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June 20, 2006

Mr. Scott Steinwert
Circle Point
135 Main Street, Suite 1600
San Francisco, CA 94205

CERTIFIED MAIL

Dear Mr. Steinwert:

Please be advised the City of Safford received your letter dated June 13, 2006. According to the information we received, Arizona Eastern Railway intends to file a petition with the Surface Transportation Board requesting authority to construct and operate an approximate 10 mile rail line in Graham County, Arizona. From all indications, the line would connect Phelps Dodge's proposed San Juan mining operation with an existing 133.5 mile Arizona Eastern Railway line that operates between Miami and Bowie, Arizona then connects with a line of the Union Pacific Railroad.

According to the map submitted by your agency, the City of Safford was granted a land patent pursuant to the Recreation and Public Purposes Act of June 14, 1926 (44 Stat.741) as amended by the Acton on June 4, 1954. (68 Stat. 173, 43 U.S.C. 869) as amended for the following described land:

Gila and Salt River Meridian, Arizona
T.75. R. 26 E
Sec. 3, E ½ SW ¼, SW ¼ SW ½, SE ¼;
Sec 10, NE ¼, NE ¼, NW ¼
Sec 11, NW ½; Containing 640 acres

According to the Land Patent, the Bureau of Land Management of the United States, on April 24, 1970, granted the above described land solely for the development of a public recreation area with related facilities only, with the stipulation that any revisions thereof are approved by the Secretary of the Interior or his delegate, after due notice and opportunity for a hearing, may declare the terms of this grant terminated in whole or in part.

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If the Patentee attempts to transfer title to or control over the land to another or the land is devoted to a use other than recreational purposes without consent of the Secretary of the Interior, or his delegate, or the Patentee prohibits or restricts, directly or indirectly, or permits its agents, employees, contractors, or sub contractors the use of any part of the patented lands or any of the facilities thereon by any person's race, creed, color, or national origin, title to the lands shall revert to the United States.


The Secretary, or his delegate, may in lieu of said forfeiture of title require the Patentee or its successor in interest to pay to the United States an amount equal to the difference between the price paid for the land by the Patentee prior to issuance of this patent and 50% (fifty percent) of the fair market value of the patented lands, to be determined by the Secretary or his delegate, of the date of issuance of this patent, plus compound interest computed at 4% (four percent) beginning on the date this patent was issued.

Therefore, the proposed rail line of the Arizona Eastern Railway is unacceptable due to the fact that our primary recreational facilities, i.e., public safety and civilian firing range, paint ball facility, model aircraft park, archery range, and four-wheeling activity area would be eliminated by the proposed rail designation.

Due to the "Land Patent" stipulations as outlined by the United States of America (see attached Patent Number 02-71-0033), the City of Safford opposes the proposed alignment change submitted by Arizona Eastern Railway. The City requests Arizona Eastern Railway evaluate other alternatives not encroaching on the City of Safford's land patented area of 640 acres.

If additional information is needed concerning the City of Safford's "Land Patent" as it relates to the proposed rail line construction and operation, please do not hesitate to contact me at 928-428-1757.

Sincerely,


Ronald M. Green, Mayor
City of Safford

RMG:smf

cc: Safford City Council
Mr. Bill Brandau, Bureau of Land Management