the trucking industry. Directly and through its affiliated organizations, ATA encompasses every type and class of motor carrier operation.

Good stuff.



Today it may cost over \$1,000 to refuel a long-haul, over-the-road truck. Our industry is overwhelmingly comprised of small businesses that operate in extremely competitive business environments, with narrow profit margins now being radically impacted by high fuel prices.<sup>2</sup> The future of these trucking companies is at risk when the price of fuel spikes. In addition, soaring and volatile fuel prices are a serious threat to the broader economy, adversely impacting both the cost of goods and our ability to move them affordably throughout the country.

The trucking industry has developed a sustainability plan and continues to pursue new technologies and operating procedures to reduce fuel consumption.<sup>3</sup> Even with the most aggressive fuel conservation program, the trucking industry will continue to demand additional diesel fuel to deliver an increasing volume of freight. The trucking industry also embraces the voluntary use of alternative fuels (*e.g.*, renewable diesel and natural gas); however, these alternatives present both economic and operational challenges for many fleet and additional research and investment incentives are needed to overcome these challenges. The trucking industry is a very diverse industry and while some segments of the industry may be able to operate on alternative fuels, large segments of the trucking industry will continue depend upon a plentiful supply of diesel fuel for the foreseeable future.

That is why it is critical to the trucking industry that we have an abundant supply of affordable petroleum-based diesel fuel. We understand that the recent run-up in fuel prices is due to several factors, some of which are beyond the government's ability to control. Regulatory obstacles to increased production, however, can and should be corrected. Current regulatory policy has put our country on a path of declining domestic supply and has resulted in an unnecessary increase in the current price of oil. While some of the price increase may be the result of excessive speculation; this speculation is fueled by a perception that the supply of available crude oil will decline as a result of numerous factors, including the reduction in the U.S. ability to produce crude oil. The United States is the third largest oil producer in the world, but production of oil from Alaska (and the Gulf of Mexico) is declining and new sources of production have been placed off-limits. Without a concerted effort to drill more wells, domestic oil production will continue to decline and the price of we pay for diesel fuel will increase.

Lease Sale 193 has undergone a series of extensive environmental reviews that began more than 4 years ago. The draft SEIS demonstrates that oil and gas development in the Chukchi Sea can be done safely. As such, we urge BOEMRE to finalize the environmental impact statement and move forward with Lease Sale 193 so that

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<sup>2</sup> Roughly 96% of all interstate motor carriers operate 20 or fewer trucks.

<sup>3</sup> A copy of ATA's sustainability plan may be viewed through the following link:  
<http://www.trucksdeliver.org/>

Americans can fully realize the energy and economic benefits increased domestic energy production can bring.

Offshore oil and gas development in Alaska will strengthen our energy security and generate significant new revenue for the federal government. With an estimated 27 billion barrels of oil and 132 trillion cubic feet of natural gas, energy production on Alaska's OCS is critical to our country's long-term energy security. Government revenue generated from the Chukchi Sea is estimated to be nearly \$50 billion over the next fifty years.

The United States continues to import oil from unstable and adversarial countries despite the vast North American resources available. The United States reliance on imported oil places U.S. consumers at greater risk of supply disruptions and damaging price spikes. Volatile diesel prices harm the trucking industry and jeopardize the U.S. economy. Expanding our domestic production will increase our energy security and help meet growing demand. For that reason, we strongly support moving forward with Lease Sale 193.

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The benefits of energy production on Alaska's OCS are critically important to our domestic energy security and to the trucking industry, which depends upon a stable supply of diesel fuel to deliver virtually all consumer goods in the United States. As we begin a transition to alternatives, we must not forget that the trucking industry and our economy will continue to depend upon diesel fuel for the foreseeable future. The failure to boost domestic fossil fuel supplies during this transition will simply translate into increased dependence on foreign sources of oil, damaging fuel price spikes, and a continuing threat to our economy and national security.

For these reasons ATA believes there is an urgent need to increase access to and production of our domestic crude supply as a means to help lower fuel prices. We therefore urge BOEMRE to finalize the environmental review process and move forward with Lease Sale 193.

Respectfully submitted,



Richard Moskowitz  
Vice President and Regulatory Affairs Counsel