

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
GRAHAM COUNTY UTILITIES, INC.
P.O. Drawer B
Pima, Arizona 85543

*Serving The Beautiful Gila Valley
In Southeastern Arizona*

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March 28, 2008

#E1-7064
DAW
FD 34836

Diana Wood
Section of Environmental Analysis
Surface Transportation Board
395 E Street SW
Washington, DC 20423

RE: STB Finance Docket No. 34836

Dear Ms. Wood:

On behalf of Graham County Electric Cooperative, Inc. (GCEC) I would like to address a number of concerns our company has regarding Arizona Eastern Railway's (AZER's) proposal for the construction and operation of additional railway in Graham County.

- The comment period should be extended.

Having natural gas and electricity lines in the area of the proposed railway, GCEC would be impacted greatly. Therefore we feel it is essential for our opinions to be considered in the study process.

- Added cost to GCEC's consumer-owners

The proposed route the railway would take would necessitate our rerouting major natural gas and power lines and would also require a number of railway crossings for our lines. Our past experience with AZER has taught us that they can arbitrarily and exorbitantly increase fees they charge for our lines to cross the railways. Any and all costs to GCEC associated with this action would impact our consumers in increased rates, as we are a non-profit, member-owned cooperative.

- Impact on land owners

It appears the proposed route cuts through prime farm land. Will compensation be made with consideration for loss of income from that ground for many years into the future? Our community was established and has thrived for many decades because of the farm industry. How will property values for homeowners in the area be affected? Will compensation be made to them?

- Gila River considerations

Having constructed and maintained power and natural gas lines across the Gila River for many years, we are familiar with the various issues that must be addressed when considering a crossing. Will the Army Corp of Engineers be involved? How will the natural flow of the river be impacted? Will changes increase flooding in our valley?

- Highway crossing consideration

In consideration of the heavy traffic on this highway including a large number of employees of the Freeport McMoRan Mine in Morenci traveling this route, serious consideration should be given to a highway overpass or under pass.

These are a few of our concerns. Over time and with more consideration, more issues will come to light. Please give our concerns serious consideration and allow us to have a voice in the planning of this project.

Sincerely,



Steve M. Lines
General Manager
Graham County Electric Cooperative, Inc.
Graham County Utilities, Inc.