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July 17, 2026

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

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

APPLICANT'S MOTION TO STRIKE AND, IN THE ALTERNATIVE, SUPPLEMENTAL REPLY TO VERIFIED PETITION OF FRIENDS OF THE RAIL AND TRAIL

St. Paul & Pacific Railroad Company, LLC ("SPPR") submits this motion to strike, and in the alternative, offers a response to the July 15, 2026, Verified Petition of Friends of the Rail and Trail ("FORT") to Reject Notice of Exemption or, in the Alternative, for Stay of Effectiveness (the "Petition") filed 30 days from the date SPPR filed its subject discontinuance notice of exemption in this docket. SPPR is merely taking the routine and appropriate step any rational carrier would take when faced with long out-of-service assets with zero freight demand and no economic feasibility for rehabilitation: seeking authority to formally discontinue its dormant common carrier obligations. The Board's regulatory processes are not an appropriate forum for local factions to air political grievances regarding a local agency's ownership of underlying track assets or to debate speculative downstream transactions beyond the narrow scope of this proceeding.

Motion to Strike: The Petition is Procedurally Defective and Time-Barred

The Surface Transportation Board (the "Board") should strike FORT's Petition as it is inexplicably untimely. SPPR submitted its discontinuance notice of exemption (the "Notice") on June 15, 2026. Under the Board's rules of practice at 49 C.F.R. § 1104.13(a), substantive replies or comments to a pleading must be filed within 20 days. Arriving a full 30 days after the Notice was filed, FORT's Petition is facially time-barred.

This procedural defect is particularly egregious since FORT is represented by highly experienced regulatory counsel. FORT's counsel is intimately familiar with the Board's procedural rules and has, in fact, personally served SPPR with previous pleadings in this docket (including those of commenters Scott, July 15, and Wilshusen, July 6 – which, incidentally, suffer the same procedural defect as FORT's legal counsel would know). If FORT required additional time, the appropriate and established mechanism would have been to file a formal request for an extension. Yet, FORT's counsel did not contact SPPR's counsel to seek consent for an extension of time, nor did he ask the agency to excuse his late-filed submission through a motion for leave to file out of time.

Given the way this proceeding has been unfolding, SPPR urges the Board to impose procedural order. Agency inaction in the face of a truly routine class exemption is inadvertently enabling a filing free-for-all, where parties feel emboldened to ignore or purposely bypass the Board's rules of procedure. For the foregoing reasons, the Petition and all such filings responsive to the Notice that come hereafter should be summarily stricken as time-barred.

Supplemental Reply: The Petition Manufactures "Controversy" by Bootstrapping Downstream Arguments

Should the Board accept the late-filed Petition into the record, SPPR submits this supplemental reply to address FORT's substantive claims. FORT's Petition echoes a recurring and fundamentally meritless theme in this docket: the attempt to pre-litigate downstream transactions that are neither encompassed nor would be authorized by this proceeding.

SPPR's class exemption notice is not controversial. FORT argues that the class exemption process is inappropriate because the proceeding involves "complicated issues" and "substantial controversy." Petition at 11. This alleged controversy is a contrivance engineered by imputing downstream transactional possibilities to this proceeding that simply are not (and could not plausibly be) included within the narrow scope of SPPR's discontinuance filing. FORT attempts to disqualify SPPR from the appropriate regulatory process by asserting extraneous facts and speculative future circumstances.

There is absolutely nothing controversial about a party utilizing the class exemption process to seek discontinuance authority on a line that has had no demand for service in multiple years, regardless of what third parties allege about track conditions.

Furthermore, the discontinuance authorization that SPPR seeks to secure would not in any way authorize downstream transactions that appear to be of concern to interested, decidedly non-shipper parties like FORT. According to FORT, the Notice is part of an "overarching plan" to remove tracks, build a trail, and install a non-operating subsidiary to bypass railbanking procedures. Id. at 3. But FORT fundamentally (and probably purposefully) misunderstands the limited relief SPPR seeks—suspension of its common carrier obligations over its easement. SPPR's discontinuance exemption would not authorize track removal, trail conversion, or the transfer of the easement, nor could it. Further transactions or steps involving the disposition, transfer, or termination of the easement are not currently before the agency but admittedly would need to be so presented in future proceedings to be implemented.

FORT attempts to weaponize the separation agreement between SPPR and the Santa Cruz County Regional Transportation Commission ("RTC"), framing the $450,000 payment as evidence of RTC orchestrating a scheme to force SPPR off the line. In fact, the separation agreement reflects operational reality and a rational commercial settlement of sorts, not a conspiracy. RTC decided it was time to urge the divestiture of SPPR's easement interest, and, after intensive and at times acrimonious negotiations, SPPR has agreed to cooperate in the surrender of its short line franchise, the first step of which is the transaction encompassed by *Chicago Rock Island & Pacific Railroad, LLC—Change of Operator Exemption—Railroad Line in Monterey and Santa Cruz Counties, Cal.*, FD 36944 (notice of exemption filed June 24, 2026; SPPR supplement stating its consent to the change in operators filed on July 8, 2026). FORT's criticisms are transparently targeted at RTC's possible future plans for the corridor it owns, which have no bearing on SPPR's objective eligibility for a discontinuance class exemption. Tellingly, FORT's Petition lacks any formal statement of its organizational interest, deliberately obscuring the fact that it is a non-shipper with no commercial stake in SPPR's freight service obligations. Instead, FORT is improperly attempting to use the Board's regulatory processes to wage a localized political proxy war over the future disposition of long-underutilized municipal assets. SPPR's routine discontinuance is simply being dragged into the vortex of this purely local policy dispute, which falls entirely outside the Board's current purview.

Strip away FORT's speculation regarding RTC's plans, and the underlying operational realities of the line remain completely uncontested. Tellingly, neither FORT nor any other commenter in this docket has pointed to a single rebuffed demand for rail service on this line within the past two years and more. No commenter has alleged any wrongdoing whatsoever on SPPR's part to thwart or refuse perceived or existing demands for freight service.

FORT and other commenters conveniently gloss over this absolute absence of traffic demand. They improperly assume a false cause-and-effect—that the line's out-of-service status caused the lack of demand, rather than acknowledging the reality that no shippers have sought service or have come forward to complain about a supposed refusal to provide service. The ultimate incongruity of FORT's position is that rejecting this Notice would not protect a single actual or prospective shipper. Instead, it would merely trap SPPR, holding it hostage to a dormant common carrier obligation over an inoperable line purely as a point of principle, rather than to fulfill any genuine transportation need. The undisputed facts remain as follows:

- The line has been without service and out of service for multiple years under SPPR's stewardship.
- There is absolutely no evidence that SPPR has rebuffed any demands for service from anyone during this timeframe.
- Neither the connecting carrier, Santa Cruz, Big Trees and Pacific Railway, nor any customer of this railroad (if any exist) has made any demands for service.
- No formal complaints regarding the cessation of service have been filed.

FORT nominally addresses the Board's four-part criteria for a stay (the *Holiday Tours* standard), but its argument for "irreparable harm" rests entirely on speculative future actions by RTC. FORT theorizes that allowing SPPR's exemption to become effective would enable RTC to disregard the Board's jurisdiction and regulations to achieve its desired outcomes, thereby (allegedly) irreparably harming the public. However, as noted above, SPPR's discontinuance does not authorize track salvage, trail conversion, or abandonment of the easement. Therefore, the discontinuance itself causes no public harm (assuming for the mere sake of argument that RTC's downstream objectives, such as they may be, are indeed truly and objectively injurious of the public interest), let alone irreparable harm.

A stay would not prevent RTC from undertaking unauthorized downstream actions; it would merely unlawfully trap SPPR on an out-of-service line with zero traffic demand. If, hypothetically, RTC subsequently were to seek to eliminate the easement, remove track or convert the corridor to a non-STB-jurisdictional bundle of assets without appropriate advance Board authority, FORT may seek injunctive relief against RTC at that time. Because FORT cannot demonstrate imminent and irreparable harm resulting directly from the specific regulatory relief SPPR is requesting, and because its arguments against SPPR's discontinuance are utterly meritless (and cannot prevail), the alternative request for a stay must be denied.

. . .

This proceeding is not a municipal town hall for debating the future disposition of local assets. FORT is improperly attempting to bootstrap complex, downstream arguments about a post-discontinuance world into a straightforward class exemption proceeding while wholly ignoring the Board's procedural deadlines. Because SPPR has fully satisfied the objective criteria for discontinuance, and because FORT's Petition is procedurally defective, SPPR respectfully requests that the Board impose procedural order. The Board should strike the Petition and summarily reject any other out-of-time comments or pleadings to prevent ongoing procedural abuse, or, alternatively, deny the Petition on the merits, and allow the discontinuance exemption to become effective in the ordinary course.

Respectfully submitted,

/s/ *R. A. Wimbish*
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cc: All parties of record
Eric Hocky (counsel for RTC, via email)