



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

HEI-2454
JAN

Office of Economics, Environmental Analysis and Administration

June 13, 2006

National Park Service
Intermountain Region
12795 Alameda Pkwy
Denver, CO 80225



The National Park Service reviewed this project, and determined that no parks will be affected; therefore, we have no comments.

Signed: Cheryl Edwards Date: 6/26/06

Re: STB Finance Docket No. 34836, Arizona Eastern Railway – Construction and Operation – In Graham County, Arizona;
Request for Comments on Potential Environmental Impacts

To Whom It May Concern:

Pursuant to 49 U.S.C. 10502, the Arizona Eastern Railway (AZER) intends to file a petition with the Surface Transportation Board (Board) requesting authority to construct and operate an approximately 10-mile rail line in Graham County, Arizona (AZ) (see Figure 1). The line would connect Phelps Dodge's proposed San Juan mining operation with an existing 133.5-mile AZER line that operates between Miami and Bowie, AZ, then connects with a line of the Union Pacific Railroad (UP). AZER anticipates that the line would handle about 5,000 carloads annually, or one round trip per day at 15 to 20 carloads per trip, six days per week. Commodities to be handled include sulfur and sulfuric acid in tank cars and copper cathodes in boxcars. According to AZER, this traffic represents new business, which would move directly by rail from Phelps Dodge's mine and processing facility.

Pursuant to the National Environmental Policy Act of 1969 as amended (NEPA) and the Board's environmental rules, the Board's Section of Environmental Analysis (SEA) will prepare an environmental document that evaluates the potential environmental effects of the proposed project and the reasonable and feasible alternatives to the proposal including the no-build alternative. The purpose of this letter is to request information from your agency on the resources under your jurisdiction that could be affected by the proposed project, as well as any permits and approvals that may be required.

This letter begins the process by which SEA will assess the potential environmental effects, both positive and negative, that may be associated with the proposed rail line construction and operation. We appreciate your assistance in identifying whether resources of concern to your agency may be affected by the proposed project. We request your response by July 13, 2006, so that we may be able to schedule any meetings, site visits, or surveys, conduct necessary follow-up activities, and incorporate your response into the scope of the study, as appropriate.

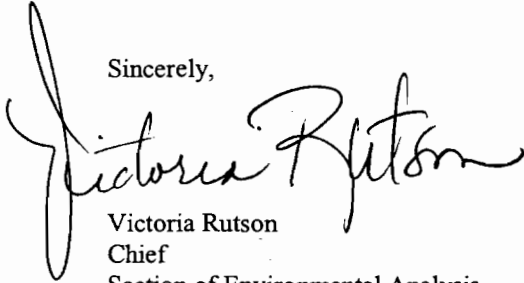
CirclePoint is serving as SEA's independent third-party consultant in this proceeding, and will assist SEA in the preparation of the environmental document. Please send your comments to:

Mr. Scott Steinwert
CirclePoint
135 Main Street, Suite 1600
San Francisco, CA 94105

SEA will prepare either an environmental assessment (EA) or an environmental impact statement (EIS). SEA's decision on whether to prepare an EA or an EIS will be based in part on comments received in response to this agency consultation letter. SEA will make the environmental document available for review by agencies and the public as required by NEPA and the Board's environmental rules (49 CFR 1105). In reaching its decision, the Board will take into account the environmental document and all environmental comments that are received.

If you have any questions, please do not hesitate to contact Scott Steinwert, Project Manager for CirclePoint at 415-227-1100, ext 117, or Diana Wood, SEA Project Manager at 202-565-1552.

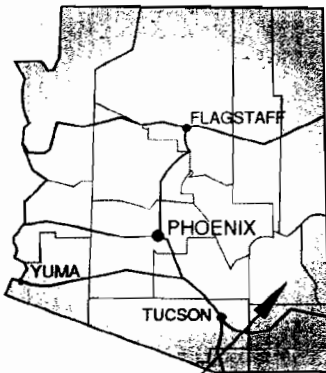
Sincerely,

A handwritten signature in black ink that reads "Victoria Rutson". The signature is written in a cursive style with a large, looping initial "V".

Victoria Rutson
Chief
Section of Environmental Analysis

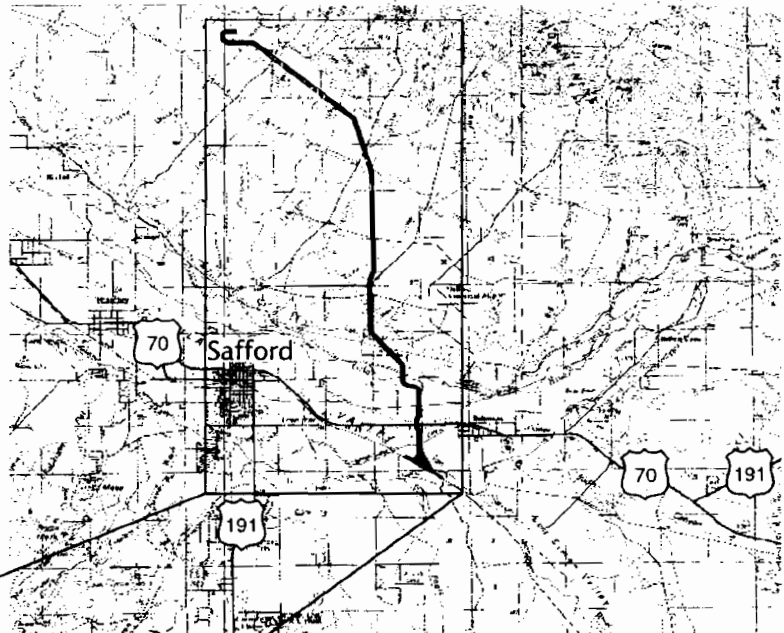
Attachment

ARIZONA

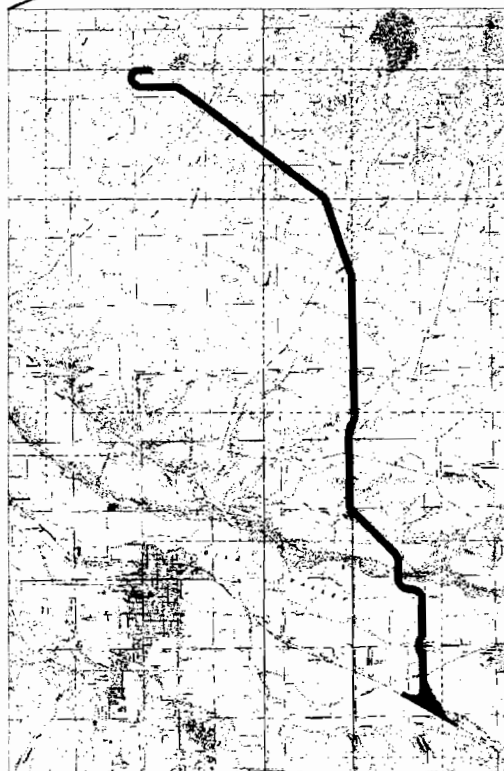


PROJECT
LOCATION

Portion of Graham County



Approximate Scale 1" = 20,000' Safford 1:100,000 USGS Quadrangle.



T.6S., R.26E., Portion Sections 5, 6, 8, 9, 10, 15, 22, 23, 26, 34 & 35.
T.7S., R.26E., Portion Sections 3, 11, 14, 23, 24, & 25.
Graham County, Arizona,
Weber Peak & Safford 1:24,000 USGS Quadrangles.

0' 6800' 13600'
APPROX. SCALE: 1" = 13600'



PROPOSED ALIGNMENT ARIZONA EASTERN SAFFORD BRANCH PROJECT

VICINITY MAP
Figure 1

WestLand Resources Inc.
Engineering and Environmental Consultants
2343 E. Broadway Blvd., Suite 202
Tucson, Az 85719 (520) 208-9589