



Chris Spear
President & Chief Executive Officer

March 10, 2022

President Joseph Biden
White House
1600 Pennsylvania Avenue, N.W.
Washington DC 20006

RE: Escalating Fuel Costs for the Trucking Industry

Dear Mr. President:

The trucking industry is the backbone of the American economy, moving 73 percent of our nation's freight, or 10 billion tons of goods annually. Our ability to do so on a cost-efficient basis for our customers throughout the supply chain depends on certain economic conditions, including fuel prices, which are typically a fleet's second highest operating expense. Right now, escalating fuel prices are driving up the transportation cost of all goods, adding yet another layer of inflationary pressure on every sector throughout the entire economy.

The impact is particularly hard on the 97 percent of motor carriers that operate 20 trucks or fewer and are designated as small businesses. These fleets do not operate at a scale necessary to negotiate lower fuel prices or to offset costs from shippers. Lacking the financial reserves to weather this storm, many of these companies are at risk of failing given current projections for global crude prices over the next 12 months. This would decimate U.S. trucking capacity, unleashing catastrophic consequences for a supply chain that's already overstressed.

The American Trucking Associations therefore urges the Biden Administration to increase American oil and natural gas production to help bring down domestic fuel prices, providing immediate relief to our nation's supply lines. We cannot let an energy crisis compound the supply chain crisis, and we have the power and resources to prevent that from happening. Specifically, ATA calls on the Administration to:

- Expedite onshore and offshore oil and natural gas permitting to spur expanded production;
- Initiate immediate lease sales in current production areas in the Central and Western Gulf of Mexico;
- Encourage expedited carbon capture & sequestration rulemaking to ensure that America remains the world's leader in carbon reduction technology development;
- Work with both domestic and international oil and natural gas producing nations to help reduce global oil prices; and
- Consider timed releases from the Strategic Petroleum Reserve.

In 2019, commercial trucks consumed 46 billion gallons of diesel and gasoline. Motor carriers spent \$112 billion on diesel fuel that year, when the annual cost of diesel ranged between \$2.97 and \$3.17 per gallon. This week, the U.S. Department of Energy reported the national average diesel fuel price at \$4.85 per gallon as of March 7—the highest price in U.S. history. Diesel fuel prices on the West Coast are extraordinarily high, with an average price of \$5.76 per gallon in California.

More than half the cost of a gallon of diesel fuel is attributed to the price of crude. Crude prices are now well over \$100 per barrel, with forecasters predicting \$185 per barrel by year's end. These trend lines are not sustainable for the trucking industry and signal a major warning for the supply chain.

We cannot afford to ignore our nation's current energy needs in a fog of partisan idealism about the future of energy use. The trucking industry supports an all-of-the-above approach when it comes to securing our energy future. But the transition to cleaner and renewable fuels over the horizon requires a practical, actionable bridge in the here-and-now, beginning with the abundant sources readily available at home.

Taken together and immediately, the actions outlined above would bring immediate relief at the pump for America's truckers and all motorists. ATA stands ready to assist you in keeping our economy and nation united, connected and strong.

Most respectfully,

A handwritten signature in cursive script, appearing to read "Chris Spear".

Chris Spear
President & CEO
The American Trucking Associations

Cc: The Honorable Debra Haaland, U.S. Secretary of Interior
The Honorable Gina Raimondo, U.S. Secretary of Commerce