

Arizona Eastern Railway

Broadening the role of Arizona Eastern Railway in the economy of southeast Arizona



Discussion Elements

- ❑ AZER Role Today
- ❑ Recent AZER History
- ❑ Community Engagement
- ❑ Engagement with San Carlos Nation
- ❑ Elements of a new AZER role in the region
- ❑ Grasping the Opportunity



AZER is part of Iowa Pacific Holdings

- Texas-New Mexico Railroad
- West Texas & Lubbock Railway
- Arizona Eastern Railway
- San Luis & Rio Grande Railroad
- Chicago Terminal Railroad
- Mt. Hood Railroad
- Dartmoor Railway
- Weardale Railway



Arizona Eastern Railroad

- ▣ Built in late 1800's to serve mining industry
- ▣ Spun off by large railroad (Southern Pacific) in 1988
- ▣ Succession of owners - little long-term investment
- ▣ Acquisition by Iowa Pacific in 2004



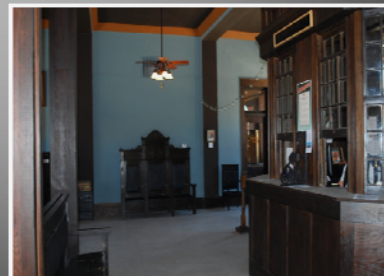
Arizona Eastern Railroad

- ▣ Current Status
 - 12,469 carloads in 2009
 - Copper Spike - 9900 passengers December- April
- ▣ Capital Expenditures \$32 million 2004-2009
 - ▣ Clifton Line Acquisition
 - ▣ Tie and Surfacing
 - ▣ Rail Relay
 - ▣ Highway/street crossing improvements

Arizona Eastern Railway - Community Engagement



Globe Depot Restoration



Copper Spike Train Service



Miami Rail Day



Meeting and Tour with Tribal Elders and Staff



San Carlos Tribe Engagement

- ❑ MOU signed September 2009
- ❑ Product of TIGER Grant Discussions
- ❑ Safety, Business Development and Tourism as Targets
- ❑ Complements ADOT/San Carlos Partnership



San Carlos Employment



- ▣ AZER Operations and Track Maintenance
- ▣ Special Projects – Gilson Wash

AZER Needs and Opportunities

- ▣ Upgraded track structure to support growth of freight service and regional commerce
- ▣ Enhanced track structure would permit introduction of enhanced passenger operations
 - Support for tourism/leisure development strategies
 - Rural mobility options for local residents

Federal Funding Opportunities

- ▣ Surface Discretionary Grants (TIGER)
 - 2009 Application
 - Future applications
- ▣ Joint HUD/DOT/EPA Livable Communities Program
- ▣ BIA Road Programs
- ▣ Federal Infrastructure Bank

Copper Country Rail Mobility Initiative 2010



CCRMI Proposal

- ❑ Upgrade track for improved safety and speed
- ❑ Reconstruct highway grade crossings
- ❑ Construct new track and facilities to make rail mode accessible for sulfuric acid and other mining industry commodities
- ❑ Develop new, regularly scheduled passenger rail service for the region

Benefits to Southeast Arizona

- ❑ Improved safety of train operations due to improved track
- ❑ New rail participation in mine-related traffic including hazmat
- ❑ Improved service capability to/from SCAN
- ❑ Opportunity for enhanced passenger operations
- ❑ Complements economic development strategies of the region

Passenger Service Elements

- ❑ Regular, year-round operations
- ❑ Four daily Globe/Miami to Safford round trips
- ❑ Tiered train fares for riders - regular users may have access at a substantial discount
- ❑ No operating subsidy



Next Steps

- ❑ Commitment from local political leaders
- ❑ Collaborative application "game plan" with AZDOT, San Carlos Nation and other public agency partners
- ❑ Pursue relevant DOT, BIA and HUD funding grants in 2011

Thank you.



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