

LAW OFFICES
JOHN D. HEFFNER, PLLC
1750 K STREET, N.W.
SUITE 200
WASHINGTON, D.C. 20006
PH: (202) 296-3333
FAX: (202) 296-3939

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FD-34836
DAW

November 5, 2008

Ms. Diana Wood
Section of Environmental Assessment
Surface Transportation Board
395 E Street, N.W.
Washington, D.C. 20423-0001

**RE: STB Finance Docket No. 34836, Arizona Eastern Railway-
Construction and Operation-Graham County, AZ**

**Subject: ADOT Proposed US70 San Simon River Bridge
Reconstruction Project - Arizona Eastern Railway Project
Participation**

Dear Ms. Wood:

I am writing on the behalf of the Arizona Eastern Railway (AZER) to affirm its commitment to work with the Arizona Department of Transportation (ADOT) when it rebuilds the US 70 highway bridge over the San Simon River into a five-lane elevated structure. More specifically, AZER will agree to participate in the planning and funding of a fair share of the costs related to a bridge span that will replace the proposed AZER Safford Branch US70 railroad at-grade crossing that is currently in the alignment plans submitted to the Surface Transportation Board's environmental assessment section for permitting.

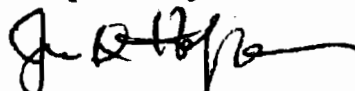
We anticipate that the STB will likely grant AZER's petition to build the subject rail line in early 2009. Following that, and working with ADOT and the Arizona Corporation Commission, AZER is proposing to design and construct a two-lane at-grade crossing traversing US 70, perhaps as soon as in early 2010. We realize that construction of the new ADOT US70 highway bridge could start within two years or so after that date, and that as a

consequence, the new AZER US70 at-grade highway crossing may need to be removed as soon as the new ADOT bridge is built. Even so, having the ADOT bridge built over the rail line would, in the long view, make for good engineering practice for both the highway and railroad rights-of-way and AZER would like to participate in this plan.

In the meantime, AZER is putting together work plans to perform survey and engineering work for the proposed two-lane US70 at-grade highway crossing, and will be starting to work with ADOT on the specific requirements for accessing the US70 right-of-way and designing a crossing that meets ADOT engineering design criteria.

Please contact me if you have any questions or require additional information.

Respectfully submitted,



John D. Heffner

cc: Mr. Jeff Barker
environmental contact list