Monroe Energy

Monroe Energy, LLC
4101 Post Road
Trainer, PA 19061
(610) 364-8000

September 26, 2014

Mr. Daniel R. Elliott, III, Chairman
Ms. Deb Miller, Vice-Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0111

Dear Chairman Elliott and Vice-Chairman Miller,

My name is Jeff Warmann and I am the President and CEO of Monroe Energy LLC ("Monroe"); our assets include a crude oil refinery and associated pipelines in Marcus Hook, Pennsylvania. Monroe relies upon the railroad industry to ensure the delivery of ratable, reliable crude oil to supply our refinery. One of Monroe's core business strategies is to process U.S. produced crude oil, however I am writing to you to express my concern over the inability of the U.S. railroads, specifically the BNSF, to provide the adequate service needed to supply the Monroe refinery.

Growth in US shale oil has given refineries in the Northeastern part of the United States a life line to stay in operation. Traditionally, an increased demand for railroad service would spur new rail capacity, yet Monroe has been plagued with significant freight disruption. The inability to ratably receive or rely on railroad service puts the future of PADD 1 refineries in jeopardy. Monroe recently signed a five (5) year crude supply agreement with Bridger LLP to supply the Monroe refinery with 65,000 bpd of Bakken crude oil. With no crude oil pipelines to the Philadelphia area, there is no viable cost effective alternative to rail service, thus making crude by rail delivery essential. The failure of the railroads to meet the crude by rail commitments has caused severe financial harm to Monroe. For example, in August and September of 2014, we have seen a shortage of crude oil deliveries via rail to our key supply points of over 1 million barrels. The inability of the railroad to deliver the unit trains of crude oil caused the Monroe refinery (and others relying on this railroad service) to cut refinery runs (or crude processed), which causes a spike in product prices for consumers.

The current rail capacity constraints coupled with the poor performance of the rail industry has caused significant freight delay and service disruption. Monroe requests the Board take action to remedy the current freight delays incurred by commodity shippers and encourages the Board to adopt measures to ensure reliable delivery service. In addition, we fully support the comments submitted by our key supplier Bridger LLP.

Respectfully,

Jeff Warmann
President and CEO