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**VIA E-FILING**

Cynthia T. Brown  
Chief of the Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington DC 20423-0001

Re: Great Redwood Trail Agency – Adverse Abandonment – Mendocino Railway in Mendocino County, California, AB-1305 (Sub-No. 1)

Dear Ms. Brown:

The Train Riders Association of California (TRAC) has advocated for improving passenger rail in California for four decades. Our organization is currently involved in several efforts around the state to restore rail lines to service. We are eager to see a public-private partnership return the out-of-service rails of the GRTA Line back into productive freight and passenger service. The first step for us in that process is to oppose the Great Redwood Trail Agency's ("GRTA") application for adverse abandonment of Mendocino Railway ("MR").

As the new President of TRAC, I rely on my Masters in Urban Planning and 40 years of experience as a transit planner to offer the following comments:

Faulty Rail Freight Analysis Commissioned by GRTA

In its application for adverse abandonment of Mendocino Railway's federal freight rights, GRTA commissioned a dubious railroad freight study for the Willits-Ukiah-Cloverdale route.

The firm that completed the analysis for GRTA stated on the [MarieJonesConsulting.com](http://MarieJonesConsulting.com) website that Ms. Jones has 30 years of experience in planning, economic development, coastal development, market analysis and grant writing. While Ms. Jones appears to have impeccable credentials and experience regarding various urban planning, zoning, housing, economic development/feasibility, mixed use, and related planning projects, the only transportation project listed was the Fort Bragg Coastal Trail.

TRAC sees no evidence that the firm is qualified to perform freight rail market analysis and similar logistics analysis. The study's conclusions should not be relied on, especially as they were limited to only Willits to Cloverdale, when that section would never be restored without connecting it to the national network. The too-local scope of analysis guaranteed that MR would be seen to have no future hauling freight. This "study" was a hit piece.

The methodology used for calculating potential freight demands is unlike freight demand studies done in the railroad consulting industry. It is invalid to rely on total area population factored by per-capita factors such as total demand for short-haul freight rail trips.

This approach captures only the demand side of logistics, while ignoring production. For an area with substantial timber processing and finished lumber production like Mendocino, the operative factor would be total production, then applying the likely share of products that ship by rail.

Traditionally, finished lumber has had a large percentage shipped by rail due to its bulk and weight.

A national average per capita demand for freight factored by population is not a substitute for a detailed evaluation of the market for specific shippers in the area, not only for finished lumber but also for other commodities such as wood chips, aggregates, etc.

In a further unprofessional effort to cast aspersions, the consultant concluded that Mendocino Railway was deceptive about the potential for short-haul freight rail in obsolete documents, rather than the relevant one:

“...MR consistently overestimated interest in short haul rail shipments in their DOT Build Applications (see Appendix A), such that the over-estimates can fairly be characterized as deceptions.” (page 8).

Here, the consultant is referring to the 2020 grant applications that were incorrectly made to the Federal Transit Administration (FTA) rather than the Federal Railroad Administration (FRA). Because Mendocino Railway has now obtained an RRIF loan, a legitimate analysis would have reviewed that loan application, not a denied grant.

#### Choice of Potential Shippers to Interview

A small local beer distillery, a small chemical company, and a small finished lumber producer are not representative of much larger potential shippers, such as the remaining sawmills, and potential reload traffic from Humboldt and Del Norte Counties. This alone makes the study's conclusions invalid.

While the study is correct that hauling of raw logs to the mill by rail went out of common use when logging railroads were replaced by trucks, the study completely ignores the shipping of finished lumber. For Mendocino County, with its long history of logging, this is not merely preposterous--it must be considered an intent to mislead the Board.

#### MR Evidence of Established If Modest, Freight Volumes

That is, about 400 carloads of raw logs for one of its logging customers for many decades; a second customer has expressed interest in moving 400-500 carloads of aggregate (gravel). The consultant failed to consider Mendocino Railway's plans for a transloading facility (not a campground as alleged by some) to carry traffic such as timber and aggregate. A restoration of the GRTA Line would enable a transload facility to capture a portion of lumber and other bulk commodity traffic originating in Del Norte and Humboldt Counties.

For the record, the four North Coast counties (Del Norte, Humboldt, Mendocino, and Sonoma focused on Cloverdale) produced almost 400 million board feet of lumber in 2020, according to <https://gis.data.ca.gov/datasets/CDTFA::ca-timber-production-statistics/explore>.

This is an annual volume of 5,000+/- equivalent lumber carloads assuming 80,000 board feet per car; presumably a large share of these shipments could be captured, including Del Norte/Humboldt loads via a potential reload facility in Willits, particularly for shipments to Southern California (at the 500-mile threshold) and out-of-state. There is also potential for other commodities, such as aggregate for the Bay Area construction and roadway market. The method of national averages applied to Mendocino County ignores MR's potential for longer distance intra-California (e.g., to the Los Angeles and San Diego regions) and interstate freight traffic.

TRAC chose to not closely investigate the numbers in the feasibility analysis, as the conclusion was so preposterous that the analysis had to be severely flawed: "Even with the award of a \$31

million low interest federal loan, rail freight is still not competitive at a price of \$57,450/railcar or \$900/ton, which is 2,346% more expensive than trucking." (page 21.)

#### Feasibility Analysis–Breakeven Analysis

While only a side note in the STB proceedings, it is important for the Board to notice that Mendocino Railway is successfully rebuilding its tourist excursion business after Covid. For example, the Skunk Train served 70,000 passengers in 2022 and 100,000 in 2023 (e.g., about 70,000 in 2023 from Willits, which is not the most “touristy” part of Mendocino County). There is a potential for 5%–7% of annual Mendocino County visitors to arrive by train. This could be 90,000-135,000 tourist arrivals by train, respectively.

Keeping in mind the very high prices that the Napa Valley Wine Train and Skunk Train are able to obtain from visitors (\$250-\$800 for a 32-mile round trip, and \$50 for 7-mile and \$65 for 14-mile round trips, respectively) it appears that tourist trains to/from the Bay Area (with a SMART connection) might be more important than carload freight traffic in the long run. There is no reason why a breakeven analysis should be restricted to only the freight side of the operation.

#### Exaggerated Benefits Claimed for Trail

GRTA's claims of trail usage in the range of six to nine million annually (Draft Great Redwood Trail Plan, Appendix A, pages 6-7: <https://greatredwoodtrailplan.org/>) are observably exaggerated, compared to actual usage on existing recreation trails in California. For example, the 28 miles of rail-trail segments completed so far along the Sonoma-Marin Area Rail Transit (SMART) route collectively serve about 800,000–900,000 annual users (with roughly 650,000 residents living in the SMART corridor, e.g. excluding the Sonoma Valley, Russian River area, and West Marin County. Trail usage is reported monthly to the SMART Board - <https://sonomamarintrain.org/bod>).

In the Sacramento urban area with about 2 million residents, the American River Parkway hosts about 5 million annual users. Relative usage in established tourist areas is significantly higher. The Napa Valley Vine Trail attracts about 1.5 million annual users, an estimated 20%-30% being visitors (300,000–400,000 visitor users, 8%-10% of 3.8 million annually).

On the Monterey Peninsula, the Monterey Bay Recreation Trail in the Cities of Monterey and Pacific Grove attracts about 1.5 million users, of which approximately two-thirds are visitors. Based on this, about 20% of visitors use the trail, located in the prime tourism areas of downtown Monterey, Cannery Row, and adjacent to the Monterey Bay Aquarium (in contrast, the Napa Valley Vine Trail is not yet completed to the prime tourism area extending north from Yountville to Oakville, St. Helena, Calistoga, and rural destinations in-between including wineries.

#### Economic Benefits of Auto-Free Visitor and Other Transportation

With its purported emphasis on creating economic activity, GRTA has surprisingly failed to consider the potential impact of adverse abandonment on MR's freight and passenger services, which are an auto-free economic engine for Mendocino County. Significantly, MR's existing line between Willits and Fort Bragg, commonly known as the “Skunk Train,” is the top commercial tourist attraction in Mendocino County. If GRTA agreed to have MR restore the tracks between Willits and Cloverdale, perhaps in exchange for freight rights and the construction of a pathway, the economic impact would greatly exceed that of a trail alone.

A recent study, the Vallejo Passenger Rail Study, found that connecting the Napa Valley to Vallejo Ferry Service operating from San Francisco could attract more than 1,000 visitor trips daily in summer (<https://sta.ca.gov/wp-content/uploads/2023/10/Vallejo-PRS-Final-Report-FINAL-2024-05-10-PDF.pdf>, p.63). In an earlier public presentation, the study consultants estimated there could be 1,000–1,500 visitor trips daily, as an annual average. That is, 365,000–548,000 annual visitor trips via the ferry to the Napa Valley. Assuming one-way trips results in a potential of 182,500–274,000 annual rail trips by visitors. This is 5%–7% of all Napa Valley visitors.

Applied to the 1.8 million estimated annual Mendocino County visitors, this figure suggests 90,000-135,000 trips to Mendocino County might be attracted. This is in the same ballpark as the 100,000 annual riders currently attracted by the Skunk Train. These figures are also consistent with a weekend rail service that operated between Healdsburg and Willits prior to FRA's closure of the line circa 2000. The latter service reportedly attracted 500-600 passengers per trip.

### Conclusion

TRAC strenuously opposes GRTA's Application. We urge the Surface Transportation Board to encourage freight hauling by rail in Mendocino County via the historic Mendocino Railway by denying adverse abandonment.

Very truly yours,

A handwritten signature in black ink that reads "Michael R. Setty". The signature is written in a cursive, slightly slanted style.

President, Train Riders Association of California (TRAC)