

Martin E. Hansen, OSB #800526
FRANCIS HANSEN & MARTIN LLP
1148 NW Hill Street
Bend, OR 97703
Ph: (541) 389-5010
meh@francishansen.com
Counsel for Complainant

311306

ENTERED
Office of Chief Counsel
May 8, 2026
Part of
Public Record

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

VFRC, LLC, an Oregon Limited Liability
Company,

Complainant,

v.

PORTLAND & WESTERN RAILROAD,
INC., a New York Corporation; GENESEE
& WYOMING, INC., a Delaware
Corporation,

Defendants.

Docket No. NOR 42187

COMPLAINT

*Filing contains color photographs
at Exhibit 3*

COMPLAINT

COMPLAINANT

VFRC, LLC

30257 Highway 99W

Corvallis, Oregon 97333

ATTORNEY FOR COMPLAINANT

Martin E. Hansen, OSB #800526

1148 NW Hill Street

Bend, Oregon 97702

(541) 389-5010

meh@francishansen.com

DEFENDANTS

Portland & Western Railroad, Inc.

c/o C T Corporation System, Inc.

780 Commercial St. SE, Suite 100

Salem, Oregon 97301

Genesee & Wyoming, Inc.

20 West Avenue

Darien, Connecticut 06820

FILED
May 8, 2026

SURFACE TRANSPORTATION BOARD

FEE RECEIVED
May 8, 2026

SURFACE TRANSPORTATION BOARD

Pursuant to 49 U.S.C. § 11701(b), 49 U.S.C. § 11704(c), and 49 C.F.R. § 111.2, VFRC, LLC (“VFRC”) hereby complains against Portland & Western Railroad, Inc. (“PNWR”) and Genesee & Wyoming (“G&W”) (collectively “Defendants”), seeking redress for PNWR’s failure to provide reasonable rail transportation service to VFRC in violation of PNWR’s common carrier obligations imposed by 49 U.S.C. § 11101(a), as well as damages caused by PNWR’s failure to discharge their duty as a common carrier pursuant to 49 U.S.C. § 11704(b).

I.

VFRC is an Oregon limited liability company that engages in agricultural services, shipping their commodities to buyers both in and outside of Oregon. VFRC also owns the physical assets of the Bailey Branch railroad line from Milepost 687.60 near Corvallis, Oregon to Milepost 682.25 near Greenberry, Oregon. VFRC’s principal place of business is located at 30257 Highway 99W, Corvallis, Oregon 97333.

II.

PNWR operates a roughly 500-mile regional system of former BNSF and Union Pacific Railroad Company (“UP”) lines in Western Oregon. PNWR is a wholly owned subsidiary of short line and regional railroad holding company G&W. PNWR is a common carrier by rail subject to the jurisdiction of the Surface Transportation Board under Title 49 U.S. Code, Subtitle IV, Part A. PNWR’s principal place of business is located at 780 Commercial Street SE, Suite 100, Salem, Oregon 97301. G&W’s principal place of business is located at 20 West Avenue, Darien, Connecticut 06820.

III.

The Surface Transportation Board has subject matter jurisdiction over the Complaint pursuant to 49 U.S.C. § 10501. Furthermore, 49 U.S.C. § 11101(a) requires a rail carrier

providing transportation or service subject to the jurisdiction of the Surface Transportation Board to provide such transportation or service on reasonable request.

IV.

The Bailey Branch is a 17.7-mile railroad line in Benton County, Oregon stretching from the cities of Corvallis to Monroe, with a spur to Dawson. A map showing the location of this line is attached hereto as Exhibit 1. This track is the only north-south track on the west side of the Willamette River south of Corvallis.

The Bailey Branch includes the Marys River Bridge, which spans the Marys River near Corvallis, Oregon. This bridge has been owned by UP since 1996, and before that, it was owned by Southern Pacific. In or around 1992, Southern Pacific contracted with PNWR (formerly Willamette & Pacific Railroad (“WPRR”)) to operate the line, including the Marys River Bridge.¹ This arrangement remains in effect today. Thus, the obligation to operate, maintain, and repair the bridge and line lies solely with PNWR.

The Marys River Bridge constitutes the exclusive conduit through which cargo shippers on the Bailey Branch, including Complainant VFRC, access external markets.

V.

Since 1956, Venell Farms, Inc. has shipped tens of thousands of rail cars on the Bailey Branch. Initially, their cargo primarily constituted grass seed and some hay, but in the 1970s, they began shipping a substantial amount of animal feed as well.

¹ WPRR is a closely related sister company to PNWR. Both are operated together under Genesee & Wyoming Inc. In 2000, PNWR adopted all the stations of the WPRR, and PNWR incorporates WPRR as part of its operations. For the purposes of this Verified Complaint, any reference to PNWR includes and incorporates WPRR.

VI.

In 1996, Venell Farms, Inc. built a \$2,000,000 bulk loading facility on the Bailey Branch so that they could facilitate further shipments by rail on the Bailey Branch. Venell Farms, Inc. also added a spur and a switch at the North end of their facility to facilitate a pass through, so the PNWR did not have to pull loaded cars to Monroe, Oregon and back, which assisted PNWR by having less wear on the southern section of the line.

Once Venell Farms, Inc.'s facility was complete, Venell Farms, Inc. engaged PNWR to start sending cars to their new facility. However, PNWR refused to do so because they claimed that repairs were needed on the Bailey Branch line.

From 1992 (when PNWR first contracted with Southern Pacific) and 2000, the track had deteriorated due to PNWR failing to make the necessary repairs to keep it in safe operating condition. PNWR's deferred maintenance resulted in the need for PNWR to request emergency aid from the State of Oregon to repair the line.

In or around August of 2000, PNWR received approximately \$250,000 in emergency repair funds from the State of Oregon to repair the track to a safe operating condition. As part of the rehabilitation of the line, PNWR also imposed a shipper paid maintenance surcharge of \$49 on all carloads to cover operating costs to serve the line. The \$49 surcharge was charged only to the local shippers on the track, including Venell Farms, Inc.

In or around 2002, additional funding of approximately \$105,000 was granted by the State to PNWR to repair the track. However, a year after receiving these funds, the PNWR had still yet to repair the track. Additionally, they continued to charge Venell Farms, Inc. the \$49 surcharge.

In or around 2007, PNWR sent Venell Farms, Inc. a letter informing them that they were going to embargo the track due to safety concerns directly related to poor track conditions, and

that they were commencing formal abandonment procedures. A copy of this letter is attached hereto as Exhibit 2. The line was embargoed shortly thereafter (PNWR000107).

This embargo left Venell Farms, Inc. and other shippers on the line with no rail service for over a year. This resulted in Venell Farms, Inc. having to ship products via truck instead, even though they had invested millions in their facility for the purpose of shipping by rail.

In 2007, Venell Farms, Inc. and other shippers along the line sued UP, G&W, and WPRR in Benton County Circuit Court seeking, *inter alia*, injunctive relief and damages for breach of contract related to failures associated with not repairing or maintaining the track.

VII.

Increasingly frustrated by PNWR's failure to repair and maintain the track, in 2010, instead of further pursuing their claims in Benton County Circuit Court, Venell Farms, Inc. purchased a section of the Bailey Branch from Milepost 687.60 near Corvallis to Milepost 682.25 near Greenberry under the entity VFRC, LLC. This section of the line is located approximately 1,500 feet south of the Marys River Bridge.

VFRC purchased this section of the line from UP. At the time of this acquisition, UP maintained a freight easement over the line, but later transferred this easement to Albany & Eastern Railroad Company ("AERC"). AERC continues to operate the section of the line owned by VFRC pursuant to its freight easement, with UP retaining overhead trackage rights on the line. PNWR had previously terminated its lease with UP pertaining to this line and transferred its operating rights on the line to AERC, while also retaining overhead trackage rights on the line. Following their purchase of the line in 2010, VFRC invested \$800,000 into track upgrades and repairs that PNWR was required to complete but failed to do years earlier.

Following this substantial investment in track upgrades, VFRC commenced shipping products by rail, relying on the Bailey Branch's sole means of access to the interstate rail

network via the Marys River Bridge. Between 2011-2013, VFRC shipped approximately 400 cars of wheat per year in addition to their usual shipments of grass seed and animal feed.

Following VFRC's investment to repair the track and with AERC now serving as the operator on VFRC's section of the track, additional agricultural companies began investing in substantial infrastructure along the line. In 2018, Nutrien Ag Solutions ("Nutrien") constructed an \$8,000,000 shipping facility on the line. Nutrien chose to invest substantial capital in this location because they would have access to reliable rail interchange.

VIII.

On May 2, 2022, the Marys River Bridge caught fire and burned for approximately nine hours, severely scorching the wooden trestles and cross braces of the 75-year-old structure. PNWR had allowed a large camp of homeless individuals to remain underneath the Marys River Bridge leading up to the fire. On May 2, 2022, a lab used to manufacture methamphetamine located underneath the bridge within the homeless camp exploded, which caused the pilings underneath the bridge to catch fire. While the Corvallis Fire Department was able to put out the fire, the cross braces on the bridge were severely burned and sustained substantial damage. While PNWR replaced ties and light rail equipment on the bridge following the blaze, they never replaced the damaged cross braces.

Less than three years later, on January 4, 2025, the bridge's cross braces failed causing the bridge to collapse, sending rail cars operated by PNWR—and approximately 200 tons of urea (a chemical used in fertilizer production)—into the river below. Photographs of the aftermath of the bridge collapse are attached hereto as Exhibit 3.

On November 25, 2025, the Oregon Department of Environmental Quality ("DEQ") sent PNWR a Notice of Civil Penalty for unlawfully discharging waste into waters of the state and

assessed an \$81,600 fine against PNWR. A copy of this Notice is attached hereto as Exhibit 4.

Particularly significant is the following quotation from the DEQ's Notice:

"Given the circumstances of this incident, DEQ is concerned about the condition and safety of Portland & Western, Inc.'s railroad crossings over water bodies."

See Exhibit 4.

This structural failure was caused by PNWR's oversight. Had the bridge been properly repaired/rebuilt following the fire in 2022, the bridge would not have collapsed in 2025.

Since its collapse on January 4, 2025, PNWR has yet to repair the bridge or provide a timeline on resuming service. This has caused the cessation of interchange services between VFRC (as well as other cargo shippers on the Bailey Branch) and the PNWR-operated Railroad, resulting in the complete disruption of rail service to and from VFRC.

This interruption has had a substantial financial impact on VFRC's business. Based on historical usage, VFRC estimates a loss of 157 inbound railcars of fertilizer over the past year. At an average margin of \$300 per railcar, this equates to approximately \$47,100 in lost revenue to VFRC.

Furthermore, in late 2024 prior to the collapse of the bridge, VFRC was in discussions with Kalama Grain in Washington about loading their grain at VFRC's facility. This represented a substantial business opportunity for VFRC to expand their business, as the Port of Kalama is a major west cost hub for exporting agricultural products. Unsurprisingly, these discussions did not continue following the collapse of the bridge, given that no rail interchange has been possible since.

Relatedly, a neighboring farm in Benton County had engaged VFRC prior to the bridge collapse about shipping fifty cars of wheat per year. Again, since the bridge collapsed, these talks have ceased.

Other shippers on the line have also been significantly impacted. For instance, Nutrien has been forced to truck in all fertilizer products, despite choosing to invest \$8,000,000 at this location due to its proximity to rail infrastructure to support its deliveries. These impacts have rippled through the surrounding community, increasing congestion on local roadways due to heightened trucking activity and leaving local farmers to contend with reduced fertilizer availability and higher costs.

IX.

Since the bridge collapsed, VFRC has attempted to engage with PNWR on multiple occasions to determine when the bridge will be repaired and service will be resumed. PNWR has failed to provide any substantive answer. After waiting nearly one and a half years for an answer, counsel for VFRC sent a letter to PNWR on April 24, 2026, formally demanding that PNWR take whatever steps were necessary to resume interchange service with VFRC's trackage. This letter also reminded PNWR of their obligations to do so as a common carrier. A copy of this letter is attached hereto as Exhibit 5.

In this letter, VFRC also alerted PNWR that at the time the Marys Bridge collapsed, two of PNWR's locomotives and sixteen PNWR freight cars were on the south side of the bridge. These PNWR locomotives and freight cars have been stored on VFRC's property and railroad without VFRC's consent and without payment for storage costs since January 2025. Accordingly, on May 1, 2026, VFRC sent PNWR an invoice reflecting sixteen months siding and yard rent for PNWR's two locomotives from January 2025 through April 2026 at a total cost of \$400,000.00. A copy of this invoice is attached hereto as Exhibit 6.

X.

On April 29, 2026, counsel for VFRC sent a follow up letter to their April 24th correspondence. This letter is attached hereto as Exhibit 7. This letter was sent to PNWR after

VFRC learned that PNWR had recently engaged with contractors about removing their locomotives via truck from VFRC's property for a quoted price of \$409,890.00. The invoice reflecting this amount is attached hereto as Exhibit 8.

This further demonstrates PNWR's continued efforts to improperly abdicate its obligations as a common carrier. By attempting to remove its stranded rail equipment from VFRC's property by truck at a significant cost—while failing to take steps to restore interchange service as a common carrier, PNWR has demonstrated that it has no intention of resuming such service anytime soon.

XI.

On April 29, 2026, counsel for VFRC received an email on behalf of WPRR and G&W stating that the portion of the line including the Marys River Bridge had been embargoed as of April 29, 2026 (PNWR000126). A copy of this email is attached hereto as Exhibit 9. A copy of the embargo is attached hereto as Exhibit 10.

An embargo is an “**emergency measure** placed in effect because of some disability on the party of the carrier which makes the latter unable properly to perform its duty as a common carrier.” *GS Roofing Prods. Co. v. Surface Transp. Bd.*, 262 F3d 767, 773 (8th Cir 2001) (emphasis added). Here, there is no “emergency.” The bridge collapsed nearly **17 months** before the line was embargoed.

Further, while a valid embargo temporarily excuses a common carrier's duty to provide service on reasonable request pursuant to 49 U.S.C. § 11101(a), it does not permanently eliminate the common carrier obligation. 2001 STB LEXIS 633, *11, 2001 STB LEXIS 633. “[A]n embargo cannot be used by a railroad to unilaterally abandon or discontinue service on a line at its own election.” *Id.* Here, PNWR has done precisely this. PNWR neglected its duty as a

common carrier for 17 months after the bridge collapsed and has now decided to embargo the line with “no immediate plan to resume service.” *See* Exhibit 9.

To be valid, an embargo must at all times be reasonable. *GS Roofing Prods. Co.*, 262 F3d at 773. If the Surface Transportation Board determines that an embargo is unreasonable, a rail carrier may be liable for damages pursuant to 49 U.S.C. § 11704(b). *Id.* Whether an embargo is reasonable or not is a fact specific inquiry, and is determined by balancing several factors, including the “length of the service cessation, the intent of the railroad, the cost of the repairs, the amount of traffic on the line, and the financial condition of the carrier.” 2001 STB LEXIS 633, *12, 2001 STB LEXIS 633. Each of these factors is discussed in detail below.

i. The Length of the Service Cessation

As explained above, the Marys River Bridge collapsed in early January 2025. For nearly 17 months, there has been no service on this line and during this time, PNWR refused to take any action or provide any information regarding a timeline to resume service. It is critical to note that there was no embargo in place until April 29, 2026. Thus, for nearly 17 months, PNWR completely evaded its obligation to provide rail service as a common carrier. Had PNWR embargoed the line shortly after the bridge collapsed, they might have found temporary relief from their common carrier duties under 49 U.S.C. § 11101(a). *GS Roofing Prods. Co.*, 262 F3d at 773 (Noting that the obligation of common carriers is not absolute, and a valid, reasonable embargo will relieve a carrier of its obligation to provide rail service.). However, they did not. They sat on their hands until legal counsel for VFRC sent two separate demand letters reminding them of their common carrier duties. Only then did they proceed to place an embargo on the line, treating the collapse of the Marys River Bridge as if it had happened the day before. Their actions during this period are indefensible, unreasonable, and in clear violation of 49 U.S.C. § 11101(a).

ii. The Intent of the Railroad

The actions, or inactions, of PNWR on the Bailey Branch since January 2025 confirm a longstanding pattern of PNWR abandoning their duties as a common carrier dating back to 1996. Even when PNWR operated the section of the line now owned by VFRC, they refused to send cars to VFRC's newly constructed facility because of needed repairs—repairs which PNWR was obligated to perform but never fully completed. To restore service to the line, VFRC was forced to take the unprecedented step of purchasing a section of the line to complete what PNWR was obligated to do years earlier.

Now, years later, PNWR is undoubtedly taking a similar approach to avoiding their common carrier duties. By failing to take any action regarding the collapsed Marys River Bridge for nearly 17 months, despite being obligated to do so, their intent is clear. Only now, after receiving multiple demand letters from VFRC's counsel to restore service, do they attempt to employ the “emergency measure” of embargoing the railroad. This is not the behavior of a common carrier acting in good faith to discharge its obligation under 49 U.S.C. § 11101(a). It is the behavior of a common carrier that has repeatedly evaded their duties on this line for over thirty years.

Additionally, as stated above, “an embargo cannot be used by a railroad to unilaterally abandon or discontinue service on a line at its own election.” 2001 STB LEXIS 633, *11, 2001 STB LEXIS 633. By failing to act for 17 months, then embargoing the line and claiming there are “no immediate plan to resume service,” PNWR's actions resemble an attempt to abandon or discontinue a rail line without following the procedures required under 49 U.S.C. § 10903 and 49 C.F.R. § 1152.

iii. The Cost of Repairs

To date, there has been no formal quotation of costs to repair the Marys River Bridge and resume service; However, Rick Franklin Corporation, the company that was contracted to remove the bridge from the Marys River after the collapse, estimated the cost of the bridge repairs at \$1.5 million. Moreover, PNWR has recently demonstrated a willingness to pay Rick Franklin Corporation \$409,890.00 to remove their stranded locomotives from VFRC's property, instead of putting those funds toward rebuilding the bridge and resuming service, which they are obligated to do. *See Exhibit 8.*

iv. The Amount of Traffic on the Line

Hundreds of cars travel along this line each year. The current primary shippers on this line (prior to the bridge collapse) include Venell Farms Inc. and Nutrien Ag Solutions, both of which have invested millions of dollars in facilities along the line. As described above, prior to the bridge collapse, Kalama Grain and a neighboring farm in Benton County were in talks with VFRC/Venell Farms, Inc. about shipping additional cars along the line.

v. The Financial Condition of the Carrier

PNWR is owned by G&W, which is the largest short line railroad holding company in North America. G&W's subsidiaries include over 13,000 miles of track and provide rail service at more than 30 major ports. In 2019, G&W was acquired by the \$16-billion-dollar global infrastructure company Brookfield Infrastructure Partners. G&W most certainly has the financial means to repair the Marys River Bridge and restore service to the Bailey Branch following PNWR's failures as a common carrier.

Each of the relevant factors above show the unreasonableness of PNWR's recent embargo on the Bailey Branch.

XII.

PNWR should be liable for damages incurred by VFRC pursuant to 49 U.S.C. § 11704(b), including for lost profits. *See Louisiana Railcar, Inc. v. Missouri Pacific Railroad Co.*, 5 I.C.C. 2d 542, 549 (1989) (Surface Transportation Board possesses the authority to award damages for lost profits); *see also GS Roofing Prods. Co.*, 262 F3d at 777 (lost profits cannot be speculative or remote).

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, for the foregoing reasons, the Surface Transportation Board should find that PNWR's actions constitute a failure to provide adequate rail service to VFRC in violation of PNWR's common carrier obligation under 49 U.S.C. § 11101(a).

VFRC respectfully requests that the Surface Transportation Board order Defendants to repair the Marys River Bridge and restore service to the Bailey Branch. Pursuant to 49 U.S.C. § 11704(b), VFRC respectfully requests that the Surface Transportation Board award damages to VFRC, including lost profits, caused by PNWR's failure to discharge their duty as a common carrier and for an unlawful embargo of the line. VFRC also requests an order requiring PNWR to pay VFRC for their ongoing, unauthorized storage of two locomotives and sixteen freight cars on VFRC's property, caused by PNWR's failure to repair the bridge and restore service, as well as any other damages as may be proven in an investigation of this Complaint.

DATED this 8th day of May, 2026

FRANCIS HANSEN & MARTIN LLP

/s/ Martin E. Hansen

Martin E. Hansen, OSB #800526

Attorney for Complainant

CERTIFICATE OF SERVICE

I certify on the 8th day of May, 2026, I served the foregoing **COMPLAINT (NOR 42187)** on the parties below by email, US First Class mail, and by directing a certified process server to Personally Serve the parties below:

Portland & Western Railroad, Inc.
c/o C T Corporation System, Inc.
780 Commercial St. SE, Suite 100
Salem, OR 97301

Portland & Western Railroad, Inc.
Attn: Scott Boyter, General Manager
1200 Howard Drive SE
Albany, OR 97321
scott.boyter@gwrr.com

Portland & Western Railroad, Inc.
Attn: Catherine A. Pushchak, Deputy General Counsel
20 West Avenue
Darien, CT 06820
catherine.pushchak@gwrr.com

Genesee & Wyoming, Inc.
Attn: Catherine A. Pushchak, Deputy General Counsel
20 West Avenue
Darien, CT 06820
[*catherine.pushchak@gwrr.com*](mailto:catherine.pushchak@gwrr.com)

Genesee & Wyoming, Inc.
Attn: Allison Fergus, General Counsel and Secretary
20 West Avenue
Darien, CT 06820

DATED this 8th day of May, 2026.

FRANCIS HANSEN & MARTIN LLP

/s/ Martin E. Hansen
Martin E. Hansen, OSB #800526
Attorney for Complainant

CERTIFICATE OF SERVICE

FRANCIS HANSEN & MARTIN LLP
1148 NW HILL STREET, BEND, OR 97703-1914
TEL: (541) 389-5010 • FAX: (541) 382-7068
WWW.FRANCISHANSEN.COM



John J. Speight
Vice President
Marketing & Sales

June 4, 2007

To Our Customers:

Subject: Notice of PNWR Embargo on Bailey District

During the past 5 weeks the Portland & Western Railroad (PNWR) has experienced 5 derailments that were directly related to existing track conditions. With the current and anticipated volumes of traffic on the line from Corvallis to Monroe and Dawson, we are unable to justify the significant investment required to bring the line up to safe operating conditions. Due to safety concerns, we are faced with no alternative but to embargo the line account track conditions pending the formal filing for abandonment.

Effective June 16, 2007, the PNWR will issue an embargo on all traffic on the line. After this date, no traffic will be accepted originating or destined for stations on the Bailey District.

Please feel free to call our Salem marketing office at 503-365-7717 x103 or x110 if you have any questions regarding the embargo or if you require further information regarding this decision.

EXHIBIT C PAGE 1 OF 1







Oregon

Tina Kotek, Governor

Department of Environmental Quality
Office of Compliance and Enforcement
700 NE Multnomah Street, Suite 600
Portland, OR 97232-4100
(503) 229-5696
FAX (503) 229-5100
TTY 711

November 25, 2025

CERTIFIED MAIL: 9589 0710 5270 3236 6721 23

Portland & Western Railroad, Inc.
c/o C T Corporation System, Inc.
780 Commercial St. SE, Suite 100
Salem, OR 97301

Re: Notice of Civil Penalty Assessment and Order
Case No. WQ/NP-WR-2025-687

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$81,600 for discharging waste into the Marys River following a trestle collapse and train derailment in Corvallis on January 4, 2025. The incident resulted in approximately 199.28 tons of urea being released into the river over a period of nine days.

DEQ issued this penalty because discharging waste into waters of the state without a permit is a serious violation of Oregon environmental law. Urea can pollute waters by introducing excessive nitrogen that promotes algal blooms, depletes dissolved oxygen, and disrupts aquatic ecosystems. When urea breaks down into ammonia, it can be toxic to aquatic organisms. To protect water quality, Oregon law prohibits any discharge of pollutants into state waters unless that discharge is authorized by a waste discharge permit.

Given the circumstances of this incident, DEQ is concerned about the condition and safety of Portland & Western, Inc.'s railroad crossings over water bodies. Included in Section IV is an order requiring you to submit a report to DEQ that identifies all wooden trestle bridges over water bodies in Oregon that are owned and maintained by you, and describes your process for evaluating and prioritizing repairs, modifications or replacement of wooden trestles.

DEQ appreciates your efforts to minimize the impacts of the violation by promptly initiating incident response and cleanup efforts and conducting water quality monitoring. DEQ considered these efforts when determining the amount of civil penalty.

If you wish to appeal this matter, DEQ must receive a request for a hearing within 20 calendar days from your receipt of this letter. The hearing request must be in writing. Send your request to DEQ Office of Compliance and Enforcement:

Via mail – 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232

Via email – DEQappeals@deq.oregon.gov

Via fax – 503-229-6762

Once DEQ receives your request, we will arrange to meet with you to discuss this matter. If DEQ does not receive a timely written hearing request, the penalty will become due. Alternatively, you can pay the penalty by sending a check or money order to the above address.

The attached Notice further details DEQ's reasons for issuing the penalty and provides further instructions for appealing the penalty. Please review and refer to it when discussing this case with DEQ.

DEQ may allow you to resolve part of your penalty through the completion of a Supplemental Environmental Project (SEP). SEPs are environmental improvement projects that you sponsor instead of paying a portion of your penalty. Further information is available by calling the number below or at <http://www.oregon.gov/deq/Regulations/Pages/SEP.aspx>.

DEQ's rules are available at <https://www.oregon.gov/deq/Regulations/Pages/Administrative-Rules.aspx> or by calling the number below.

If you have any questions, please contact Esther Westbrook at 503-229-5374 or toll free in Oregon at 800-452-4011, extension 5374.

Sincerely,



Erin Saylor, Interim Manager
Office of Compliance and Enforcement

Enclosures

cc: Scott Boyter, Portland & Western Railroad, Inc., 1200 Howard Drive SE, Albany, OR 97321
Chance Plunk, Salem Office, DEQ
Heather Tugaw, Medford Office, DEQ
Accounting, DEQ



MARTIN E. HANSEN *
ALISON A. HUYCKE
SARAH E. HARLOS
FRANCES MANN *
CRAIG K. EDWARDS
CHRISTOPHER J. MANFREDI Δ

* ADMITTED IN OREGON AND WASHINGTON
Δ ADMITTED IN OREGON AND CALIFORNIA

FRANCIS HANSEN & MARTIN LLP

ATTORNEYS AT LAW

1148 NW HILL STREET, BEND, OR 97703-1914
PHONE: 541-389-5010 • FAX: 541-382-7068

WWW.FRANCISHANSEN.COM

April 24, 2026

QUINN M. BURKET
ANDY C. ARCHER
JEFFREY H. SMITH ○

C.E. "WIN" FRANCIS (RETIRED)
GERALD A. MARTIN (1943-2022)

LIA S. BOWMAN, LICENSED PARALEGAL

○ ADMITTED IN OREGON, WASHINGTON, AND PENNSYLVANIA

VIA E-MAIL SERVICE

Scott Boyer
General Manager, P&W
scott.boyter@gwrr.com

Frankie Gonzales
Assistant General Manager, P&W
francisco.gonzales@gwrr.com

Re: VFRC LLC v. P&W/Demand for Resumption of Service

Dear Mr. Boyer and Mr. Gonzales,

Our office represents VFRC, LLC and its owner Larry Venell. As you know, VFRC, LLC is the owner of the Baily Branch out of Corvallis that connects with the Portland and Western.

It has been over a year since the bridge failure on your railroad that caused the cessation of interchange service between VFRC and the P&W. The P&W's failure to resume interchange service has caused substantial damages to both VFRC and its major shipper, Nutrein Ag Services. Those damages include loss of railcar interchange fees and other lost revenue to VFRC. Additionally, P&W locomotives and freight cars have been stored by the P&W on VFRC without VFRC's consent and without payment for storage cost.

It has come to our attention that recently P&W has been obtaining bids to move by truck the stranded railcars and P&W locomotives. This is a clear indication that P&W is attempting to abdicate their responsibility as a common carrier railroad. We cannot allow that to happen.

The purpose of this letter is to formally demand that the P&W take whatever steps are necessary to resume interchange service with VFRC's trackage. You are obligated as a common carrier to continue interchange service even if it means making repairs to your railroad. We have waited long enough for you to resume service.

We expect you to respond to this letter within the next five (5) days and tell us what your plan is to resume service. If we do not hear from you or if you do not propose a

reasonable plan to resume service in the very near future, my client will take this matter to the Service Transportation Board through a formal complaint process. The P&W has taken no steps to abandon it's connection with VFRC nor could it support such an abandonment given the need for rail service to VFRC. We are giving you an opportunity to propose a plan to resume interchange service now before we take this matter up with the STB.

My client also is contemplating filing suit against the P&W to collect the damages that it has suffered to date and to collect all future damages until rail transportation service has resumed.

Once you have had a chance to review this you should consult with your attorney and have them get in touch with me.

Sincerely,



Martin E. Hansen

MEH/ldj

VFRC, LLC

30257 Hwy 99W
Corvallis, OR 97333

Invoice

Date	Invoice #
4/29/2026	042926

Bill To
Portland & Western Railroad Inc. 1200 Howard Drive SE Albany, OR 97321

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			4/29/2026			
Quantity	Item Code	Description			Price Each	Amount
16	Rent Expense	16 months Siding and Yard rent for 2 locomotives PNWR3532 & PNWR3549 Jan. 2025 through April 2026 Contact: Larry Venell 541-990-7688			25,000.00	400,000.00
					Total	\$400,000.00



MARTIN E. HANSEN*
ALISON A. HUYCKE
SARAH E. HARLOS
FRANCES MANN*
CRAIG K. EDWARDS
CHRISTOPHER J. MANFREDIA

* ADMITTED IN OREGON AND WASHINGTON
△ ADMITTED IN OREGON AND CALIFORNIA

FRANCIS HANSEN & MARTIN LLP

ATTORNEYS AT LAW

1148 NW HILL STREET, BEND, OR 97703-1914
PHONE: 541-389-5010 • FAX: 541-382-7068

WWW.FRANCISHANSEN.COM

April 29, 2026

QUINN M. BURKET
ANDY C. ARCHER
JEFFREY H. SMITH^o

C.E. "WIN" FRANCIS (RETIRED)
GERALD A. MARTIN (1943-2022)

LIA S. BOWMAN, LICENSED PARALEGAL

^oADMITTED IN OREGON, WASHINGTON, AND PENNSYLVANIA

VIA E-MAIL AND FIRST-CLASS US MAIL

Catherine A. Pushchak
Deputy General Counsel
Genesee & Wyoming Railroad Services, Inc.
20 West Avenue
Darien, CT 06820
catherine.pushchak@gwrr.com

Re: VFRC LLC v. P&W/Demand for Resumption of Service

Dear Ms. Pushchak,

I am writing this as a follow up to my letter of April 24, 2026 and your e-mail to me of this morning. The P&W has recently attempted to take actions that are once again inconsistent with it's obligations as a common carrier as regulated by the STB.

We have recently learned the P&W has attempted to engage contractors to remove it's two locomotives together with the sixteen railcars that have been isolated on my client's railroad for over a year since P&W's bridge failed. This attempt by your client to remove these items is further proof of the P&W's improper abdication of it's obligations as a common carrier. We will not permit that.

Please be aware that my client will not allow the P&W or any contractor on our property with the intent or purpose to remove the locomotives or stranded railcars. To do so would be an admission on our part that P&W has a right to cease interchange service with my client's railroad without first having gone through the formal abandonment process. For that reason, any attempt by P&W or any contractor to enter our property for the purpose of removing these pieces of rail equipment will be treated as trespassing and dealt with accordingly.

We are in the process of filing the STB complaint that we lined out in my letter of April 24th. We are also contemplating filing suit to collect the damages incurred as a result of the P&W's breach of it's common carrier obligations. There are serious damages accumulating as a result of P&W's failure to resume interchange with my client's railroad.

Re: VFRC LLC v. P&W/Demand for Resumption of Service
April 29, 2026
Page 2

If you wish to discuss alternatives to the process laid out in this letter we are open to a dialogue in that regard. We cannot allow P&W to ignore it's obligations any further.

Sincerely,

A handwritten signature in blue ink, appearing to be 'MEH', with a large, stylized loop at the end.

Martin E. Hansen

MEH/ldj

Purchase Order

Bill to:

Portland & Western Railroad, Inc.
4545 East River Road, Suite 210
West Henrietta, NY 14586
USA

Purchase order no.	PNWR-000001434
Date	4/29/2026
Page	1 of 1
Currency	USD

Buyer: Purchasing PO	Requestor: Konley Newman
Phone:	Phone: 503-798-3519
Email: Purchasing-PO@gwrr.com	Email: konley.newman@gwrr.com

Vendor: RICK FRANKLIN CORPORATION

PO BOX 365, 101 INDUSTRIAL WAY
LEBANON, OR 97355
USA
Phone: (503) 258-6444
Fax:

Ship to:

1000 W. Jackson Street SE
Albany, OR 97322
USA
Phone:
Fax:

Attention information

Payment terms

Net30

Shipping method

G&W Routing Guide

Line number	Item number	OEM number	Description	Unit	Quantity	Unit cost	Amount
Purchase agreement	Vendor item	Delivery date	Delivery address	Asset number	Tax amount	Vendor comment	Project no.
1	OS06-0007	4/29/2026	Contract Services 1000 W. Jackson Street SE Albany, OR 97322 USA	Each	220,130.00 \$0.00	\$1.0000 Movement of PNWR 3532 and PNWR 3549	\$220,130.00 PNW058825D
2	OS06-0007	4/29/2026	Contract Services 1000 W. Jackson Street SE Albany, OR 97322 USA	Each	16.00 \$0.00	\$11,860.0000 Movement of 16 rail cars	\$189,760.00 PNW058825D

Purchase Order number, item number, name and address of consignee must appear on all invoices, shipping, delivery correspondence and other documents. Packing slip complete with Purchase Order and item number must accompany each shipment. This Purchase Order incorporates the Genesee & Wyoming Railroad Services, Inc. General Terms and Conditions, which can be downloaded at <http://www.gwrr.com/suppliers>. The provision of goods or services under this Purchase Order is deemed acceptance of the Genesee & Wyoming Railroad Services, Inc. General Terms and Conditions. For prompt payment, invoices can be emailed to accountspayable@gwrr.com and the Requestor listed above. To request a copy of G&W Routing Instructions, please email Purchasing-PO@gwrr.com

Subtotal	\$409,890.00
Trade discount	\$0.00
Charges	\$0.00
Tax	\$0.00
Order total	\$409,890.00

Outlook

FW: VFRC LLC v. P&W/Demand for Resumption of Service

From: Catherine Pushchak <catherine.pushchak@gwrr.com>

Sent: Wednesday, April 29, 2026 8:56 AM

To: Martin Hansen <meh@francishansen.com>; Lisa Johnson <lisa@francishansen.com>

Cc: Scott Boyter <scott.boyter@gwrr.com>; Lauren Roberts <lauren.roberts@gwrr.com>; David Franklin Jr. <david.franklin2@gwrr.com>; Michael Morningstar <michael.morningstar@gwrr.com>; Frankie Gonzales <francisco.gonzales@gwrr.com>

Subject: RE: VFRC LLC v. P&W/Demand for Resumption of Service

Mr. Hansen,

I am writing on behalf of Willamette & Pacific Railroad, Inc. ("WPRR") in response to your April 24, 2026 letter. As you are aware, WPRR suffered a force majeure event, which resulted in its inability to operate the relevant portion of this line. WPRR has been working to explore options to reopen the bridge. This portion of the line has been embargoed as of this morning as WPRR continues to work to evaluate its options moving forward. There is no immediate plan to resume service.

If you have any questions, please do not hesitate to contact me.

Best regards,

Catherine A. Pushchak
Deputy General Counsel*

Genesee & Wyoming Railroad Services, Inc.
20 West Avenue
Darien, CT 06820
ph: 203-202-8915
fx: 203-656-1148
cell: 203-249-2369
Email: catherine.pushchak@gwrr.com

Print Embargo

PNWR-PORTLAND & WESTERN RAILROAD INC

Embargo Number: PNWR000126

Amendment Number: 1

Status: Effective

Effective Date: 04-29-2026

Expiration Date: 04-29-2027

Allow Permit: No

Tier 2 Effective Date: 04-29-2026

Original Effective Date:

Roads Invited to Participate: UP

Embargo Contact Email: embargogw-commercial@gwrr.com

Bypass Local Waybills: No

Operating Station Notice: No

Effective Immediately: Yes

Include Empty Revenue Cars: No

Include All Empty Cars: No

Minimum Car Allowed:

Maximum Car Allowed:

Commodities: Target All Commodities

Geography:

Included Locations:

Origin: *

Destination:

PNWR-72025,CORVALLIS,OR

PNWR-72026,ORCHARDS,OR

BI-DIRECTIONAL

Origin: *

Destination:

UP-71960,CORVALLIS,OR

BI-DIRECTIONAL

Condition: OR

Interchange(s): Via Interchange Junctions

PNWR - ORHDS (ORCHARDS, OR) - AERC

AERC - ORHDS (ORCHARDS, OR) - PNWR

Umler Equip. Type : Target All Umler Equipment Types

No Weight Restrictions

Except These Cars: No Cars In Exception List

Embargo/OPSL Umler Element Status: No Umler Element

Clearance Code: No Clearance Code

Waybill Parties: Target All Waybill Parties

Cause: Bridge out of service

Cause Detail: Bridge Out of Service

Note:

Amendment History:

Amendment 1 (Current): Add/Remove Stations by Participant -

By direction of the Safety and Operations Department, Association of American Railroads.

Specific contact information can be found in the TD-1 Circular

(<https://public.railinc.com/sites/default/files/documents/TD-1.pdf>).

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AAR Embargo/OPSL Notes And Permit System (<https://embargo.railinc.com>)