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311788

July 15, 2026

Chief of Case Administration  
Office of the Chief Counsel Surface Transportation Board  
395 E Street, SW Washington, DC 20423-0001

ENTERED  
Office of Chief Counsel  
July 16, 2026  
Part of  
Public Record

Re: St. Paul & Pacific Railroad Company, LLC – Discontinuance Of Service Exemption – In Santa Cruz County, Cal., STB AB-1351X

Dear Sir or Madam:

Our organization is based out of Santa Cruz County and objects to the proceeding initiated by St. Paul & Pacific Railroad Company, LLC (“SPPR”), No. 311637, Docket No. AB- 1351X.

Our organization has been and is a strong proponent of freight and passenger rail. We have been following the activities regarding the Santa Cruz Branchline for a number of years. The Santa Cruz County Regional Transportation Commission (“SCC-RTC”) purchased the rail line, finalized in 2012, with the greater voting majority support of the community with the intention of continuing and growing rail activities into the future, which could include a potential for bringing materials throughout the county by freight rail. This was a condition of the grant funding made by the California Transportation Commission (“CA-CTC”).

Upon purchase of the rail line by the SCC-RTC, local investors emerged, forming investor and activist groups fully intent on ending any rail activity whatsoever on the rail line north of Milepost (“MP”) 3.0, despite the overwhelming support of future rail activities by the public throughout the county. Members of these groups initially proposed to the SCC-RTC that they could buy the rail line from the SCC-RTC in order to privatize the corridor. They indicated to the public that they wanted to rip out the tracks and build a permanent trail-only for pedestrians and a separated trail-only for e-bikes and other e-vehicles. They have invested significant time, effort, and money, including sponsoring candidates into elected office and meeting regularly with certain officials in order to achieve their end goals. They have considerable funds and impact on the community by controlling narratives across various venues.

Prior to December 2018, the then Executive Directors of the SCC-RTC worked with State and Federal representatives to continue to support ongoing rail activities. In 2018, upon the retirement of the SCC-RTC Executive Director George Dondero, new leadership was brought into the SCC-RTC who promised the State of California and the Santa Cruz County Community



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that they would move us forward with the same committed intention of supporting ongoing and future rail activities. A sudden shift away from this commitment coincided with the election of one of the leaders of the major organizations pushing for ripping out the tracks and implementing 'trail-only'. This county supervisor, Manu Koenig, was the prior Executive Director of Greenway, which sought and continues to seek to end future freight and passenger rail possibilities on our Santa Cruz Branchline north of MP3.

In 2022, Santa Cruz County Greenway brought their proposal to the public which would serve to remove the tracks of the Santa Cruz County Branchline for a permanent trail-only, and change the Santa Cruz County General Plan, removing all language in support of future of rail activity north of MP3 with the intention of building a 26-foot-wide asphalt trail. For public consumption, they termed their trail-only as an 'Interim Trail', a term meant to confuse and mislead local voters. The Greenway Ballot Measure (Measure-D 2022) failed significantly, as greater than 73% of the public voted to protect the tracks and not build a trail-only on the tracks. The implication is and has continued to be that a majority of voters in Santa Cruz County want to protect the tracks and move as quickly forward as possible with making the tracks for available for active rail activities and build a trail **adjacent to** the rail line. The opponents have invested considerably and continue to try to stop progress.

The rail line serves as a critical safety route, separate from the dense traffic of Highway 1, which parallels the tracks and is our only other route to bring in emergency equipment by rail, and evacuate community members, should there be a conflagration. With Measure-D 2022, twelve Fire Chiefs wrote a letter opposing Measure D's threat to remove of the tracks and cover them with an asphalt trail.

In 2012, St. Paul & Pacific Railroad Company, LLC ("SPPR") signed an ACL agreement with the SCC-RTC. The language included an agreement whereby the SCC-RTC was responsible to bring the Santa Cruz Branch line back into good repair at which point SPPR would then assume ongoing responsibilities of repair. On several occasions over the years, between 2012 and 2025, letters were sent by SPPR which indicated that the SCC-RTC had not completed their contractual responsibilities. SCC-RTC sent letters indicating they had completed repairs despite SPPR's requests for a **non-biased 3rd party** to review areas along the rail line which required the repairs per the ACL. For example, on June 1, 2022, SPPR wrote to the SCC-RTC and stated, "The SPPR actively promotes freight in Watsonville, but is unable to do so past milepost



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4.0 due to the RTC not having completed the work prescribed in Phase 1 and Phase 2 of the Administrative, Coordination, and License (ACL) agreement.” Several organizations which advocate for freight rail, including Equity Transit, spoke publicly at a number of SCC-RTC meetings requesting 3rd party oversight to move this issue forward. The current leadership of the SCC-RTC has not done so.

Despite the clear majority vote across Santa Cruz County to protect our rail line by leaving the tracks intact and not building a permanent asphalt trail in place of the tracks, demonstrated in the election of 2022, the current leadership at the SCC-RTC has strategized a potential plan to build a trail on the tracks, presumably without bringing undue attention to the Surface Transportation Board. By using the process of “discontinuance”, which might seem reasonable if, as SPPR states, there seems to be no interest in using the tracks which are in poor repair, the STB might assume the best of intentions.

In reality, Roaring Camp Railroad (Santa Cruz, Big Trees & Pacific Railway Company) has been unable to transport its rail cars and engines from the south of mp3 to its final destination at Roaring Camp in Felton, because of the unwillingness of the SCC-RTC to work with SPPR to complete the repairs outlined in the ACL. Removing tracks or building an asphalt trail on the tracks along any segment of the Santa Cruz Branchline between Watsonville and the Boardwalk, would leave the Santa Cruz, Big Trees & Pacific Railway Company stranded.

Given the strategy of the SCC-RTC to replace the tracks with an asphalt trail, the SCC-RTC has offered SPPR \$450,000 to amicably carry out the terms of separation, and except for this discontinuance proceeding, which SPPR agreed to initiate, among other things, in exchange for RTC's payment, the SCC-RTC and SPPR have separated.

The SCC-RTC has formed a new entity named Santa Cruz County Coastal Rail (“SCCCR”), a (501(c)4) California public benefit nonprofit corporation, the Board of Directors of which are the Commissioners of the SCC-RTC. The Executive Director of the SCC-RTC is also the Executive Director of the SCCCR and their plan is to take on responsibilities as the common carrier for the portion of the SCL Freight Easement north of MP 3.0. and follow through with a removing segments of our Santa Cruz Branch Line and replacing it with a highly controversial trail only, termed the ‘Interim-Trail’.

We request that you please not authorize discontinuation, a move which would provide an



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opening to the SCC-RTC to move forward with their misguided strategy are removing our valuable rail infrastructure and put an end to any possible rail activities.

Sincerely,

Lani Faulkner, Director

### Certificate of Service

I certify that I have, on this 15th day of July 2026, served by email copies of the foregoing document on all parties of record in this proceeding.

  /s/ Iwalani (Lani) Faulkner