BRIDGER
MOVING AMERICA'S OIL

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Via Electronic Mail and Federal Express: Michael.Higgins@stb.dot.gov

Rail Energy Transportation Advisory Committee
c/o Michael Higgins
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: Rail Energy Transportation Advisory Committee (RETAC) STB Docket No. EP 670 (Sub-No. 1)

Members of the Rail Energy Transportation Advisory Committee:

Bridger, LLC ("**Bridger**") is a U.S.-based provider of midstream logistics services to the energy industry focusing on the transportation of crude oil to its customers' markets. Bridger submits these comments to the Rail Energy Transportation Advisory Committee (RETAC) STB Docket No. EP 670 (Sub-No. 1) for consideration during RETAC's public meeting on October 2, 2014. Bridger applauds RETAC's efforts to advise on matters relating to rail performance, capacity constraints, infrastructure planning and development, and effective coordination among suppliers, carriers, and users of energy resources. These comments provide additional perspective on crude-by-rail for consideration at the meeting. I am co-founder, President and CEO of Bridger and, together with CEOs and designated representatives from other interested energy focused companies, will be in attendance at the meeting to address RETAC as a whole and/or discuss further with individual RETAC members, as appropriate.

Bridger engages in the purchase, sale, transportation, storage, and terminalling of crude oil through its nationwide, state-of-the-art asset base of tank trucks, pipeline injection terminals, pipelines, storage tanks, rail loading and unloading terminals, rail cars and Jones Act tonnage that supports customers in all the major domestic crude oil production basins and refining centers. Bridger's customers include oil and gas producers and refiners. This integrated crude oil-focused midstream infrastructure platform provides logistics and transportation services across the entire energy value chain and provides end-to-end crude oil logistics from the wellhead to end-markets across North America. Bridger has made significant investments in crude-by-rail to connect North Dakota producers with East Coast refineries that cannot source domestically produced crude oil efficiently or economically by other means.

We ask for the STB's and RETAC's support for long-term investment and consideration of domestic crude oil production and crude-by-rail. It is important that RETAC understand the economic consequences of subordinating crude-by-rail to prioritize the transportation of other commodities. Nearly three quarters of Bakken crude oil moves out of North Dakota along the rails to a growing network of terminals and refineries. Rail is necessary to transport crude oil to markets, especially the East and West Coasts, that do not have crude oil pipeline access or other oil transportation infrastructure. Indeed, rail is the only efficient way to get Bakken crude oil to the East Coast and will be for years to come. Even considering pipelines, rail is a critical component of our energy infrastructure that provides a flexible and redundant transportation channel.

When Bakken crude oil is unable to leave the region, barrels become stranded. The ultimate consequence of the lack of robust transportation options—namely rail out of North Dakota—is wells shutting in and a significant decline in domestic production. Refineries will revert to relying on higher cost but more readily available foreign oil, which will result in higher fuel prices for consumers, simply because we cannot get the infrastructure investments and regulatory regime right. Unless crude-by-rail is sufficiently supported by Federal regulators, domestic production and use will not be reliable enough to reduce our country's dependence on foreign crude oil.

STB and RETAC should also consider the significant investments in tank cars and rail operations that are likely to be required in the final rule promulgated from the Hazardous Materials: Enhanced Tank Car Standards and Operational Controls for High-Hazard Flammable Trains; Notice of Proposed Rulemaking recently proposed by the Pipeline and Hazardous Materials Safety Administration on August 1, 2014 in Docket No. PHMSA-2012-0082 (HM-251). In the proposed rule, PHMSA will require the "shipper/lessor" community for tank cars to invest millions of dollars on retrofits and/or new tank cars. Any action by PHMSA or other regulators that has the effect of arbitrarily limiting crude oil volumes, extending rail turn times, or otherwise diminishing the efficiency of crude transportation by railroads will materially increase the risk of, and make it more difficult to justify, these necessary investments in the tank car fleet and railroad infrastructure.

President Obama's All-of-the-Above Energy Strategy is making this country more energy independent and supporting jobs. Our dependence on foreign oil is at a 20-year low—and declining. For 2014, the U.S. produced more oil domestically than it imported from foreign sources. The White House has expressed a clear goal to "safely and responsibly develop[] our energy resources," including the infrastructure required for market access. Market access requires investment by railroad and pipeline companies in infrastructure and competitive practices to support the Administration's goal of energy independence.

Bridger shares the belief that investing in domestic crude oil production, transportation, and utilization makes sense for our country and our economy, and Bridger is committed to "Moving America's Oil." We hope that these goals are not hampered by legacy considerations, limited infrastructure investments, or regulatory action to benefit traditional commodities. I look forward to continuing the discussion on October 2nd.

Sincerely,

Julio E. Rios

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President and Chief Executive Officer