

July 1, 2026 **REQUEST TO STAY**

Discontinuance of Service Exemption

St. Paul & Pacific Railroad Company, LLC, in Santa Cruz County, California

Surface Transportation Board Docket No. AB-1351X

**OVERVIEW AND BACKGROUND SUMMARY:
THE SANTA CRUZ BRANCH RAIL LINE
AND
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**

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1 INTRODUCTION & PURPOSE

This *Overview and Background Summary* information was prepared in anticipation of Surface Transportation Board (STB) consideration of the June 15, 2026 filing for Discontinuance on 90% of the Santa Cruz Branch Rail Line in Santa Cruz County, California (**STB Docket No. AB-1351X**). The Overview offers context for STB consideration of the St. Paul & Pacific Railroad Company, LLC, request for a Discontinuance of Service Exemption.

STB consideration and decisions about the Discontinuance and Exemption request are very important to our county's future. This Overview requests that the Surface Transportation Board issue a Stay of the above-referenced Discontinuance of Service Exemption request, and/or deny the request for Discontinuance altogether.

Transportation activities at regional and local levels are at best a blend of negotiations for scarce and fluctuating resources between various levels of local, regional, state and federal governments, private business, and the public at large. Rail planning activities in Santa Cruz County over the past four decades reflect a high degree of collaboration, public and private investment, affirmative public votes, and other public decisions that promote effective, modern uses of existing, well-located rail lines for public transportation, freight, adjacent pedestrian and bicycle paths, and tourism.

Transport decisions commonly consider demands for a pavement-oriented approach: highway and interchange widening, street and road improvements, subsidies for bus transit, and dedicated bicycle lanes and trails. Within this context and the seemingly insatiable drive for ever-more automobility, repurposing aged rail infrastructure in order to achieve contemporary land use and transport goals is an effort worthy of consideration and investment.

2 THE SANTA CRUZ BRANCH RAIL LINE, SANTA CRUZ COUNTY, CALIFORNIA

The Santa Cruz Branch Rail Line (SCBRL/Santa Cruz Line/Santa Cruz Branch/Branch/Branch Line/Line) is a 31-mile branch line under STB jurisdiction that traverses most of Santa Cruz County, connecting with the main California Coast Line in Pajaro just over the river from Watsonville. Amtrak's daily Coast Starlight between Seattle and Los Angeles travels through Watsonville/Pajaro Junction, located in Monterey County between stations in San Jose and Salinas.

The SCBRL generally follows the coastline of the northern Monterey Bay to the northwest (Map p.4). The Branch Line connected early statehood towns and shipping wharves along the Santa Cruz County coast. Built by local entrepreneurs, the Branch

Line opened 150 years ago in 1876 with the (unfulfilled) aspiration of eventually building a rail connection north along the coast to San Francisco - then and now the commercial center of northern California. The Branch Line was sold to Southern Pacific Railroad (SP) about ten years after its founding.

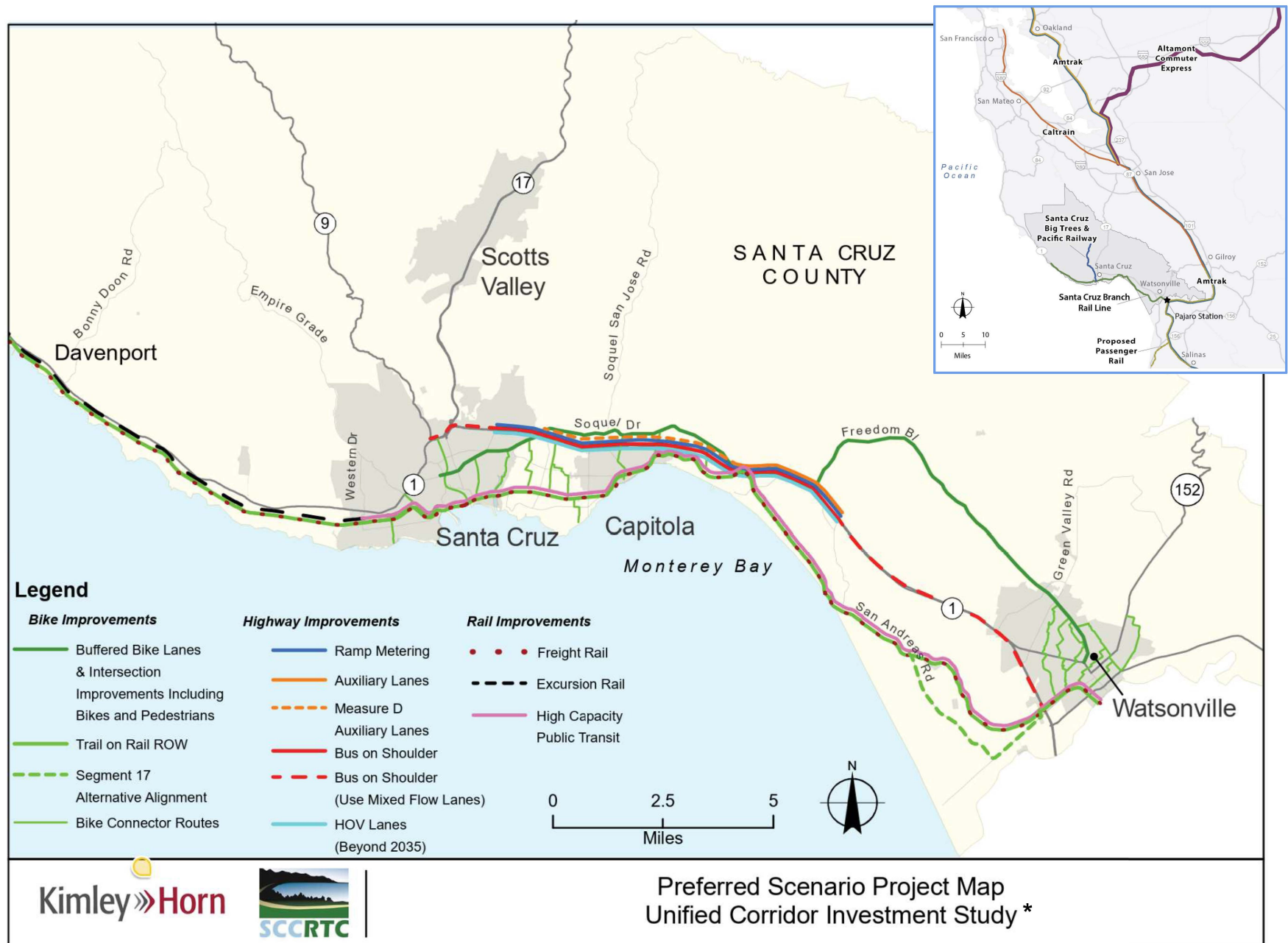
Southern Pacific converted the Branch Line to standard gauge and operated freight and passenger trains connecting Santa Cruz with its adjacent towns and the rest of California for the next 100+ years. SP was acquired by Union Pacific Railroad (UP) in 1996.

The Santa Cruz County Regional Transportation Commission (SCCRTC/RTC) purchased the Branch Line right-of-way for \$14.2M from Union Pacific in 2012 with 1990 State Proposition 116 and other state and federal funds. The most recent contracted carrier on the Line was St. Paul & Pacific Railroad Company (Progressive Rail, 2018-2026); this carrier was never able to operate on the Line due to RTC inaction on its own ACL-obligated repair of the Line.

Santa Cruz County Location and Economy. Santa Cruz County is located in the ‘Central Coast’ region of California adjacent to the south San Francisco Bay Area (‘Silicon Valley’) but separated from the Bay area by the Santa Cruz Mountains. The Monterey Bay and its coastal areas north and south comprise the Monterey Bay National Marine Sanctuary. The County population is about 260,000, with approximately 130,000 living at urbanized densities (5000+ people/sq.mi) along the coastal shelf between Santa Cruz and Aptos, and in Watsonville, and who are connected to the rest of California primarily via State Route 1, State Route 17, and the Santa Cruz Branch Rail Line.

The County’s diverse economy highlights higher education (University of California, Santa Cruz), tourism, tech, and agriculture together with a benign climate and abundant natural amenities including State Parks and Beaches, Cotoni-Coast Dairies National Monument, public harbor and wharves, the Santa Cruz Beach Boardwalk, accessible rivers and creeks, redwood forests, scenic sloughs, and Monterey Bay, mountain and agricultural vistas. Because of these amenities and the three million+ annual visitors they draw to the county - together with the notoriety of being the epicenter of the 1989 Loma Prieta Earthquake and filming location for The Lost Boys - Santa Cruz has high national and international renown relative to its small area and population.

While most urbanized areas in California are within the boundaries of incorporated cities, about half of Santa Cruz County residents live in unincorporated, but also highly urbanized, areas in-between and/or adjacent to its four cities, primarily along the coast.



*Source: SCCRTC

The 2019 Unified Corridor Investment Study is the source of the RTC's *Watsonville – Santa Cruz Multimodal Corridor Program*, a requirement for Solutions for Congested Corridors (SCCP) State Transportation Improvement Program funding.

3 WHAT IS THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION ('RTC')?

The Santa Cruz County RTC is the designated regional transportation planning agency for Santa Cruz County (California Government Code Title 7.94 Sections 67940 and 67941). The RTC and its sister regional transportation agencies in California were established by the 1971 California Transportation Development Act (TDA) and its associated funding stream of a ¼ cent of State sales tax revenues for transportation purposes, disbursed locally.

RTC operations are funded by Santa Cruz County's TDA allocation and local, state and federal grant-specific funding. TDA funds are also a reliable source of operating funds for the Santa Cruz Metropolitan Transit District (Metro), operator of the local bus transit system. Metro is primarily funded by a local ½ cent local sales tax approved by county voters in 1979, 2016 Measure D (the second countywide transportation sales tax, see p.11, *Transportation Ballot Measures*), state and federal grants, contracts and fares.

Responsibilities. Over the 55 years since their inception, state- and regionally-designated oversight and decision-making responsibilities assigned to California's regional transportation planning agencies (RTPA's) have grown significantly to include - currently and/or at various times - development/management of highway call box systems and safety programs; freeway service patrols; carpool programs; Congestion Management Programs, Transportation Management Associations, Trip Reduction ordinances; Major Investment Studies; Local Sales Tax initiatives; oversight of local, State and Federal discretionary transportation project nominations and local transportation funding decisions; project management; local, state and federal grant administration; and public information and participation. In some parts of the state, RTPA's have merged with public transportation providers to form multifaceted transportation and transit planning, programming and funding agencies.

Relationship with County of Santa Cruz. The RTC was initially lodged by State law within County government, where it remained for over 30 years. The RTC changed its Board composition in 2001 and separated from the County in 2005, forming an independent regional transportation agency.

Membership and Alternates. The 12-member RTC is comprised of all five members of the County Board of Supervisors, four members representing each of the four cities in the county regardless of population, and three members representing the local bus public transportation provider, Santa Cruz Metro. Two unusual aspects of the Santa Cruz RTC are its composition and its allowance for Alternates. Each appointed RTC member has an Alternate assigned by the appointing entity who may act in a manner identical to the member. The RTC's composition can result in decisions by elected officials and non-elected appointees.

4 THE FELTON BRANCH: ROARING CAMP RAILROADS AND SANTA CRUZ BIG TREES & PACIFIC RAILROAD

A second Santa Cruz County branch rail line under STB jurisdiction is the Felton Branch, a rehabilitated segment of the original South Pacific Coast/SP Railroad that traversed the Santa Cruz Mountains to Los Gatos from 1876-1940. A new State Route 17 opened in 1940 - a curvy 4-lane highway traversing those same mountains; that winter, numerous railroad tunnels collapsed from excessively stormy weather and were never repaired.

The severed South Pacific Coast line created a stub branch between Felton and Santa Cruz that continues to be part of the national rail network via its connection to the Santa Cruz Branch. This remaining segment - the Felton Branch, from Zayante to where it connects with the SCBRL - was purchased by Santa Cruz, Big Trees and Pacific Railway Company in 1985 and is maintained to FRA standards.

Together with a narrow-gauge excursion railroad loop built through the redwoods in Felton, the Felton Branch and Santa Cruz, Big Trees and Pacific Railway are currently owned by [Roaring Camp Railroads](#) (Roaring Camp, Inc./RCR) and operated under the leadership of Melani Clark, daughter of the Railroads' founders. Roaring Camp Railroads operates a seasonal, daily "Beach Train" from Roaring Camp to and from the Beach Boardwalk, traversing the Felton Branch along the San Lorenzo River onto the SCBRL near the Santa Cruz Wharf (via agreement with the SCBRL owner). Its excursion trains and family-oriented events are immensely popular with visitors from the greater Bay Area and the West Coast, as well as tourists from around the world.

RCR is also a freight operator, transporting mainly lumber from nearby Felton businesses to meet former SP/UP trains at the Santa Cruz Wye, and was also, until recently, the operator of Progressive's freight services in Watsonville.

RCR has been a consistent freight partner and collaborator with both SP and Union Pacific as well as with the RTC. It has sponsored and hosted events jointly promoting passenger rail together with the railroads and the RTC, and been responsive to RTC requests for expert assistance with rail maintenance activities, often without remuneration. Roaring Camp also provided repair and maintenance on segments of the SCBRL in preparation for the [Coast Futura](#) demonstration program in 2021.

RCR has suffered from the SCBRL out-of-service status and lack of maintenance of the SCBRL. RCR has been unable to accommodate freight operations between MP 3 and Felton for nearly nine years, and its Felton operations are highly impacted by being unable to move two locomotives from Watsonville to Roaring Camp in Felton. Discontinuance and/or abandonment of the SCBRL will functionally and/or permanently sever the Felton Branch from the national rail network.

5 RTC - RAIL OPERATOR AGREEMENTS

The RTC has contracted with three different railroad operators since the time of the 2012 purchase. An *Administration, Coordination and License Agreement* (ACL) governs the operations and maintenance responsibilities of the RTC and the rail operator.

In violation of the ACL with its most recent SCBRL operator, Progressive Rail/St. Paul & Pacific Railroad/SPPR, RTC repair and maintenance of the Santa Cruz Branch severely declined starting in 2018. Even with access to abundant FEMA funding, storm damage to the rail line during the winter of 2017/18 led the RTC to designate the rail line ‘out-of-service’ at MP 3 north of Watsonville. Although required by the 2018 ACL with Progressive Rail, the RTC neglected to complete repairs and maintain the Line beyond MP 3, causing Progressive and Roaring Camp RR to be unable to access 90% of the rail line north to Santa Cruz and Davenport from that time to the present. (Exceptions to this restriction include Roaring Camp’s active authorization to use a short segment of the SCBRL for its Beach Train route termination in front of the Beach Boardwalk, noted in the *Felton Branch* section above.)

In order to facilitate installation of an “interim”, or possibly permanent, “Trail Only” in place of the Branch Rail Line, the current Surface Transportation Board filing by the Progressive Rail/St. Paul & Pacific Railroad for Surface Transportation Board approval of this Discontinuance of Service Exemption is a direct result of the [RTC](#)’s intentional and planned neglect of its obligations to maintain the Branch Line since 2018 in favor of a Trail Only scenario.

6 BRIEF SUMMARY OF (Mostly Recent) SCBRL HISTORY

SCBRL Freight Service 1876-2010. The 150-year old Santa Cruz Branch Rail Line spans the length of most of coastal Santa Cruz County. The State Highway 1 freeway was constructed ½-1 mile inland, carved out over a span of 20+ years starting in 1949, roughly parallel to the Branch Line that traversed the developing coast.

The SCBRL had continuous freight service from its opening in 1876 to 2017. **Fun Fact: One of the original Santa Cruz narrow-gauge engines, the Jupiter, is on display in the Smithsonian National Museum of American History.** The historic coastal rail line connects the towns of Watsonville and Pajaro (where the line joins the main California Coastline) with Aptos, Capitola, Santa Cruz and Davenport - all post-California Gold Rush settlements focused on lumber, minerals extraction and shipping.

Southern Pacific RR bought the SCBRL from its private developers/owners in the 1880’s and converted it to standard gauge; SP was acquired by Union Pacific Railroad in 1996.

Regular daily-weekly freight service, which had operated on the SCBRL since the line was privately commissioned 1876, was discontinued by Union Pacific in 2008, two years before the Davenport cement plant (Cemex at the time) permanently closed in 2010 after more than a century of production. In addition to dry aggregate for cement and coal for the plant's refinery, freight operators carried lumber, agricultural products, machinery, and more recently in Watsonville, biofuel.

Passenger Service 1876-1938. After six decades of providing regular intra-county passenger rail service and weekend trains “around the hill” to and from the Bay Area, SP discontinued regular passenger rail service in the late 1930's due to declining ridership caused by the meteoric rise in automobile affordability and public investment in upgraded roads and highways. The *Suntan Special* seasonal excursion train from the Bay Area to the Santa Cruz Beach Boardwalk continued operating via the SCBRL until 1959, with a special, robustly co-sponsored commemoration event in 1996 (see p.9, *Passenger Rail Demonstration Events*).

California Leans into Traffic Management and Passenger Rail. In the meantime, statewide as well as over at the RTC, the decades of the 1980's and 1990's were buzzing with alternatives to highway widening, promoting ‘congestion’ or ‘traffic’ management approaches as viable transport policy options. In Santa Cruz County - already a leader in considering the environmental aspects of growth and development that was gaining prominence in California - the RTC majority was solidly onboard with this approach.

In 1989, the RTC hosted a *Consider the Alternatives* Conference at the Santa Cruz Beach Boardwalk with over 300 local, state, and regionally-based attendees and abundant co-sponsors. Two weeks later, the 6.9 (Richter scale) 1989 Loma Prieta Earthquake shook things up, its epicenter centered along the San Andreas Fault in the Santa Cruz Mountains.

1989 Loma Prieta Earthquake. The earthquake severely damaged Highway 17, the primary commute route between Santa Cruz and growing Silicon Valley. For a frightening few weeks of aftershocks, lessons from the conference became a necessity, with rapidly-formed carpools inching over the damaged highway in caravans led by the California Highway Patrol; emergency Caltrain passenger rail service along the main CA Coast Line to Pajaro/Watsonville; new Highway 17 Express Bus service between Santa Cruz and San Jose that continues to this day; and an immediate interest in ‘telecommuting’, which continues to be a large part of the traffic management landscape post-COVID19.

At the same time, early conversations with Southern Pacific RR were occurring throughout California: SP was apparently considering selling entire main California

coast rail line and there was a possibility that both the Santa Cruz and Monterey Branch Lines could be included in the sale.

California Propositions 116 and 108 Fuel Passenger Rail, 1990. While that sale did not occur, state voters approved two robust rail propositions in 1990. Proposition 116 and the Proposition 108 Rail Bond added \$3+ billion to the aspiring State passenger rail transit program. In Santa Cruz, earlier conversations had occurred between the Planning and Conservation League, sponsors of Proposition 116, and local political leadership about including \$100M in Proposition 116 for a passenger gondola system between downtown Santa Cruz (near the bay) and UCSC, located about 800 feet above sea level (Metro's 1989 'Urban Fixed Guideway' corridor, see *Passenger Rail Planning Studies*, p.16). This novel concept was dismissed by Santa Cruz leadership, which was still trying to manage the post-Earthquake collapse of much of its downtown.

Santa Cruz County ended up with an \$11M allocation in Proposition 116. The RTC had conducted its first SCBRL right-of way analysis 1990, and in 2012, finally [purchased the SCBRL](#) with Proposition 116 and other state/federal transportation funds.

Congestion Management Efforts Continue. Between 1991-94, Congestion Management Programs, Trip Reduction Ordinances, Transportation Management Associations, and Transportation System Management became state-mandated programs, with the RTC as the local implementing agency. Dependent on employer implementation, these efforts were aspirational but short-lived, and resulted in increased friction statewide between regional transportation agencies, local governments, the local business community, and major employers.

Passenger Rail Transit Demonstration Events. In 1996, the RTC sponsored three popular passenger rail demonstration events and authorized two additional events after it acquired the Branch Line in 2012:

1. [Return of the Sun Tan Special](#), May 18, 1996, co-sponsored by the Santa Cruz Beach Boardwalk, Caltrain, Southern Pacific RR, Amtrak West, the Mercury News, and Community Printers. 1250 passengers, one day Caltrain excursion from Diridon Station in San Jose to the Beach Boardwalk and back. Recreational rail service was the subject of a number of RTC studies over the years (see p.16, *Passenger Rail Planning Studies*).
2. [AMTRAK "Coast Cruiser"](#), August 1996, co-sponsored by Amtrak West and SP. Danish Flexliner diesel multiple unit (DMU) train that separated at the Beach Boardwalk, carrying passengers north to Wilder Ranch State Park and south to Aptos Village, and return. The 1998 *Around the Bay Rail Study* took this concept further by

applying it to travel from the Bay Area to Monterey and Santa Cruz (see p.16, *Passenger Rail Planning Studies*).

3. First Night Santa Cruz with Siemens RegioSprinter, December 31, 1996, co-sponsored by the City of Santa Cruz. A lightweight DMU along Chestnut Street on the Felton Branch between downtown Santa Cruz and the Wye. The RegioSprinter was one of the DMUs reviewed during the International Transit Study Program “Mixed Use of Suburban Corridors” in 2000 (see p.16, *Passenger Rail Planning Studies*).

4. Santa Cruz Steam Locomotive Special, July 11-13, 2014, sponsored by Roaring Camp Railroads. Featuring the Santa Cruz Portland Cement #2 locomotive originally part of Davenport cement plant operations, the train offered multiple events over three days of traversing the SCBRL between the Depot at the Santa Cruz Wye and Wilder Ranch State Park on the Santa Cruz County North Coast.

5. Coast Futura, October 16-24, 2021, sponsored by TIG/m Via Tran, Roaring Camp, City of Santa Cruz, Central Coast Community Energy, Lookout Santa Cruz, Graniterock, Friends of the Rail and Trail, and private donors. TIG/m lightweight electric multiple unit (EMU/hydrogen backup) traversed sections of the SCBRL for multiple events over two weekends in Watsonville and Santa Cruz.

1998 Major Transportation Investment Study (MTIS). Conducted in a format consistent with the Federal Transit Administration requirement for a ‘major investment study’/Alternatives Analysis prior to receiving a federal funding commitment for urban rail transit projects, this significant RTC planning effort over three years in the late 1990’s resulted in the its 1999 decision to acquire the Santa Cruz Branch for \$15M and to widen the Highway 1 freeway. (See p.16, *Passenger Rail Planning Studies*.)

Congressman Sam Farr Champions Santa Cruz Rail Transit. Congressman Sam Farr represented California’s Central Coast for nearly 24 years (1993-2017) and was an important champion of a coastal trail and passenger rail in the Monterey Bay region. Congressman Farr nominated the RTC Executive Director for a 2000 spring mission of the FTA’s International Transit Study Program. This resulted in a report (see *Passenger Rail Planning Studies*) and a series of public presentations of an efficient, low cost passenger rail transit design for the Santa Cruz Branch: lightweight DMU/EMU rail cars on shared track, ½ hourly service between Watsonville & Santa Cruz, rail-with-trail where feasible, and Metro oversight and operation of a countywide bus+rail transit system. That fall, the RTC allocated \$10M in State Transportation Improvement funds toward SCBRL property acquisition, and in 2001, changed its Board composition and established itself via state legislation as a Rail Authority.

In 2002, the RTC approved the Negative Declaration and Categorical Exemption for SCBRL acquisition, and in 2003, Congressman Sam Farr awarded a \$1.5M federal earmark to the RTC for SCBRL acquisition and passenger rail transit planning and implementation.

[Santa Cruz County Friends of the Rail & Trail](#) was formed in 2002 under the umbrella of People Power, a local bicycling advocacy organization, and later incorporated under the fiscal sponsorship of Social Good, a California non-profit (501(c)3). FORT's sustained volunteer activism was instrumental in the eventual purchase of the Branch Line and the success of the Coast Futura electric light rail demonstration project in 2021. FORT continues to represent the strong community voice for passenger rail transit, reflecting what countywide voters have affirmed multiple times as representing the majority will of Santa Cruz County residents (see p.11, *Transportation Ballot Measures*).

Change in RTC Executive Leadership. Grieving the loss of a daughter in May 2004, then-RTC Executive Director Wilshusen retired from the RTC in 2005. George Dondero served as Executive Director from 2006-2018 and led the effort to complete the purchase of the SCBRL and facilitate its transition to RTC ownership. He also led the successful 2016 Measure D effort for a second countywide ½ cent transportation sales tax (the first was Metro's in 1979) with a broad mix of transportation modes and a 2/3 affirmative vote requirement.

Transportation Ballot Measures 1979 - 2022. About 50 years ago, Measure G, sponsored by the Santa Cruz Metropolitan Transit District (Metro) in 1979, was successful in adding a permanent ½ cent sales tax countywide exclusively for Metro transit. Sales tax revenues account for about half of Metro's current budget: the 1979 ½ cent; annual TDA from the RTC; and 2016 Measure D allocations. A large proportion of Metro operations serve the University of California, Santa Cruz campus on the hill above Santa Cruz. Metro's annual budget is \$80M (2026). Metro bus drivers are currently volunteering to collect signatures for an additional ½ cent local sales tax measure to fund bus operations, planned for the November 2026 ballot.

Measure A, [sponsored by Santa Cruz Metro in 1984](#), offered the first indication that Santa Cruz County wanted passenger rail transit on the SCBRL. 83% of voters countywide supported authorizing Metro to apply for and accept federal and state grant funds to fund passenger rail service options.

[Measure J, a 2004 ½ Cent Sales Tax for Highway 1 Widening](#), failed 43/57% in November of that year, a U.S. Presidential election. Two-thirds of revenues from the 30-year measure were proposed for Highway 1 widening, 20% to local roads, and the

remaining 14% for safety, senior and disabled programs, a small portion of Trail next to the Branch Line, and a contribution toward a new Pajaro Junction rail station.

[2016 Measure D, Moving Santa Cruz Forward](#) (amended administratively in 2020) was a second countywide transportation ½ cent sales tax funding measure. It achieved the required 2/3 victory in November 2016. With 8% of Measure D revenue dedicated to the SCBRL, it helped allay concerns about competition for limited resources by providing a local, voter approved, dedicated funding stream for maintenance of the Branch Line, together with ‘analysis of options.’ The 2016 Measure D Expenditure Plan also includes 30% for Local Roads, 25% Highway 1 Widening, 20% Metro and paratransit, and 17% Active Transportation. Right at the initial COVID19 lockdown stage in early 2020, the RTC, with concurrence of its member Cities and the County Board of Supervisors, amended a new construction phase of Highway 1 widening into the 2016 voter-approved Measure D Transportation Program, significantly increasing the cash demand on Measure D revenues. Annual revenues from Measure D are about \$28M (2024).

Measure L, the [2018 “Capitola Greenway Initiative”](#), was a convoluted anti-passenger rail proposal in the small city of Capitola (pop.<10K) to ‘protect’ the Capitola Trestle solely for bicycles and pedestrians and to prohibit City expenditures to relocate the Trail part of the Rail-With-Trail onto Capitola streets and sidewalks. Characterized as a campaign to “Save the Trestle”, it won 53/47%, and has since then confounded project development of the Ultimate Trail in Capitola.

A [second Measure D failed in 2022. The “Greenway Initiative”](#), was an attempt by rail opponents to eliminate any reference to passenger rail transit in the *Santa Cruz County General Plan* and to replace it with references to a Trail Only. Measure D followed a threat to initiate adverse abandonment of the Felton Branch by then-RTC Executive Director Guy Preston as a precursor to abandonment of the SCBRL. After an expensive \$800,000 election campaign, local voters [rejected the anti-passenger rail Measure D](#) by a 3-to-1 margin (73/27%).

RTC Acquires SCBRL in 2012. The RTC purchased the SCBRL from Union Pacific Railroad in 2012 for \$14.2M, using the \$11M in CA Proposition 116 (1990) and discretionary State Transportation Improvement Program (STIP) funds programmed in 2000. ([STB Docket NO. FD 35653](#); the STB approved the acquisition under the State of Maine precedent, allowing the rail assets to become public but without making the RTC the carrier.) The RTC was the last local transportation agency to apply for and receive its 1990 Proposition 116 allocation, and at the time, assured the California Transportation Commission that it intends to plan and build a shared use passenger rail transit system along the scenic Santa Cruz County Branch Line.

Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan, 2014. This award-winning master plan for a [Rail-With-Trail](#) along the SCBRL offered hope that we could have it all, and became the basis for future Rail-With-Trail planning in the county. The north coast Rail-With-Trail segment between Santa Cruz and Davenport (near the new Cotoni-Coast Dairies National Monument) is nearing completion with the Federal Highway Administration as the lead agency. The Santa Cruz Westside segment to the Santa Cruz Wharf was completed last year by the City of Santa Cruz, and one segment in Watsonville is partially completed.

These segments of the Rail-With-Trail are characterized in the projects' environmental studies as the "Ultimate" Trail. The MBSST Master Plan Ultimate Trail design also offered options for off-Branch alternatives in areas where the ROW is constrained.

"Interim Trail" Alternative Included in Environmental Studies and RTC Rail Planning. Planning for the rest of the Sanctuary Scenic Trail/Rail-With-Trail along the SCBRL has been less successful and more controversial. Proponents of Trail Now and Trail Only and "[Santa Cruz Greenway](#)"(501(c)4) joined with existing no-rail neighborhood activists and opposition activity ramped up again around 2015 with newly revealed, well-heeled support.

In 2021, the City and County of Santa Cruz, and the RTC, included an "Interim Trail" alternative in environmental review studies for segments of the Rail Trail that were already under development. These segments traverse the primary coastal urbanized area between Santa Cruz and Aptos/Rio Del Mar. In 2022, the City and County received a \$100+M State transportation funding appropriation for four key segments of the Trail, which was at that time designated as the Ultimate Trail (Rail-With-Trail). This State rail-with-trail funding was lauded as unprecedented within recent history.

Multimodal Corridor Program for CA Transportation Funding. Noted earlier, the State of California started requiring regional Congestion Management Programs in 1990. The current California State Transportation Improvement Program (STIP), funded by federal transportation appropriations and SB1 (- a significant increase in the California state gas tax approved by the voters in 2017) requires major projects nominated in the 'Solutions for Congested Corridors' Program (SCCP) to demonstrate consistency with the region's multimodal corridor plan.

The RTC's [Watsonville to Santa Cruz Multimodal Corridor Program](#), based on the outcome of the 2019 *Unified Corridor Investment Study* (see Map on p.4), includes passenger rail transit service on the SCBRL; replacement of two existing rail bridges over the freeway; a Bicycle and Pedestrian trail in the SCBRL right-of way next to the rail line (Rail-With-Trail); two new bicycle & pedestrian bridges over the freeway; widening the Highway 1 freeway with on-ramp to off-ramp auxiliary lanes and a 'bus-on-shoulder' transit

demonstration project (not yet active); and street, bike lane and sidewalk improvements to Soquel Drive, a County arterial parallel to the highway and Branch Line. The first phase of the highway widening project started in 2023 and the arterial project in 2024.

RTC received funding in two cycles of the CA SCCP program for the Highway 1 widening segments included in voter-approved 2016 Measure D and a portion of the new segment amended into Measure D in 2020. It's unclear how the RTC will continue to demonstrate consistency with its *Watsonville to Santa Cruz Multimodal Corridor Program* in light of RTC/Progressive Rail's June 15, 2026 Discontinuance filing (STB Docket No. AB-1351X) and its publicly-announced plan to remove rail infrastructure along the SCBRL and build an Interim Trail in its place.

7 STATE AND FEDERAL PARTNERSHIPS

California Department of Transportation (Caltrans) Partnerships with the RTC.

In addition to the federal Corridor ID program, Caltrans has provided robust and ongoing support via grant funding, technical assistance, and close collaboration with numerous RTC and Monterey Bay Area passenger rail transit and Rail-With-Trail studies. As one example, the RTC's 2019 *Unified Corridor Investment Study*, a key rail-with-trail planning document within the past decade, was funded through a Caltrans' Sustainable Communities Transportation Planning Grant (FTA 5304) and local voter-approved Measure D funds.

The 2023 *California Freight Mobility Plan* includes Santa Cruz County projects eligible for the State Trade Corridor Enhancement Program, including \$25M for upgrading the Santa Cruz Branch Line to FRA Class 2 standards and \$22.5M for rehabilitation of bridges, culverts, and other essential rail infrastructure. The RTC has not applied for state funding for these projects.

The 2023 *California Rail Plan* specifies "Mid-Term Plan Regional Goals" which include regional passenger rail between Santa Cruz and Watsonville Junction.

Federal Corridor Identification and Development Program. U.S. Department of Transportation, Federal Railroad Administration, [FY22 Corridor Identification and Development Program Selections](#) include:

"Central Coast Corridor (Up to \$500,000), California Department of Transportation. The proposed corridor would provide new service over a route currently only served by Amtrak's long-distance Coast Starlight between San Jose and San Luis Obispo, CA, by adding new frequencies. The San Jose to Salinas and Santa Cruz to Watsonville segments would be assessed and phased as part of the larger corridor the applicant plans to implement. The corridor sponsor would enter Step 1 of the program to

develop a scope, schedule, and cost estimate for preparing, completing, or documenting its service development plan.” (CID p.4)

The SCBRL is eligible for the federal [Consolidated Rail Infrastructure and Safety Improvements Program](#) (CRISI) and the major federal infrastructure program Better Utilizing Investments to Leverage Development (BUILD) Grant Program; no applications have been submitted. The RTC applied for and received a \$30M MEGA federal grant in 2022 for non-rail elements of its *Watsonville to Santa Cruz Multimodal Corridor Program*.

8 FILING FOR DISCONTINUANCE NOTICE OF EXEMPTION (Surface Transportation Board Docket No. AB-1351X)

Consistent with earlier actions this decade, in late 2025 the RTC publicly confirmed its intent to construct an “Interim Trail” within the SCBRL right-of-way that will displace and/or remove rail infrastructure. In early 2026, the RTC ‘fired’ its rail operator, Progressive Rail; terminated the RTC-Progressive *Administration, Coordination & Licensing Agreement*; established a ‘conjoined-twin’ rail authority (Santa Cruz County Coastal Rail, a 501(c)4) with no apparent intent to operate rail service; renamed the SCBRL between Pajaro Junction and MP 3 the “Watsonville Branch”; and then negotiated with Progressive Rail/St. Paul & Pacific RR to have Progressive file for a Discontinuance Notice of Exemption for the SCBRL from MP 3 north to Davenport.

As noted, two of the SCBRL Rail-With-Trail “Ultimate Trail” segments planned between the Santa Cruz Beach area east to Aptos received over \$100M in State funding in 2022. These projects are currently significantly over-budget in the project development phase for both Rail-With-Trail and ‘Interim Trail’ alternatives. Concern that trail funding is at risk of lapsing is likely another reason for the RTC’s current actions regarding Discontinuance as well as its publicly stated intent to remove rail infrastructure in favor of an Interim Trail, if Discontinuance is approved by the STB. The RTC recently indicated that the State grant deadlines may be extended for these trail projects.

Discontinuance could also allow the RTC to move forward with highway widening in Aptos without replacing the two existing SCBRL railroad bridges and without demonstrating consistency with State multimodal funding guidelines. Discontinuance would undermine the RTC’s still-stated intent to move forward with passenger rail sometime ‘within the next 30 years.’ Notwithstanding this timeline, the RTC asserts that it is currently looking around for \$25M to finance environmental review of its recent \$4B Zero-Emission Passenger Rail and Trail concept report (December 2025, see *Passenger Rail Planning Studies*).

9 PASSENGER RAIL TRANSIT PLANNING STUDIES 1977 - 2025

Feasibility of Railway Service, San Jose-Santa Cruz, Caltrans, 1977.

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Annual Reports, Santa Cruz County (Regional) Transportation Commission, 1987-2002.

Urban Corridor System Planning Study, Santa Cruz Metro, McGean et al, 1989.

Suburban Corridor System Planning Study, Santa Cruz Metro, McGean & Douglas, 1990.

Fixed Guideway Planning Charrette Summary Report, SCCRTC, De Leuw Cather and Company, 1991.

1993 Santa Cruz Fixed Guideway/Rail Corridor Refinement Study, Final Report, Santa Cruz Metro, Parsons Brinckerhoff Quade & Douglas, Inc., 1993.

[1994 Santa Cruz-Los Gatos Rail Corridor Feasibility Study](#), De Leuw, Cather & Company, 1994.

Intercity Recreational Rail Study, SCCRTC, Parsons Brinckerhoff Quade & Douglas, 1996.

[Around the Bay Rail Study](#), SCCRTC, L.S. Transit Systems, 1998.

[Major Transportation Investment Study](#), SCCRTC, Parsons Brinckerhoff Quade & Douglas, 1999.

Santa Cruz Branch Line Acquisition Project Study Report, SCCRTC, 2000.

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[“Germany’s Track Sharing Experience: Mixed Use of Suburban Rail Corridors, Implications for Planning ‘Wireless’ and Other Lower Cost Light Rail Systems in Smaller U.S. Urban Areas Using Existing Rail Lines.”](#) Linda Wilshusen, SCCRTC, 2001.

[Final Initial Study and Negative Declaration for the Santa Cruz Branch Rail Line Acquisition](#), SCCRTC, Denise Duffy & Associates, 2002.

[Santa Cruz Branch Line Intra-County Recreational Rail Options, Preliminary Analysis, SCCRTC](#), Hyde, Miller, Owen & Trost, 2003.

[Passenger Platforms and Related Improvements to the Santa Cruz Branch Line for Recreational Rail Service, Draft Preliminary Project Report](#), SCCRTC, Robert W. Scott RCE, 2003.

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[Santa Cruz Branch Rail Line Rail Transit Feasibility Study, SCCRTC](#), 2015.

[Administration, Coordination and License Agreement](#), SCCRTC and St. Paul and Pacific Railroad (Progressive Rail), 2018.

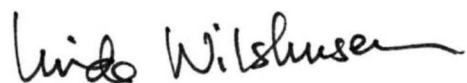
[Unified Corridor Investment Study \(UCIS\)](#), Kimley Horn, 2019.

[Transit Corridor Alternatives Analysis and Rail Network Integration Study \(TCAA\)](#), SCCRTC, Santa Cruz Metro, 2021.

[Draft Transit Corridor Alternatives Analysis and Rail Network Integration Study Business Plan](#), SCCRTC, Santa Cruz Metro, 2021.

[Zero-Emission Passenger Rail and Trail, Project Concept Report](#), HDR, 2025.
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Respectfully Submitted,



Linda Wilshusen, SCCRTC Executive Director 1985-2005 June 29, 2026
Date

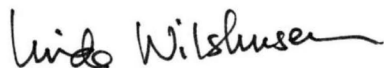
/s/ George Dondero June 29, 2026
George Dondero, SCCRTC Executive Director 2006-2018 Date

/s/ The Honorable Sam Farr (Member, U.S. House of Representatives, 1993-2017)
July 1, 2026
Date

10 VERIFICATION

I, Linda Wilshusen, former Executive Director of the Santa Cruz County Regional Transportation Commission between 1985-2005, state that I am the author of this letter addressed to the Surface Transportation Board dated June 29, 2026, relative to STB Docket No. AB-1351X, ST. PAUL & PACIFIC RAILROAD COMPANY, LLC – DISCONTINUANCE OF SERVICE EXEMPTION – IN SANTA CRUZ COUNTY, CAL., and that I am the author of the *Overview and Background Summary: Santa Cruz Branch Rail Line and the Santa Cruz County Regional Transportation Commission*, dated June 2026. I affirm that while I am the author of these materials and am familiar with and can cite the facts upon which they are based, not all of the matters stated in these documents are within my personal knowledge; and that there is no individual who has personal knowledge of all such matters; and that these documents may be subject to inadvertent and undiscovered errors, as they are based upon and necessarily limited by the records, the accessibility of records, and information currently in existence, or presently recollected, and thus far discovered in the course of preparation of these documents. Subject to the limitations set forth herein, the information in the above-reference documents are true to the best of my knowledge, information and belief. I declare under penalty of perjury under the laws of the United States of America that these documents are true and correct.

Executed on June 29, 2026.



Linda Wilshusen

Certificate of Service

I certify that I have, on this 6th day of July 2026, served by email copies of the foregoing document on all parties of record in this proceeding.

/s/ Linda Wilshusen
Linda Wilshusen