



VALLE

Realty & Development

205559



Charles M. Sotelo, Broker

May 29, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

RE: Finance Docket No. 34191, *Petition for Declaratory Order of Charles M. Sotelo*

Dear Secretary Williams:

Enclosed are the original and 10 copies of the Reply of Petitioner Charles M. Sotelo, Broker/Owner Valle Realty & Development to the response by SWKR Operating Co. dated May 13, 2002 in the above entitled proceeding before the Board.

I appreciate the time and consideration of the Board to this very important issue and if you have any questions please call me at 520 432 2505.

Sincerely,

Charles Mazaira Sotelo

ENTERED
Office of the Secretary

JUN 06 2002

Part of
Public Record



BEFORE THE
SURFACE TRANSPORTATION BOARD
FINANCE DOCKET NO. 34191

PETITION FOR DECLARATORY ORDER OF CHARLES M. SOTELO
BROKER/OWNER VALLE REALTY & DEVELOPMENT

REPLY OF CHARLES M. SOTELO TO RESPONSE BY SWKR OPERATING CO
AND SAN PEDRO TRAILS, INC. LETTER DATED MAY 13, 2002

DATED: MAY 29, 2002
BY: CHARLES MAZAIRA SOTELO

BEFORE THE
SURFACE TRANSPORTATION BOARD
FINANCE DOCKET NO. 34191



PETITION FOR DECLARATORY ORDER OF CHARLES M. SOTELO
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AND SANPEDRO TRAILS, INC. LETTER DATED MAY 13, 2002

Charles M. Sotelo, Petitioner for Declaratory Order, request the Boards approval for Declaratory Order as written precisely because the issues presented are well settled. (Please see exhibit "A", exhibit "B" and exhibit "C".) Railroad state, ".... no business to warrant consideration...." but they want the option of opening a gate that will cut both Naco's in half (please see exhibit "C") creating the problems we have in Nogales and all other port of entries that the railroads cut their towns in half.

BACKGROUND

In the middle of the 1970's Southern Pacific Railroad abandoned, otherwise closed, the rail port of entry at Naco Arizona, Naco Sonora. They lifted the rail, ties **and the ballast** that connected (1,900 feet +/-) the Mexican railroad with the American railroad commonly referred to as "The Benson to Douglas Branch" never to do business with Mexico again. Sometime between 1994 and 1995 Kyle Railway purchased the "Benson to Douglas Branch from Southern Pacific. Kyle Railway filed for and was approved for the abandonment of the line between Paul Spur and the Mexican border at Douglas, Arizona and Agua Prieta, Sonora Mexico. This line, to include the rail and ties, have been sold as salvage and Arizona lost a rail port of entry into - out of Mexico. Kyle applied for and received "Rails to Trails" of this 11 or so miles and is presently banked. Kyle also applied for and was approved to abandon the line between Paul Spur to Charleston. Sometime late 1990's Kyle Railway was sold to StatesRail Railroad. StatesRail railroad stated they would lift and sell as salvage this Paul Spur to

Charleston line if they did not receive cargo to off set expenses. We, our group, meet with Eng. Oscar Gonzalez Rocha, Director General of the copper mines in Cananea and Nacozari Mexico and told them of this situation. They, Grupo Mexico, wanted the opportunity (please refer to my original Petition for letter of support from Grupo Mexico) of using a line connecting Mexico and the United States at Naco so met with and started to ship copper cathodes at Bisbee Junction on the short line owned by StatesRail. The line was saved! StatesRail had agreed to sell the short line to our group (letter on file) but changed their mind with the increase of shipments from Grupo Mexico. RailAmerica acquired, (contrary to letter submitted by "Respondents" stating their response to my Petition was delayed due to the acquisition of Respondents by RailAmerica. Please see www.railamerica.com and go to "Tuesday, November 6, 2001 RailAmerica recently announced StatesRail acquisition.....") StatesRail before the end of 2001 according to RailAmerica's web page.

We, our group, have had communications with two representatives of RailAmerica (please see Exhibits "A" and "B") stating we would like the opportunity of: One, working together in a joint venture on the railroad port of entry on the east end of town where a location has been approved by the communities of Naco Sonora and Naco Arizona along with their political representatives or two, sell us the short line between Paul Spur and Benson or Three, let us assume the risk of "no cargo" and allow us to connect to their line after we have approval on our Petition for Declaratory Order presently before this Board. As Respondents reply on response dated May 13th, 2002 clearly states ".... not interested in participating in the project with Petitioner on the terms proposed...".

ARGUMENT

We will not be invading, as one cannot invade a location that has been abandoned, RailAmerica's

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territory. They themselves state (see exhibits) “.....no cargo.....” So they will “land bank” or sell as salvage the line between Paul Spur and Charleston or wait until enough cargo presents itself to open a door that will cut our two Naco’s in half. Unacceptable!

The Respondents also state “.... they are not a railroad....”. We have in our possession from the Surface Transportation Board web page, “So you want to start a small railroad”, information to apply for status of short line railroad owner. On approval of our Petition for Declaratory Order we will, hopefully, become the shortest short line railroad in the Nation.

Now, do we write in attorneyeez? No, just plain English. Now, do we take advantage of public information available to us at the library and internet to assist us in our research. Yes, and will continue to do so.

CONCLUSION

Petitioner respectfully request approval of our Petition for Declaratory Order by this Board to allow our communities, Naco Sonora and Naco Arizona, the opportunity of bringing forth a well thought out plan for economic development using this railroad port of entry and the potential it brings for jobs! Ambos Naco’s (both Naco’s) have a rate of unemployment of +-30% and +-60% and we, Cochise County, are the number one choice of illegal immigration into the United States creating incredible hardships and too many deaths in the desert by desperate people looking for work. And, we see only too much the problems of illegal drug running activities through our border region because there is no other option for work to make money to survive. We need this project!

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The historic background, the arguments and the history of our region are, as the Respondents quite eloquently state, "...issues presented are well settled". We pray to have a better future.

My intention is to have this be my last writing. Everything is on the table from each side to look at.

Please approve our Petition for Declaratory Order.

Respectfully submitted,



Charlie Mazaira Sotelo
1020 Hwy 92
Bisbee, AZ 85603
520 432 2505

RE: Naco Rail Port

Exhibit "A"

Subject: RE: Naco Rail Port

Date: Mon, 7 Jan 2002 18:57:10 -0600

From: "Zorkers, Walter (Boca)" <Walter.Zorkers@railamerica.com>

To: "vallerealty@cybertrails.com" <vallerealty@cybertrails.com>

thanks, Charlie. Now that we have closed, I promise to review your project and respond to you.

Walt Zorkers

-----Original Message-----

From: Charlie Sotelo [<mailto:vallerealty@cybertrails.com>]

Sent: Monday, January 07, 2002 5:06 PM

To: Cecil, Todd N. (SATX)

Subject: Naco Rail Port

Dear Todd:

Congratulations on closing the StatesRail purchase. You guys have been pretty busy!

I'll wait for your call or e-mail. Don't like to keep bugging you but I need to know if there is any interest on RailAmerica's part to meet and discuss the Naco Rail Port of Entry Project. If not I'll go forward with my applications for the land crossing and meet you in the middle.

Charlie Sotelo
520 432 2505

RE: Naco Rail Port

Exhibit "B"

Subject: RE: Naco Rail Port

Date: Mon, 1 Apr 2002 12:22:23 -0600

From: "Sharp, Ray (Boca)" <Ray.sharp@railamerica.com>

To: "vallerealty@cybertrails.com" <vallerealty@cybertrails.com>

Charlie,

Thanks for the invitation, but I've been to Naco, already. I came to see the proposed rail crossing project as you described it in the material you sent to Walt Zorkers. I also saw the recently built track on the Mexican side, which stops directly in line with the SWKR right of way in AZ. I have also met recently with GrupoMexico and MineraMexico in Mexico City to discuss the prospects of moving freight over an international crossing at Naco. To date, I see little opportunity for real volumes of traffic to divert from Nogales to Naco. There are rate issues to be considered, not just a route.

Admittedly, you have been at this a lot longer than I have. I still have work to do prior to reaching any definite conclusions. However, the independence with which I conduct my investigation will be important as RailAmerica attempts to decide if a crossing at Naco is in it's best interest. If I have questions as I move through this study, I won't hesitate to call on you.

Ray Sharp

-----Original Message-----

From: Charlie Sotelo [<mailto:vallerealty@cybertrails.com>]

Sent: Monday, April 01, 2002 11:53 AM

To: Sharp, Ray (Boca)

Subject: Naco Rail Port

Dear Mr. Sharp:

Your short line, Benson to Paul Spur, parallels Naco and it will take less than 1/2 mile to connect to Mexico's rail line. I have spoken with Grupo Mexico (Ferromex) and they have given us a letter stating they would use this rail port of entry to ship their cargo. They also said they would be interested in laying the track on the U.S. side if I could get them work permits. I'm a member of the Arizona-Mexico Commission (under the Governors office) and believe the work permits for Grupo Mexico is doable! We are well in the process of applying for a land crossing.

The deep sea port of Guaymas is very interested in meeting with

Exhibit "B" Continued

- • • representatives from RailAmerica to show cooperation in providing you with a sea port with rail to Naco, your short line to Benson and Union Pacific for long haul.

So much work has been done on this project and it's just waiting for RailAmerica.

Please let me know when you may be available for a telephone conversation or meeting. I will go there or better yet, maybe you could come here.

Charlie Sotelo
520 432 2505

Exhibit "C"

West vs. East Railroad Crossing Sites



- *Abandoned Rail Site*
the Railroad may lay
their track on.

- *Rail to Benson*

- *Auto & Pedestrian*
Port-of-Entry

- *Downtown Naco's*
located within the
square

- *Mexico laid track*
through downtown
Naco Sonora in
order to connect to
US railroad on west
side

- *Border Fence*

Community Planned Industrial
Area!

- *U.S. Rail Line*

- *Mexico Rail Line*

- *Proposed Rail Entry*

on County designated
industrial zone area

Prepared by:
Naco Industrial Development - 432-2505
7/00

