



GRAHAM COUNTY ENGINEER

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MICHAEL R. BRYCE, P.E., R.L.S.
COUNTY ENGINEER

July 12, 2006

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

RE: Graham County and Proposed Arizona Eastern Railroad Alignment
Response to STB Inquiry

Dear Mr. Steinwert:

I am responding to your June 13, 2006 letter requesting comments on the proposed Arizona Eastern Railway spur to the Phelps Dodge San Juan Mine. In particular, this letter addresses resources which could be affected, any permits and approvals which are required by Graham County and potential environmental impacts for the proposed new alignment.

The proposed Railroad Spur may affect the following Graham County resources:

- Upper Solomon Road which connects Highway 191 to Bowie Avenue in Solomon may be affected. The railroad crossing at Upper Solomon Road is existing. It is not clear from the map if this crossing would be modified.
- North of the Gila River the railroad will cross Airport Road.
- The new railway should reduce truck traffic and the associated impacts on Graham County roadways servicing mine access.

Concerns have been expressed about potential impacts on the floodplain and properties within the floodplain. See FEMA FIRM map 040032 0810 and 040032 0675B for the floodplain areas. Negative impacts would not be permitted. However, there may be opportunity for beneficial impacts such as reduction of the floodplain area.

- The proposed new railroad alignment appears to be adjacent to the San Simon River and may affect the floodplain.
- The proposed alignment also crosses the Gila River Floodplain and may affect the floodplain.

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Permits/Approvals:

- Any construction in the floodplain would require a floodplain permit from Graham County. The project would be subject to the Graham County Floodplain Permit/Ordinance and FEMA regulations.
- Any construction involving Graham County roads or right-of-way will require a right-of-way/utility permit.

Sincerely,

A handwritten signature in cursive script that reads "Michael R. Bryce".

Michael R. Bryce, P.E., R.L.S.
Graham County Engineer