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BEFORE THE
SURFACE TRANSPORTATION BOARD



STB Finance Docket No. 34836
ARIZONA EASTERN RAILWAY, INC.
-- CONSTRUCTION OF A LINE OF RAILROAD --
IN GRAHAM COUNTY, AZ

FILED

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Respectfully submitted,

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Counsel for Petitioner

DATED: August 4, 2006

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34836
ARIZONA EASTERN RAILWAY, INC.
-- CONSTRUCTION OF A LINE OF RAILROAD --
IN GRAHAM COUNTY, AZ

VERIFIED PETITION FOR EXEMPTION
UNDER 49 U.S.C. 10502

I. INTRODUCTION

Pursuant to 49 U.S.C. 10502, Arizona Eastern Railway, Inc. ("AZER" or "Petitioner"), an existing class III short line railroad common carrier, seeks an exemption from 49 U.S.C. 10901 permitting it to construct a new line of railroad (hereafter "the Line"). The subject line will extend between a point near Safford, AZ (at MP 1133.5), where it would leave AZER's existing line and proceed for approximately 10 miles across the Gila River to the existing Safford Municipal Airport and out to the planned location of Phelps Dodge Mining Company's ("Phelps Dodge's") new mine at Safford, AZ (hereafter referred to as "the Safford Mine").¹ The Line will be entirely in Graham County, AZ, in the Southeastern part of the State. The purpose of the proposed construction is to enable AZER to serve new customers on the

¹ At present there are no mileposts on the line to be constructed.

Line including the Safford Municipal Airport² and its proposed industrial park and the Phelps Dodge Safford Mine. With respect to the mine, Petitioners' rail service would have the immediate benefit of replacing tanker truck movements to the Safford Mine from Miami, AZ, and will handle outbound loads of copper products from the Safford Mine through Safford and then by rail to Bowie, AZ, for interchange to the Union Pacific Railroad Company ("UP"). A series of maps depicting the Line and its relationship to rivers, highways, and other railroad lines in the area are attached hereto as Exhibits A-C.

In support of its proposal, Petitioner submits as Exhibits D-E the Verified Statement of its Vice President Special Projects, Jeff Barker (hereafter "Barker V.S.") and a support letter from Phelps Dodge, the major shipper. AZER anticipates that the City of Safford will be filing a support letter shortly.

The exemption would be subject to completion of an environmental review by the Board's Section of Environmental Analysis ("SEA"). For the reasons stated herein, Petitioner seeks expedited consideration with a decision requested by March 2007.

II. FACTUAL BACKGROUND

Petitioner is an existing class III short line railroad that was acquired by its current owner, Iowa Pacific Holdings, Inc. ("Iowa Pacific"), in 2004.³ AZER was originally

² The City is proposing to locate an industrial park at the Safford Municipal Airport and seeks rail service at that location.

³ Iowa Pacific controls AZER through an intermediate holding company,

established in 1988 by Kyle Railways, Inc., a short line railroad holding company. AZER was successively acquired by short line owner StatesRail, Inc., when it acquired the Kyle portfolio of properties in 1997 and then by short line owner RailAmerica, Inc., when it acquired the StatesRail properties in 2002.⁴ In late 2004, RailAmerica sold AZER to the present owner, IPH, in a stock transaction.

As Petitioner's Jeff Barker relates in Exhibit D, AZER currently owns and operates approximately 133 miles of railroad extending between its interchange with UP's "Sunset Route" at MP 1098.1 at Bowie, AZ, and the end of the line at MP 1231.3 at Miami, AZ. AZER presently operates one round trip daily, seven days per week, employs 32 people, and handles approximately 7300 cars per year transporting a wide variety of commodities including copper ore concentrate, perlite, metallic copper, diesel fuel, and fertilizer. Barker VS at 3.

AZER is a member of the Permian Basin/Iowa Pacific family of short line railroads established in 2001 by several

Permian Basin Railways, Inc. See, STB Finance Docket No. 34614, Permian Basin Railways, Inc.-Acquisition of Control Exemption-Arizona Eastern Railway Company, Inc. (served Dec. 22, 2004).

⁴ See, Arizona Eastern Railway Company-Acquisition and Operation Exemption-Globe Branch of the Southern Pacific Transportation Company, ICC Finance Docket No. 31341 (served October 31, 1988, exempting acquisition by Kyle Railways owned Arizona Eastern of Southern Pacific's Globe Branch), StatesRail, Inc.-Continuance in Control Exemption-Kyle Railways Inc. et al, STB Finance Docket Nos. 33340 (served April 17, 1997, exempting StatesRail's acquisition of Kyle portfolio of railroads including Arizona Eastern), and RailAmerica, Inc.-Control Exemption-States Rail Acquisition Corp. and StatesRail, Inc., STB Finance Docket No. 34129 (served December 28, 2001, exempting RailAmerica's acquisition of control of the StatesRail portfolio of railroads including Arizona Eastern Railway).

individuals with extensive railroad operating and marketing experience with both class I and short line railroads. Permian Basin/Iowa Pacific currently own three other geographically separate class III short line railroads handling in excess of 20,000 carloads annually and connecting, as the case might be, with either BNSF Railway, Inc., or UP. Barker VS at 2.

III. A DESCRIPTION OF THE PROPOSED LINE AND PLANNED OPERATIONS

The subject rail line would begin at MP 1133.5 at Safford, AZ, where it would leave AZER's existing line and proceed for 10 miles across the Gila River to the Safford Municipal Airport and out to the planned location of Safford Mine. Petitioner had originally considered several possible right of way alignments and concluded that the right of way shown in color in Exhibit C would be optimal. The right of way would generally be 100 feet wide and would leave AZER's existing mainline at a location known as Lone Star Junction as indicated on the attached Exhibit C. From there it would proceed north, crossing US Highway 70, then crossing the Gila River over a new bridge, turning in a northeast direction towards the Safford Municipal Airport, and then proceeding in a north/northwesterly direction before terminating at Safford Mine.

Most of the land to be traversed consists of dry, relatively flat farmland, and scrub desert. Except for the City of Safford, the area is sparsely populated. Safford had a 2005 population of 9232 people with a population of 33,489 people for

Graham County overall. The rights of way being considered for the Line would cross properties owned by private individuals, Phelps Dodge, the City of Safford, and the State of Arizona.

The proposed right of way would not cross or connect with any other railroads. The principal rail-highway crossing would be at US Highway 70 where AZER would install automatic grade crossing signals. The Line would cross one other public road - Airport Road - and other private roads. Other than some irrigation canals, the Line would cross just one body of water, the Gila River.

Operationally, AZER expects to serve the Safford Municipal Airport and the Phelps Dodge Safford Mine, making one round trip seven days per week. AZER expects to handle all interline traffic in its daily train departing from the UP interchange at Bowie. Upon reaching Safford, AZER will switch the interline traffic for this Line out of its regular train consist bound for Miami. AZER will combine that traffic with inbound Phelps Dodge traffic (tank cars originating at Miami and bound for the Safford Mine) and the train will proceed to the end of the Line. For the return trip the train will leave the Safford Mine with empty tank cars for the Miami plant and outbound copper cathodes bound for either Miami or Bowie (for interchange to UP) and will also pick up any outbound traffic from the Safford Municipal Airport. Barker VS at 4-5.

As evidence of public need, Petitioner submits a letter of support from Phelps Dodge. It anticipates that the City of Safford will be submitting a support letter under

separate cover. The City is excited about the industrial development prospects the rail line brings to the area, both for Phelps Dodge and for industrial development it proposes at Safford Municipal Airport. Although no traffic information is as yet available, rail service is key to industrial development. Furthermore, the City is concerned that area highways, specifically US Highway 70, could not handle the additional truck traffic that the Safford Mine would generate.⁵

Phelps Dodge states that the mine will begin generating inbound freight in March 2008, and will be fully operational around mid-year 2008. Phelps Dodge describes in more detail its anticipated traffic flows and shipping needs. Of particular significance, it notes that, absent the proposed Line, the company would need to transport 60-80 truckloads of sulfuric acid daily from its existing facility at Miami to the Safford Mine and would then need to truck about 15 loads of copper cathodes from the mine back to its Miami, AZ, plant or to the UP rail line at Bowie. Construction of the Line would have substantial public benefits in terms of highway congestion in Safford and safety by removing this traffic from area highways, specifically two lane US Highway 70, the primary east-way highway serving the Gila Valley and the potential bypass to I-10.

⁵ As an aside, the City of Safford has opened discussions with the AZER about co-locating city-owned utilities on the new branch line right of way, including the Gila River Bridge. 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.

IV. ARGUMENT

A GRANT OF THIS EXEMPTION IS REQUIRED

Petitioner seeks an exemption under 49 U.S.C. 10502 from 49 U.S.C. 10901 to permit it to construct approximately ten miles of new railroad to serve the Safford Mine. As pertinent, §10901(a) provides that a person may construct an extension to any of its rail lines or construct an additional railroad line only if the Board issues a certificate authorizing such construction. Furthermore, the 1995 revision to §10901(c) directs the Board to issue a certificate authorizing construction unless it finds that such construction would be inconsistent with the public convenience and necessity. Board precedent establishes a clear presumption *favoring* [emphasis supplied] construction proposals. Midwest Generation, LLC - Exemption From 49 U.S.C. 10901 - For Construction in Will County, IL, STB Finance Docket No. 34060, slip op. at 7-8 (served March 21, 2002).

Moreover, while the proposed construction would be subject to approval under the formal requirements of 49 U.S.C. 10901 and the related regulations, the Board has generally allowed smaller construction proposals such as that here to utilize the individual exemption procedures of 49 U.S.C. 10502 to obtain approval. Under §10502(a), Congress intended for the Board, in a matter related to a rail carrier providing rail transportation subject to its jurisdiction, to exempt a person,

class of persons, transaction or service whenever it finds that the application of a provision of this subtitle - (1) is not necessary to carry out the transportation policy of §10101a of this title; and (2) either (a) the transaction or service is of limited scope, or (b) the application of a provision of this subtitle is not needed to protect shippers from the abuse of market power.

The legislative history behind §10505 [the predecessor section to the current §10502] makes clear Congress' intent that the Interstate Commerce Commission and [now the Board] use its exemption authority liberally to free certain transactions and services from the administrative and financial costs associated with continued regulation. In discussing the exemption powers of the Board's predecessor -- the ICC -- the Staggers Act legislative history states:

The policy underlying this provision is that while Congress has been able to identify broad areas of Commerce where reduced regulation is clearly warranted, the Commission is more capable through the administrative process of examining specific regulatory provisions and practices not yet addressed by Congress to determine where they can be deregulated consistent with the policies of Congress. The conferees expect that, consistent with the policies of this Act, the Commission will pursue partial and complete exemptions from remaining regulation.

H.R. Rep. No. 96-1430, 96th Cong. 2d Sess. 105 (1980); see also, Exemption from Regulation--Boxcar Traffic, 367 I.C.C. 424, 428 (1983), vacated and remanded on other grounds, Brae Corp. v.

United States, 740 F.2d 1023 (D.C. Cir. 1984). This statement applies equally to the Board as the ICC's successor.

Exemption of the proposed construction from §10901 is exactly the type of minor transaction Congress contemplated when it enacted §10502. The transaction proposed here falls squarely within the four corners of §10502 and its predecessor statute. Indeed, with the enactment of the ICC Termination Act of 1995, Board policy clearly favors the approval of short railroad construction projects by exemption. See, e.g., Ellis County Rural Rail Transportation District -- Construction and Operation Exemption -- Ellis County, TX, STB Finance Docket No. 33731, (served Feb. 15, 2000) (hereafter Ellis County); Pemiscot County Port Authority - Construction of a Line of Railroad - In Pemiscot County, MO, STB Finance Docket No. 34117 (served July 2, 2002) (hereafter Pemiscot); and Southwest Gulf Railroad Company - Construction And Operation Exemption - Medina County, TX, STB Finance Docket No. 34284 (served May 19, 2003) (hereafter Southwest).

A. Application of §10901 is Not Necessary to Further National Transportation Policy

Requiring Petitioner to comply with the formal requirements of §10901 is not necessary to carry out the transportation policy of 49 U.S.C. 10101a. That section, originally added to the Act by the Staggers Rail Act amendments and incorporated into the ICC Termination Act, represents Congress' most recent expression of rail transportation policy.

Of these, a grant of the petition would satisfy subsections (2) and (7) by minimizing federal regulatory control over and granting expedited consideration of Petitioner's request to construct a short ten mile long rail line. It would also satisfy subsections (4) and (5), by providing a shipper lacking direct rail access the option of rail transportation, ensuring the development of a sound transportation system with effective competition and coordination between railroads and other transportation modes, and fostering sound economic conditions in the transportation industry. See, e.g., Ellis County and Southwest, supra; and Alamo North Texas Railroad Corporation-Construction and Operation Exemption-Wise County, STB Finance Docket No. 34002 (served Nov. 8, 2001) (hereafter Alamo). Of particular significance to the City of Safford and Graham County, a grant of this exemption would promote transportation safety by removing numerous trucks from area highways, thereby enhancing highway safety. Finally, a grant of this exemption would satisfy subsection(14) by promoting energy conservation through increased use of energy efficient rail transportation.

B. The Transaction Is One of Limited Scope

The transaction unquestionably satisfies the limited scope test of §10502(a). The proposed trackage is but ten miles long, located in a very sparsely populated section of Arizona. The Line would initially serve one major customer, Phelps Dodge, as well as such customers that locate at the Safford Municipal Airport. Petitioner believes the Line will handle about 5,000 carloads of freight annually after construction. By any

measurement the Board chooses to use, this construction proposal is clearly limited in scope within the meaning of 49 U.S.C. 10502(a)(2)(A). A finding to that effect would be consistent with -- and is indeed required by -- the relevant facts of this case and relevant precedent. See, e.g., Ellis County, supra (4.8 miles of new construction), Pemiscot, supra (5 miles), Alamo, supra (2.25 miles), and Southwest, supra (7 miles).

C. Application of §10901 is Not Necessary to Protect Shippers from Abuse of Market Power

Because this transaction satisfies the limited scope test of §10502(a), Petitioner does not need to show that it also meets the alternative test that there is no opportunity to expose shippers to abuse of market power. But even if the limited scope test were not satisfied, the exemption sought herein would still be warranted by virtue of §10502(a)(2)(B) inasmuch as the subject railroad will offer an additional form of modal competition to the shippers. See, Alamo and Southwest, supra. In fact, this case is similar to both Alamo and Southwest because all three cases involve proposals to construct new rail lines to provide direct rail service to shippers that would otherwise be dependent solely on truck or truck/rail transload service for their transportation needs.

V. EXPEDITED HANDLING REQUESTED

Petitioner AZER requests that the Board expeditiously consider and grant its proposal. Any unreasonable delay could adversely affect its ability to provide rail service for

customers locating at the industrial park at the Stafford Municipal Airport and the Phelps Dodge Safford Mine resulting in more truck traffic, and related noise, pollution, energy consumption, and traffic congestion. In support thereof, Phelps Dodge has informed Petitioner that it needs to have rail service available by March 2008 when it expects to begin generating inbound freight at Safford Mine. Accordingly, Petitioner requests that the Board grant its petition for exemption effective on or before March 2007 so that it can complete construction of the Line by March 2008.

AZER has reviewed other fairly straight forward construction proposals such as those filed in Ellis County, Pemiscot, Alamo, and Southwest, and found that the time required from the date of filing the petition to the date of the final decision ran between 6 and 16 months.⁶ AZER has no reason to believe that the Board would require substantially more time here.

In anticipation of filing this Petition, AZER has worked diligently to 1) obtain a waiver of the six months prefiling notice, 2) engage the San Francisco-based environmental consulting firm of Circlepoint, Inc. (Circlepoint), as its third party environmental consultant, 3) have the SEA approve the engagement of Circlepoint, 4) have Circlepoint prepare and distribute a work plan, 5) have

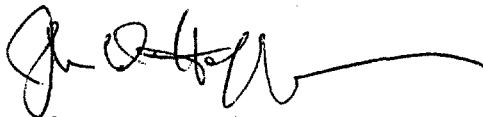
⁶ AZER understands that the critical date for Board consideration of the environmental impacts of the proposal is the date of execution of the Memorandum of Understanding [May 4, 2006], rather than the date the petition for exemption is filed.

Circlepoint prepare and the SEA distribute the environmental consultation letters to affected parties, 6) engage Westland Resources, Inc., to undertake some preliminary environmental research so as to expedite the independent activities of Circlepoint on behalf of the SEA, 7) conduct a site visit of the property between July 18 and 20, 2006, by Circlepoint and the SEA, 8) obtain a likely consensus of the affected parties as to the optimum alignment for the right of way, and 9) obtain the support of City officials and community leaders. AZER commits to giving both Circlepoint and the SEA its full cooperation to allow them to move this project along as quickly as possible.

VI. CONCLUSION

Accordingly, Arizona Eastern Railway, Inc. requests that the Board expeditiously grant it an exemption from the provisions of 49 U.S.C. 10901 to permit it to construct a new line of railroad extending between a point near Safford, AZ (at MP 1133.5) at the junction with AZER's existing line and then proceeding for approximately 10 miles across the Gila River to the Safford Municipal Airport and out to the planned location of the Safford Mine.

Respectfully submitted,



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Suite 800
Washington, D.C. 20036
Telephone: (202) 263-4180

Counsel for Petitioner

DATED: August 4, 2006

EXHIBIT A

Arizona Eastern Railway

 AZER Arizona Eastern Railway
 UP Union Pacific
 BNSF BNSF Railway

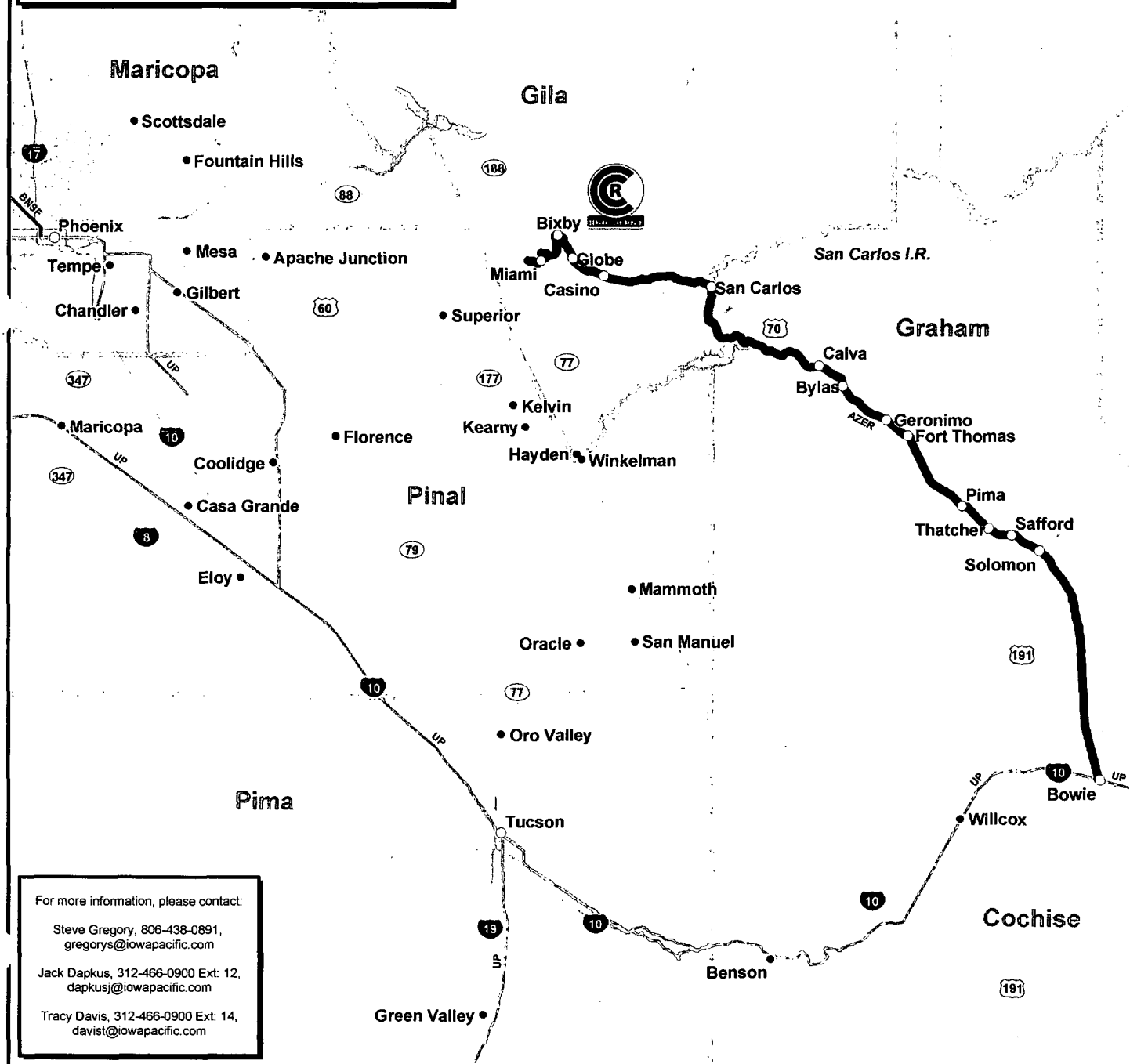


Central Car Repair Facilities

Connections: AZER with UP at Bowie, AZ



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Austin, Texas 78730 (512) 348-9330 <http://www.deskmap.com>



For more information, please contact:

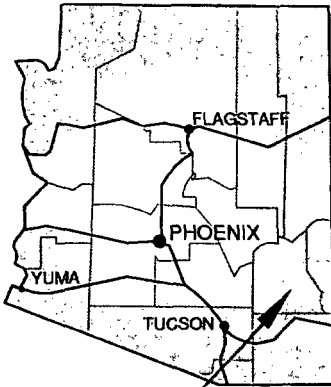
Steve Gregory, 806-438-0891,
gregorys@iowapacific.com

Jack Dapkus, 312-466-0900 Ext: 12,
dapkusj@iowapacific.com

Tracy Davis, 312-466-0900 Ext: 14,
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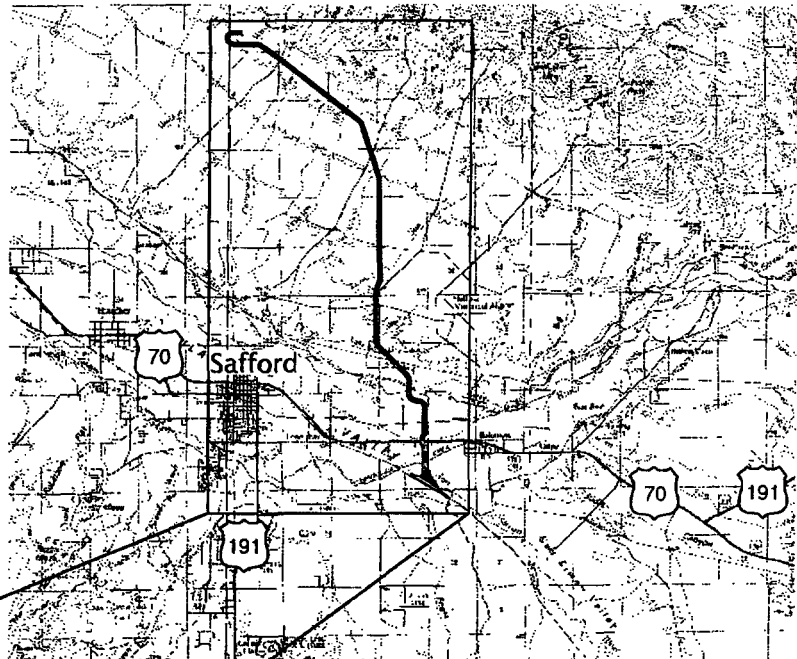
EXHIBIT B

ARIZONA



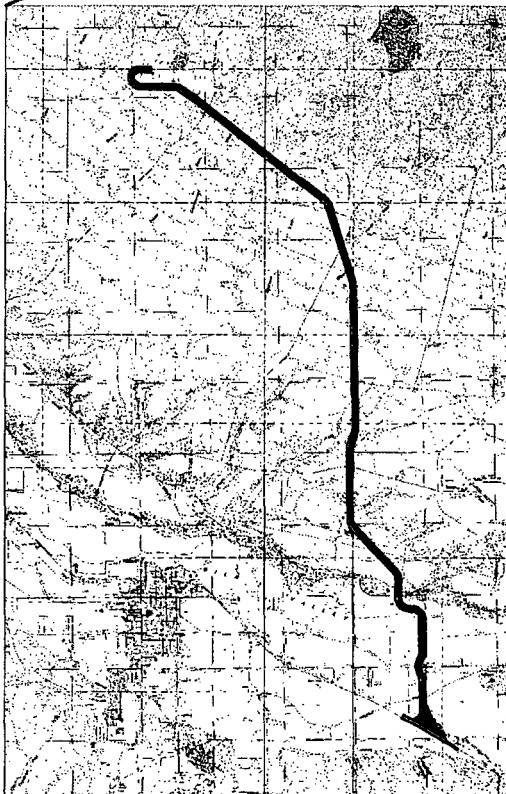
PROJECT
LOCATION

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

EXHIBIT C

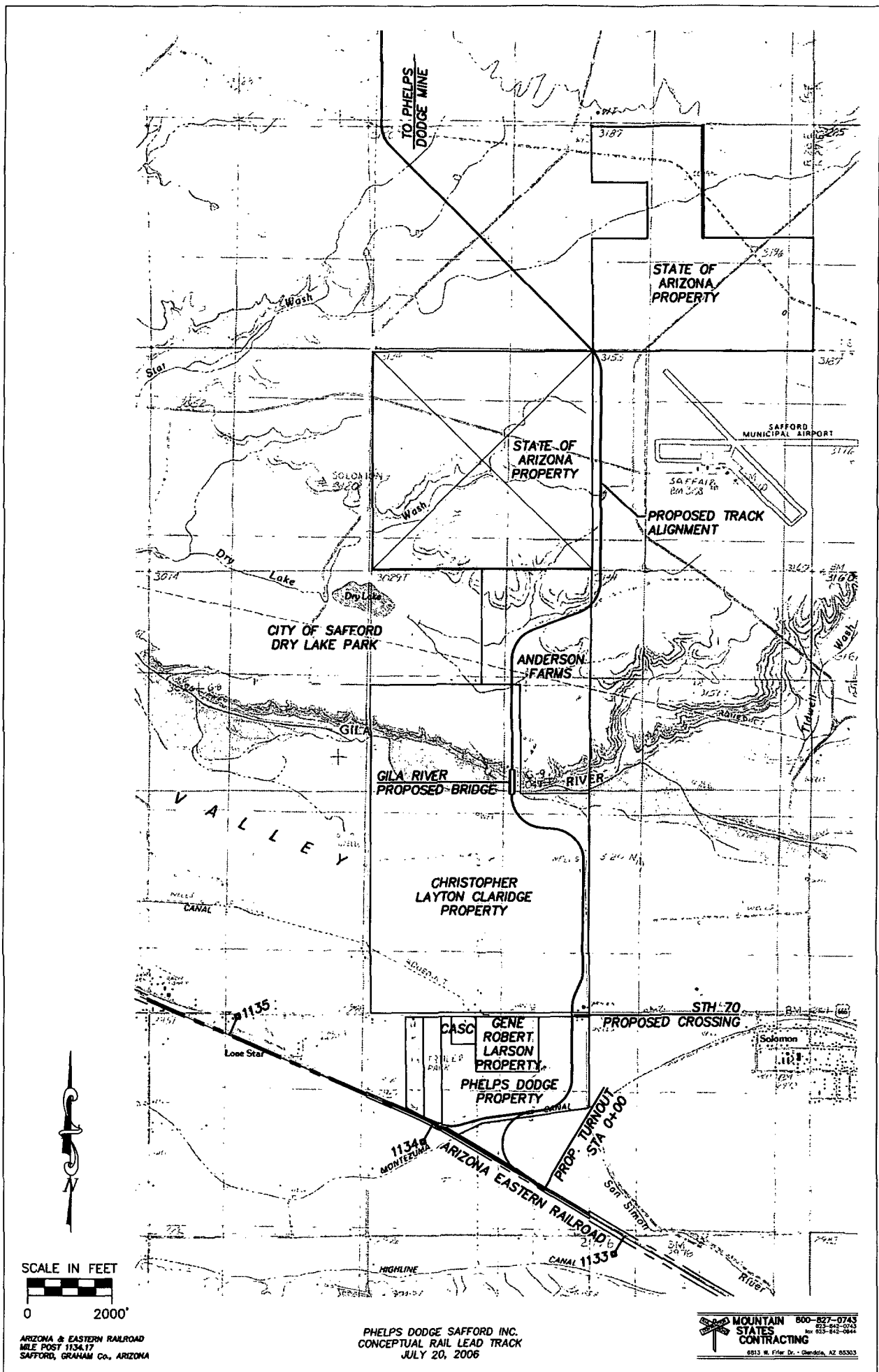


EXHIBIT D

EXHIBIT D

VERIFIED STATEMENT OF
JEFF BARKER

Jeff Barker states as follows:

1. My name is Jeff Barker. My office address is 1938 Beachside Ct., Atlantic Beach, Florida 32233. I hold the position of Vice President - Special Projects for Iowa Pacific Holdings, LLC ("IPH"), the corporate parent of Petitioner, Arizona Eastern Railway, Inc. ("AZER").
2. I have been employed by the railroad and transportation industries for the past 30 years. My relevant experience includes being a transit (BARTD, Oakland, Ca.) and railroad project manager (Bechtel Corp., San Francisco, Ca.; Amtrak, Washington, D.C.).
3. In my role with IPH, I am the corporate manager responsible for the permitting, design, construction management, and start up of rail service on the proposed new rail line. As shown on Exhibit C, the new line will extend from AZER's rail line at Safford, proceed north to cross the Gila River, traverse Safford Municipal

Airport property and then cross Phelps Dodge Mining Company's ("Phelps Dodge's") property, and end at Phelps Dodge's planned Safford Mine. The total length of the new line will be approximately 10 miles. I have been asked to prepare this statement supporting AZER's Petition to the Surface Transportation Board for authority to construct the subject rail line.

4. As background, AZER is one of four class III short line railroads owned by IPH and its operating subsidiary Permian Basin Railways, Inc. IPH is a railroad holding company established in 2001 by several individuals with extensive railroad operating and marketing experience with both class I and short line railroads. The three other short line railroads owned by Permian Basin/IPH are geographically separate from each other and the AZER. They are located in Colorado, New Mexico, and Texas. Collectively, these other railroads handle over 20,000 carloads annually and connect, as the case might be, with either BNSF Railway, Inc., or UP.
5. AZER currently owns and operates approximately 133 miles of railroad extending between its

interchange with UP's "Sunset Route" at MP 1098.1 at Bowie, AZ, and the end of the line at MP 1231.3 at Miami, AZ. AZER presently operates one round trip, seven days per week, employs 32 people, and handles approximately 7300 cars per year transporting a wide variety of commodities including copper ore concentrate, perlite, metallic copper, diesel fuel, and fertilizer.

6. AZER seeks to construct this line to serve a new industrial park the City of Safford plans to construct at the Safford Municipal Airport and the mine ("the Safford Mine") that Phelps Dodge is constructing near Safford in northeastern Arizona. Although no traffic information is as yet available, rail service is key to industrial development.
7. Phelps Dodge prefers using rail transportation to moving inbound tank cars of sulfuric acid from its plant in Miami, an Arizona city about 70 miles west of Safford, and to move outbound loads of copper and copper-related products back to Globe or to points throughout the United States in interchange service with the Union Pacific Railroad. Were it not for the availability of

the proposed rail service, Phelps Dodge would have to use motor carrier tanker truck service to move the inbound loads of acid to the Safford mine over US Highway 70, the only major highway traversing most of the Gila River valley.

Outbound moves of empty tanker trucks and copper products would also need to use the local and regional highways to get to their destinations.

8. Both the City of Safford and Phelps Dodge endorse using AZER for transporting heavy shipments from the perspectives of safety, energy consumption, environmental impacts, and overall transportation efficiency.

9. Operationally, AZER will be serving businesses located at the Safford Municipal Airport¹ and the planned Phelps Dodge Safford Mine, making one round trip seven days per week on the new rail line. AZER expects to handle all interline traffic in its daily train departing from the UP interchange at Bowie. Upon reaching Safford, AZER will switch the interline traffic for this

¹ The City is proposing to locate an industrial park at the Safford Municipal Airport and seeks rail service at that location. Although no traffic information is available as of yet, rail service is regarded as essential to industrial development.

Line out of its regular train consist bound for Miami. AZER will combine that traffic with inbound Phelps Dodge traffic (loaded tank cars originating at Miami and bound for the Safford Mine) and the train will proceed to the end of the new rail line. For the return trip the train will leave the Safford mine with empty tank cars for the Miami plant and outbound copper cathodes bound for either Miami or Bowie (for interchange to UP) and will also pick up any outbound traffic from the Safford Municipal Airport.

10. AZER respectfully requests that the Board expeditiously grant its request for authority to construct the subject line of railroad.

Pursuant to 28 U.S.C. 1746, I declare
under penalty of perjury under the law
United States of America that the fore
and correct.

Executed on:

8/1/06

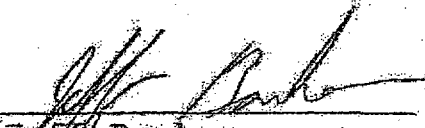

Jeff Barker

EXHIBIT E

August 3, 2006

Surface Transportation Board
Washington, DC

Dear Sir or Madam,

Phelps Dodge Safford, Inc. (PDSI), a wholly-owned subsidiary of Phelps Dodge Corporation, is beginning construction of a new copper mine (the Safford Mine) located approximately eight miles north of Safford, Arizona. In my capacity as General Manager of PDSI, I am responsible for day-to-day operations, as well as long-range planning and development for the Safford Mine.

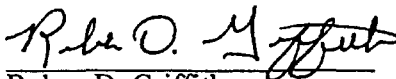
I am submitting this letter in support of the Petition of the Arizona Eastern Railway, Inc. ("AZER"), for authority from the Surface Transportation Board to build a new 10 mile long rail line from the vicinity of Safford, AZ, to serve planned development at the City of Safford's airport and the new mine our company is building near Safford.

As relevant here, a subsidiary of Phelps Dodge Corporation owns a copper mine, smelter and acid plant, copper rod mill and related facilities located on AZER's rail line at Miami, AZ. PDSI is presently constructing a new copper mine outside of Safford, AZ, located near AZER's rail line. The Safford Mine is scheduled to be operational around mid-year 2008. PDSI currently plans to utilize trucks to transport its traffic between the Safford Mine and its facilities at Miami. PDSI will need to transport approximately 60-80 truckloads of sulfuric acid daily from the existing facility at Miami, or from other locations, to the Safford Mine and will then need to truck approximately 15 loads of copper cathodes daily from the Safford Mine back to the Miami rod mill or to other locations. However, PDSI believes that rail service would be much preferable to these other modes in terms of transportation efficiency, highway safety and congestion, energy consumption, and other environmental considerations.

A particular advantage of the rail line would be the ability to divert a substantial amount of PDSI's traffic off area highways, specifically two-lane US Highway 70, the primary east-west highway serving the Gila Valley, as well as smaller county roadways connecting Highway 70 to the Safford Mine access road.

According, I request that the Board promptly consider and grant AZER's request for authority to build the subject rail line.

Very truly yours,



Ruben D. Griffith
General Manager

RDG:ram