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ENTERED
Office of Chief Counsel
June 29, 2026
Part of
Public Record

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June 29, 2026

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street SW
Washington, DC 20423

Re: VFRC, LLC, *et al.* v. Portland & Western Railroad, Inc. and Genesee & Wyoming Inc.,
STB Docket No. NOR 42187

Dear Chief of Case Administration:

Enclosed for filing in the above captioned proceeding is a motion for protective order filed by Genesee & Wyoming Inc. ("G&W") and Portland & Western Railroad, Inc. ("PNWR"). G&W and PNWR respectfully request expedited consideration of this motion.

Also enclosed for filing is a joint motion to dismiss and an Answer to the VFRC, LLC *et al.* Amended Complaint. G&W and PNWR have included redacted "public" versions of the Motion to Dismiss and Answer for the Board to post in the public docket and "highly confidential" versions for filing under seal subject to the proposed protective order.

If you have any questions related to this filing, please let me know.

Sincerely,

A handwritten signature in blue ink that reads 'Justin J. Marks'.

Justin J. Marks
Counsel to Portland & Western Railroad, Inc.
and Genesee & Wyoming Inc.

Enclosure

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. NOR 42187

**VFRC, LLC, VENELL FARMS, INC., AND ALBANY & EASTERN RAILROAD
COMPANY V. PORTLAND & WESTERN RAILROAD, INC.,
GENESEE & WYOMING INC.,
AND UNION PACIFIC RAILROAD COMPANY, INC.**

**ANSWER OF PORTLAND & WESTERN RAILROAD, INC.
AND GENESEE & WYOMING INC.
TO VFRC, LLC, ET AL AMENDED COMPLAINT**

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*Counsel for Portland & Western
Railroad, Inc. and Genesee &
Wyoming Inc.*

Dated: June 29, 2026

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. NOR 42187

**VFRC, LLC, VENELL FARMS, INC., AND ALBANY & EASTERN RAILROAD
COMPANY V. PORTLAND & WESTERN RAILROAD, INC.,
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AND UNION PACIFIC RAILROAD COMPANY, INC.**

**ANSWER OF PORTLAND & WESTERN RAILROAD, INC.
AND GENESEE & WYOMING INC.
TO VFRC, LLC, ET AL AMENDED COMPLAINT**

On June 8, 2026, VFRC, LLC (“VFRC”), Venell Farms, Inc (“Venell”), and Albany & Eastern Railroad Company (“AERC”)¹ filed an Amended Complaint against Portland & Western Railroad, Inc. (“PNWR” or “Railroad”)², Genesee & Wyoming Inc. (“G&W”) and Union Pacific Railroad Company (“UP”) based on, *inter alia*, the alleged failure of Railroad to provide transportation in violation of Railroad’s common carrier obligations, as well as Railroad’s failure to discharge its duties as a common carrier. In accordance with the requirements of 49 C.F.R. §1111.5, Railroad and G&W hereby answer the Amended Complaint.³ To the extent that Railroad and G&W do not specifically admit a factual allegation set forth the Amended Complaint, that allegation is denied.

¹ Together referred to as “Complainants.”

² In footnote 1 of the Amended Complaint, Complainants state that all references to PNWR include and incorporate PNWR’s affiliate, Willamette & Pacific Railroad, Inc. (“WPRR”). References to “Railroad” herein include both PNWR and WPRR. References to “Railroad” do not include Co-Defendant Union Pacific Railroad Company.

³ As permitted by 49 C.F.R. §1111.6, Railroad and G&W are contemporaneously filing a motion to dismiss the Amended Complaint (the “Motion to Dismiss”).

Railroad and G&W hereby respond to the allegations set forth in each numbered section of the Amended Complaint as follows:

Answers

I.

It is denied that VFRC is a company that engages in agricultural services or that ships its commodities both in and outside of Oregon.⁴ It is admitted that VFRC owns the physical assets of the portion of the Bailey Branch railroad line between MP 687.60 and Milepost 682.25 (the “Bailey Branch Extension.”). By way of further response, while VFRC has authority to own the Bailey Branch Extension, it does not have authority to operate and has never operated the Bailey Branch Extension.⁵ Rather, an unrelated party, Albany & Eastern Railroad Company (“AERC”) owns a freight easement over the Bailey Branch Extension and has the common carrier operating rights.⁶ VFRC is neither the operator of the Bailey Branch Extension, nor a shipper using the Bailey Branch Extension.

II.

It is denied that Venell is an active customer shipping commodities along the Bailey Branch because Venell has not shipped via Railroad to or from the Bailey Branch Extension since at least September 22, 2015. It is admitted that Venell is an Oregon business corporation

⁴ The most recent annual report filed with the Oregon Secretary of State indicates that the business of VFRC is “railroad spur line development.” See Exhibit A.

⁵ *VFRC, LLC – Acquisition Exemption – Union Pacific Railroad Company*, Finance Docket No. 35353 (served March 6, 2012).

⁶ *Albany & Eastern R.R. Co – Acquisition and Operation Exemption – Union Pacific R.R. Co and Willamette & Pacific R.R., Inc.* Finance Docket No. 35355 (served Mar. 10, 2010).

that engages (or previously engaged) in agricultural services and that Venell is the parent company of VFRC.⁷

III.

It is admitted only that AERC operates the Bailey Branch Extension owned by VFRC. It is neither admitted nor denied that UP retains overhead trackage rights on the line. AERC interchanges traffic with Railroad pursuant to an interchange agreement dated May 25, 2010 (the “Interchange Agreement”), a copy of which is attached hereto as Exhibit B.⁸

IV.

It is admitted only that Portland & Western Railroad, Inc. (“PNWR”), together with its affiliate Willamette & Pacific Railroad, Inc. (“WPRR”) operate approximately 500 miles of rail lines in Western Oregon.⁹ PNWR and WPRR are wholly owned subsidiaries of G&W, a non-carrier holding company. G&W does not hold any common carrier authority from the Board, or hold itself out to provide any railroad services.

V.

Railroad neither admits nor denies the statements made regarding UP. It is admitted that the Marys River Bridge was part of the Bailey Branch that Railroad leases from UP.

⁷ As explained in the VFRC 2010 motion to dismiss its acquisition notice of exemption, and in its 2012 letter withdrawing the motion to dismiss, VFRC is an affiliate of Venell Farms, Inc. that was formed to acquire the physical assets of the line (but not to operate the line). At the time, Venell Farms was the only shipper on the line. See *VFRC, LLC – Acquisition Exemption – Union Pacific Railroad Company*, Finance Docket No. 35353, *VFRC Motion to Dismiss* at 3-4, 10 (filed June 30, 2010) and *VFRC Letter Withdrawing Motion to Dismiss* at 1 (filed July 6, 2011).

⁸ The Interchange Agreement contains a confidentiality provision. Accordingly, Railroad is filing a Highly Confidential Version of this Answer that includes a copy of the Interchange Agreement as an exhibit, together with a Motion for a Protective Order. In the Public Version of the Answer, the Interchange Agreement has been redacted.

⁹ In some locations, PNWR performs the rail operations on behalf of WPRR. Railroad and PNWR responses in this Answer are on behalf of both PNWR and WPRR.

VI.

Section VI contains statements of law to which no response is required. However, Railroad and G&W note that while 49 U.S.C. § 10501 gives the Board jurisdiction “over transportation by rail carrier,” this jurisdiction does not apply to G&W which is neither a rail carrier, nor does it provide any transportation. Similarly, while 49 U.S.C. §11101(a) imposes certain requirements on a “rail carrier providing transportation or service subject to the jurisdiction of the Board,” G&W is not subject to such requirements.¹⁰

VII.

Section VII and Exhibit 1 to the Amended Complaint do not accurately describe the Bailey Branch as it now exists. The Bailey Branch (sometimes now referred to as part of the West Side Branch) is currently less than 6 miles in length and is comprised of two segments, (a) the segment between MP 688.12 at the Marys River near Corvallis, OR and MP 687.60 (the “Bailey Branch”) which is owned by UP and leased to WPRR,¹¹ and (b) the Bailey Branch Extension between MP 687.60 and MP 682.25 now owned by VFRC subject to a freight easement owned and operated by AERC. The remainder of the Bailey Branch beyond MP 682.25 was abandoned by UP and discontinued by WPRR in 2011.¹² Railroad acknowledges that the Marys River Bridge was part of the Bailey Branch leased to and operated by Railroad

¹⁰ Under the Motion to Dismiss, G&W is seeking to be dismissed from this proceeding for lack of jurisdiction. On this basis, only Railroad will be answering the specific allegations of the Amended Complaint. To the extent G&W is required to answer, G&W adopts the responses of Railroad.

¹¹ See *Willamette & Pacific Railroad, Inc. – Lease and Operation Exemption – Union Pacific Railroad Company*, Docket No. FD 36827 (STB notice served April 30, 2025).

¹² See *Union Pacific R.R. Co. – Abandonment and Discontinuance of Trackage Rights Exemptions – in Benton County, OR*, Docket No. AB 33 (Sub-No. 257X); *Willamette & Pacific Railroad, Inc. – Discontinuance of Service and Discontinuance of Trackage Rights Exemptions – in Benton County, OR*, Docket No. AB 986 (Sub-No. 1X) (served June 10, 2011).

before it collapsed due to flooding. While the Marys River Bridge was the exclusive rail outlet for shipper(s) on the Bailey Branch / Bailey Branch Extension, the only remaining active customer on the line has continued to receive freight service by rail and truck transload.

To the extent Section VII sets forth a legal conclusion (“the obligation to operate, maintain, and repair the bridge and line lies with PNWR and UP”), no response is required.

VIII.

Railroad denies the allegations in Section VIII because it lacks knowledge or information sufficient to form a belief as to their truth and demands strict proof thereof to the extent such allegations are relevant to the claims set forth in the Amended Complaint. Additionally, while the allegations may or may not be true historically, what is true is that Venell has not shipped any freight over the Bailey Branch since before September 22, 2015.

IX.

Railroad denies that the allegations in Section IX are relevant to the claims set forth in the Amended Complaint which are all related to the after effects of the collapse of the bridge, and further disputes the litany of complaints related to service and maintenance between 1996 and 2007 that led up to the lawful embargo and consideration of the potential abandonment of the Bailey Branch at that time.

X.

Railroad denies the allegations in Section X because it lacks knowledge or information sufficient to form a belief as to the truth of the allegations as to why Venell formed VFRC and purchased the Bailey Branch Extension, and as to how much VFRC invested in track upgrades. Railroad admits that VFRC purchased the Bailey Branch Extension from UP in 2010, that UP retained a freight easement over the segment, that the freight easement was

transferred to AERC in 2010, and that AERC has been the sole rail carrier operator since that time. Railroad denies that following the acquisition by VFRC any of the Complainants “commenced shipping products by rail”, was ever a shipper on the Bailey Branch Extension or relied as a shipper on the Bailey Branch or service by Railroad to access the interstate rail network. Railroad admits only that in accordance with Railroad’s records, Venell shipped 22 carloads of freight between 2011 and 2013.

Railroad admits that Nutrien Ag Solutions (“Nutrien”) is located on the Bailey Branch Extension, but lacks knowledge or information sufficient to form a belief as to the truth of the allegations of how much Nutrien invested in its facility or why it selected that location, and demands strict proof thereof to the extent such allegations are relevant to the claims set forth in the Amended Complaint.

XI.

Railroad admits that in May 2022, the Marys River Bridge caught fire and the fire caused significant damage to the bridge. Railroad denies that it had any responsibility for the fire. Railroad repaired the bridge to make it safe for railroad operations in accordance with Federal Railroad Administration (“FRA”) regulations. The bridge was returned to service on May 31, 2022. Railroad’s certified railroad bridge inspectors inspected the bridge following the 2022 repairs, and annually thereafter in 2023 and 2024, to ensure that the bridge was safe for continued rail operations. Railroad provided interchange service to and from AERC between when the bridge was returned to service on May 31, 2022, until the bridge collapsed on January 4, 2025.

Railroad denies that the bridge’s collapse on January 4, 2025, was the result of the bridge’s cross braces failing; rather the collapse was due to extreme high-water conditions on the

Marys River. Railroad further denies that the bridge failure was caused by lack of oversight or that the bridge was improperly repaired following the 2022 fire.

Railroad admits that the bridge has not been rebuilt following its collapse in January 2025. Railroad originally estimated that it would cost approximately \$4,000,000 to replace the span and tie it back into the remaining timber foundations / spans (or approximately \$6,500,000 to replace the entire bridge with steel piles and spans.). Railroad has recently obtained an outside design/build estimate of approximately \$3,800,000 to rebuild the bridge based on current steel market prices for a new span with new ties and rail. Railroad denies that it is obligated to rebuild the bridge under the current circumstances.

Railroad denies the allegations in Section XI of how much of an impact the bridge being out of service has had on VFRC, Venell and Nutrien because it lacks knowledge or information sufficient to form a belief as to the truth of those allegations and demands strict proof thereof. Since VFRC is not a shipper and Venell has not shipped any rail cars since 2015, Railroad denies that rail service to either of them has been disrupted. Further, Railroads deny that Venell “lost” any railcars over the past year given that Venell has not received any rail service since 2015.

Railroad denies the allegations in Section XI related to claimed loss of potential additional business because they lack knowledge or information sufficient to form a belief as to whether any of the VFRC and Venell were in discussions with any parties about potential additional business for the Bailey Branch Extension. And no related requests for rail service were made to Railroad.

Railroad admits that Nutrien has been forced to rely on transloading and trucking since the bridge collapsed. Railroad understands that traffic to and from Nutrien has been rerouted to a nearby transload location located on another line operated by AERC. Railroad believes that

Nutrien's business has continued without interruption, and in any event, Railroad denies that Complainants have any claim for damages to Nutrien's business even if there were any.

Railroad denies deny the allegations in Section XI regarding harm to the community, other shippers (there are none) or impacts to local farmers as no supporting evidence is provided.

XII.

Railroad denies the allegations in Section XII because it lacks knowledge or information sufficient to form a belief as whether or how much of an impact the bridge being out of service has had on AERC and demands strict proof thereof. Further, pursuant to Article 7(e) of the Interchange Agreement, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

XIII.

Railroad admits that only Complainant VFRC sent a letter to Railroad dated April 24, 2006, as attached to the Amended Complaint as Exhibit 7.

Railroad admits that at the time that the Marys River Bridge collapsed, there were two Railroad locomotives and 16 railcars on the south (AERC) side of the bridge. Railroad denies that any of them are on VFRC-owned property and that VFRC is entitled to any storage charges - 13 of the railcars are on the portion of the Bailey Branch south of the bridge that is still leased by Railroad, and the two locomotives and 3 remaining railcars were moved by AERC and are being

held at Nutrien's facility. Pursuant to the Interchange Agreement, interchange between Railroad and AERC takes place on Railroad's tracks south of the bridge, with the tracks that cross the bridge being available as "Access Trackage."

Railroad denies that the invoice that VFRC sent for storage of the two locomotives represents a commercial rate for storage even if the locomotives were located on the VFRC owned / AERC operated rail line.

XIV.

Railroad admits that only Complainant VFRC sent a second letter to Railroad dated April 29, 2026, as attached to the Amended Complaint as Exhibit 9. Railroad responded to the two VFRC letters by letter dated May 8, 2026, a copy of which is attached hereto as Exhibit C. Railroad's response to VFRC was sent before Railroad was served with, or aware of the filing of, the original Complaint.

Railroad denies that the attempt to recover its stranded locomotives and railcars and return them to service while the bridge remains out of service is an abdication or violation of any of Railroad's obligations as a common carrier or connecting carrier.

XV.

Railroad admits that PNWR issued an embargo with respect to the interchange of traffic between PNWR and AERC where the Bailey Branch connects with the Bailey Branch Extension (south of the Marys River Bridge) as shown in Exhibit 12 to the Amended Complaint. The cause of the embargo is shown as "bridge out of service." Railroad issued the embargo to formally put on the record that the bridge was out of service in response to the increased threats by VFRC even though all affected parties (Complainants and Nutrien) have been well aware of the bridge collapse and the inability of rail traffic to cross the Marys River to access the interstate network.

Since the bridge collapse there have been no new requests for service to or from the Bailey Branch Extension presented to the Railroad.

Section XV contains various statements of law with respect to embargoes to which no response is required.

Without admitting or denying that Complainants have properly set forth the factors to be considered in determining whether an embargo has been legally imposed, Railroad responds to the factual allegations of the Complainants as follows:

- i. Railroad admits that there has been no rail service provided to or from the Bailey Branch Extension since the Marys River Bridge collapsed in January 2025. Railroad denies that it took “no action” between the collapse of the bridge and the recent imposition of the embargo. Initially, Railroad took the actions necessary to remove the collapsed portion of the bridge from the Marys River and to conduct cleanup efforts and water quality monitoring. This work was completed on January 25, 2025. Railroad’s original estimate for rebuilding the bridge was between approximately \$4,000,000 and \$6,500,000. Based on 2024 traffic levels and revenues (87 carloads from one shipper – Nutrien), Railroad determined that the significant investment to rebuild the bridge was not justified based on the anticipated volume of traffic and associated revenues. (Although not available when the embargo was put in place, the recent outside estimate for replacing the bridge supports the Railroad’s prior analysis.) Railroad continues to explore all options for the bridge and the related line, including looking for possible public funding for a rebuild. Without any current prospects for funding, Railroad obtained an estimate to ship the two locomotives and 16 railcars which are

stranded on the south side of the Marys River via truck. This attempt to return the Railroad equipment into service has now been held up by VFRC asserting that it will not allow Railroad or its contractor access to or across VFRC property to retrieve the equipment. See VFRC letter dated April 29, 2026, attached to the Amended Complaint as Exhibit 9.

- ii.** Railroad denies the allegations that Railroad has “abandoned” its duties as a common carrier dating back to 1996. As discussed in response to subsection i above, Railroad denies that it has failed to take any action regarding the collapsed Marys River Bridge. Given the high cost of rebuilding the bridge and the anticipated low volume of and revenues from traffic that would move to and from the Bailey Branch Extension, Railroad was justified in not moving forward to rebuild the bridge, and in imposing the embargo. Moreover, if Railroad determines that funding will not be available to rebuild the bridge, then Railroad would be justified in seeking discontinuance authority from the Board with respect to its lease of the Bailey Branch from the Marys River to the interchange with AERC.
- iii.** Railroad denies that to-date there has been no formal third-party estimate of the costs to rebuild the Marys River Bridge in a condition that would support the resumption of service. Railroad recently obtained a third-party design/build estimate of approximately \$3,800,000 to rebuild the bridge based on current steel market prices for a new span with new ties and rail. Railroad’s original estimate to rebuild the bridge was approximately \$4,000,000 to replace the span and tie it back into the remaining timber foundations / spans (or approximately \$6,500,000

to replace the entire bridge with steel piles and spans). Both the Railroad's original estimate and now the recent third-party estimate are significantly higher than the eyeball estimate that Complainants say was provided by Rick Franklin Corporation. Railroad denies that it is obligated to put the funds it intends to spend to move its stranded locomotives and railcars toward the rebuilding of the bridge when there is no indication that the balance of the funds necessary for rebuilding the bridge would be available or that the estimated future revenue would support the investment or financing of the construction (even at the lower cost suggested by Rick Franklin Corporation).

- iv.** Railroad denies the Complainants claim that “hundreds of cars” travel along the Bailey Branch and Bailey Branch Extension each year. In 2024 before the bridge collapse, only 174 railcars (87 carloads and 87 empties) moved over the line. During 2024, all of the railcars were moved for Nutrien. None were moved for Venell which has not shipped or received any carloads since September 22, 2015. Railroad denies the allegations in subsection iv as to whether VFRC or Venell were in discussions with any parties about potential additional rail business for the Bailey Branch Extension because Railroad lacks knowledge or information sufficient to form a belief as to those allegations. No requests for service or rates were submitted to Railroad with respect to any potential additional rail business.
- v.** G&W is a non-carrier holding company. As such, it is not subject to the jurisdiction of the Board, and it has no obligation under the ICC Termination Act of 1995, as amended, to repair the Marys River Bridge or restore service to the Bailey Branch Extension. Additionally, as set forth above, the cost of rebuilding

the bridge is not justified by the anticipated level of traffic that would use the bridge, and requiring Railroad to rebuild the bridge in these circumstances would place an undue and unjustified financial burden on PNWR/WPRR.

XVI.

Railroad denies that it should be liable to Complainants for any lost profits or other damages under 49 U.S.C. §11704(b).

Affirmative Defenses

1. The Board lacks jurisdiction over G&W because G&W is a non-carrier holding company. It is not a rail carrier and does not provide transportation service by rail.

2. The Amended Complaint fails to state a claim under 49 U.S.C. § 11101(a) because Railroad's service complied with the requirements of Section 11101(a).

3. The Amended Complaint fails to state a claim under 49 U.S.C. § 11101(a) because none of the Complainants made a reasonable request for service as required by 49 U.S.C. §11101(a).

4. Complainants are not shippers on either the Bailey Branch or the Bailey Branch Extension. As such Claimants are not eligible to claim damages against Railroad under 49 U.S.C. § 11704(b) for a violation of 49 U.S.C. § 11101(a).

5. Railroad does not have authority to operate on or over the Bailey Branch Extension and holds no common carrier obligations to any shipper(s) located on the Bailey Branch Extension.

6. Under the Interchange Agreement, AERC contractually agreed [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. The cost of rebuilding the Marys River Bridge is not justified by the anticipated level of traffic that would use the bridge and the associated revenue, and requiring Railroad to rebuild the bridge in these circumstances would place an undue and unjustified financial burden on the Railroad. It is, and has been, reasonable for Railroad not to rebuild the bridge under the circumstances.

8. Railroad's issuance of the embargo on interchange with AERC on the Bailey Branch was proper. Upon the issuance of the embargo, Railroad was, and for the duration of the embargo is, formally relieved of its obligations to interchange with AERC. Railroad continues to explore options for the bridge and related line, including outside funding for a rebuild or seeking discontinuance authority.

9. Any of Complainants prayers for relief requesting Board action related to the period after April 29, 2026, or damages incurred after that date should be rejected because the Board lacks jurisdiction over Railroad's operations over the portion of the Bailey Branch that connects with the Bailey Branch Extension following the proper issuance of the embargo on that date.

10. Railroad reserves the right to assert any additional defenses that become apparent during this proceeding. Additional facts may become known if this proceeding advances toward discovery that will support affirmative defenses that are currently unknown to Railroad.

Conclusion and Requested Relief

The Conclusions and Requested Relief in the Amended Complaint state legal conclusions to which no response is required. However, for the reasons set forth above in the responses to the allegations in the Amended Complaint, in the Affirmative Defenses, and in the Motion to Dismiss, the relief requested by Complainants should be denied.

Respectfully submitted,



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*Counsel for Portland & Western
Railroad, Inc. and Genesee & Wyoming
Inc.*

Dated: June 29, 2026

EXHIBIT A

VFRC ANNUAL REPORT

AMENDED ANNUAL REPORT

Corporation Division
sos.oregon.gov/business

E-FILED
Mar 11, 2026
OREGON SECRETARY OF STATE

REGISTRY NUMBER

51261197

REGISTRATION DATE

04/11/2008

BUSINESS NAME

VFRC, LLC

BUSINESS ACTIVITY

RAILROAD SPUR LINE DEVELOPMENT

MAILING ADDRESS

745 NW VAN BUREN AVE
CORVALLIS OR 97330 USA

TYPE

DOMESTIC LIMITED LIABILITY COMPANY

PRIMARY PLACE OF BUSINESS

30257 HWY 99W
CORVALLIS OR 97333 USA

JURISDICTION

OREGON

REGISTERED AGENT

20006714 - EVASHEVSKI ELLIOTT PC
745 NW VAN BUREN AVE
CORVALLIS OR 97330 USA

If the Registered Agent has changed, the new agent has consented to the appointment.

MANAGER

LARRY VENELL
30257 HIGHWAY 99W
CORVALLIS OR 97333 USA

MANAGER

PAM VENELL
30257 HIGHWAY 99W
CORVALLIS OR 97333 USA



Corporation Division
sos.oregon.gov/business

OREGON SECRETARY OF STATE

I declare, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any officers, managers, members or agents of the limited liability company on behalf of which the person signs. This filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment, or both.

By typing my name in the electronic signature field, I am agreeing to conduct business electronically with the State of Oregon. I understand that transactions and/or signatures in records may not be denied legal effect solely because they are conducted, executed, or prepared in electronic form and that if a law requires a record or signature to be in writing, an electronic record or signature satisfies that requirement.

ELECTRONIC SIGNATURE

NAME

LARRY VENELL

TITLE

MANAGER

DATE

03-11-2026

EXHIBIT B

INTERCHANGE AGREEMENT

REDACTED

EXHIBIT C

RAILROAD LETTER TO VFRC

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May 8, 2026

BY EMAIL

Martin E. Hansen
Francis Hansen & Martin LLP
1148 NW Hill Street
Bend, OR 97703-1914

Re: VFRC Demand for Resumption of Service
Settlement Discussions

Dear Mr. Hansen:

We are counsel for Willamette & Pacific Railroad, Inc. (WPRR) and Portland & Western Railroad, Inc. (PNWR) (collectively the "Railroad"). Your April 29, 2026 letter has been referred to us for response. We intend for this response to be treated as settlement discussions and not be admissible in any court or administrative proceedings.

Common Carrier /Interchange Obligation. Initially, the Railroad categorically denies that it has breached its common carrier obligation or its duty to interchange. As you are well aware, the bridge across the Corvallis River was washed out by flooding in January, 2025. The Railroad arranged for the cars that were enroute at the time of the washout to be redirected to a location on nearby Albany & Eastern Railroad Company (AERC) lines for transloading to the affected customer. We understand that the customer has continued to receive transload service since that time.

Initial estimates for restoration of the bridge were approximately \$5,000,000. Given the limited traffic that moves over the bridge (approximately 87 cars in 2024), it is not economically feasible for the Railroad to restore the bridge. The Railroad sought funding assistance from the State of Oregon, but its request was denied. In these circumstances, it is quite clear that the STB would find that the Railroad's actions have been reasonable and that it has not violated its common carrier obligations.

Although the Railroad did not initially embargo the line between the bridge and MP 687.6 (the connecting line segment), it certainly would have been justified in doing so. Given your threats, the Railroad has now formally embargoed the connecting line segment suspending any common carrier obligations that it has with respect to that portion of the line. At this time, the Railroad intends to move forward to seek formal discontinuance authority from the STB, which will further suspend its common carrier obligations.

The Railroad is certainly willing to work cooperatively with your client if it is willing or able to subsidize the rehabilitation of the bridge or is able secure public funds for the work.

Access to Equipment / Storage Charges. It is distressing that you have indicated that VFRC will not allow the Railroad's contractor to remove its stranded equipment. Initially, we request that you provide us with evidence that VFRC controls the line and has the right to bar the Railroad from access to the line. From our understanding of the filings that were made in 2010, AERC received STB authority to acquire from Union Pacific and WPRR, and to operate, a freight easement for the line from MP 687.6 (the connection with WPRR) to MP 682.25. From that proceeding, it seems that AERC, and not VFRC, controls access to the line.

Even if VFRC does have sufficient control of the property to prevent the Railroad and its contractor from removing its equipment, your position is especially unreasonable given that VFRC is simultaneously seeking storage charges. We believe that depriving the Railroad of access to its equipment is an unlawful conversion, and the Railroad reserves the right to seek damages from VFRC if it prevents the removal of the equipment, including any increase in the costs of removal that the Railroad incurs, as well as damages from the loss of use of the locomotives, and any car hire that accrues on the cars.

We would prefer to handle this amicably. Without acknowledging that any storage charges are due or that access can be denied, Railroad would be willing to pay the sum of \$10,000.00 as full payment of any and all storage charges and for access to the line for removal of the locomotives and cars.

Sincerely,

CLARK HILL

s/ Eric M. Hocky

Eric M. Hocky

EMH:e

cc: Catherine A. Pushchak
Jacob, Snodgrass, Albany & Eastern Railroad

VERIFICATION

I, Allison Fergus, Secretary of Genesee & Wyoming Inc. (G&W) state that I am duly authorized to sign this verification of the Answer to the VFRC, LLC, Venell Farms, Inc, and Albany & Eastern Railroad Company Amended Complaint; that I have read the Answer and know the contents thereof; that not all of the matters stated in the Answer are within my personal knowledge and that there is no individual who has personal knowledge of all such matters; that said responses were prepared with the assistance of counsel for G&W upon which I have relied; and that the responses set forth herein, subject to inadvertent and undiscovered errors, are based upon and necessarily limited by the records and information in existence, presently recollected, and thus far discovered in the course of preparation of those responses. Subject to the limitations set forth herein, the said responses are true to the best of my knowledge, information, and belief. I declare under penalty of perjury under the laws of the United States of America that the Answer is true and correct.

Executed on June 29, 2026


Allison Fergus

VERIFICATION

I, David Franklin, Jr., President of Portland & Western Railroad, Inc. and Willamette & Pacific Railroad, Inc. (collectively "Railroad"), state that I am duly authorized to sign the Answer to the VFRC, LLC, Venell Farms, Inc, and Albany & Eastern Railroad Company Amended Complaint; that I have read the Answer and know the contents thereof; that not all of the matters stated in the Answer are within my personal knowledge and that there is no individual employee of the Railroad who has personal knowledge of all such matters; that said responses were prepared with the assistance of employees and counsel for Railroad upon which I have relied; and that the responses set forth herein, subject to inadvertent and undiscovered errors, are based upon and necessarily limited by the records and information in existence, presently recollected, and thus far discovered in the course of preparation of those responses. Subject to the limitations set forth herein, the said responses are true to the best of my knowledge, information, and belief. I declare under penalty of perjury under the laws of the United States of America that the Answer is true and correct.

Executed on June 29, 2026

A handwritten signature in black ink, appearing to read "DFJ", is written over a horizontal line.

David Franklin Jr.

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of June, 2026, I caused a copy of the foregoing Answer to be served on the persons listed below by email as indicated.

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Justin J. Marks