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VIA E-FILING

Cynthia T. Brown, Chief of Section

Administration Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

ENTERED
Office of Proceedings
June 10, 2022
Part of
Public Record

Re: North Coast Railroad Authority – Abandonment Exemption In Mendocino, Trinity, and Humboldt Counties, California AB-1305X.

Dear Ms. Brown:

I am writing to express strong support for the North Coast Railroad Authority/Great Redwood Trail Agency's (NCRA/GRTA) motions to reject all the pending notices of intent to file offers of financial assistance received by your office. I concur with many of the correspondents that have already submitted similar comments from throughout Northern California, and wish to highlight those statements, and provide some additional and supporting information below.

These "notices of intent" have been filed in an attempt to persuade the Surface Transportation Board to "eminent domain" property belonging to the State of California and its taxpayers, and to turn it over to private interests, ostensibly for freight operations. Let's be clear, the property cannot be used for freight, because its only connection to the national rail system is over trackage that has been embargoed by the Federal Railroad Administration since 1998 because it is unsafe to operate. Portions of the line have been accurately characterized as being on a "mud glacier" by no less than one of the OFA entities themselves. The safety embargo is in place due to repeated landslides, tunnel collapses and other repetitive rehabilitation nightmares.

Moreover, not one of the three proponents of supporting eminent domain of state property has established, or can establish, any continued need for freight rail service through this "mud glacier" over which they seek ownership. The embargo, which has been in place for 24 years, clearly demonstrates that the line is not necessary to support local shippers, even it was not on difficult terrain rendering it uneconomic in comparison to trucks. Put bluntly, there has been no freight rail service on the line since 1998.

The former Northwestern Pacific rail line runs from the San Francisco Bay Area through some of the most scenic, environmentally sensitive, and impassible terrain in coastal California as it makes its way to Humboldt Bay along the Eel River Canyon. The line is both a 300-mile scenic gem in the heart of California, and an impossible-to-maintain former timber line that has bankrupted several companies attempting to operate freight rail service.

The speciousness of the argument that the market requires freight service on the applicant's line is clear, in light of the following facts:

- No active freight carriers seek ownership of the line. The three OFA proponents (a rail bike operator, a tourist excursion operator, and a mysterious Wyoming LLC) have never engaged in interstate rail activities or currently operate freight rail.
- No active shippers are located on the line. No one has supplied any evidence of any shippers with enough business to justify the very high costs of restoring the line to functionality and keeping it there.
- Two of the three offerors have never pulled a single carload of any cargo in any location, and one is exclusively an excursion train that runs a successful and delightful railbike operation on their current rail route.
- No product in the modern era has successfully been shipped along the former North Coast Railroad Authority line.
- The entire line at issue has been embargoed for safety for 24 years without any serious effort from shippers or resources from private carriers to cover the costs to rehabilitate and to operate the line.
- The billions in cost of rehabilitating the line, several portions of which have fallen into canyons or waterways, would require exponentially more freight activity than has ever existed on the North Coast for this line.

For the Surface Transportation Board (Board) to compel a state-created agency to sell its interest on the basis of such demonstrably absurd claims of a need for freight, would do grave injustice to the people of the State of California, the environment, and run afoul of the intent and terms of STB's regulatory authority.

Moreover, two of the parties filing notice of intent are excursion operations which this agency's precedent disqualifies from use of OFA eminent domain procedures.

As to the third, North Coast Railroad Company (NCRCo), I respectfully urge the Board to reject this request outright. NCRCo missed the filing deadline of May 31 despite ample notice. For example, the Notice of Exemption in this abandonment proceeding was filed on May 14, 2021, over a year ago. NCRCo had plenty of notice about this proceeding which has been long pending, giving it ample time to prepare a notice of intent to file an OFA. The Board should enforce its deadline in this case. In addition, based on analysis of NCRCo's "preliminary financial responsibility," their showing fails to demonstrate anything - other than

perhaps potential deception based on independent review of their OFA. A non-showing like this should result in a rejection of the notice of intent to file an OFA, even if it were timely, which this one was not.

Based on the foregoing, I urge the Board to grant the NCRA/GRTA's motion to reject the notices of intent to file offers of financial assistance.

Certificate of Service. I hereby certify service by email attachment on June 7 on all parties of record in AB 1305X as of June 7, 2022.

Thank you for your attention to this most important matter.

Warmest regards,

A handwritten signature in black ink, appearing to be "Mike McGuire". The signature is stylized with a large, sweeping "M" and a cursive "G".

MIKE McGUIRE
Majority Leader, State Senate