



302399

May 24, 2021

Ms. Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
May 24, 2021
Part of
Public Record

Re: Docket #AB-1305, North Coast Railroad Authority Proposed Abandonment and Railbanking

Dear Ms. Brown,

Our companies, Humboldt Redwood Company, Humboldt Sawmill Company, Mendocino Redwood Company, and Mendocino Forest Products, are opposed to a trail system adjacent to or on the railroad system proposed by the North Coast Railroad Authority. As detailed below, the idea of a public trail at this location comes with significant wildfire concerns, public safety concerns, and is not feasible due to clauses in various easements and fee land agreements that revert the land back to our companies if a railroad is no longer being maintained.

Collectively, our companies own 440,000 acres of sustainably managed forestland, through which a portion of the railroad system traverses. There are 18 miles where Humboldt Redwood Company owns land on both sides of the rail line, 5 miles where the ownership is on one side and 9 miles of connecting line where there is no HRC ownership adjacent to the line, for a total of 32 miles (see attached map). As forestland owners, we strive to protect our forests from the ever present threat of wildfires. The California Department of Forestry and Fire Protection estimates over 90% of wildland fires are caused by humans, especially along travel corridors. As the proposed redwood trail will be located adjacent to and in our forestlands, we have the concern of campfires, smoking, or other ignition sources creating a hazard. Trail rules could prohibit this activity but enforcement will be difficult in the remote areas where most of the proposed trail system is located.

The rail line also traverses through the *middle* of our two industrial sites where our sawmills are located. Heavy equipment such as log trucks, lumber trucks, log loaders, and fork lifts cross the rail lines repeated on a daily basis in these areas. Clearly, public use of the rail line through our sawmills is not a compatible nor safe use.

To understand the current ownership of the land and easements through the land where the rail line is located, it is beneficial to discuss the history of how they became established. The Northwestern Pacific Railroad (predecessor to NCRA) was incorporated in 1907 with the combination of 29 separate smaller railroads. All of the land on which the line was built was private so there are no government grants associated with the NWP. The line consists of either fee strips or easements. There are a number of conveyances of fee strips of land which comprise the line as we know it today, that were made by The Pacific Lumber Company and its predecessors to the Northwestern Pacific Railroad and its predecessors. Since these conveyances were private they were subject to negotiation of the parties at the time.

A significant portion of the line through HRC was conveyed by The Pacific Lumber to the San Francisco and Northwestern Railway Company by deed dated May 15, 1903 and recorded on May 16, 1903 in Book 82 of Deeds, Page 410. It contains a reversion clause which reads as follows:

“.... or if thereafter such railroad shall not be maintained upon the aforesaid strip of land hereby conveyed, then to the extent that the same shall not be so used it shall revert to the Lumber Company, and upon its request the Railway Company will, by proper deed, reconvey the same.”.

In addition to the reversion clause, our Companies hold the timber rights to all lands adjacent to the rail line in Mendocino & Humboldt Counties. Copies of the deeds detailing agreements between the various parties are attached to this letter.

If the railbanking process continues to move forward, we plan to initiate actions to return the ownership of these lands back to our respective companies, consistent with these conveyances.

We have been in discussions with staff of Senator McGuire who leads the effort to create the Great Redwood Trail and look forward to continuing discussions to address the concerns in this letter.

For all the reasons we bring forward here, we respectfully request the Surface Transportation Board deny the North Coast Rail Authority's request for railbanking this portion of the rail line.

Sincerely,

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

John Andersen
Director, Forest Policy
Humboldt and Mendocino Redwood Companies

PACIFIC LUMBER COMPANY

TO

SAN FRANCISCO and NORTH-
WESTERN RAILWAY COMPANY,

THIS INDENTURE, made the 15th day of May 1903, by

and between the Pacific Lumber Company a corporation
created and existing under and by virtue of the
laws of New Jersey, (hereinafter called the

"Lumber Company"), party of the first part, and the San Francisco and Northwestern
Railway Company, a corporation existing under and by virtue of the laws of the State of
California, (hereinafter called the "Railway Company"), party of the second part:

WHEREAS, the Lumber Company is the owner of the strip of ground hereinafter des-
cribed, on which there has been constructed and is now in operation a private railway
used by the Lumber Company in connection with its logging and manufacturing operations;
and

WHEREAS, the Railway Company desires to acquire said real estate to be used
as a right of way for a railroad, which it proposes to construct thereon; and

WHEREAS, the Lumber Company is willing to sell the aforesaid strip of land,
and also the other strip of land hereinafter described, upon the terms and conditions
hereinafter set forth:

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Lumber Company, in
consideration of the sum of One Dollar, to it in hand paid, and other valuable consider-
ations, the receipt whereof is hereby acknowledged, has bargained and sold, and does
hereby grant, bargain, sell and convey to the said Railway Company, its successors and

A strip of land four (4) rods in width, extending from a point in Section No. Fourteen (14), Township No. Two (2) North, Range No. One (1) West, where the track of said Lumber Company's railroad connects with the track of the Eel River and Eureka Railroad; thence in a general southerly and southwesterly direction through said Section No. Fourteen (14) and Sections Nos. Twenty-three (23), Twenty-six (26), Thirty-five (35) and Thirty-six (36), in Township No. Two (2) North, Range No. One (1) West; and Sections Nos. Thirty-one (31) and Thirty-two (32) in Township No. Two (2) North, Range No. One (1) East; and Sections Nos. Five (5), Eight (8), Seven (7), Eighteen (18), Seventeen (17), Twenty (20), Twenty-one (21), Twenty-two (22), Fifteen (15), Twenty-three (23) and Twenty-four (24) in Township No. One (1) North, Range No. One (1) East; and Sections Nos. Nineteen (19) and Twenty (20), to the south boundary of said last named section, in Township No. One (1) North, Range No. Two (2) East; being Two (2) rods on each side of the center line of said Lumber Company's Railroad as now constructed and in operation on the aforesaid strip of land; also all of Block No. Four (4) and Lots Nos. Seven (7), Eight (8), and Nine (9) in Block No. Six (6), in the Town of Alton; together with all roadbed, bridges, tracks, buildings, and other improvements situate upon said premises, excepting from the foregoing strip any and all lands covered by the mills, platforms, and buildings or structures of any kind pertaining to or connected with the manufacturing plant of the Lumber Company at Scotia.

(b) A right of way four (4) rods in width through all lands owned by the Lumber Company in Sections Nos. Twenty-nine (29), Thirty-two (32), Thirty-three (33), and Thirty-four (34), in Township One (1) North, Range Two (2) East; Three (3), Ten (10), Eleven (11), Fourteen (14), Twenty-three (23), Twenty-six (26), Twenty-seven (27), Thirty-four (34) and Thirty-five (35), in Township No. One (1) South, Range No. Two (2) East; that is to say, two (2) rods in width on each side of the center line of the Railway Company's line as the same shall be finally located through the aforesaid lands.

TO HAVE AND TO HOLD the premises and property hereby conveyed, with all the rights, privileges and appurtenances thereto belonging or in any wise appertaining, unto the said Railway Company, its successors and assigns, subject to the reservations and for the purposes hereinafter set forth, viz:

First. That the Railway Company will construct, operate and maintain, a railroad extending from said Town of Alton, by way of Scotia, through the valley of Eel River and the South Fork thereof, to a point on the southern boundary of Township No. One (1) South, Range Two (2) East, and in case such railroad between said points shall not be constructed prior to January 1, 1905, or if thereafter such railroad shall not be maintained upon the aforesaid strip of land hereby conveyed, then to the extent that the same shall not be so used it shall revert to the Lumber Company, and upon its request the Railway Company will, by proper deed, reconvey the same.

Second. That there is excepted from the aforesaid conveyance all timber standing, lying or being upon the lands described therein, and the same shall remain the property of the Lumber Company, which is hereby granted license and permission to enter upon the aforesaid premises

right, title, interest and estate which on the first day of January, 1903, belonged to The Pacific Lumber Company, a corporation organized and existing under the laws of the State of California, in and to the aforesaid premises, and that the Lumber Company has not made any prior conveyance of the premises described in paragraph (a), or any part thereof, and will remove all liens created, or suffered by it to be created, on any of the premises hereby conveyed.

And this deed and conveyance is also made subject to all the reservations set forth in an agreement between the parties hereto of even date herewith, whereby the Lumber Company reserves the right to run its own trains over the premises hereby granted and conveyed.

IN WITNESS WHEREOF on the day and year first above written, each of the respective parties hereto has caused these presents to be signed and acknowledged by its President or Vice-President, and its corporate seal to be hereunto affixed, and to be attested by its Secretary or Assistant Secretary.

(Corporate Seal)

Pacific Lumber Company,
BY
Hiram C. Smith
President.

Attest:

L.L. Long
Secretary.

(Corporate Seal)

San Francisco and Northwestern Railway Company
BY
H.H. Pillsbury
Vice President

Attest:

A. Moreton
Secretary.

STATE OF CALIFORNIA,)
County of Humboldt) SS.

On this 15th day of May in the year one thousand nine hundred and three before me, A.C. Noe a Notary Public in and for said County of Humboldt personally appeared Hiram C. Smith and L.L. Long known to me to be the President and Secretary respectively of the Corporation that executed the within instrument, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at my office in the City of Eureka County of Humboldt, the day and year in this Certificate first above written.

(Seal)

A. C. Noe,
Notary Public, in and for said County, State of California.

Recorded at the request of F.A. Cutler May 16th 1903 at 40 minutes past 4 P.M.

Fred Robinson Recorder.

AGREEMENT

This agreement is made December 5, 1990, by and between **The Pacific Lumber Company** (PALCO), a Delaware corporation, **Britt Lumber Co., Inc.**, (Britt), a California corporation, and **The Eureka Southern Railroad**, a California corporation, and **The Northwestern Pacific Railroad Acquisition Corp.**, a California corporation (jointly the Railroad), and is based upon the following mutually agreed upon facts:

A. PALCO is a timber growing and lumber manufacturing concern owning in fee approximately 200,000 acres of timberland situated in Humboldt County, California.

B. Britt is a lumber manufacturer located in Humboldt County, California.

C. The Railroad operates a rail line which generally runs from Eureka, Humboldt County, California, through Trinity County, California, and terminates at Willits, Mendocino County, California. The "right-of-way" upon which said railroad line is located will be described and attached hereto as **Exhibit A** and will be incorporated herein by this reference subsequent to the execution of this agreement and represents the entire railroad right-of-way located in Humboldt County, Trinity County and Mendocino County, California. Failure to create and attach Exhibit A will not invalidate this agreement.

D. On or about December 16, 1986 the Railroad sought protection from its creditors by filing a bankruptcy petition seeking reorganization. Said petition was filed in the United States Bankruptcy Court for the Northern District of California. The Railroad is currently managed by a bankruptcy trustee under supervision of the Bankruptcy Court.

E. The Railroad's predecessors in interest constructed Railroad's track over said "right-of-way" which was granted in part by PALCO's predecessors in interest and by Britt or Britt's predecessor in interest. In each case the grantor granted Railroad's predecessors a fee interest in said "right-of-way", retaining a right of reverter to said "right-of-way" which would cause fee ownership to revert to grantors or their successors in interest if and when the grantee(s) or their successors in interest failed to operate and maintain a railroad line on said "right-of-way".

F. The aforesaid "right-of-way" is 66 feet wide in most locations but is wider in some and narrower in some. This agreement pertains to all of Railroad's "right-of-way", regardless of width. For the purposes of this agreement the term "right-of-way" means all Railroad ownership located in the Counties of Humboldt, Trinity and Mendocino, California.

G. Timber, some currently merchantable and some currently unmerchantable, stands and lies on said Railroad "right-of-way".

H. Railroad desires to sell, and PALCO desires to buy, timber rights forever and not merely the standing timber located on the aforementioned Railroad "right-of-way".

I. PALCO and Britt desire to acquire an option to purchase those portions of the aforesaid Railroad "right-of-way" which are located adjacent to real property owned by PALCO or Britt, respectively.

J. As consideration for the aforementioned timber rights and for Railroad's grant of an option allowing PALCO and Britt to purchase a portion of the aforesaid "right-of-way" which is adjacent to PALCO or Britt's real property, respectively, PALCO will pay to Railroad the sum of \$180,000.00 cash.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. An escrow will be opened at Fidelity National Title Insurance Company located at 404 Fourth Street, Eureka, California.

2. Railroad shall convey to PALCO by deed the timber rights to timber located within the railroad "right-of-way" located in Humboldt, Trinity and Mendocino Counties. Said deed shall grant to PALCO all timber standing, lying or being on said railroad "right-of-way" and timber rights forever, not merely the timber presently standing on said real property and shall include the right to manage, cut and remove timber from said "right-of-way". Said timber rights conveyed shall be free of liens.

3. PALCO or any successor in interest shall not interfere with the Railroad's operation of its rail line in any way that would affect Interstate Commerce, and agrees that Railroad will be notified of any logging operation prior to its commencement so that appropriate measures may be taken by Railroad for its continued operation.

4. For a period of 50 years, commencing on December 5, 1990,

Railroad grants to PALCO and Britt, individually, or their successors in interest an option to purchase any or all of the portions of the Railroad right-of-way which are located adjacent to real property owned by PALCO or Britt. The purchase price shall be \$20,000.00 payable in cash. Said option may be exercised by PALCO or Britt or both or their successors in interest if in the future Railroad or its successors in interest fail to operate and maintain a railroad operation on said "right-of-way". Said option may be exercised by PALCO or Britt or both no later than 180 days of the date Railroad or its successors in interest fail to operate or maintain said railroad operations on said "right-of-way" by giving Railroad or its successors in interest written notice. Within 30 days of the date of said written notice PALCO shall pay Railroad or its successors in interest the sum of \$20,000.00 cash as payment in full for said real property subject to this option regardless of whether PALCO or Britt or both exercise said option to acquire any or all of the real property subject to this option.

5. PALCO shall pay Railroad \$180,000.00 on the terms and conditions set forth herein.

6. This transaction is expressly contingent upon approval of this agreement and written court order stating said approval by the United States Bankruptcy Court for the Northern District of California.

7. PALCO shall pay to Railroad the sum of \$40,000.00 cash upon the filing of the aforesaid court order of the Bankruptcy Court. An additional \$60,000.00 shall be paid to Railroad no later than 11:00 a.m. December 7, 1990. The sum of \$80,000.00 shall be deposited in the aforesaid escrow to be released to Railroad upon the issuance of a California Land Title Association standard policy of insurance in the amount of \$165,000.00 to be paid by PALCO and to be issued by Fidelity National Title Insurance Company showing title to the aforementioned timber rights in the name of PALCO. In no event shall the \$80,000.00 be paid to Railroad later than 30 days from the date of this agreement.

8. PALCO shall have the right to further assign or convey said timber rights being acquired from Railroad.

9. This agreement shall be binding on and inure to the benefit of the parties to this agreement and their successors and assigns.

10. This agreement and the legal relations between the parties shall

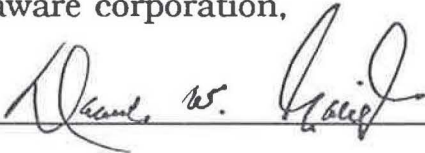
be governed by and construed in accordance with the laws of the State of California.

11. If any action, proceeding or arbitration arising out of or relating to this agreement is commenced by either party to this agreement then as between PALCO, Britt and Railroad the prevailing party shall be entitled to receive from the other party in addition to any relief that may be granted the reasonable attorneys' fees, costs and expenses incurred in the action, proceeding or arbitration by the prevailing party.

12. The waiver by any party to this agreement of a breach of any provision of this agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this agreement.

In Witness Whereof, the parties have executed this agreement on the date first set forth above.

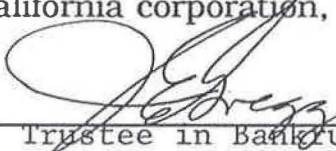
THE PACIFIC LUMBER COMPANY,
a Delaware corporation,

By 

BRITT LUMBER CO., INC.,
a California corporation,

By 

THE EUREKA SOUTHERN RAILROAD,
a California corporation,

By 
Trustee in Bankruptcy

**THE NORTHWESTERN PACIFIC
RAILROAD ACQUISITION CORP.,**
a California corporation,

By 
Trustee in Bankruptcy

PL Doc #4878 (2 of 5)

016065
RECORDED AT REQUEST OF

AS SHOWN

BOOK 2197 PAGE 144
94 AUG 22 PM 3:52

Recording Requested By, &
When Recorded Return To:

William H. Carson, Jr.
Huber & Goodwin 550 I Street
Eureka, CA 95501

OFFICIAL RECORDS
MENDOCINO COUNTY CALIF.
MARSHA A. YOUNG
RECORDER

10.00
28

	\$20.00 PAID
X	PCO FILED
	Exempt

Documentary Transfer Tax \$ 27.50

Huber & Goodwin

By:

William H. Carson, Jr.
William H. Carson, Jr.

DEED OF TIMBER INTERESTS

By this instrument dated December 5, 1990, for a valuable consideration, **Eureka Southern Railroad Co., Inc.**, a corporation organized under the laws of the State of California, and **Northwestern Pacific Railroad Acquiring Corp.**, a corporation organized under the laws of the State of California, do hereby grant to **The Pacific Lumber Company**, a corporation organized under the laws of the State of Delaware, the timber rights to timber located within the Grantors' railroad right-of-way located in the County of Mendocino, State of California, including all timber standing, lying or being on Grantors' railroad right-of way and timber rights forever, not merely the timber presently standing on said railroad right-of-way of real property, together with the right to manage, cut and remove timber from said right-of way, described as follows: All railroad right-of-way of real property owned by Grantors located in Mendocino County, California,

Together with a right-of-way over Grantors' real property to get and remove timber therefrom.

Eureka Southern Railroad Co., Inc.
a California corporation.

By:

Jerry E. Gregg
Jerry E. Gregg,
Trustee in Bankruptcy

**The Northwestern Pacific Railroad
Acquiring Corp.**, a California corporation

By:

Jerry E. Gregg
Jerry E. Gregg,
Trustee in Bankruptcy

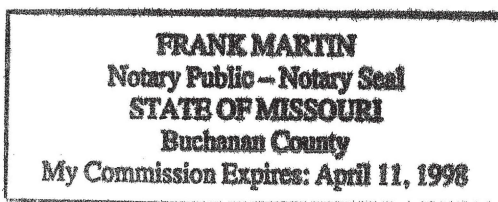
State of ~~California~~ ^{MISSOURI})
County of ~~Humboldt~~ ^{BUCHANAN}) ss.

On August 4th, 1994, before me the undersigned Notary Public, personally appeared Jerry E. Gregg, personally known to me / proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it in his authorized capacity(ies), and that by said signature(s) on this document, the person(s) or the entity(ies) upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Frank Martin
Notary Public



RECORDED - OFFICIAL RECORDS
HUMBOLDT COUNTY, CALIFORNIA
CAROLYN CRNICH, RECORDER

Recorded by HUBER & GOODWIN

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

William H. Carson, Jr.
Huber & Goodwin
Attorneys at Law
550 I Street
Post Office Box 23
Eureka CA 95502

Rec Fee 7.00
Doc Trf Tax 154.00

Clerk: PA Total: 161.00
Jan 31, 1991 at 15:44

Documentary Transfer Tax
\$ 154.00

Huber & Goodwin

By

William H. Carson, Jr.
William H. Carson, Jr.

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Together with a right-of-way over Grantors' real property to get and remove timber therefrom.

EUREKA SOUTHERN RAILROAD CO., INC.,
a California corporation,

By

Jerry E. Gregg
Jerry E. Gregg

Trustee in Bankruptcy

**THE NORTHWESTERN PACIFIC
RAILROAD ACQUIRING CORP.**,
a California corporation,

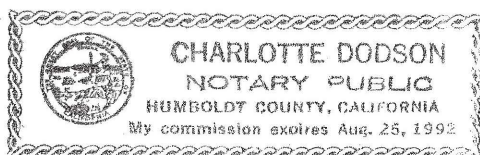
By

Jerry E. Gregg
Jerry E. Gregg, Trustee in Bankruptcy

STATE OF CALIFORNIA)
) ss.
COUNTY OF HUMBOLDT)

On January 30, 1991, before me, the undersigned, a Notary Public for said State, personally appeared Jerry E. Gregg, known to me to be the Trustee in Bankruptcy of Eureka Southern Railroad Co., Inc., and The Northwestern Pacific Railroad Acquiring Corp., the corporations that executed the within instrument, known to me to be the person who executed the within instrument on behalf of said corporations, and acknowledged to me that such corporations executed the within instrument pursuant to the Amended Order Authorizing Sale of Timber Rights filed on December 6, 1990, in the United States Bankruptcy Court for the Northern District of California in case number 1-86-01976.

Witness my hand and Official Seal,




Notary Public, State of California

My Commission Expires: