



## **Fact Sheet and Frequently Asked Questions (FAQs)**

### ***Railbanking on the Santa Cruz Branch Rail Line***

Railbanking is a method by which freight rail lines proposed for abandonment can be preserved for future freight rail use through interim conversion to trail use and other uses.

To preserve the national railroad system, the federal government established railbanking in 1983 through the National Trails System Act (Rails to Trails Act). The Rails to Trails Act provides an alternative to completely abandoning a railroad right-of-way by allowing a railroad to negotiate a trail use agreement with a prospective trail sponsor. The prospective trail sponsor must be willing to assume financial liability to preserve the rail line for future re-activation to freight rail use.

Most people associate railbanking with projects that remove the rails and repurpose infrastructure for a multi-use trail. When a railroad owns easements, the same property rights issues exist, regardless as to whether the trail replaces the rail or is built adjacent to the rail. Underlying landowners of rail easements can claim that rail easements do not include a trail, whether the rail is removed or not. However, if the corridor is railbanked, a trail can be built either adjacent to or in place of the rail line. In either case, freight railroad easements would be protected from reverting to underlying property owners.

Decisions as to where to build the trail and whether and when to pursue commuter rail is separate from railbanking. Railbanking does not require the rail to be removed. Under railbanking, the RTC can proceed with constructing either a rail-with-trail or a rail-to-trail project. The RTC has not taken any action to railbank the Santa Cruz Branch Rail Line.

## **FAQs**

### **Q1: What does it mean to abandon a rail line or portion of a rail line?**

Abandonment of a rail line or portion of a rail line is a process through which railroads remove a rail line or portion of a rail line from the national freight rail network and jurisdiction of the Surface Transportation Board (STB) and eliminate the railroad's obligation to provide freight service over and along the rail line. After abandonment, any property where a railroad only owned an easement for rail purposes would revert to the underlying property owner.

**Q2: What are the four transportation uses being considered for the Santa Cruz Branch Rail Line?**

The branch line is part of the national freight rail network and has historically provided two uses, freight rail service and recreational (excursion) passenger rail service. The third proposed use is a multi-use active transportation (bicycle and pedestrian) trail along the full length of the right of way. Commuter passenger rail service between Pajaro and Santa Cruz is the fourth proposed use.

**Q3: Is railbanking different from abandonment?**

Yes. Although part of the abandonment process, railbanking stops short of abandonment.

**Q4: Does railbanking only facilitate building trails?**

No, railbanking would facilitate both implementation of commuter passenger rail service and any configuration of a trail on the branch line.

**Q5: If railbanking makes light rail on the branch line easier, what is being banked?**

The right-of-way would be “banked” for potential re-activation of freight rail service.

**Q6: How would railbanking make it easier to implement commuter light rail?**

The infrastructure and space needed to accommodate heavy freight rail and light commuter rail are different. Less infrastructure and space would be needed to implement light rail if the right-of-way is railbanked for freight. Scheduling and operations are also easier with only one type of rail on a line.

**Q7: If the branch line were railbanked for potential freight re-activation, would any work on the line need to accommodate freight requirements?**

No. Work on the line, including work for commuter rail and/or a trail would not need to be designed for freight rail standards; however, work must be done in a manner that does not jeopardize the integrity of the rail line for potential freight re-activation.

**Q8: Who would be responsible for the cost of future freight re-activation?**

This will depend in part on the terms of the interim trail use agreement that is negotiated, but generally, the freight rail operator who applies for re-activation would be responsible for the cost of re-purposing the corridor back for freight operations.

**Q9: Would railbanking make it easier for RTC to implement a trail adjacent to the rail line?**

Yes. Railbanking would allow the use of any easements that might be restricted to only rail to be expanded to include a trail adjacent to the rail line. The RTC would not need to acquire any additional property rights and would not need to construct the trail to meet freight rail requirements.

**Q10: If the corridor is railbanked, could the RTC remove the rail and build an interim trail?**

Yes, but removing the rail is not required.

**Q11: Why is a trail in place of the rail referred to as an interim trail?**

Since railbanking would be preserving the rail line for future re-activation of freight rail, any trail built on the existing rail alignment would likely need to be moved (or removed) if freight rail were reactivated.

**Q12: If the corridor is railbanked, would the RTC be required to remove the rail and construct a trail in its place?**

No. Railbanking only requires the trail manager to preserve the right of way for future freight re-activation. The rail can remain in place. A trail is only an option and is not required.

**Q13: Why is the RTC discussing railbanking now?**

The RTC's contract freight operator, Saint Paul and Pacific Railroad (SPPR) submitted a notice of intent to terminate its agreement with the RTC and a notice of intent to abandon the line. Although SPPR has subsequently withdrawn the notice of intent to abandon the line, SPPR indicated that they reserve the right to file for abandonment at any time.

**Q14: If the branch line is not railbanked, could a trail still be built on the rail line?**

Yes, but the trail would need to be located adjacent to the rail line. Additional property rights would need to be obtained at locations where the RTC determines there are insufficient rights to build the trail, such as easements for rail purposes. If those property rights cannot be acquired, then those sections of the trail would need to be diverted off the SCBRL right-of-way and onto local streets.

**Q15: What is the status of freight on the branch line?**

There are about a half dozen active freight rail customers in Watsonville. There are no active customers north of Watsonville. The authorized freight operator (SPPR) has contracted with a local operator (Roaring Camp) to provide freight service to existing customers, but SPPR has indicated that they would still like to terminate its agreement with the RTC.

**Q16: What needs to happen for the RTC to railbank the branch line?**

Ideally, the freight operator (SPPR) would file for direct abandonment with the Surface Transportation Board (STB). The RTC would need to both file a petition with the STB to enter into railbanking negotiations, and subsequently enter into a railbank agreement with the freight operator. The RTC would need to assume financial liability for preserving the rail line. Railbanking by means of a direct abandonment proceeding can be streamlined when there is not opposition.

Another approach would be for a third party, such as the RTC, to petition the STB for an adverse abandonment. Adverse abandonment is more complicated and comes with a heavier burden to demonstrate that the public convenience and necessity require that the operator's common carrier obligations be extinguished. Adverse abandonment is not preferred.

**Q17: Who might be able to prevent the branch line from being railbanked?**

Another freight operator can make an Offer Financial Assistance (OFA) to maintain the line and assume the legal obligation to provide freight service. A freight rail customer or the owner of a potential stranded line would have grounds to object to abandonment and railbanking. The STB will not refuse to issue a railbanking order based on third-party objections about the desirability or appropriateness of the proposed use.

The best path to railbanking is to have the mutual support of all affected parties, including the freight operator, affected freight customers, and owners of potential stranded lines.

**Q18: Can only a portion of a rail line be railbanked?**

Yes. A portion of a rail line can be railbanked.