

STATE OF OKLAHOMA OFFICE OF THE SECRETARY OF ENERGY

March 19, 2012

The Honorable Ray LaHood, Secretary of Transportation Office of the Secretary U.S. Department of Transportation 1200 New Jersey Ave, SE Washington, DC 20590

Re: Support letter for Oklahoma Department of Transportation TIGER IV Grant Application

Dear Mr. Secretary:

I write today to urge your support of the Oklahoma Department of Transportation's (ODOT) TIGER IV Grant Application. This project undertakes to restore and utilize an out-of-service state-owned rail line to help meet growing demand for transportation of energy liquids in Western Oklahoma. Equipping ODOT with the means to restore this rail line allows the state to realize an opportunity envisioned in Oklahoma's comprehensive energy plan and in a very direct way, offers great potential to benefit local communities.

Last fall Governor Fallin unveiled the Oklahoma First Energy Plan. This comprehensive Energy Plan, which seeks to identify a roadmap for shaping Oklahoma's Energy future, focuses on a variety resources, opportunities, and needs essential to the state, including a chapter

100 N. Broadway, Suite 1880 • Oklahoma City, OK 73102 • 405-285-9211 • FAX 405-285-9212 E-MAIL: michael.ming@doe.ok.gov

dedicated to "Transportation, Distribution, and Infrastructure." In particular, the Energy Plan identifies the specific opportunity that ODOT seeks realize with this application: Upgrading significant amounts of usable rail lines to move both oil products and agricultural products to maximize the state's ownership of these lines. More directly, the Energy Plan recommends "Utiliz[ing] railroads where possible to alleviate pipeline constraints, recognizing that rail can be one of the most efficient methods for transportation." ODOT's application to restore service to an existing state-owned rail line in Thomas, Oklahoma is entirely consistent with the objectives of the state's energy policy.

More specifically, this project offers very tangible benefits to local communities. With increasing new supplies of crude oil in Western Oklahoma, many operators are electing to transport production by truck due to the lack of available pipeline capacity. In turn, this leads to increased traffic, road wear, and emissions associated with movement of these resources. By expanding options for rail transportation, operators will have the opportunity to elect for a more efficient overall form of transportation that will also work to preserve the longevity of infrastructure in rural areas of the state. This application recognizes an excellent opportunity to maximize the greater potential of underutilized state resources in order to offer substantial benefits to local communities.

I appreciate this opportunity to share with you the importance of this project to Oklahoma, and I urge your expeditious approval of ODOT's TIGER IV Grant Application.

Sincerely,

C. Michael Ming Secretary of Energy

State of Oklahoma