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August 10, 2006

Ms. Diana Wood  
Section of Environmental Assessment  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

Dear Ms. Wood:

I am writing on the behalf of the City of Safford to follow up on your visit here on July 18, 2006, when you inspected the Arizona Eastern Railway's proposed new railroad line construction project. My purpose in writing is to voice the City's full support for this project.

As you know, the Arizona Eastern Railway will soon be seeking authority from the Surface Transportation Board to construct this new 10-mile long railroad in Graham County. The proposed route will connect Safford's airport to Arizona Eastern's existing line. This spur will also service the new Phelps Dodge "Dos Pobres" mine just north of Safford.

Building this new rail line will provide three advantages to our community. First, the City is proposing to build a new industrial park adjacent to the Safford Municipal Airport. The proposed rail line's alignment would pass next to or through that site. The availability of rail service would greatly enhance the City's efforts to attract new industry to the airport.

Second, this new rail line serving the new Phelps Dodge Safford Mine would reduce the volume of heavy truck traffic on our highways and city streets. Absent rail service, Phelps Dodge would have to use tanker trucks to transport sulfuric acid from its plant at Globe, AZ, to the Safford Mine.

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The empty tanker truck traffic would also be on our highways as they return to Globe. Additionally, the copper products produced at the mine would also be on the highways as they are transported to various locations in the region and in the southwest. Almost all of this truck traffic would travel on US Highway 70, a two-lane road that is an alternative to Interstate 10 and the only east-east artery serving this part of Arizona.

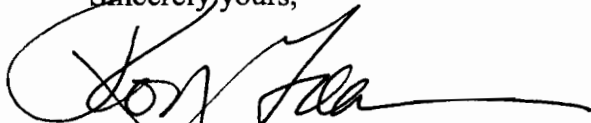
I realize that converting "truck" traffic to "rail" traffic has advantages of economy, energy consumption, and reduced congestion, but the great advantage as I see it is that the number of heavy trucks on our highways will be substantially reduced, making our highways much safer for our residents. The "safety factor" is important and should not be underestimated. Please let me know if there is anything I can do personally to speed up this process.

Last, the Arizona Eastern has stated its willingness to co-locate city-owned utilities on the new rail line right-of-way, to include the new rail bridge over the Gila River. Doing so would permit the City to install the infrastructure and provide services required for the proposed developments planned for properties adjacent to and on airport-owned land.

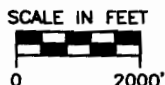
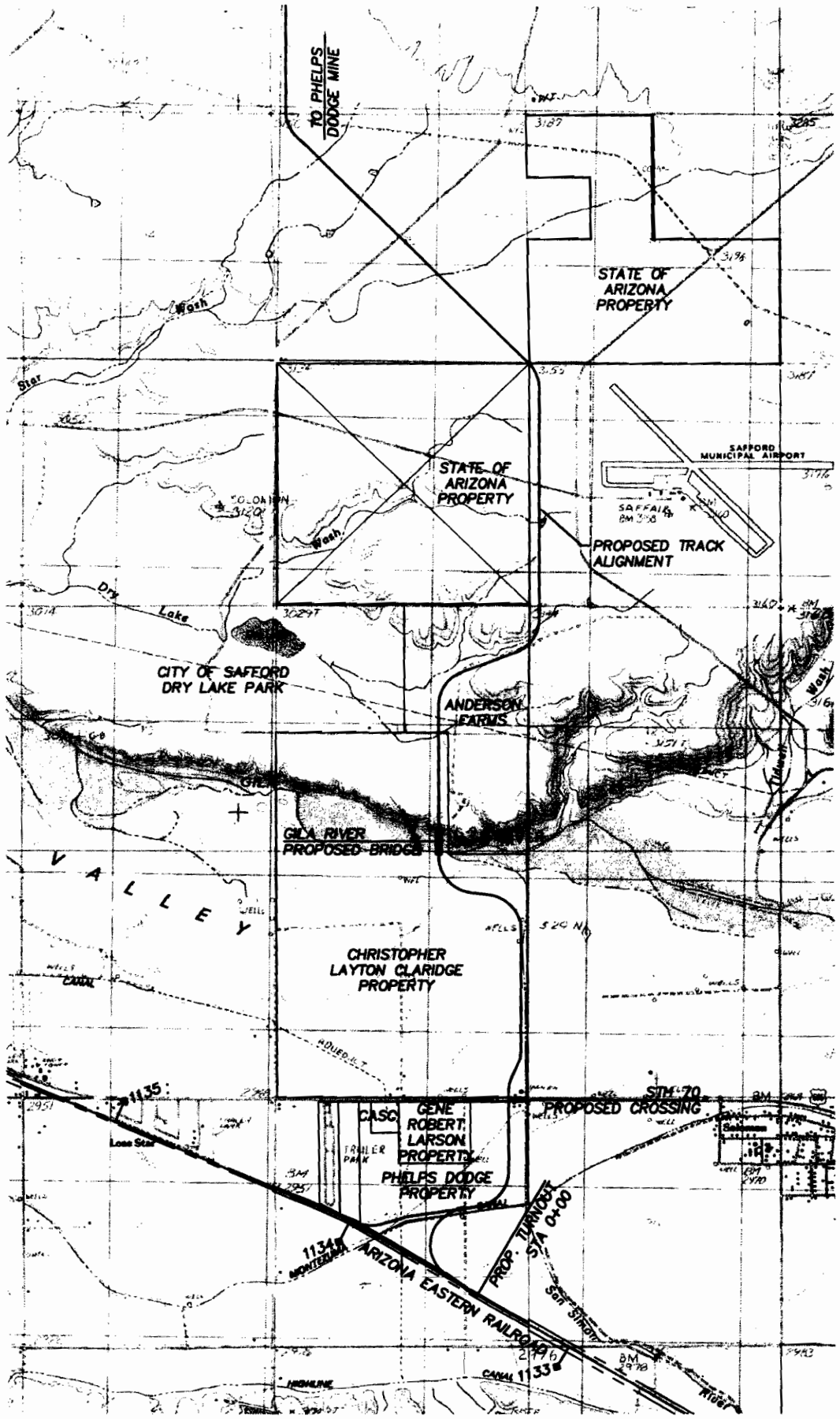
Considering these advantages, the City of Safford fully supports this project and offers whatever assistance needed to help expedite its approval as it proceeds through the Surface Transportation Board's environmental review process. The City previously transmitted a letter in June to the Board's Section of Environmental Analysis objecting to the placement of a rail line by Arizona Eastern on a different alignment than what is now contemplated. The City's objection was wholly related to the prior alignment and is inapplicable to the request now before the Board. Attached, please find a map showing the spur route as it is currently configured and proposed.

Once again, the City appreciates your taking time to visit and view the proposed rail construction project. If you have any questions about the City's comments on the railroad project, please don't hesitate to contact me at 928-348-3100 or by email at [rgreen@ci.safford.az.us](mailto:rgreen@ci.safford.az.us).

Sincerely yours,



Ronald M. Green  
Mayor



ARIZONA & EASTERN RAILROAD  
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SAFFORD, GRAHAM Co., ARIZONA

PHELPS DODGE SAFFORD INC.  
CONCEPTUAL RAIL LEAD TRACK  
JULY 20, 2006

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