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VIA ELECTRONIC FILING

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

ENTERED
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July 15, 2026
Part of
Public Record

Re: Docket No. AB-1351X, *St. Paul & Pacific Railroad Company, LLC—Discontinuance of Service Exemption—in Santa Cruz County, Cal.*

APPLICANT'S RESPONSE TO PUBLIC COMMENTS TO DATE

St. Paul & Pacific Railroad Company, LLC ("SPPR") submits this reply to address six public comments submitted to date in response to SPPR's verified discontinuance notice of exemption (the "Notice") to suspend SPPR common carrier service and obligations over 28.39 route miles of railroad easement (the "Segment" – the majority of a branch line referred to in other filings in this docket as the Santa Cruz Branch) in Santa Cruz County, California. As the rail carrier invoking Surface Transportation Board ("Board") class exemption procedures, SPPR submits that fundamental fairness and administrative due process entitle it to offer a limited defense of its class exemption filing.

To properly frame this reply, SPPR wishes first to clarify its interest in the Segment. By legal definition and in accordance with extensive "*State of Maine*" jurisprudence generally applicable here (as discussed in the Notice), the permanent and exclusive freight common carrier easement that SPPR holds *is* the subject, Board-jurisdictional railroad line. SPPR is *not* seeking to abandon the line, as it has no plans or intention to terminate the common carrier easement. Rather, because the Segment under SPPR's possession has been out of service for several years, and following discussions with the underlying property owner, the Santa Cruz County Regional Transportation Commission ("RTC"), SPPR has agreed to pursue discontinuance of its common carrier operations – something SPPR would be entitled to do regardless of any agreement with RTC on the subject. SPPR is merely utilizing the objective criteria for a two-year out-of-service discontinuance class exemption to an appropriate end, as it understands it is entitled to do.

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Given the nature of the responses received *thus far*, it is conceivable that additional comments could be filed by interested parties who, like some who have already commented, are unfamiliar with the Board's processes and the specific legal distinctions between discontinuance and abandonment under 49 U.S.C. § 10903 and its corresponding agency regulations. This reply serves to re-focus the regulatory scope of this proceeding, correct the fundamental misunderstandings permeating the docket, and confirm SPPR's eligibility for the class exemption.

SPPR Satisfies the Objective Criteria for the Class Exemption

SPPR has properly invoked the Board's class exemption process under 49 C.F.R. part 1152, subpart F. SPPR plainly stratifies the objective and clear criteria for a discontinuance class exemption:

- No local traffic has moved over the line for more than two years.
- There also has been no overhead traffic of any sort for more than two years.
- No formal complaints regarding a cessation of service are pending or have been decided against SPPR in the past two years (or previously).

SPPR has not refused service over the Segment to any customer, and, in fact, no one has demanded such service for well over two years. Additionally, for more than two years running, Santa Cruz, Big Trees and Pacific Railway Company ("SCBG")—with which SPPR believes it had cultivated a positive relationship—has handled no inbound or outbound local or overhead traffic in interchange with SPPR.

Some commenters have attempted to introduce a ***fault*** element to challenge SPPR's exemption eligibility. Mr. Forstall, for example, argues that track deterioration rendered service requests futile, suggesting without evidence that apparent track conditions are the root cause of an absent service demand. Similarly, commenters Wilshusen and Weller allege that the lack of operations stems directly from unfulfilled RTC maintenance obligations. Such arguments ignore that the subject class exemption is a no-fault provision; track conditions and the historical circumstances surrounding the Segment's inoperability (and the reasons for the same for that matter) are not elements of eligibility. Furthermore, these commenters direct their ire regarding track maintenance and prioritization at RTC, not SPPR. Because SPPR has faced no formal demands for service and no complaints associated with a refusal to provide service, the substantive qualifications for the class exemption remain entirely un rebutted.

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Discontinuance is Not Abandonment and Does Not Permit Track Salvage

A fundamental misunderstanding of applicable law and regulation drives most of the opposition—and even the support—found in the docket comments. Excepting SCBG, commenters mistakenly conflate discontinuance (which SPPR seeks) with abandonment (which it does not seek).

SPPR holds a permanent and exclusive freight common carrier easement over the Segment; its acquisition of the easement was authorized as an adjunct to the related *State of Maine* determination in *Santa Cruz County Regional Transportation Commission—Petition for Declaratory Order*, FD 36213 (STB served Oct. 24, 2018). This proceeding seeks solely to relieve SPPR of its forward-looking common carrier obligations, nothing more and nothing less. Discontinuance would not remove the STB’s jurisdiction over the line. Discontinuance would not eliminate or terminate the freight common carrier easement. Finally, discontinuance as sought here would not authorize the removal of track infrastructure or the supposed conversion of the corridor into a *trail only* configuration, as feared by opponents (Weller, Wilshusen, Scott) and anticipated by supporters (Huskey).

SPPR does not own the Segment’s physical track assets. The exclusive common carrier easement SPPR holds consists merely of property rights effectively resting atop the RTC-owned rail assets. As such, SPPR possesses no legal right, entitlement, or intent to undertake any salvage of the physical track infrastructure.

Any subsequent disposition of the easement would require separate and distinct regulatory processes. SPPR recognizes (as it believes RTC does, also) that any future transfer of the easement to a new operator would require advance STB authorization as its own regulated transaction. Similarly, any theoretical future abandonment of the easement—whether initiated by SPPR now or by a future holder of the easement later—would require independent, advance Board authorization under a new docket.

The “Stranded Railroad” Argument is Factually and Legally Inapt

Forstall, Wilshusen and Scott allege inaccurately that this discontinuance would physically sever SCBG’s Felton Branch from the national network, creating a stranded railroad, allegedly resulting in a virtual “adverse abandonment” of SCBG. Forstall at 2. Recent STB precedent establishes that a stranded segment generally arises in the event of an *abandonment*, which would eliminate jurisdictional access to the interstate network. See *Great Redwood Trail Agency—Adverse Abandonment—Mendocino Railway in Mendocino County, Cal.*,

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AB-1305 (Sub-No. 1) (STB served Feb. 19, 2026), slip op. at 15 (Hedlund and Fuchs concurrences); and *cf. Sierra Northern Railway – Abandonment Exemption – in Yolo County, Cal.*, AB-874 (Sub-No. 1X) (STB served June 22, 2020), slip op. at 2-3 (the prohibition against stranded segments in abandonment proceedings is not absolute and may be bypassed if the abandoning carrier articulates “possible” future track construction that could potentially reconnect the stranded segment to the balance of the interstate network). Because discontinuance would not remove the Segment from Board jurisdiction, SCBG would remain connected to the interstate network, albeit without immediate access to an active interchange partner going forward.

This point is reinforced by SCBG itself. ***SCBG does not oppose SPPR’s discontinuance request.*** Rather, it correctly recognizes that a possible future abandonment proceeding would threaten its connection. This connecting carrier has laid no blame at SPPR’s feet for invoking the Board’s discontinuance class exemption procedures, and its thoughtful comments moot third-party stranded railroad arguments. SCBG refers to a “trackage rights agreement.” SPPR provided certain operating rights (as a matter of mutual operational convenience) to SCBG under a strictly private “Agreement for Contract Rail Services.” These rights were never intended to be, nor were they, the subject of Board authorization under 49 U.S.C. § 11323 and corresponding exemption processes.

Wilshusen’s Stay Request Fails to Meet STB Standards

The comment submitted by Wilshusen (notably, not a prospective or former rail freight service customer on the Segment) nominally requests a stay of this proceeding. However, Wilshusen neither mentions the Board’s adopted four-part criteria for such significant injunctive relief (*Washington Metro. Area Transit Comm’n v. Holiday Tours, Inc.*, 559 F.2d 841, 843 (D.C. Cir. 1977)), nor does she demonstrate how a stay is warranted under the applicable criteria. Her request relies on historical grievances regarding RTC’s transportation planning rather than upon any imminent and irreparable harm. Because SPPR is merely suspending a service obligation over a line that has lacked traffic demand for years, there is no irreparable harm to be suffered. The request for a stay must be dismissed.

. . .

The public comments submitted thus far in this docket generally present policy grievances directed at RTC, and they reflect fundamental misunderstandings of STB regulations and jurisprudence, none of which rebut SPPR’s eligibility for the regulatory relief it seeks. SPPR has fully satisfied the objective requirements of 49 C.F.R. part 1152, subpart F. Accordingly, SPPR

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respectfully requests that the Board allow the discontinuance exemption to become effective as filed in the ordinary course.

Respectfully submitted,

/s/ *R. A. Wimbish*

Robert A. Wimbish

Counsel for St. Paul & Pacific

Railroad Company, LLC

cc: All parties of record
Eric Hocky (counsel for RTC, via email)