



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

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FD-34836
DAW

Office of Economics, Environmental Analysis and Administration

August 28, 2008

Don L. Klima, Director
Advisory Council on Historic Preservation
Office of Planning and Review
1100 Pennsylvania Avenue, NW
Suite 809
Washington, DC 20004

Re: STB Finance Docket No. 34836, Arizona Eastern Railway —
Construction and Operation — In Graham County, Arizona:
Notification of Adverse Effects

Dear Mr. Klima:

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is in the process of conducting an environmental review in Finance Docket No. 34836, Arizona Eastern Railway (AZER) – Construction and Operation – In Graham County, Arizona. The proposed 12-mile rail line would start at the connection with AZER's existing rail line in Safford, AZ, pass the Safford Municipal Airport (Airport), and terminate at the Phelps Dodge FreeportMcMoRan Dos Pobres Mine (the Mine), currently under construction. The proposed line would connect with an existing 113.5-mile AZER line that operates between Miami and Bowie, AZ. SEA has recently completed a Draft Environmental Assessment (EA) (enclosed) for this project pursuant to the National Environmental Policy Act (NEPA) and other Federal laws including the National Historic Preservation Act (NHPA). As the lead Federal agency responsible for complying with Section 106 of NHPA, we are informing you that the proposed undertaking could result in adverse effects to historic properties within the project's Area of Potential Effect (APE).

Two alternatives, the Proposed Action Alternative and the No-Action Alternative, are currently under consideration for the railroad construction project. AZER examined other alternatives but concluded that all but the proposed alignment are infeasible due to environmental, land use, and engineering constraints. SEA concurred with these findings. The Project Area is primarily located on privately owned land. Exceptions include U.S. Highway 70, a facility owned by the Arizona Department of Transportation, and parcels near the Airport, owned by the City of Safford. Initially, the railroad would serve only the Mine. However, the City of Safford commented that a planned industrial

park adjacent to the Airport could generate a need for rail service. In addition, AZER believes that rail service could be expanded further to support the planned increase in airport operations, as envisioned in the Airport's regional master plan. The project APE consists of a 500-foot-wide corridor.

SEA performed intensive archaeological surveys within the APE in 2006 and 2007. The first survey resulted in identification of seven new sites and three previously recorded linear sites, for a total of 10 sites that could be adversely affected. The second survey, required due to a modification to the alignment, resulted in the identification of two new sites, as well as new locations of two of the 10 previously identified sites. The project contains a total of 12 historic sites that could be adversely affected (see Table below). For a complete description of the inventory results, please see the enclosed documents: (1) *Inventory of the Arizona Eastern Railroad Extension of Service Right-of-Way Near Solomonville, Graham County, Arizona*, and (2) *A Class III Cultural Resources Inventory of the Arizona Eastern Railroad Extension of Service Right-of-Way Near Solomonville, Graham County, Arizona: Supplementary Archaeological Survey*. Both reports were prepared by WestLand Resources, Inc. (consultants for the railroad) and peer reviewed by William Self Associates, Inc. of Tucson, AZ on behalf of SEA.

Summary of Each of the Sites Identified in the Project Area

Site	In APE (Shown as Alternative B)	NHPA Eligibility	Adverse Effect
AZ CC:1:76 – GVG & N/AZE Railroad	Yes	Not eligible	No
AZ CC:2:172 – The Union Canal	Yes	Eligible under Criterion D	Yes
AZ CC:2:358 – Cochise or Mogollon Diffuse Lithic Scatter	No	Eligible under Criterion D	No
AZ CC:2:359 – Native Archaeological Culture	Yes	Not eligible	No
AZ CC:2:360 – The San Simon River Diversion	Yes	Requires more archival work, but could be eligible under Criterion A	Contingent on NHPA eligibility
AZ CC:2:361 – The Piggery	Yes	Eligible under Criterion D	Yes
AZ CC:2:362 – The Montezuma Canal	Yes	Requires more archival work to determine eligibility under Criterion A	Yes
AZ CC:2:363 – Farm Site located SW of the intersection of the San Simon diversion and	Yes	Farm Site – Requires eligibility testing under Criterion D	Contingent on NRHP eligibility

US 666/191			
AZ CC:2:364 – Underground Aqueduct	Yes	Eligibility not evaluated – no surface evidence observed	No
AZ CC:2:369 – Prehistoric artifact scatter with rock features.	Yes	Not Register eligible	No
AZ CC:2:370 – Prehistoric artifact scatter with rock features.	Yes	Not Register eligible under any Criteria but Feature 1 (potential grave) recommended for further testing	Contingent on testing of Feature 1
AZ CC:3:91 – US Hwy 666/191	Yes	SHPO has determined other portions of this linear site to be eligible, but has not previously evaluated this segment	No

SEA has been consulting with the Arizona State Parks (AZ SHPO) regarding National Register eligibility of the sites and likely adverse effects (see enclosed correspondence). SEA has also requested input from the AK-Chin Indian Community Council, the Tohono O’odham Nation, the Salt River Pima-Maricopa Indian Community, the Fort Sill Apache Tribe, the Mescalero Apache Tribe, the San Carlos Apache Tribal Council, the Gila River Indian Community, the White Mountain Apache Tribe, and the Pueblo of Zuni (see enclosed responses) regarding the National Register eligibility of the identified sites. Although we are still in the process of making final National Register determinations for the historic properties, the proposed action would likely result in adverse effects to some National Register eligible sites.

Consulting parties identified thus far include AZER, AZ SHPO, the Federal Railroad Administration, and the Gila River Indian Community. SEA intends to work with the AZ SHPO and other Section 106 consulting parties, as appropriate, in the development of a Memorandum of Agreement (MOA) and a Treatment Plan to stipulate and implement agreed upon measures to resolve any adverse effects to historic properties. Please advise SEA if the Advisory Council wishes to join these consultations.

If you have any questions, please do not hesitate to contact me, or Diana Wood, SEA Project Manager, at 202-245-0302, email woodd@stb.dot.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Vic Rutson", written in a cursive style.

Victoria Rutson
Chief
Section of Environmental Analysis

Enclosures (9)

cc: Jo Anne Medley, Compliance Specialist/Archaeologist, AZ SHPO
John Cook, CirclePoint
Kim Otero, WestLand Resources
John Ravesloot, WSA