

TO: United States Surface Transportation Board
 FROM: James E. Weller
 DATE: June 29, 2026
 RE: Docket No. AB-1351X.

ENTERED
 Office of Chief Counsel
 July 7, 2026
 Part of
 Public Record

Please take notice of the following:

I am a resident of the City of Capitola, Santa Cruz County. I object to the proceeding initiated by St. Paul & Pacific Railroad Company, LLC ("SPPR"), No. 311637, Docket No. AB-1351X.

I oppose SPPR's initiative in this proceeding.

If it means what I think it means, SPPR's "discontinuance notice of exemption" to discontinue common carrier freight rail operations on the northern 28.39 miles of the Santa Cruz Branch Railroad Line (SCL) is disingenuous and is made under false pretenses.

In fact, in the eight years since SP&P entered into its 2018 operating agreement (Administration, Coordination, and License Agreement, or "ACL") with the Santa Cruz County Regional Transportation Commission (RTC), SPPR has never commenced freight railroad operations north of Milepost ("MP") 3.0. The SCBL from that point northward has been inoperable because the RTC failed to make the repairs and improvements it was obligated to make under the ACL between the RTC and SPPR. (Cf. letter dated June 1, 2022, from Lon Van Gemert to Guy Preston.)

On or about February 5, 2026, RTC attempted to unilaterally terminate its 2018 ACL with SPPR. SPPR rejected RTC's purported notice of termination. (Cf. letter, undated, by Andrea Debbelmann, SPPR's CEO, to Sarah Christensen.)

At present, SPPR and the RTC have entered into a Separation and Mutual Release Agreement ("Separation Agreement") to "amicably terminate" their ACL, approved by vote and Resolution of the RTC on April 2, 2026, by which "The parties have reached an agreement whereby they mutually desire to terminate the ACL Agreement . . . and transfer active operations from SPPR to a new operator . . ." The term "New Operator" is defined as "the entity(ies) that will take possession of, and the common carrier obligations related to, the Freight Easement from SPPR . . ."

One New Operator is a subsidiary entity created and controlled by the RTC, 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 RTC, and the

Executive Director of which is the Executive Director of the RTC. SCCCRR is the RTC's corporate "alter ego," its *Doppelganger*.

RTC intends that SCCCRR will become the common carrier for the portion of the SCL Freight Easement north of MP 3.0. The common carrier for the portion of the SCL Freight Easement south of MP 3.0 is Chicago, Rock Island & Pacific Railroad, LLC ("Rock Island"). The RTC and Rock Island have entered into a new ACL for the portion of the SCL (the "Watsonville Branch Line") south of MP 3.0. The RTC has also entered into a separate new ACL between the RTC and SCCCRR, its alter ego, for the portion of the SCL (the "Remainder of the Freight Easement") north of MP 3.0.

Thus, the RTC and SPPR have parted ways irrevocably and no longer have any ongoing contractual relations or obligations to one another, except for agreements to 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 of \$450,000 to SPPR.

The RTC plans to proceed with STB regulatory filings necessary for SCCCRR, as an "operating or non-operating common carrier," and for Rock Island, as a common carrier, to acquire and operate their respective portions of the SCL Freight Easement.

All of these recent maneuvers and finagling by the RTC, i.e., removing SPPR, replacing it with Rock Island, and moving SCCCRR into position, have been intended to implement the RTC's highly controversial decision of December 5, 2025, to demolish some six miles of the SCL railroad tracks and infrastructure and replace them with a bike and pedestrian path called the "Interim Trail," which is to remain in place at least until 2055, preventing any restoration of rail transportation on the SCL north of MP 3.0 before then.

The decision adopted by the RTC commissioners specifically precluded either "adverse abandonment" or "railbanking" as potential means to their end, so "discontinuance" is the regulatory procedure for which the RTC hopes to attain the STB's blessing.

Along with more than 56,000 Santa Cruz County voters, comprising 73% of all votes cast, I voted NO on the June 7, 2022, Greenway Measure D, which would have prevented the development of rail transportation in Santa Cruz County and enabled the re-use of the entire SCL as a recreational trail only. The vast majority of people in Santa Cruz County oppose removing the railroad tracks to build a bike path in their place. The RTC is acting directly against the expressed will of the people.

Please, do not facilitate the RTC's scheme by approving or authorizing this discontinuance. Don't be fooled. The RTC and SPPL are trying to pull the wool over your eyes.

James Weller

JUNE 29, 2025



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06/01/2022

Dear Mr. Preston,

The St. Paul & Pacific Railroad (SPPR) is the common carrier for the Santa Cruz Branch Rail Line (SCBRL) and as such has the authority and obligation to provide rail service to customers along the rail line. The SPPR actively promotes freight in Watsonville, but is unable to do so past milepost 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.

When the RTC purchased the SCBRL from Union Pacific there was an obligation to provide rail service to customers along the branch line and to maintain Roaring Camp's common carrier connection to the Union Pacific Railroad interchange in Pajaro, CA. The RTC chose not to become the common carrier and to not undertake any obligation to provide freight service. Instead, the RTC signed an Administrative, Coordination, and License (ACL) agreement with the SPPR to become the common carrier for the SCBRL. In doing so the RTC handed over all authority for providing freight service to the SPPR. The RTC also agreed to bring the track and structures up to FRA operating condition so the SPPR would be able to provide service over the entire line.

As of today, Phase 1 and Phase 2 of the ACL agreement have not been completed by the RTC and that prevents the SPPR from providing freight service to SCBRL customers that require service past milepost 4.0 and interchanging with Roaring Camp, a federal common carrier.

The SPPR appreciates all the work the RTC has done so far and looks forward to the RTC completing all the work prescribed in Phase 1 and Phase 2 of the ACL agreement so that SPPR can service all customers along the SCBRL and interchange with Roaring Camp.

Thank you,

Lon Van Gemert



21778 Highview Avenue
Lakeville, MN 55044

VIA EMAIL AND CERTIFIED MAIL

Sarah Christensen
Executive Director
Santa Cruz County Regional Transportation Commission
1101 Pacific Avenue, Suite 250
Santa Cruz, CA 95060

Re: Notice of Termination – Administration, Coordination, and License Agreement

Dear Ms. Christensen:

St. Paul & Pacific Railroad Company, LLC ("SP&P") rejects the Santa Cruz County Regional Transportation Commission ("RTC") January 15, 2026 Notice of Termination of the July 16, 2018 Administration, Coordination, and License Agreement (the "ACL") as factually baseless, legally invalid, and critically at odds with federal railroad regulatory law and policy.

RTC's claim that SP&P has defaulted on its freight service obligations under Section 8.2.1.1 is entirely misplaced. RTC's own failure to satisfy its obligations under Section 5.1 of the ACL directly prevented SP&P from meeting the carload volumes in question. Specifically, RTC failed to complete the Phase I Initial Rehabilitation and Repair Projects – particularly regarding the segment between Milepost 3.0 and Milepost 7.0 – to the standard necessary to support the safe and efficient freight operations contemplated by the parties.

A review of SP&P-RTC communications and contemporaneous internal SP&P documents on the subject prove that RTC never completed these Phase I projects. SP&P has consistently cited specific infrastructure deficiencies – including but not limited to RTC's failure to return the bridge at Milepost 4.45 to safe railroad operating condition – preventing the commencement of "regular Freight Service" (as that term is used in the ACL) that is the asserted basis of your termination notice. RTC cannot enforce traffic growth requirements on a line segment it failed to rehabilitate as contractually obligated.

Similarly, RTC's claim regarding a failure to maintain the Property is unfounded. SP&P has maintained the segment of the line over which it is able to operate (Milepost 0.0 to 3.0). With respect to the remainder of the line, the ACL preconditions SP&P's maintenance obligations upon RTC delivering the infrastructure in the condition required by Section 5.1. Because RTC failed to complete the Phase I improvements, the maintenance obligation for that line segment never vested. The ACL does not require SP&P to maintain infrastructure that RTC failed to repair in the first instance.

Because the purported RTC termination is invalid and is itself a breach of the agreement, SP&P has no obligation to commence the transition procedures set forth in Section 8.2.2. Accordingly, SP&P will not take steps to transfer the Freight Easement or facilitate a transition to a new common carrier operator at this time.



*21778 Highview Avenue
Lakeville, MN 55044*

As may have occurred to you, SP&P would consider any attempt by a presumptive third-party operator to assume the Freight Easement (or any part of it) and, relatedly, to otherwise cooperate with RTC's forced transition efforts during the pendency of this dispute to be an intentional and tortious interference with SP&P's contractual and federal regulatory rights and obligations. SP&P would join any such third party as a respondent in resulting civil litigation and STB proceedings, seeking all available damages and remedies for their participation in the furtherance of RTC's breach and wrongful termination.

As a subsidiary of Progressive Rail, an established short line holding company with extensive rail common carrier experience, SP&P takes its federally-mandated common carrier obligations and its common carrier status very seriously. We intend to vigorously protect that status and will not accede to a wrongful termination – clearly predicated upon ulterior RTC motives disassociated from, and at odds with, the purpose and objectives of the freight common carrier service easement in question – jeopardizing SP&P's ability to meet those federal mandates. Moreover, SP&P will not participate in any transition strategy that serves as a pretext for reducing the scope of the Freight Easement or effectively discontinuing service without proper regulatory scrutiny.

SP&P reserves all rights and remedies under the ACL and applicable law.

Sincerely,

Andrea Dobbelmann
Chief Executive Officer
St. Paul & Pacific Railroad Company, LLC

Certificate of Service

I certify that I have, on this 7th day of July 2026, served by email copies of the foregoing document on all parties of record in this proceeding.

/s/ James Weller
James Weller