

PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. FD 36447

)
)
) **Lake Providence Port Commission**
) **– Feeder Line Application –**
) **Line of Delta Southern Railroad Located**
) **In East Carroll and Madison**
) **Parishes, LA**
)

**UPDATED
Verified Statement**

of

**Thomas D. Crowley
President Emeritus**

and

**Christena Nielsen
Senior Consultant**



On Behalf of

Lake Providence Port Commission

Date: June 16, 2026

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LIST OF EXHIBITS

Exhibit No.¹	Exhibit Title
(1)	(2)
18	Updated Photo Log with Corroborating Photos from 2025 and 2026
19	DSRR Lake Providence Branch Going Concern Value - Assuming the DSRR Line Excludes the Abandoned Storage Track South of Tallulah, LA
20	DSRR Lake Providence Branch Going Concern Value - Assuming the DSRR Line Includes the Abandoned Storage Track South of Tallulah, LA
21	DSRR Net Liquidation Value Assuming the DSRR Line Ends at Tallulah, LA – 1Q26
22	DSRR Net Liquidation Value Assuming the DSRR Line Includes the Abandoned Track South of Tallulah, LA – 1Q26

¹ Exhibit No. 1 through Exhibit No. 8 are included with our Verified Statement filed on January 4, 2023 (“1/3/23 VS”) in this proceeding. Exhibit No. 9 through Exhibit No. 13 are included with our Verified Statement filed on July 5, 2024 (“7/5/24 VS”) in this proceeding. Exhibit No. 14 through Exhibit No. 17 are included with our Verified Statement filed on May 29, 2026 (“5/29/26 VS”) in this proceeding.

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I. INTRODUCTION

We are Thomas D. Crowley and Christena Nielsen, President Emeritus and a Senior Consultant, respectively, of L. E. Peabody & Associates, Inc. L. E. Peabody & Associates, Inc. is an economic consulting Firm that specializes in addressing economic, transportation, marketing, financial, accounting, operating and fuel supply matters. We spent most of our consulting careers of over 50 years and over 30 years, respectively, evaluating railroad operations, capacity, costs and profitability and pricing issues for shippers, producers, railroads and government agencies. A summary of Mr. Crowley's credentials is included as Exhibit No. 1 and a summary of Ms. Nielsen's credentials is included as Exhibit No. 2 to our 1/3/23 VS (included with the 1/4/23 Amended Application filed in this proceeding).

In a decision in this proceeding issued on May 27, 2026, the Surface Transportation Board ("STB" or "Board") ordered the Lake Providence Port Commission ("LPPC") to

“...either file any revisions to its valuation calculations and supporting evidence that it believes are warranted based on the updated discovery responses DSRR recently provided or notify the Board that no such revisions are necessary.”²

Based on the Board's 5/27/26 directive, we were asked by Counsel for LPPC to update the constitutional minimum value ("CMV") of the Delta Southern Railroad, Inc. ("DSRR") portion of the Lake Providence Branch Line from Lake Providence, LA at milepost ("MP") 471.0 to the interchange with the Canadian Pacific Kansas City Limited ("CPKC")³ at Tallulah, LA at MP 498.44 that we developed and last presented in our 7/5/24 VS. The updated CMV presented in this

² See, STB 5/27/26 Decision in this proceeding, p. 3.

³ Previously, the Kansas City Southern Railway Company ("KCS").

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Verified Statement incorporates the data provided by DSRR in response to LPPC's data requests during the most recent discovery phase of this proceeding.⁴

By way of background, DSRR operates on two (2) separate and distinct rail lines in Louisiana. One line runs from Monroe, LA to Sterlington, LA (the "Monroe Branch") and the other runs from Lake Providence, LA (MP 471.0) to Tallulah, LA (MP 498.44) (the "DSRR Portion of the Lake Providence Branch Line"). This Verified Statement, as well as our 1/3/23 VS and our 7/5/24 VS, concern only the DSRR Portion of the Lake Providence Branch Line. A modified schematic of the DSRR Portion of the Lake Providence Branch Line is included as Exhibit No. 9 to our 7/5/24 VS.⁵

Currently, DSRR provides common carrier railroad transportation for compensation over approximately eight (8) miles on the southern end of the DSRR Portion of the Lake Providence Branch Line that connects the Madison Parish Port ("MPP") with CPKC at Tallulah, LA (MP 490.91 to MP 498.44).⁶ The nearly 20-mile segment between MP 471.0 and MP 490.91 is used primarily to store railcars and since 2017 has only been used to move one specialized Schnabel car that was moved in September 2022.⁷

⁴ We wish to note that DSRR did not provide all of the documents that it was ordered to provide by 3/15/26, and that some documents were not provided until 6/6/26. We created a multi-page set of questions for DSRR after DSRR's 4/24/26 production, attempting to resolve the deficiencies informally, which Counsel for LPPC provided to Counsel for DSRR. DSRR began to answer our questions in May 2026, but it still had not completed answering those questions by 6/12/26 (to allow us time to take those answers into account in finishing this VS), thus leaving us with almost all, but not all, of the information required to provide the most complete set of calculations of GCV and NLV as we would have preferred. In the absence of all of the requested information from DSRR, including some questions that DSRR did not answer directly, we provided the best calculations that we could provide herein as of this time. Therefore, we (and LPPC) reserve our rights to update our calculations in rebuttal, after DSRR submits its Response to the Amended Application (presumably with calculations of its own for GCV and NLV for the DSRR Portion of the Lake Providence Branch Line).

⁵ Exhibit No. 1 through Exhibit No. 8 are included with our 1/3/23 VS. Exhibit No. 9 through Exhibit No. 13 are included with our 7/5/24 VS and Exhibit No. 14 through Exhibit No. 17 are included with our 5/29/26 VS.

⁶ See, DSRR_03512 which shows [REDACTED] are the only stations on the DSRR Portion of the Lake Providence Branch Line where shipments originated or terminated.

⁷ See, January 4, 2023 Feeder Line Application, Exhibit J, Verified Statement of Daniel B. Robbins at ¶15.

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Until sometime in 2023, DSRR used approximately three-quarter-miles of abandoned track south of the CPKC to store cars. To access this abandoned track, DSRR operated over a segment of the CPKC as DSRR's line north of CPKC does not connect to the abandoned track south of the CPKC.⁸ Based on data provided by DSRR, DSRR has not stored any railcars on the abandoned track south of the CPKC line in 2024 or 2025.⁹ Therefore, the rail assets that make up the abandoned track south of the CPKC will not impact the discounted operating earnings portion of our Going Concern Value ("GCV"). However, the abandoned track south of CPKC will impact the Net Liquidation Value ("NLV"), which, in turn, is a component of the GCV. To recognize this nuance, we present our calculations of both the GCV and NLV assuming the DSRR Portion of the Lake Providence Branch Line excludes the abandoned storage tracks south of Tallulah and alternatively includes the abandoned storage tracks south of Tallulah and the Meridian Speedway.

The CMV for a Feeder Line Application requires developing the GCV and the NLV of the DSRR Portion of the Lake Providence Branch Line. The greater of these two (2) calculations equals the CMV. The "relevant GCV here is what the line is worth to [DSRR] as a going concern, not its projected value to the acquiring company [LPPC]."¹⁰

The remainder of this Verified Statement summarizes our updated calculation of the CMV for the DSRR Portion of the Lake Providence Branch Line. We developed the GCV by adjusting our 7/5/24 GCV calculations using traffic, revenues, operating expenses and other information provided by DSRR in response to LPPC's discovery requests.¹¹ In addition, we updated the NLV

⁸ See, Exhibit No. 9, page 2 and the Agreement between the KCS and DSRR provided in DSRR_03049.

⁹ See, workpaper "2024-2025 LP Branch Storage and Switching Count.xlsx."

¹⁰ See, STB Finance Docket No. 32479, *Caddo Antoine and Little Missouri Railroad Company – Feeder Line Acquisition – Arkansas Midland Railroad Company Line between Gurdon and Birds Mill, AR*, decided August 10, 1999, 4 STB 326 ("Caddo Antoine"), at 340.

¹¹ Not all data requested was provided, for example, DSRR did not provide any forecasts of capital expenditures or detailed support for Patriot Rail's \$ [REDACTED] purchase price. In some instances, DSRR objected to LPPC's requests for production and in others the information provided was limited at best. These issues are explained further in footnote 4 above.

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of the DSRR Portion of the Lake Providence Branch Line by modifying our findings summarized in our 7/5/24 VS, which were based, in part, on a field inspection of the issue assets. Our field inspection results were based on observations that we made from the public rights-of-way adjacent to the rail line and confirmed in 2025 by photographs taken by Daniel B. Robbins, President of the North Louisiana & Arkansas Railroad (“NLA”) and photographs taken by Clay Ratcliff, Senior Manager, Complex Chemical Company in 2026.¹² Our modifications incorporate data provided by DSRR in response to LPPC’s discovery requests.

Our findings are discussed in the remainder of this Verified Statement and supporting Exhibits under the following topical headings:

- II. Updated Constitutional Minimum Value
- III. Updated Going Concern Value
- IV. Updated Net Liquidation Value

¹² The pictures and observations made by Mr. Robbins and by Mr. Ratcliff confirm the initial observations we made in the 2022 field study are still valid. For example, a comparison of the pictures listed in Exhibit No. 18 to this VS taken of the DSRR line in 2022 to the pictures taken by Mr. Robbins and Mr. Ratcliff show no material change in the line.

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II. UPDATED CONSTITUTIONAL MINIMUM VALUE

The Feeder Line procedures require the Board to determine the CMV of the issue line. The constitutional minimum value is defined as “not less than the net liquidation value of such line or the going concern value of such line, whichever is greater.”¹³ In our 1/3/23 VS, our calculation of the GCV of the DSRR Portion of the Lake Providence Branch Line equaled \$778,451 at 2022 levels, which was greater than our NLV calculation, which equaled \$168,470 at 4Q22 levels. In our 7/5/24 VS, assuming the DSRR Portion of the Lake Providence Branch Line ends at Tallulah, our calculation of the GCV of the DSRR Portion of the Lake Providence Branch Line equaled \$834,787 at 2Q24 levels, which was greater than our NLV calculation, which equaled \$242,109 at 2Q24 levels. Alternatively, in our 7/5/24 VS, assuming the DSRR Portion of the Lake Providence Branch Line includes the abandoned storage tracks south of Tallulah and the Meridian Speedway, our calculation of the GCV equaled \$1,067,085 at 2Q24 levels, which was greater than our NLV calculation, which equaled \$248,884 at 2Q24 levels.

Using the data provided by DSRR during discovery and other publicly available information, we updated our CMV calculations, i.e., both our GCV and NLV, for the DSRR Portion of the Lake Providence Branch from MP 471.0 to Tallulah, LA at MP 498.44. Our results are summarized in Table 1 below.

¹³ See, 49 U.S.C. 10907 (b)(2).

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Table 1 Summary of CMV of the DSRR Portion of The Lake Providence Branch Line – 2026	
Item (1)	Value (2)
A. <u>Going Concern Value</u>	
1. Assuming DSRR Line ends at Tallulah	\$899,948
2. Assuming DSRR Line includes the Abandoned Storage Tracks South of Tallulah	\$903,991
B. <u>Net Liquidation Value</u>	
1. Assuming DSRR Line ends at Tallulah	\$247,636
2. Assuming DSRR Line includes the Abandoned Storage Tracks South of Tallulah	\$254,116
Source: Exhibit No. 19 through Exhibit No. 22.	

Our CMV calculations summarized in Table 1 above are discussed in the remainder of this
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III. UPDATED GOING CONCERN VALUE

The GCV is defined as “the value of a business enterprise that is expected to continue to operate into the future.”¹⁴ In this proceeding, the DSRR Portion of the Lake Providence Branch Line is the business enterprise that is being evaluated. As DSRR is currently in operation, it is a going concern and we calculated traffic, revenues, operating expenses and pre-tax earnings that DSRR incurs on the DSRR Portion of the Lake Providence Branch Line.

In our 1/3/23 VS, we utilized a discounted cash flow approach (“DCF”) approach to estimate the GCV of the DSRR Portion of the Lake Providence Branch Line. A DCF approach is a widely used and common approach to estimate the value of a company or asset within a company. In our 7/5/24 VS, our updated GCV was developed using a modified capitalized earnings approach in lieu of a DCF approach to value the DSRR Portion of the Lake Providence Branch Line. We changed our approach primarily due to the fact that DSRR did not provide a forecast of its future capital expenditures for the DSRR Portion of the Lake Providence Branch Line, which is required using a DCF approach to estimate future cashflows. Without a forecast of future capital expenditures for the DSRR Portion of the Lake Providence Branch Line, we would have to make broad, unsupported assumptions around DSRR’s future capital plans that could have large impacts on the GCV.

To eliminate the need for a forecast of future capital expenditures, we used a modified capitalized earnings approach in our 7/5/24 VS. The DCF approach computes a present value based on applying a discount rate to the estimated returns of a number of future time periods. The capitalized earnings approach, on the other hand, computes a present value based on applying a capitalization rate to earnings and not cash flows. The capitalized earnings approach is a form of

¹⁴ See, “*What is Going Concern Value*” <http://www.appraisalcolorado.com/value-vault/going-concern-value/>.

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a perpetuity model, which implicitly assumes all growth-adjusted future earnings will remain the same forever. This eliminates the need to forecast future capital expenditures which would be required under the DCF approach. In our updated GCV included in this Verified Statement, we continue to use the modified capitalized earnings approach because DSRR still had not provided our requested forecast of expected capital expenditures.¹⁵

While we used a capitalized earnings approach in our 7/5/24 VS GCV determinations and continue to do so in this updated valuation, we needed to make a modification to the approach given the information actually provided by DSRR. A standardized capitalized earnings valuation approach assumes that a company or asset will grow at a constant growth rate forever. If this assumption is not true, then the standard model must be modified to take variable growth into account. If non-constant growth rates are not taken into consideration, there could be a vast overstatement or understatement of a company's value. If an assumed constant growth rate in a capitalized earnings valuation is higher than the actual future growth rate, then the company or asset will be overvalued. Conversely, if the assumed constant growth rate is lower than the actual future growth rate, then the value will be understated.

DSRR provided documentation in discovery that indicates that DSRR's future traffic volumes stop after 2031. In its updated discovery responses, DSRR has not provided any information that would refute that traffic on the issue line ends in 2031.¹⁶ Because DSRR believes

¹⁵ See, Request for Production No. 12 in Second Set of Interrogatories and Discovery Requests of Lake Providence Port Commission served on DSRR on December 12, 2023.

¹⁶ As discussed further below, the Long Term Projections (DSRR_03507) provided by DSRR in Production No. 11 on April 24, 2026 stop in 2031.

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its growth rate will not be constant in the future, we needed to modify the standardized capitalized earnings approach to account for DSRR's stated future growth expectations.¹⁷

To establish the CMV included in our 1/3/23 VS, we relied on DSRR's statements in its Reply to the Board's Order, dated August 23, 2022, in this proceeding and its sworn comments in its *Petition to Reopen and Correct Notice* in FD No. 33802, *Delta Southern Railroad, Inc. – Acquisition and Operation Exemption – Delta Southern Railroad Company*, filed September 23, 2022. In these documents, DSRR assured the Board that “the southern terminus of Lake Providence Line (and connection there to KCSC) is milepost 498.44.”¹⁸ DSRR also mentioned that it “owns roughly 1.5 miles of ancillary track located south of the KCSR main line connection at milepost 498.44,” which it described as “non-regulated track.”¹⁹ The Board ruled that the “correct milepost designation for the southern terminus of the line is milepost 498.44 and the total mileage acquired was 141.78.”²⁰ The Board *did not* include any of the unregulated mileage in its calculations when it established the southern terminus of the line and the mileage acquired.

As was confirmed during discovery,²¹ the diamond that previously allowed DSRR to cross over the CPKC rail line was removed, i.e., the abandoned storage track is no longer physically attached to the DSRR track north of the CPKC between MP 498.44 at Tallulah, LA and MP 471.0

¹⁷ See, “Delta Southern Railroad, Inc. (DSRR) Safety Improvement and Rehabilitation Program, Consolidated Rail Infrastructure and Safety Improvements Program FY 2022 NOFO: FR-CRS-22-004” as provided in Bates No. DSRR_00421.

¹⁸ See, DSRR's September 2, 2022 letter in this proceeding from Thomas J. Healey of Fletcher Sippel LLC to the Honorable Cynthia T. Brown regarding the southern limit of DSRR's authority at page. 2, n.1, and DSRR's *Petition To Reopen and Correct Notice* in FD No. 33802 dated September 23, 2022 at page 5, n. 3.

¹⁹ See, September 2, 2022 letter in this proceeding from Thomas J. Healey of Fletcher Sippel LLC (DSRR's counsel at that time) to the Honorable Cynthia T. Brown regarding the southern limit of DSRR's authority, page 2, n. 2.

²⁰ See, STB Docket No. FD 33802 *Delta Southern Railroad, Inc. – Acquisition and Exemption – Delta Southern Railroad Company*, decided September 1, 2023, at page 3.

²¹ See, Supplemental Agreement between The Kansas City Southern Railway Company and Delta Southern Railroad, Inc. dated January 27, 2004 included as Bates No. DSRR_03069 to DSRR_03072.

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at the Lake Providence Port. DSRR must use the CPKC interchange track and the CPKC mainline to reach the abandoned track to the south of the CPKC rail line.²²

In discovery documents provided by DSRR to LPPC,²³ DSRR included the revenue and costs associated with its operations on the abandoned track south of the CPKC through 2023. DSRR traffic and revenue data provided by DSRR in its current version of updated discovery shows that DSRR did not store any railcars south of the CPKC lines in 2024 or 2025.²⁴ DSRR did not provide any information in its updated discovery responses indicating why it has not used its tracks south of the CPKC line to store railcars in 2024 and 2025.

Even though DSRR discontinued its use of the track south of the CPKC line, we continue to develop two (2) GCV and two (2) NLV calculations for the DSRR Portion of the Lake Providence Branch Line as we did in our 7/5/24 VS. First, we include one GCV determination reflecting the DSRR Portion of the Lake Providence Branch Line ending at Tallulah, LA. Second, we also developed the GCV assuming the DSRR Portion of the Lake Providence Branch Line includes the abandoned rail spur south of Tallulah, LA.

Exhibit No. 9 included in our 7/5/24 VS is a modified schematic of the issue rail line that identifies all the rail lines discussed above.

²² See, Exhibit No. 9, page 2 and the Agreement between the KCS and DSRR provided in DSRR_03049.

²³ See, DSRR_03114 and DSRR_03000 included in our 7/5/24 VS workpapers.

²⁴ See, workpaper “2024-2025 LP Branch Storage and Switching Counts.xlsx,” tab “Stored Railcars Delivered.” A June 13, 2026 observation of the DSRR tracks south of the CPKC line by the Deputy Director of the Lake Providence Port determined that there are no rail cars stored there now.

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A. GCV ASSUMING THE DSRR PORTION OF THE LAKE PROVIDENCE BRANCH LINE ENDS AT TALLULAH, LA

This section of our Verified Statement discusses how we developed DSRR's traffic, revenues, and operating expenses assuming the DSRR Portion of the Lake Providence Branch Line ends at Tallulah, LA.

DSRR currently operates over approximately eight (8) miles of track from the Madison Parish Port at MP 490.91 to the interchange with CPKC at Tallulah, LA (MP 498.44). For development of this GCV, we use updated traffic and financial data that DSRR provided in discovery to develop the GCV based on full-year 2025 values. Each component of the GCV for this alternative is discussed below.

1. DSRR 2025 Traffic

Our 7/5/24 VS relied on DSRR 2023 freight car totals taken from a DSRR carload summary provided in discovery that provided 2023 carloads by customer.²⁵ For this update, the DSRR 2025 freight car totals were provided in DSRR's traffic and revenue data provided by DSRR in its updated discovery.²⁶ Unlike the data used in our 7/5/24 VS, the data provided by DSRR in its updated discovery production includes detailed information on each movement, including waybill numbers and shipping dates. We believe the greater granularity of the updated DSRR traffic and revenue data is more reliable and verifiable.

²⁵ See, DSRR_02999. While the file produced in discovery was a Microsoft Excel file, the data was contained in an apparent screenshot of an internal DSRR report.

²⁶ See, workpaper "DSRR Traffic and Revenue Data 2024 and 2025.xlsx," tab "LEPA Pivot."

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For 2025 switching traffic, we continue to rely upon the event database provided by DSRR in discovery²⁷ and use the 2025 event data provided in DSRR's updated discovery responses.²⁸ The calculation of the 2025 traffic and storage levels can be found in our workpapers.²⁹

As we discuss above, a standard capitalized earnings approach implicitly assumes a constant growth rate in perpetuity. As we explained in our 7/5/24 VS, DSRR provided documentation in discovery that shows that this assumption is not true in the case of the DSRR. In its 2022 application for a Consolidated Rail Infrastructure and Safety Improvements ("CRISI") grant (which DSRR provided in discovery),³⁰ DSRR indicated that it would not move traffic after 2031 without receiving grant monies due to expected deterioration of the DSRR line.³¹ In its most recent updated discovery data, DSRR included its Long-Term Projections of DSRR system traffic, revenues, operating expenses and traffic levels.³² While the traffic projections contained in the DSRR Long-Term Projections are different than the forecasted traffic projections included in its CRISI Grant application, both the forecasts included in the CRISI Grant and the DSRR's Long-Term Projections end in 2031, the year that DSRR indicated would be the last year in which it could operate the DSRR Portion of the Lake Providence Branch Line. Given that DSRR did not provide any data produced in the normal course of business that DSRR would continue to operate the DSRR Portion of the Lake Providence Branch Line after 2031, we continue to rely upon the information contained in DSRR's certified CRISI Grant application that no traffic would move

²⁷ See, DSRR_03512.

²⁸ See, workpaper "DSRR Traffic and Revenue Data 2024 and 2025.xlsx," tab 'LEPA Pivot.'

²⁹ See, workpaper "2024-2025 LP Branch Storage and Switching Counts.xlsx."

³⁰ See, DSRR_00421.

³¹ See, 7/5/24 VS at page 11. DSRR stated that "[i]n 2027, without rehabilitation, we expect the deterioration of this line to reach a point where we would lose the ability to handle 20% of our volume and expect the line to continue to deteriorate by 20% until the line completely fails in 2032 (DSRR_00421, Appendix A, page 15). See also, <https://www.transportation.gov/rural/grant-toolkit/consolidated-rail-infrastructure-safety-improvements-crisi-grant-program>, DSRR has not received any CRISI grant monies to date.

³² See, DSRR_03507. DSRR did not provide similar long-term projections in its earlier discovery productions.

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after 2031 without receiving grant monies. Based on the information published by the Federal Railroad Administration, DSRR has received no CRISI grant monies to date.

2. DSRR 2025 Traffic Revenues

Our 7/5/24 VS relied upon a document provided in discovery that DSRR described as “the estimated revenues and expenses of the Lake Providence Line Segment from 2022-2024” for our development of 2023 freight revenues.³³ Because DSRR did not previously provide a forecast of its future revenues to forecast revenues beyond 2023, we adjusted the 2023 DSRR revenues by the forecasted change in DSRR’s traffic between 2023 and 2031, as reflected in the forecasts included in the DSRR’s CRISI grant application, to account for changes in traffic.³⁴ We also adjusted the average annual revenue per carload by the expected annual change in Rail Cost Adjustment Factor – Unadjusted for Productivity (“RCAF-U”) to estimate the DSRR’s revenues for the years 2024 through 2031.³⁵

In its updated discovery responses, DSRR provided Long Term Projections for future traffic and revenues.³⁶ DSRR’s Long Term Projections included freight revenue forecast for its entire system, i.e., the Monroe Branch and the DSRR Portion of the Lake Providence Branch. We assumed that the changes included in the freight revenue forecast in DSRR’s Long Term Projections apply to the traffic moving on the DSRR Portion of the Lake Providence Branch Line.

³³ See, 7/5/24 VS at page 12.

³⁴ Because DSRR’s CRISI grant application shows no carloads moving in 2032, we assumed that 2031 is the last year in which the DSRR will transport traffic on the Lake Providence Branch Line.

³⁵ We applied the historic average annual change in the RCAF-U from 1992 through 2024 as a surrogate for the forecasted future change in the RCAF-U. The use of the historic change in an index to forecast future changes when a forecast is not available is consistent with STB precedent. See, STB NOR Docket No. 37809, *McCarty Farms, Inc. et al., v Burlington Northern, Inc.*, served August 20, 1997 at page 10; Docket No. NOR 42113, *Arizona Electric Power Cooperative, Inc., BNSF Railway Company and Union Pacific Railroad Company*, served November 22, 2011 at page 138; and STB Ex Parte No. 664 (Sub-No. 1), *Use Of A Multi-Stage Discounted Cash Flow Model In Determining The Railroad Industry’s Cost Of Capital*, served January 28, 2009 at page 10.

³⁶ See, DSRR_03507.

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We applied the forecast to the DSRR Portion of the Lake Providence Branch Line's actual 2025 revenues that we developed from DSRR's traffic file to project freight revenues for 2026 through 2031.³⁷

As indicated above, DSRR is no longer storing railcars on the abandoned track south of the CPKC rail line. Accordingly, we did not adjust DSRR's storage and switching revenues for railcars stored south of the CPKC line. This means that we were able to use DSRR's reported 2025 storage and switching revenues for the DSRR Portion of the Lake Providence Branch Line contained in DSRR's updated discovery production without making any adjustments.³⁸ This allowed us to use what DSRR states are its actual 2025 storage, switching and demurrage revenues as a base on which to apply DSRR's Long Term Projections to estimate these ancillary revenues for the years 2026 through 2031.

3. DSRR 2025 Operating Expenses

Our 7/5/24 VS developed DSRR's 2023 operating costs based on DSRR's 2023 total operating expenses developed in its normal course of business and provided in discovery.³⁹ As discussed above, total operating expenses are the appropriate measure of costs to use in a capitalized earnings valuation because the valuation approach is based on the fundamental assumption that the company or asset will continue to operate for the long-term, and in the long-term all costs are relevant. In other words, in the long-term, all costs become variable so there is no differentiation between fixed and variable costs. Total costs, then, are simply total costs.

Because the detailed 2023 DSRR operating expenses on which we relied for our 7/5/24 VS reflect DSRR's total system operating costs and not just DSRR's Lake Providence Branch

³⁷ See, workpaper "Exhibit No. 19 (Final).xlsx," tab "From DSRR_03507."

³⁸ See, workpaper "Exhibit No. 19 (Final).xlsx," tab "From DSRR_3505."

³⁹ See, 7/5/24 VS at page 13.

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operating costs, we allocated our 2023 total operating costs to the DSRR Portion of the Lake Providence Branch Line using an allocation factor of [REDACTED] percent. This allocation factor was provided by DSRR in discovery and reflects DSRR's estimate of the split of costs between its Monroe Branch and its Lake Providence Branch.⁴⁰ DSRR has not explained how this factor of [REDACTED] percent was developed or what cost components are included even though LPPC requested such information.⁴¹

In this updated Verified Statement, we continue to use the same approach from our 7/5/24 VS to develop DSRR's 2025 operating costs. Specifically, we rely upon DSRR's 2025 system operating expenses provided in discovery adjusted by the [REDACTED] percent factor to estimate operating expenses for the DSRR Portion of the Lake Providence Branch Line. One difference is that DSRR's current discovery responses included the [REDACTED] percent adjustment for most expenses.⁴² DSRR adjusted its Salary and Benefits, Equipment Rent, Purchased Services, Diesel Fuel, Casualties and Insurance, Materials and Other Expenses by the [REDACTED] percent factor but failed to adjust its Depreciation and Amortization expense. We reviewed the financial data included in DSRR's updated discovery production and found that, while we could reconcile DSRR's 2025 depreciation and amortization expenses included in DSRR's income statement⁴³ and trial balance of general ledger accounts,⁴⁴ we could not reconcile these depreciation and amortization expense

⁴⁰ See, DSRR_03114. DSRR included this allocation factor in a summary of its 2023 operating expenses. We did not utilize the summary of expenses included in the DSRR_03114 because the summary did not include all of the operating expense categories included in DSRR's normal course of business 2023 detailed operating expense tabulation. Compare DSRR_03114 and DSRR_03000.

⁴¹ See, June 5, 2026 Memorandum from Gentry Locke to LPPC via e-mail to Richard Streeter and Michael McBride, Response D-8. In response to LPPC's request to explain what the adjustment factor is and how it was derived, DSRR simply stated the [REDACTED] percent adjustment factor is the allocation between the Sterlington (Monroe) Branch and the Talullah (Lake Providence) Branch without an explanation of its derivation. See also, 5/4/26 email from LPPC's Counsel to Counsel for DSRR, question D.10, requesting an explanation.

⁴² See, DSRR_03505.

⁴³ See, DSRR_03505 showing 2025 depreciation and amortization expense of \$[REDACTED].

⁴⁴ See, workpaper "DSRR_03509 (Depreciation and Amortization).xlsx," tab "001" which shows DSRR's depreciation and amortization expense of \$[REDACTED].

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values with the calculated annual depreciation included in DSRR's 2025 Asset Balance sheet, which breaks down assets by class and location.⁴⁵ Because we could not identify the 2025 depreciation and amortization of each of the two (2) DSRR branches, we applied the [REDACTED] percent adjustment factor to the Depreciation and Amortization expense reported by DSRR as discussed above.

We next developed the DSRR Portion of the Lake Providence Branch Line's operating expenses for the years 2026 through 2031 using the DSRR Long-Term Projections provided in the most recent discovery responses.⁴⁶ The DSRR Long-Term Projections contained forecasted operating expenses, including depreciation and amortization, for the DSRR system for the years 2026 through 2031. We calculated the annual percentage change in the operating expenses for the entire DSRR system and applied those annual percentage changes to the estimated DSRR Portion of the Lake Providence Branch Line operating expenses. This approach differs from our 7/5/24 VS where we used the forecasted change in the RCAF-U to develop future DSRR Portion of the Lake Providence Branch Line operating expenses. Because DSRR provided a company-specific operating expense forecast in its most recent responses to LPPC's discovery requests and the STB has indicated its preference for using company-specific forecasts produced in the normal course of business rather than non-company-specific forecasts, we utilized it in our update.⁴⁷

As noted above, DSRR is no longer storing railcars on the abandoned track south of the CPKC line. Therefore, we did not include operating expenses for railcar storage and switching expenses south of the CPKC line.

⁴⁵ See, workpaper "DSRR_03510 - Estimated Annual Depreciation.xlsx," tab "Asset Balances 12.31.2025" which shows total depreciation and amortization of only \$ [REDACTED] based on straight line depreciation.

⁴⁶ See, DSRR_03507.

⁴⁷ See, STB Docket No. 42022, *FMC Wyoming Corporation and FMC Corporation v. Union Pacific Railroad Company*, served May 12, 2000 at page 32, and STB Docket No. 42051, *Wisconsin Power and Light v. Union Pacific Railroad Company*, served September 13, 2001 at page 16-18.

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Table 2 below summarizes DSRR's 2025 operating costs provided in discovery that we utilized in developing the updated GCV of the DSRR Portion of the Lake Providence Branch Line.

Table 2 <u>DSRR 2025 Lake Providence Branch Operating Expenses</u>	
Expense Category (1)	2025 Value (2)
1. DSRR 2025 Operating Expenses	\$ [REDACTED]
2. Lake Providence Branch Allocation Percentage	[REDACTED] %
3. Lake Providence Branch Operating Expenses	\$ [REDACTED]
Source: workpaper "Exhibit No. 19 (Final).xlsx, tab "From DSRR_3505."	

DSRR's 2025 operating expenses equal \$ [REDACTED] as shown in Table 2 above.

4. Present Value of Net Earnings

As discussed in our 7/5/24 VS, an entity derives value by deploying its assets (both tangible and intangible) in such a way as to generate earnings. These earnings represent the returns company owners expect in the deployment of their assets over time. Because a dollar today is worth more than a dollar tomorrow due to the ability to invest today's dollar and earn interest, it is necessary to discount a company's expected earnings to determine their current or present value today. The sum of these discounted cash streams determines a company's value.

In calculating the updated value of DSRR, we developed a seven (7)-year model that estimates the railroad's expected future net earnings and discounted these cash flows at a rate appropriate to the business risk of DSRR.⁴⁸ This is the same approach we used in our 7/5/24 VS

⁴⁸ A 10-year forecast period is commonly used in the valuation industry to develop the GCV of assets or a company. A 10-year period will usually allow for capturing the impact of a full business-cycle which usually runs from seven (7) to 10 years. Financial analysts have also found that forecasting beyond 10 years becomes extremely speculative, so will limit their forecast periods to 10 years, or less. The 10-year forecast period is also consistent with STB practices in maximum reasonable rate cases determined under the Stand-Alone Cost methodology which limit DCF models to 10 years. See, STB Ex Parte No. 657 (Sub No. 1), *Major Issues In Rail Rate Cases*, served October 30, 2006 at p. 64. Because the DSRR indicated in its CRISI grant application that its traffic volumes will stop after 2031, we truncated the model to a 7-year model instead of relying on the full 10-years.

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model. The earnings model takes into consideration expected changes in DSRR's traffic flows, transportation prices, and operating expenses.

5. Terminal Value

When determining the CMV of a business, the analyst must either forecast the earnings into infinity or select a period of time to end the forecast period and add to the cash flows for the forecast period a "Terminal Value" that represents the value of the company at the end of the forecast period. The literature supports determining the terminal value using either a perpetual cash flow calculation or determining the market value of the entity at the end of the forecast period depending upon the circumstances.⁴⁹

DSRR is a company that is expected to transport a limited number of products with a limited finite life. As DSRR certified in its CRISI grant application, if DSRR did not rehabilitate its track and add additional infrastructure to support existing customers and add new customers, DSRR's operations could not be supported beyond 2031.⁵⁰ DSRR's Long-Term Projections provided by DSRR in its most recent responses to LPPC's discovery requests indicate that this assumption is still valid. As such, net earnings originating from DSRR operations cannot be expected to last into perpetuity but can be expected to end in 2031.

Because DSRR's earnings are ending at the end of 2031, we used the estimated NLV, adjusted for changes in expected prices, as a terminal value for the GCV analysis. The terminal value is shown on Exhibit No. 19 and developed in Exhibit No. 21.

⁴⁹ See, *Handbook of Mergers, Acquisitions and Buyouts*, edited by Steven J. Lee and Robert D. Colman, Prentice-Hall, Inc. Englewood Cliff, New Jersey, 1981, pages 154-156.

⁵⁰ See, DSRR_00421, Appendix A, page 15.

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6. DSRR's Estimated Discount Rate

Estimating the capitalization rate applicable to DSRR requires estimating both the market rates of return on the railroad's debt and equity and the overall worth, or market capitalization, of the railroad. However, because DSRR's debt and equity are not publicly traded, nor is the debt and equity for its current parent company, Patriot Rail, we were required to look elsewhere for surrogates for these values.

Although short-line railroads have different financial structures than the larger Class I railroads and face different market risks, we elected to use the STB's 2024 pre-tax cost of capital of 13.28 percent for this analysis (latest available), which is consistent with STB precedent.⁵¹

The GCV of the DSRR Portion of the Lake Providence Branch Line, assuming DSRR 2025 revenues and costs provided in discovery, are used and, further assuming that the DSRR Line ends at Tallulah, LA, equals \$899,948 as detailed in Exhibit No. 19.

B. GCV ASSUMING DSRR LINE INCLUDES ABANDONED STORAGE TRACKS SOUTH OF TALLULAH, LA

The DSRR car movement data shows that DSRR did not store railcars on the abandoned storage tracks south of Tallulah, LA⁵² in 2024 and 2025. Because of this fact, we were unable to modify the DSRR traffic, revenues and costs to recognize the inclusion of this operation. However, because the terminal value in our valuation model utilizes the NLV of the DSRR Portion of the Lake Providence Branch Line, we developed a separate analysis including the assets on the abandoned line south of the CPKC. As shown in Exhibit No. 20, the GCV of the Lake Providence

⁵¹ See, *Caddo Antoine* 4 STB page 338.

⁵² See, Exhibit No. 9, page 2 for details.

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Branch including the abandoned line south of the CPKC is \$903,991 when the abandoned line south of the CPKC is considered a DSRR asset.

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IV. UPDATED NET LIQUIDATION VALUE

As in the NLV calculation included in our 7/5/24 VS, our updated calculation of the NLV includes an evaluation of the DSRR Portion of the Lake Providence Branch Line rail properties owned by the DSRR. Specifically, the DSRR-owned rail properties on the DSRR Portion of the Lake Providence Branch Line include the rail line between Lake Providence, LA (MP 471.0) and the connection with CPKC in Tallulah, LA (MP 498.44) (27.44 mainline miles plus 0.86 siding miles).⁵³ In addition, our alternate NLV calculation assumes the abandoned rail line south of Tallulah, LA that DSRR previously used as a storage track is also part of the assets included in this transaction. As explained earlier in this Verified Statement, DSRR has not used the abandoned rail line since 2023.

We continue to use three (3) valuation components included in our updated determination of the NLV of the DSRR Portion of the Lake Providence Branch Line for each of the two (2) alternatives we evaluated: (1) gross track asset salvage value; (2) liquidation costs; and (3) land value.

Table 3 below sets forth the 1Q26 values that we used for these components for each alternative.

⁵³ See, Exhibit No. 12, page 2, Line 3 from our 7/5/24 VS. See also, Exhibit No. 21, page 2, Line 3.

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Table 3 <u>NLV of The DSRR – 1Q26</u>		
Item	Value Assuming	
	DSRR Line Ends at Tallulah, LA	DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA
(1)	(2)	(3)
1. Total Gross Salvage Value	\$1,194,313	\$1,222,167
2. Liquidation Costs	<u>\$1,060,149</u>	<u>\$1,091,369</u>
3. Net Salvage Value 1/	\$134,164	\$130,798
4. Land	<u>\$113,472</u>	<u>\$123,318</u>
5. Net Liquidation Value 2/	\$247,636	\$254,116
Source: Exhibit Nos. 21 and 22. 1/ Line 1 – Line 2. 2./ Line 3 + Line 4.		

We estimated the NLV of the DSRR Portion of the Lake Providence Branch Line to equal \$247,636 assuming the DSRR Line ends at Tallulah, LA and \$254,116 assuming the DSRR Line includes the abandoned storage tracks south of Tallulah, LA.

Each of the component parts of the estimated NLV is discussed below under the following topical headings:

- A. Updated Gross Salvage Value of DSRR Track Assets
- B. Updated Liquidation Costs
- C. Updated Land Value

**A. UPDATED GROSS SALVAGE
VALUE OF DSRR TRACK ASSETS**

The gross salvage value (“GSV”) represents the salvage value of the rail assets in place. To determine the quantity of the component parts of the track of the DSRR and the condition of these component parts, we initially performed a field inspection in 2022 using public roadways and crossings and reviewed the issue rail line using Google Earth Pro. We updated our review of the rail line using a more current version of Google Earth Pro to see if it reflected any changes in

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the line since our 2022 assessment and found no discernable changes. Our November 2022 field observations and Google Earth Pro research of the issue DSRR rail line⁵⁴ were confirmed recently by Mr. Daniel B. Robbins, President of NLA and Mr. Clay Ratcliff, a Senior Manager at Complex Chemical Company. Specifically, Mr. Robbins and Mr. Ratcliff independently reviewed the rail line and forwarded a number of pictures summarizing their findings. These photographs are included in Exhibit No. 18 to this VS.

Using this information, we updated our estimate of the quantities and condition of the DSRR rail assets including rail, rail anchors, tie plates, track spikes, ties, joint bars and turnouts.

We included an initial NLV for the DSRR's Portion of the Lake Providence Branch Line from Tallulah, LA to the Lake Providence Spur in our 1/3/23 VS. We updated our 1/3/23 GSV analysis in 2024 to reflect changes in material prices and land prices over the subsequent approximately 18 months based upon information provided in discovery in this proceeding and publicly available indexes. In this VS, we updated our 7/5/24 VS GSV analyses to reflect the additional passage of time (an additional approximately 24 months) and to reflect changes in line assets identified from updated information provided in discovery.⁵⁵

Table 4 below summarizes our updated 1Q26 estimated GSV of the DSRR track components.

⁵⁴ See, Exhibit No. 9.

⁵⁵ See, DSRR_03510 which identifies new assets added to the DSRR Portion of the Lake Providence Branch Line in 2024 and 2025.

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Table 4
Estimated GSV of
DSRR Track Components – 1Q26

Track Component	Value Assuming	
	DSRR Line Ends at Tallulah, LA	DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA
(1)	(2)	(3)
1. Rail	\$788,574	\$806,888
2. Other Track Material	\$394,247	\$403,532
3. Turnouts	\$11,492	\$11,747
4. Ties 1/	<u>\$0</u>	<u>\$0</u>
5. Gross Salvage Value 2/	\$1,194,313	\$1,222,167

Source: Exhibit Nos. 21 and 22.

1/ Our calculation of the GSV of ties resulted in a negative \$2.17 million (Exhibit No. 21) or negative \$2.22 million (Exhibit No. 22). STB rules and precedent require using zero instead of any negative values. *See*, 49 CFR

1152.34(c)(1)(iii)(A)(2) and STB Finance Docket No. 35160 *Oregon International Port of Coos Bay – Feeder Line Application – Coos Bay Line of the Central Oregon & Pacific Railroad Inc.*, served March 12, 2009, page 3 and n. 5.

2/ Sum of Lines 1 through 4.

The following is a description of the major property accounts included in Table 4 above and the development of their salvage value.

1. Rail

Based on the December 22, 2020 Net Liquidation Valuation developed in the Feeder Line Application in this proceeding, the DSRR rail line “is predominantly 85-pound rail with full toe angle bars and single shoulder tie plates.”⁵⁶ Rail weight is defined as the weight of a three-foot section of rail. For example, a three-foot section of rail which weighs 115 pounds is referred to as 115 lb. rail. Rail typically is installed in 39-foot sections, which are jointed together, or in one-quarter mile sections, which are welded together in the field. The 39-foot sections of rail are

⁵⁶ *See*, Nathan Kovalchick Verified Statement and Net Salvage Value Report, paragraph 5 included in FD 36447, *Lake Providence Port Commission—Feeder Line Application—Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, Louisiana*, filed December 22, 2020 (“Kovalchick VS”).

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referred to as “jointed” rail and the one-quarter mile sections of rail are referred to as “continuous welded rail” (“CWR”).

On November 3, 2022, Daniel L. Fapp, a Senior Vice President of L. E. Peabody & Associates, Inc., performed a field inspection of the issue rail line to confirm the condition of the rail line evaluated by Mr. Kovalchick. Mr. Fapp evaluated the rail segment between MP 490.91 and the KCS interchange at MP 498.44. That portion of the rail line is in a somewhat better condition than the rail line between MP 471.0 and MP 490.91.⁵⁷

DSRR track charts provided in discovery show the DSRR Portion of the Lake Providence Branch Line’s main rail consists primarily of 85-pound jointed rail.⁵⁸ Field observations taken in 2022 confirmed the accuracy of the DSRR track charts, with virtually all field observations confirming 85-pound jointed rail. The track charts also show the abandoned track south of the CPKC rail line at Tallulah, LA, which is consistent with the schematics included in Exhibit No. 9 to our 7/5/24 VS.

We also reviewed capital expenditures made by DSRR on the issue line since the submission of our 7/5/24 VS to determine if DSRR replaced the rail over the intervening approximately two (2) years. DSRR data shows no capital expenditures used to upgrade the issue line rail between 2023 and 2025.⁵⁹

⁵⁷ Exhibit No. 6 to our 1/3/23 VS in this proceeding is a full report from Mr. Fapp’s field inspection.

⁵⁸ See, Bates No. DSRR_03033. The track charts were originally produced by the Missouri Pacific Railroad, the original owner of the Rail Line. DSRR also provided a more recent track chart for the issue rail line (Bates No. DSRR_03334 through Bates No. DSRR_03335). These more recent DSRR-provided track charts were not used in our two (2) NLV analyses because they are inconsistent with the field observations made by Mr. Fapp and did not provide as much detail as the earlier track charts. For example, the more recent track charts found at Bates No. DSRR_03334 indicate the rail on the Lake Providence Branch was a mix of ACSE 80-pound rail and 115-pound rail. This is inconsistent with Mr. Fapp’s observations that found the rail along the line was 85-pound rail consistent with the track charts provided at Bates No. DSRR_03033. Also, the track charts at Bates No. DSRR_03033 included the abandoned track south of the CPKC rail line at Tallulah, LA, while the more recent track charts did not.

⁵⁹ See, DSRR_03510.

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To determine the GSV of a rail line, the rail is classified into rail that can be reused in other railroad applications and rail that cannot be reused. Rail that can be reused is termed “relay” or “fit” rail. Relay rail is salvaged rail that is in good condition and provides companies with the opportunity to “re-lay” the rail. Reroll rail does not have the ability to be re-laid but is able to be rerolled. Rerolled rail is converted into new products without having to re-melt the steel. Reroll rail typically has a slightly higher value than scrap. Rail that cannot be reused is sold as scrap steel.

Our 2022 inspection of the line confirmed Mr. Kovalchick’s findings for the segment from MP 471.0 to MP 490.91 detailed in his Verified Statement indicating that “the condition of the track is average, and the condition of the crossties is poor.”⁶⁰ The overall quality of the observed track was fair, and the majority of the track would be considered reroll quality. Some wear along the rail line was observed with some instances of pitting, shelling and spalling. These instances were minimal and occurred mostly on the segment north of the Madison Parish Port rail spur, where the rail line is currently only used for storing rail cars. Based upon our 2022 field observations, we determined 20 percent of the rail observed is relay quality, 70 percent reroll quality and 10 percent is scrap.⁶¹ These findings remain valid based on the recent photographs mentioned above and included in Exhibit No. 18.

We continue to apply the percentages of relay/reroll/scrap rail discussed above to the 28.30 miles⁶² that make up the DSRR Portion of the Lake Providence Branch Line, resulting in an estimated 5.49 miles of relay rail, 19.21 miles of reroll rail and 3.60 miles of scrap rail.⁶³ This distribution results in 821.00 relay tons, 2,873.52 reroll tons and 539.16 scrap tons for a total of

⁶⁰ See, Kovalchick VS at paragraph 5.

⁶¹ See, Exhibit No. 6 to our 1/3/23 VS for details.

⁶² See, Exhibit No. 21, page 2, Line 3. MP 498.44 – MP 471.0 = 27.44 mainline miles plus our estimate of 0.86 miles of siding = 28.30 miles.

⁶³ See, Exhibit No. 21, page 2.

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4,233.68 tons.⁶⁴ We assumed that 97.0 percent of the rail would be recovered.⁶⁵ This factor was applied to the tons listed above and results in a total of 4,106.66 tons that would be recovered.⁶⁶

The price of relay rail is expressed in terms of dollars per net ton and varies depending on the weight and type of rail.

On November 8, 2022, we received quotes from Harmer Steel ranging from \$179.20 per ton for relay rail to \$160.00 per ton for reroll tons and \$107.14 per ton for scrap tons. We updated these values to 1Q26 price levels by using MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel.⁶⁷

Table 5 sets forth the classification of the weight and type of rail and estimated salvage value in the DSRR mainline and siding tracks for the two (2) alternatives that we calculated.

⁶⁴ See, Exhibit No. 21, page 3, Line 20.

⁶⁵ Assumed reusable rail based on STB Docket No. FD 36005 filed March 18, 2016, *KCVN/CPRR Feeder Line Application for Towner Line, Volume I*, page 8 of Appendix GWF-5,

⁶⁶ See, Exhibit No. 21, page 3, Line 33.

⁶⁷ See, <https://www.mnp.com/resources/raw-materials-index/>. In our 7/5/2024 VS, we relied on the AAR's quarterly materials and supplies index to adjust prices. We now believe using a steel price index provides a more focused change in prices than the AAR's broader index.

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Table 5 <u>Rail GSV – 1Q26</u>				
<u>Components</u> (1)	<u>Relay</u> (2)	<u>Reroll</u> (3)	<u>Scrap</u> (4)	<u>Total Rail GSV 1/</u> (5)
1. Reusable Tons				
a. Assuming DSRR Line Ends at Tallulah, LA	796.37	2,787.31	522.98	xxx
b. Assuming DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA	811.99	2,841.97	555.53	xxx
2. Value Per Ton	\$238.50	\$190.80	\$127.77	xxx
3. GSV Assuming:				
a. Assuming DSRR Line Ends at Tallulah, LA 2/	\$189,934	\$531,819	\$66,821	\$788,574
b. Assuming DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA 3/	\$193,660	\$542,248	\$70,980	\$806,888
Source: Exhibit Nos. 21 and 22. 1/ Sum of Columns (2) through (4). 2/ Line 1.a x Line 2. 3/ Line 1.b x Line 2.				

Table 5 above summarizes the updated estimate of the GSV for rail, by rail type, for the issue DSRR mainline and siding tracks (Line 3.a, Column (5)) and for the DSRR Line assuming the abandoned storage tracks south of Tallulah, LA are included (Line 3.b, Column (5)).

2. Crossties

Crossties on the DSRR mainline that ends at Tallulah, LA are spaced at intervals of 19.5 inches, or 3,249 ties per mile of rail,⁶⁸ which results in 91,953 total ties on the DSRR.⁶⁹ Ties are classified as reusable for railroad purposes (relay), reusable for landscape purposes (landscape), or as scrap in the development of the NLV. As much of the DSRR has been inactive since 2016, our

⁶⁸ (5,280 feet per mile x 21 inches per foot) ÷ 19.5 inches between ties = 3,249 ties per mile.

⁶⁹ See, Exhibit No. 21, page 4 (3,249 ties per mile x 28.30 miles = 91,953 ties).

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7/5/24 VS assumed that only one percent of the ties on the issue line were reusable for relay. Updated discovery data provided by DSRR indicates the railroad has replaced some ties along the issue line so we adjusted our estimate to ■■■ percent of the ties are reusable for relay.⁷⁰ The percentage of ties reusable for landscape and qualified for landscape #1 class and landscape #2 class⁷¹ are each assumed to equal ■■■ percent and the percentage of scrap is assumed to equal ■■■ percent. Crossties on the DSRR abandoned storage track south of Tallulah, LA were assumed to be in the same condition as the ties on the DSRR Portion of the Lake Providence Branch Line north of Tallulah, LA.

There is currently no market for used ties. Based on the November 8, 2022 quote from Harmer Steel, ties that are useable for landscape purposes were valued at negative \$15.00 each. Scrap ties are assigned a negative value of \$25.00 each. We updated these values to 1Q26 price levels by using the Bureau of Labor Statistics Producer Price Index Commodity data for Transportation Equipment-Railway maintenance of way equipment and parts. Based on these quotes, we determined that the GSV for crossties on the DSRR Portion of the Lake Providence Branch Line for the NLV ending at Tallulah, LA as well as the NLV including the storage tracks south of Tallulah, LA is zero.⁷²

3. Other Track Material

Other track material (“OTM”) consists of the material required to hold the rail in place along the tracks and includes such things as tie plates, joint bars, rail anchors, track spikes and bolts and washers. OTM is typically labeled as relay or scrap. Our 7/5/24 VS estimated that 80

⁷⁰ Per DSRR_03510.xlsx, the DSRR replaced ■■■ ties along this line in 2025.

⁷¹ Landscape #1 ties are those which are salvaged with at least three (3) solid sides and no more than half an inch width in any splitting at the ends of the tie. Landscape #2 ties are those which have at least two (2) out of four (4) good sides and can have more than a 2-inch split on the ends.

⁷² See, page 4, Line 30 of Exhibit Nos. 21 and 22.

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percent of the DSRR OTM on the DSRR rail line that ends at Tallulah, LA, is reusable and 20 percent is scrap. For the DSRR rail line including the abandoned storage tracks south of Tallulah, LA, we assumed the OTM was in the same condition as the OTM on the rail line north of Tallulah, LA. We continue to rely on both prior estimates for this update.

Table 6 below summarizes the GSV for OTM included in the two (2) NLV scenarios quantified in this Verified Statement.

Table 6
Estimated DSRR Other Track Material GSV – 1Q26

Item	OTM Assuming		Value per Unit	GSV Assuming	
	DSRR Line Ends at Tallulah, LA	DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA		DSRR Line Ends at Tallulah, LA 1/	DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA 2/
(1)	(2)	(3)	(4)	(5)	(6)
1. Relay Tie Plates	34,594	35,272	\$3.46	\$119,695	\$122,041
2. Scrap Tie Plate Tons	1,479	1,518	\$127.77	\$188,972	\$193,955
3. Relay Joint Bars	1,441	1,470	\$17.89	\$25,779	\$26,298
4. Scrap Joint Bar Tons	276	282	\$127.77	\$35,265	\$36,031
5. Relay Rail Anchors	11,890	12,122	\$0.14	\$1,665	\$1,697
6. Scrap Rail Anchor Tons	74	76	\$127.77	\$9,455	\$9,711
7. Scrap Spike Tons	80	82	\$127.77	\$10,222	\$10,477
8. Scrap Bolt & Washer Tons	25	26	\$127.77	\$3,194	\$3,322
9. OTM GSV 3/	xxx	xxx	xxx	\$394,247	\$403,532

Source: Exhibit Nos. 21 and 22.

1/ Column (2) x Column (4).

2/ Column (3) x Column (4).

3/ Sum of Lines 1 through 8.

Exhibit No. 21, pages 6 through 8 show our updated development of the estimated DSRR OTM GSV calculations assuming the NLV analysis stops at Tallulah, LA and Exhibit No. 22, pages 6 through 8 show our updated development of the estimated DSRR OTM GSV calculations assuming the NLV analysis includes the abandoned storage tracks south of Tallulah, LA.

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4. Turnouts

Based on our 2022 field inspection of the DSRR, the DSRR has one 115 lb. relay turnout, two (2) 90 lb. relay turnouts and five (5) scrap turnouts of various rail weights on the DSRR Portion of the Lake Providence Branch Line. Based on track charts provided in discovery and Google-Earth maps, we identified in our 7/5/24 VS two (2) additional DSRR turnouts on the abandoned track south of the CPKC rail line at Tallulah, LA.⁷³ The unit cost for the 115 lb. per turnout is \$4,341 and the 90 lb. turnouts are valued at \$3,256 each based on the quote provided by Harmer Steel and updated by the indices discussed above.⁷⁴ The five (5) scrap turnouts are valued based on their estimated tons.⁷⁵

Table 7 below summarizes our updated estimate of the liquidation value for turnouts on the DSRR that are included in the two (2) NLV scenarios quantified in this Verified Statement.

⁷³ Track charts and Google-Earth maps show one switch coming off the CPKC rail line to the DSRR track, which we assume is owned and maintained by the CPKC. *See also*, DSRR_03049. Google-Earth maps also show a switch leading to what appears to be an industrial siding on the abandoned track. Neither the CPKC switch nor the industrial switch were included in the GSV analysis.

⁷⁴ *See*, page 11 of Exhibit No. 21 and Exhibit No. 22.

⁷⁵ *Id.*

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Table 7
Estimated DSRR Turnout GSV -- 1Q26

Item	<u>Turnout Quantity Assuming</u>			<u>GSV Assuming</u>	
	<u>DSRR Line Ends at Tallulah, LA</u>	<u>DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA</u>	<u>Value per Unit</u>	<u>DSRR Line Ends at Tallulah, LA 1/</u>	<u>DSRR Line Includes Abandoned Storage Tracks South of Tallulah, LA 2/</u>
(1)	(2)	(3)	(4)	(5)	(6)
1. Relay 115 lb. Turnout	1	1	\$4,341	\$4,431	\$4,431
2. Relay 90 lb. Turnouts	2	2	\$3,256	\$6,512	\$6,512
3. Scrap – Reusable Tons 3/	<u>5</u>	<u>7</u>	\$127.77	<u>\$639</u>	<u>\$894</u>
4. Turnout Liquidation Value 4/	8	10	xxx	\$11,492	\$11,747

Source: Exhibit Nos. 21 and 22.

1/ Column (2) x Column (4).

2/ Column (3) x Column (4).

3/ Assumed that the five (5) scrap turnouts (Column (2)) and seven (7) scrap turnouts (Column (3)) weigh approximately one ton each.

4/ Sum of Lines 1 through 3.

Exhibit No. 21, page 11 shows our updated development of the estimated GSV of DSRR turnouts assuming our NLV analysis stops at Tallulah, LA (Column (5)). The estimated GSV of the DSRR turnouts, assuming the NLV analysis includes the abandoned storage tracks south of Tallulah, LA (Column (6)) is included in Exhibit No. 22, page 11.

B. UPDATED LIQUIDATION COSTS

To develop the NLV, the updated gross salvage values described above need to be reduced by recovery costs, marketing and disposition costs and transportation costs to bring the product to market. We discuss each of these items below.

1. Removal and Restoration (Recovery) Costs

The salvage values set forth above are all gross salvage values, i.e., they do not include the cost of recovery or removal of the assets from their current location.⁷⁶ As in our 7/5/24 VS, we

⁷⁶ Except for scrap ties which are discussed above and are net of recovery costs.

PUBLIC VERSION

developed the relay rail removal costs, the scrap rail and scrap OTM removal costs, the relay turnout removal costs, the scrap turnout removal costs and the costs to restore public and private highway crossings to calculate the total estimated recovery costs for the DSRR.

In order to determine these costs, we relied on the unit costs used in the KCVN/CPRR Feeder Line Application indexed to 1Q26 using the AAR materials and supplies index.⁷⁷ These unit costs were used by both KCVN and V&S. We relied on our field study and updated images from Google Earth Pro to determine the number of public and private crossings that must be restored, which was confirmed by documents provided by DSRR in response to LPPC's discovery requests and by FRA crossing inventory data.⁷⁸

Table 8 below details the amounts we subtracted from our updated estimated gross liquidation values ("GLV") to account for removal and recovery costs.

⁷⁷ See, STB Docket No. FD 36005, *KCVN, LLC and Colorado Pacific Railroad, LLC-Feeder Line Application-Line of V and S Railway, LLC*, Volume I, Page 4 of Appendix GWF-7, filed on March 18, 2016.

⁷⁸ See, DSRR_02164.

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Table 8
Estimated DSRR Removal & Restoration (Recovery) Costs -- 1Q26

Item	Quantity	Units	Cost per Unit	Total Cost 1/
(1)	(2)	(3)	(4)	(5)
A. <u>Assuming DSRR Line Ends at Tallulah, LA</u>				
1. Fit Rail	5.49	Miles	\$22,476	\$123,393
2. Scrap Rail and OTM	22.81	Miles	\$21,774	\$496,698
3. Fit Turnouts	3	Turnout	\$1,124	\$3,371
4. Scrap Turnouts	5	Turnout	\$702	\$3,512
5. Public Highway Crossings	25	Crossing	\$2,809	\$70,237
6. Private Highway Crossings	29	Crossing	\$421	<u>\$12,221</u>
7. Total Recovery Costs 2/	xxx	xxx	xxx	\$709,432
B. <u>Assuming DSRR Line Includes Storage Tracks South of Tallulah, LA</u>				
1. Fit Rail	5.60	Miles	\$22,476	\$125,865
2. Scrap Rail and OTM	23.41	Miles	\$21,774	\$509,782
3. Fit Turnouts	3	Turnout	\$1,124	\$3,371
4. Scrap Turnouts	7	Turnout	\$702	\$4,917
5. Public Highway Crossings	25	Crossing	\$2,809	\$70,237
6. Private Highway Crossings	29	Crossing	\$421	<u>\$12,221</u>
7. Total Recovery Costs 3/	xxx	xxx	xxx	\$726,393

Source: Exhibit Nos. 21 and 22.

1/ Column (2) x Column (4).

2/ Sum of Lines A.1 through A.6.

3/ Sum of Lines B.1 through B.6.

Page 12 of Exhibit Nos. 21 and 22 includes our development of the removal and restoration costs for the DSRR for each of these two (2) alternatives.

2. Marketing and Disposition Costs

In addition to removal and restoration costs, it is also necessary to include the costs to market the assets and to administer the disposal process. In our 7/5/24 VS, we assumed that relay marketing and disposition costs are equal to 15 percent of the relay GLV and scrap marketing and disposition costs are equal to five (5) percent of the reroll and scrap GLV. We continue to rely on the five (5) percent reroll and scrap market and disposition costs as this value is consistent with our updated research. For marketing and disposition costs, we updated our value to 22 percent of

PUBLIC VERSION

the relays GCV to align with railroad reported costs from research in STB filings.⁷⁹ The total estimated marketing and disposition costs equal \$87,549, assuming the DSRR rail line ends at Tallulah, LA and \$89,472 assuming the DSRR rail line includes the abandoned storage tracks south of Tallulah, LA.⁸⁰

3. Transportation Costs

Transportation costs for transporting the assets to market must also be considered. We updated the rail tariffs for the movement of relay, scrap and reroll steel products from the DSRR⁸¹ to several salvage and scrap centers in the southeastern U.S. The average of current tariff charges per rail car is \$4,112. We used this average to calculate the total estimated transportation costs of \$263,168 assuming the DSRR Portion of the Lake Providence Branch Line ends at Tallulah, LA (Exhibit No. 21, page 13) and \$275,504 assuming the DSRR Portion of the Lake Providence Branch Line includes the abandoned storage track south of Tallulah, LA (Exhibit No. 22, page 13).

4. Summary Before Land and Equipment

The updated net salvage value (“NSV”) of the DSRR assuming the rail line ends at Tallulah, LA equals the GSV (\$1,194,313) less removal and restoration costs (\$709,432), marketing and disposition costs (\$87,549) and transportation costs (\$263,168). Subtracting these costs from the GSV produces an NSV for the DSRR track assets for this alternative equal to \$134,164 (Exhibit No. 21, page 1).

⁷⁹ See, STB Docket No. FD 36005, *KCVN, LLC and Colorado Pacific Railroad, LLC-Feeder Line Application-Line of V and S Railway, LLC*, Volume I, Page 10 of Appendix GWF-7, filed on March 18, 2016.

⁸⁰ See, Exhibit Nos. 21 and 22, page 1 of 18, Line 18.

⁸¹ Our research could not find a publicly available tariff rate for scrap and relay rail and OTM movements on the CPKC. We were able to obtain a UP tariff rate for the movement of scrap and relay products from Monroe, LA to various locations in the Southeast, including Memphis, TN and Arkansas, and used these values as a surrogate for CPKC tariff rates. See, UP Exempt Circular UPRR 4021.

PUBLIC VERSION

The updated NSV of the DSRR assuming the rail line includes the abandoned storage track south of Tallulah, LA equals the gross salvage value (\$1,222,167) less removal and restoration costs (\$726,393), marketing and disposition costs (\$89,472) and transportation costs (\$275,504). Subtracting these costs from the gross salvage value produces an NSV for the DSRR track assets for this alternative equal to \$130,798 (Exhibit No. 22, page 1).

C. UPDATED LAND VALUE

The mainline and siding tracks considered in this analysis extend from Lake Providence, LA (MP 471.0) to Tallulah, LA (the CPKC interchange point). The land valuation analysis of this issue land was performed by RMI Valuation LLC and their report is included as Exhibit No. 8 to our 1/3/23 VS. RMI Valuation LLC separated the DSRR land into land that is classified as fee simple (non-reversionary) and land that is classified as servitude (reversionary). Specifically, the non-reversionary land accounted for 38.03 acres or 11 percent of the issue land, while the reversionary land accounted for 318.27 acres or 89 percent of the issue land. Based on this separation, RMI Valuation LLC concluded that the NLV of the issue land equals \$97,900 as of November 16, 2022. We adjusted the RMI Valuation LLC findings to estimated 1Q26 levels⁸² resulting in an estimated land value of \$113,472 assuming the rail line ends at Tallulah, LA (Exhibit No. 21, page 14).

In total, the NLV of the DSRR Portion of the Lake Providence Branch Line, including track assets and land, is estimated to equal \$247,636 at 1Q26 levels assuming the rail line ends at Tallulah, LA (Exhibit No. 21, page 1).

⁸² Land prices were adjusted using the average historic change in Louisiana land values as reported by the United States Department of Agriculture (“USDA”). This approach is consistent with STB precedent, which used the change in USDA reported land values to adjust land values along railroad rights of way. *See*, Docket No. NOR 42125, *E.I. DuPont De Nemours and Company v. Norfolk Southern Railway Company*, served March 24, 2014 at pages 275 and 276.

PUBLIC VERSION

In order to determine the land value assuming the DSRR rail line includes the abandoned storage track south of Tallulah, LA, we extrapolated the RMI Valuation LLC results to this additional territory.⁸³ Based on our extrapolations, the land value at estimated 1Q26 levels assuming the abandoned storage track south of Tallulah, LA is included equals \$123,318 (Exhibit No. 22, page 14).

In total, the updated NLV of the DSRR Portion of the Lake Providence Branch Line assuming the abandoned track south of Tallulah, LA are included equals \$254,116 (Exhibit No. 22, page 1).

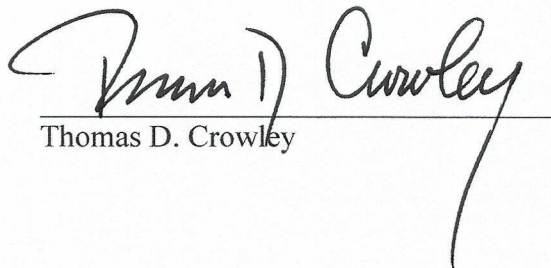
* * *

⁸³ Specifically, we utilized Google Earth maps to estimate the length of the abandoned DSRR rail line south of the CPKC rail line to equal approximately 2,800 feet and assumed a 50-foot right of way. This equates to approximately 3.3 acres of land. We made the conservative assumption that DSRR holds this 3.3 acres of land in fee simple interest.

PUBLIC VERSION

VERIFICATIONS

I, Thomas D. Crowley, verify under penalty of perjury that I have read this Verified Statement on behalf of LPPC, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.


Thomas D. Crowley

Executed on June 16, 2026

* * *

I, Christena Nielsen, verify under penalty of perjury that I have read this Verified Statement on behalf of LPPC, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.


Christena Nielsen

Executed on June 16, 2026

PUBLIC VERSION

LIST OF EXHIBITS

Exhibit No. ⁸⁴	Exhibit Title
(1)	(2)
18	Updated Photo Log with Corroborating Photos from 2025 and 2026
19	DSRR Lake Providence Branch Going Concern Value - Assuming the DSRR Line Excludes the Abandoned Storage Track South of Tallulah, LA
20	DSRR Lake Providence Branch Going Concern Value - Assuming the DSRR Line Includes the Abandoned Storage Track South of Tallulah, LA
21	DSRR Net Liquidation Value Assuming the DSRR Line Ends at Tallulah, LA – 1Q26
22	DSRR Net Liquidation Value Assuming the DSRR Line Includes the Abandoned Track South of Tallulah, LA – 1Q26

⁸⁴ Exhibit No. 1 through Exhibit No. 8 are included with our Verified Statement filed on January 4, 2023 (“1/3/23 VS”) in this proceeding. Exhibit No. 9 through Exhibit No. 13 are included with our Verified Statement filed on July 5, 2024 (“7/5/24 VS”) in this proceeding. Exhibit No. 14 through Exhibit No. 17 are included with our Verified Statement filed on May 29, 2026 (“5/29/26 VS”) in this proceeding.

Updated Photo Log with Corroborating Photos from 2025 and 2026**PHOTOS TAKEN AFTER
11/3/2022 FIELD STUDY****Daniel Robbins'
11/25 Photos 3/
Picture
Number 5/****Clay Ratcliff's
3/26 Photos 4/
Picture
Number 5/****11/3/2022 LEPA FIELD STUDY PHOTOS 1/**

<u>Picture Number</u>	<u>Date</u>	<u>Time/ Basis 2/</u>	<u>Location or Stop #</u>	<u>Direction Facing</u>	<u>Description</u>
1	11/3/2022	5:07	Stop No. 1 - MP 498.32	South	Line heading towards KCS interchange
2	11/3/2022	5:08	Stop No. 1 - MP 498.32	West	Showing new ties and spike pattern
3	11/3/2022	5:20	Stop No. 2 - MP 497.92	North	Mainline track
4	11/3/2022	5:20	Stop No. 2 - MP 497.92	South	Mainline track and switch to unused siding
5	11/3/2022	5:20	Stop No. 2 - MP 497.92	N/A	Crossing identification sign
6	11/3/2022	5:20	Stop No. 2 - MP 497.92	N/A	Tie plate showing common spike pattern
7	11/3/2022	6:19	Stop No. 3	N/A	Signal shed
8	11/3/2022	6:19	Stop No. 3	North	Mainline track
9	11/3/2022	6:19	Stop No. 3	South	Mainline track
10	11/3/2022	6:19	Stop No. 3	N/A	Fouled ballast and poor ties
11	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Crossing identification sign
12	11/3/2022	8:30	Stop No. 4 - MP 472.92	North	Mainline
13	11/3/2022	8:30	Stop No. 4 - MP 472.92	South	Mainline
14	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Joint bar showing manufacture date
15	11/3/2022	8:30	Stop No. 4 - MP 472.92	N/A	Rail showing date and weight
16	11/3/2022	8:43	Stop No. 5	North	Mainline
17	11/3/2022	8:43	Stop No. 5	South	Mainline
18	11/3/2022	8:52	Stop No. 6 - MP 477.92	N/A	Crossing identification sign
19	11/3/2022	8:52	Stop No. 6 - MP 477.92	North	Mainline

DR-1

CR-1

DR-2

CR-2

DR-3

CR-3

CR-4

1/ Included as part of Exhibit No. 6 to our 1/3/23 VS filed in this proceeding. LEPA means L. E. Peabody & Associates, Inc.

2/ Central Daylight Savings Time in 24-hour Military Format.

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11/3/2022 LEPA FIELD STUDY PHOTOS 1/

**PHOTOS TAKEN AFTER
11/3/2022 FIELD STUDY**

**Daniel Robbins' 11/25 Photos 3/
Picture Number 5/**
**Clay Ratcliff's 3/26 Photos 4/
Picture Number 5/**

Picture Number	Date	Time/ Basis 2/	Location or Stop #	Direction Facing	Description
20	11/3/2022	9:03	Stop No. 7 - MP 481.21	N/A	Crossing identification sign
21	11/3/2022	9:03	Stop No. 7 - MP 481.21	N/A	Tie spacing
22	11/3/2022	9:03	Stop No. 7 - MP 481.21	South	Mainline
23	11/3/2022	9:03	Stop No. 7 - MP 481.21	North	Mainline
24	11/3/2022	9:20	Stop No. 8 - MP 484.02	N/A	Crossing identification sign
25	11/3/2022	9:20	Stop No. 8 - MP 484.02	North	Mainline
26	11/3/2022	9:20	Stop No. 8 - MP 484.02	South	Mainline
27	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Crossing identification sign
28	11/3/2022	9:32	Stop No. 9 - MP 485.82	North	Mainline
29	11/3/2022	9:32	Stop No. 9 - MP 485.82	South	Mainline
30	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Weight of Rail
31	11/3/2022	9:32	Stop No. 9 - MP 485.82	N/A	Year manufactured
32	11/3/2022	9:45	Stop No. 10 - MP 488.41	N/A	Crossing identification sign
33	11/3/2022	9:45	Stop No. 10 - MP 488.41	North	Mainline and stored tank car
34	11/3/2022	9:45	Stop No. 10 - MP 488.41	South	Mainline and stored tank car
35	11/3/2022	9:45	Stop No. 10 - MP 488.41	N/A	Joint rail showing manufactured year
36	11/3/2022	10:02	Stop No. 11 - MP 489.95	N/A	Crossing identification sign
37	11/3/2022	10:02	Stop No. 11 - MP 489.95	North	Mainline and stored tank car
38	11/3/2022	10:02	Stop No. 11 - MP 489.95	South	Mainline

DR-4, DR-5

DR-6, DR-7

DR-8

CR-5

DR-9

CR-6

DR-10, DR-11

CR-7

DR-12, DR-13

CR-8

DR-14, DR-15

DR-16, DR-17

CR-9

CR-10

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11/3/2022 LEPA FIELD STUDY PHOTOS 1/

**PHOTOS TAKEN AFTER
11/3/2022 FIELD STUDY**

Daniel Robbins'	Clay Ratcliff's
<u>11/25 Photos 3/</u>	<u>3/26 Photos 4/</u>
<u>Picture</u>	<u>Picture</u>
<u>Number 5/</u>	<u>Number 5/</u>

Picture Number	Date	Time/ Basis 2/	Location or Stop #	Direction Facing	Description
39	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	N/A	Crossing identification sign
40	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	North	Siding and derailer
41	11/3/2022	10:13	MP 2.1 (Madison Parish Port rail spur)	South	Siding and derailer
42	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	N/A	Crossing identification sign
43	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	East	Spur line
44	11/3/2022	10:18	MP 0.7 (Madison Parish Port rail spur)	West	Spur line
45	11/3/2022	10:31	Stop No. 12 - MP 493.58	N/A	Crossing identification sign
46	11/3/2022	10:31	Stop No. 12 - MP 493.58	South	Timber bridge south of crossing
47	11/3/2022	10:31	Stop No. 12 - MP 493.58	North	Mainline and removed ties on right of way
48	11/3/2022	10:31	Stop No. 12 - MP 493.58	South	Mainline and bridge
49	11/3/2022	11:33	Stop No. 13 - MP 496.82	South	Signal shed and mainline
50	11/3/2022	11:33	Stop No. 13 - MP 496.82	North	Mainline, crossing and signals
51	11/3/2022	11:33	Stop No. 13 - MP 496.82	N/A	Joint bar with circuit wire
52	11/3/2022	11:43	N/A	N/A	DSRR Locomotive tied up south of Madison Parish Port rail spur
53	11/3/2022	11:43	N/A	N/A	DSRR Locomotive tied up south of Madison Parish Port rail spur
54	11/3/2022	11:49	Stop No. 14 - MP 495.29	N/A	Crossing identification sign
55	11/3/2022	11:49	Stop No. 14 - MP 495.29	North	Mainline
56	11/3/2022	11:49	Stop No. 14 - MP 495.29	South	Mainline, bridge and stored railcars
57	11/3/2022	11:49	Stop No. 14 - MP 495.29	South	Timber bridge south of crossing

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11/3/2022 LEPA FIELD STUDY PHOTOS 1/

**PHOTOS TAKEN AFTER
11/3/2022 FIELD STUDY**

Daniel Robbins'
11/25 Photos 3/
Picture
Number 5/

Clay Ratcliff's
3/26 Photos 4/
Picture
Number 5/

<u>Picture Number</u>	<u>Date</u>	<u>Time/ Basis 2/</u>	<u>Location or Stop #</u>	<u>Direction Facing</u>	<u>Description</u>
58	11/3/2022	12:02	Stop No. 15 - MP 491.9	N/A	Crossing identification sign
59	11/3/2022	12:02	Stop No. 15 - MP 491.9	North	Mainline
60	11/3/2022	12:02	Stop No. 15 - MP 491.9	South	Mainline
61	11/3/2022	12:02	Stop No. 15 - MP 491.9	N/A	Joint bar showing manufacturing year
62	11/3/2022	12:30	Stop No. 16 - MP 478.62	N/A	Crossing identification sign
63	11/3/2022	12:30	Stop No. 16 - MP 478.62	North	Mainline
64	11/3/2022	12:30	Stop No. 16 - MP 478.62	South	Mainline
65	11/3/2022	12:30	Stop No. 16 - MP 478.62	South	Siding
66	11/3/2022	12:30	Stop No. 16 - MP 478.62	North	Siding and replaced ties stored on right of way
<u>Pictures Taken After 11/3/22 Field Study</u>					
			MP 476.2	South	Mainline
			MP 476.2	North	Mainline
			MP 477.2	South	Mainline
			MP 477.2	North	Mainline
			MP 478.0	South	Mainline
			MP 476.0	North	Mainline
			MP 476.0	South	Mainline
			MP 479.4	North	Mainline
			MP 479.4	South	Mainline

DR-29 CR-15

DR-30 CR-16

DR-27

DR-28

DR-26

DR-24 CR-13

DR-25 CR-14

DR-23 CR-12

DR-22 CR-11

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11/3/2022 LEPA FIELD STUDY PHOTOS 1/

**PHOTOS TAKEN AFTER
11/3/2022 FIELD STUDY**

<u>Picture Number</u>	<u>Date</u>	<u>Time/ Basis 2/</u>	<u>Location or Stop #</u>	<u>Direction Facing</u>	<u>Description</u>
<u>Pictures Taken After 11/3/22 Field Study</u>					
			MP 482.15	North	Mainline
			MP482.15	South	Mainline
			MP 491.0	North	Mainline
			MP 478.6	North	Mainline
			MP 478.6	South	Mainline

Daniel Robbins'
11/25 Photos 3/
Picture
Number 5/

Clay Ratcliff's
3/26 Photos 4/
Picture
Number 5/

DR-20

DR-21

CR-17

DR-18

DR-19

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EXHIBIT NO. 18

Attachment No. 1

Daniel B. Robbins Photos from November 2025

AN



FS





HS



HS

DR_5

HN

Bunge Road?

HN
HS



H 20



DR_7





KN

Henderson Loop
Road
Looking
North





KS
Henderson
Loup
Road
Looking South



LN

Parish Line
Road Looking
North
Just to the
North of
Sandheimer

LN



LS

Parish Line Road
Looking towards
Sandheimer





DR_17



CS



IN



Fletcher Loop

IS















DN





Hollybrook?

BN



EXHIBIT NO. 18

Attachment No. 2

Clay Ratcliff Photos from March 2026

#19
Mile Post 471?
1565 Crossing
Looking N



#18

mile Post 471?

1563 Crossing

Looking S



CR_2

17

Mile Post 473?

LP Port Rd

Looking N



CR_3

#16
Mile Post 473?
LP Port Rd
Looking S



H9

mile Post 484

looking N



CR_5

8

Mile Post 484

Looking S



#7

Wile Post 488
Loop
Henderson Rd
Looking N



CR_7

#6

Mile Post 488

Loop
Henderson Rd

Looking S



CR_8

#3

Mile Post 490

Onega Rd

Looking N



491-490
to far south
to be on
Danny's
map

#2
mile Post 490
Omaha Rd
looking S



#10

Mile Post 479.80?

Transylvania

Looking S



11

mile Post 479-480?

Pennsylvania

looking N



#13
Mile Post 476?
Donovan Rd
Looking N



#12

Mile Post 476?

Donavan Rd

Looking S



#15

Mile Post 474?

Holly Brook

Looking S



#14
Mile Post 474?
Mobley Brook
Looking S



#1

Mile Post 491

Galla Deno Y

Looking N



CR_17

DSRR Lake Providence Branch Going Concern Value – Assuming the DSRR Line Excludes the Abandoned Storage Track South of Tallulah, LA

<u>Item</u> (1)	<u>Source</u> (2)	<u>Actual</u> <u>2025</u> (3)	<u>Forecast</u> <u>2026</u> (4)	<u>Forecast</u> <u>2027</u> (5)	<u>Forecast</u> <u>2028</u> (6)	<u>Forecast</u> <u>2029</u> (7)	<u>Forecast</u> <u>2030</u> (8)	<u>Forecast</u> <u>2031</u> (9)	<u>Discounted</u> <u>Values</u> (10)
1. Railcars									
a. Revenue Railcars	1/	■	■	■	■	■	■	■	xxx
2. Freight Revenues									
a. Transportation	2/	\$ ■	■	■	■	■	■	■	xxx
b. Demurrage	3/	■	■	■	■	■	■	■	xxx
3. Storage Revenues									
a. Railcar Storage	3/	■	■	■	■	■	■	■	xxx
b. Railcar Switches	3/	■	■	■	■	■	■	■	xxx
4. Total Revenues	L.2a+L.2b+L.3a+L.3b	■	■	■	■	■	■	■	xxx
5. Operating Expenses	4/	■	■	■	■	■	■	■	xxx
6. Net Operating Earnings	L.4 - L.5	■	■	■	■	■	■	■	xxx
7. Discounted Operating Earnings	5/	xxx	■	■	■	■	■	■	■
8. Net Liquidation Value	6/	xxx	■	xxx	xxx	xxx	xxx	■	xxx
9. Terminal Value	7/	xxx	xxx	xxx	xxx	xxx	xxx	xxx	■
10. Going Concern Value	8/	xxx	xxx	xxx	xxx	xxx	xxx	xxx	\$899,948

1/ Sources: Column (3) from DSRR_03512 for traffic moving on Lake Providence Branch. Columns (4) through (9) equal to prior year annual value adjusted by DSRR's forecasted change in carloads as reflected in Long-Term Projections as found in DSRR_03507.

2/ Sources: Column (3) from DSRR_03512 for traffic moving on Lake Providence Branch. Columns (4) through (9) equal to prior year annual value adjusted by DSRR's forecasted change in revenues as reflected in Long-Term Projections as found in DSRR_03507.

3/ Sources: Column (3) from Bates No. DSRR_03505. Columns (4) through (9) based on prior year annual value adjusted by the forecasted percent change in DSRR's Long-Term Projections from DSRR_03507.

4/ Sources: Column (3) from Bates No. DSRR_03505. Columns (4) equal to Column (3) adjusted by the percent change between 2025 actual DSRR system operating expenses from DSRR_03505 and forecasted 2026 DSRR system operating expenses from DSRR_03507. Columns (5) through (9) adjusted by the forecasted change in DSRR's Long-Term Projections from DSRR_03507.

5/ Columns (4) through (9), Line 6 discounted to mid-year 2026 values using the STB's 2024 pre-tax cost of capital of 13.28 percent. Column (10), sum of Line 7, Columns (4) through Column (9).

6/ Source: Column (4) from Exhibit No. 21. Column (9) equal to Column (4) adjusted by forecasted changes in Rail Cost Adjustment Factor - Unadjusted for Productivity and Louisiana rural land values.

7/ Column (9), Line 8 discounted to mid-year 2026 values at the STB's 2024 pre-tax cost of capital of 13.28 percent

8/ Column (10), Line 7 + Column (10), Line 9.

DSRR Lake Providence Branch Going Concern Value – Assuming the DSRR Line Includes the Abandoned Storage Track South of Tallulah, LA

<u>Item</u> (1)	<u>Source</u> (2)	<u>Actual</u> <u>2025</u> (3)	<u>Forecast</u> <u>2026</u> (4)	<u>Forecast</u> <u>2027</u> (5)	<u>Forecast</u> <u>2028</u> (6)	<u>Forecast</u> <u>2029</u> (7)	<u>Forecast</u> <u>2030</u> (8)	<u>Forecast</u> <u>2031</u> (9)	<u>Discounted</u> <u>Values</u> (10)
1. Railcars									
a. Revenue Railcars	1/	■	■	■	■	■	■	■	xxx
2. Freight Revenues									
a. Transportation	2/	■	■	■	■	■	■	■	xxx
b. Demurrage	3/	■	■	■	■	■	■	■	xxx
3. Storage Revenues									
a. Railcar Storage	3/	■	■	■	■	■	■	■	xxx
b. Railcar Switches	3/	■	■	■	■	■	■	■	xxx
4. Total Revenues	L.2a+L.2b+L.3a+L.3b	■	■	■	■	■	■	■	xxx
5. Operating Expenses	4/	■	■	■	■	■	■	■	xxx
6. Net Operating Earnings	L.4 - L.5	■	■	■	■	■	■	■	xxx
7. Discounted Operating Earnings	5/	xxx	■	■	■	■	■	■	■
8. Net Liquidation Value	6/	xxx	■	xxx	xxx	xxx	xxx	■	xxx
9. Terminal Value	7/	xxx	xxx	xxx	xxx	xxx	xxx	xxx	■
10. Going Concern Value	8/	xxx	xxx	xxx	xxx	xxx	xxx	xxx	\$903,991

1/ Sources: Column (3) from DSRR_03512 for traffic moving on Lake Providence Branch. Columns (4) through (9) equal to prior year annual value adjusted by DSRR's forecasted change in carloads as reflected in Long-Term Projections as found in DSRR_03507.

2/ Sources: Column (3) from DSRR_03512 for traffic moving on Lake Providence Branch. Columns (4) through (9) equal to prior year annual value adjusted by DSRR's forecasted change in revenues as reflected in Long-Term Projections as found in DSRR_03507.

3/ Sources: Column (3) from Bates No. DSRR_03505. Columns (4) through (9) based on prior year annual value adjusted by the forecasted percent change in DSRR's Long-Term Projections from DSRR_03507.

4/ Sources: Column (3) from Bates No. DSRR_03505. Columns (4) equal to Column (3) adjusted by the percent change between 2025 actual DSRR system operating expenses from DSRR_03505 and forecasted 2026 DSRR system operating expenses from DSRR_03507. Columns (5) through (9) adjusted by the forecasted change in DSRR's Long-Term Projections from DSRR_03507.

5/ Columns (4) through (9), Line 6 discounted to mid-year 2026 values using the STB's 2024 pre-tax cost of capital of 13.28 percent. Column (10), sum of Line 7, Columns (4) through Column (9).

6/ Source: Column (4) from Exhibit No. 22. Column (9) equal to Column (4) adjusted by forecasted changes in Rail Cost Adjustment Factor - Unadjusted for Productivity and Louisiana rural land values.

7/ Column (9), Line 8 discounted to mid-year 2026 values at the STB's 2024 pre-tax cost of capital of 13.28 percent

8/ Column (10), Line 7 + Column (10), Line 9.

DSRR Net Liquidation Value
Assuming the DSRR Line Ends at Talullah, LA - 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Relay Rail Gross Salvage Value ("GSV")	Page 3, L.25, Column (3)	\$189,934
2. Relay Other Track Material ("OTM") GSV	Page 8, L.68, Column (3)	\$147,139
3. Relay Turnouts GSV	Page 11, L.3, Column (4)	<u>\$10,853</u>
4. Total Relay GSV	L.1 + L.2 + L.3	\$347,926
5. Reroll and Scrap Rail GSV	Page 3, L.32, Column (3)	\$598,640
6. Scrap OTM GSV	Page 8, L.69, Column (3)	\$247,108
7. Scrap Turnouts GSV	Page 11, L.4, Column (4)	<u>\$639</u>
8. Total Reroll and Scrap GSV	L.5 + L.6 + L.7	\$846,387
9. Total Rail GSV	L.1 + L.5	\$788,574
10. Total OTM GSV	L.2 + L.6	\$394,247
11. Total Turnouts GSV	L.3 + L.7	<u>\$11,492</u>
12. Total Relay, Reroll and Scrap GSV	L.9 + L.10 + L.11	\$1,194,313
13. Ties Net Salvage Value	Page 4, L.30, Column (3)	\$0
14. Total Gross Salvage Value	L.12 + L.13	\$1,194,313
15. Rail/Turnout Removal and Restoration Costs	Page 12, L.33, Column (3)	\$709,432
16. Relay Marketing and Disposition Costs	L.4 x 13% 1/	\$45,230
17. Scrap Marketing and Disposition Costs	L.8 x 5% 1/	<u>\$42,319</u>
18. Total Marketing and Disposition Costs	L.16 + L.17	\$87,549
19. Transportation Costs	Page 13, L.12, Column (4)	\$263,168
20. Total Liquidation Cost	L.15 + L.18 + L.19	\$1,060,149
21. Total Net Salvage Value ("NSV") of Track Assets	L.14 - L.20	\$134,164
22. Total Value of Land	Page 14, L.3, Column (4)	\$113,472
23. Total Net Liquidation Value	L.21 + L.22	\$247,636

1/ STB Docket No. FD 36005 KCVN/CPRR Feeder Line Application for Towner Line, Comments of V&S Railway, LLC
Volume II of II, page 33.

DSRR Line Segments

<u>Segment</u> (1)	<u>Main Miles 1/</u> (2)	<u>Siding Miles 1/</u> (3)	<u>Total Miles 2/</u> (4)
1. Lake Providence to Madison Parish Port Spur	19.91	0.86	20.77
2. Madison Parish Port Spur to Tallulah	<u>7.53</u>	<u>0.00</u>	<u>7.53</u>
3. Total Track Miles 3/	27.44	0.86	28.30
<u>Relay Miles</u>			
4. Lake Providence to Madison Parish Port Spur	3.98	0.00	3.98
5. Madison Parish Port Spur to Tallulah	<u>1.51</u>	<u>0.00</u>	<u>1.51</u>
6. Total Relay Miles 4/	5.49	0.00	5.49
<u>Reroll Miles</u>			
7. Lake Providence to Madison Parish Port Spur	13.94	0.00	13.94
8. Madison Parish Port Spur to Tallulah	<u>5.27</u>	<u>0.00</u>	<u>5.27</u>
9. Total Reroll Miles 5/	19.21	0.00	19.21
<u>Scrap Miles</u>			
10. Lake Providence to Madison Parish Port Spur	1.99	0.86	2.85
11. Madison Parish Port Spur to Tallulah	<u>0.75</u>	<u>0.00</u>	<u>0.75</u>
12. Total Scrap Miles 6/	2.74	0.86	3.60

1/ Based on track charts and field observations.

2/ Column (2) + Column (3).

3/ Sum of Segment Miles.

4/ Sum of Relay Miles.

5/ Sum of Reroll Miles.

6/ Sum of Scrap Miles.

DSRR Rail Assets Gross Salvage Value ("GSV") -- 1Q26**85 Lb Jointed Rail
Manufactured
In 1911 1/
(3)**

<u>Item</u> (1)	<u>Source</u> (2)	
1. Total Main Track Miles	Page 2, L.3, Column (2)	27.44
2. Total Sidings Miles	Page 2, L.3, Column (3)	<u>0.86</u>
3. Total Rail Miles	L.1 + L.2	28.30
4. Relay Fit Miles	Page 2, L.6, Column (4)	5.49
5. Reroll Miles	Page 2, L.9, Column (4)	19.21
6. Scrap Miles	Page 2, L.12, Column (4)	<u>3.60</u>
7. Total Reroll and Scrap Miles	L.5 + L.6	22.81
8. Total Rail Miles	L.4 + L.7	28.30
9. Pounds per Yard	2/	85.00
10. Rails Per Yard	3/	2.00
11. Yards Per Mile	5,280 feet ÷ 3 feet	1,760
12. Pounds per Mile	L.9 x L.10 x L.11	299,200
13. Tons Per Mile	L.12 ÷ 2,000 lbs.	149.60
14. Relay Fit Tons	L.4 x L.13	821.00
15. Percent of Total Tons	L.14 ÷ L.20	19.39%
16. Reroll Tons	L.5 x L.13	2,873.52
17. Scrap Tons	L.6 x L.13	<u>539.16</u>
18. Total Reroll and Scrap Tons	L.16 + L.17	3,412.68
19. Percent of Total Tons	L.18 ÷ L.20	80.61%
20. Total Tons By Rail Type	L.14 + L.18	4,233.68
21. Percent of Total Tons	L.15 + L.19	100.00%
22. Reusable Percentage	4/	97.00%
23. Relay Fit Reusable Tons	L.14 x L.22	796.37
24. Relay Fit Unit Price Per Ton	5/	<u>\$238.50</u>
25. Relay Fit GSV	L.23 x L.24	\$189,934
26. Reroll Reusable Tons	L.16 x L.22	2,787.31
27. Reroll Price Per Ton	5/	<u>\$190.80</u>
28. Reroll GSV	L.26 x L.27	\$531,819
29. Scrap Reusable Tons	L.17 x L.22	522.98
30. Scrap Price Per Ton	5/	<u>\$127.77</u>
31. Scrap GSV	L.29 x L.30	\$66,821
32. Total Reroll and Scrap GSV	L.28 + L.31	\$598,640
33. Total Reusable Tons	L.23 + L.26 + L.29	4,106.66
34. Total Rail GSV	L.25 + L.32	\$788,574

1/ Weight of rail on DSRR confirmed in DSRR_02366 which shows range of rail weight.

2/ Rail is identified by its weight per yard of length. Thus 85# rail weighs 85 pounds per yard, etc.

3/ Each segment of track has two (2) rails.

4/ Assumed reusable rail based on STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-7.

5/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx" indexed to 1Q26 using the MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel.

DSRR Net Salvage Value ("NSV") For Ties -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Total Miles	Page 2, L. 3, Column (4)	28.30
2. Ties Per Mile	1/	3,249
3. Total Ties	L.1 x L.2	91,953
4. Relay Ties Per Mile	L.6 ÷ L.1	179
5. Relay Percentage	2/	
6. Total Relay Ties	L.3 x L.5	
7. Unit Price Per Relay Tie	3/	-\$2.17
8. Total Relay Ties Gross Salvage Value ("GSV")	L.6 x L.7	
9. Landscape #1 Ties Per Mile	L.11 ÷ L.1	325
10. Landscape #1 Ties Percentage	2/	
11. Total Landscape #1 Ties	L.3 x L.10	
12. Unit Price Per Landscape #1 Tie	3/	-\$16.28
13. Total Landscape #1 Ties GSV	L.11 x L.12	
14. Landscape #2 Ties Per Mile	L.16 ÷ L.1	325
15. Landscape #2 Ties Percentage	2/	
16. Total Landscape #2 Ties	L.3 x L.15	
17. Unit Price Per Landscape #2 Tie	3/	-\$16.28
18. Total Landscape #2 GSV	L.16 x L.17	
19. Scrap Ties Per Mile	L.21 ÷ L.1	2,421
20. Scrap Percentage	2/	
21. Total Scrap Ties	L.3 x L.20	
22. Unit Price Per Scrap Tie	3/	-\$27.13
23. Total Scrap Ties GSV	L.21 x L.22	
24. Total Ties GSV	L.8 + L.13 + L.18 + L.23	
25. Estimated Tie Removal Cost Per Tie	4/	
26. AAR Materials and Supplies Index	5/	1.417
27. 1Q26 Cost Per Tie	L.25 x L.26	
28. Estimated Tie Removal Cost	L.3 x L.27	
29. Total Ties NSV	L.24 - L.28	-\$2,689,945
30. STB NSV For Ties 6/	L.29 or Zero	\$0

1/ Crossties are typically laid every 19.5 inches, which equates to approximately 3,249 crossties per mile [(5,280 ft/mile x 12 in/ft) ÷ 19.5 in]. Confirmed in DSRR_02366 which indicates tie spacing.

2/ Based on our field review, we estimate that [REDACTED] of the ties would be classified as relay, [REDACTED] would be classified as landscape #1, [REDACTED] would be classified as landscape #2, and [REDACTED] would be classified as scrap.

3/ Average of quotes from Harmer Steel received November 2022 indexed to 1Q26 using Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts.

4/ Source: DSRR_02395. Quote from Green Railroad Services showing a [REDACTED] per tie disposal cost.

5/ AAR Table C, West, Materials and Supplies Index 2Q 2021 to 1Q 2026.

6/ Based on STB precedents, should the NLV for ties be less than zero we assumed that the railroad would not go through the process of removing and disposing of the ties and the NLV is assumed to be zero.

DSRR Tie Allocation Calculations

<u>Item</u> (1)	<u>Source</u> (2)	<u>Allocation Percent</u> (3)
1. Relay	1/	████
2. Landscape 1	1/	████
3. Landscape 2	1/	████
4. Scrap	1/	████
5. Total	Sum of L.1 through L.4.	100.0%

1/ Tie allocation percentage based on condition of the rail line identified during the field review undertaken by L. E. Peabody & Associates adjusted to reflect tie acquisitions in 2025 on this line provided in DSRR_03510.xlsx.

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>A. Tie Plates</u>		
1. Relay Tie Plates Miles	Page 2, L.6, Column (4)	5.49
2. Relay Tie Plates Per Mile	1/	<u>6,498</u>
3. Total Relay Tie Plates	L.1 x L.2	35,664
4. Reusable Percentage	2/	97%
5. Total Reusable Relay Tie Plates	L.3 x L.4	34,594
6. Unit Price Per Relay Tie Plate	3/	<u>\$3.46</u>
7. Total Relay Tie Plates GSV	L.5 x L.6	\$119,695
8. Scrap Tie Plates Miles	Page 3, L.7, Column (3)	22.81
9. Scrap Tie Tons Per Mile	4/	<u>68.23</u>
10. Total Scrap Tie Plates Tons	L.8 x L.9	1,557
11. Reusable Percentage	2/	95%
12. Total Reusable Scrap Tie Plates Tons	L.10 x L.11	1,479
13. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
14. Total Scrap Tie Plates GSV	L.12 x L.13	\$188,972
15. Total Tie Plates GSV	L.7 + L.14	\$308,667
<u>B. Joint Bars</u>		
16. Relay Joint Bars Miles	Page 2, L. 6, Column (4)	5.49
17. Relay Joint Bars Per Mile	6/	<u>270.8</u>
18. Total Relay Joint Bars	L.16 x L.17	1,486
19. Reusable Percentage	2/	97%
20. Total Reusable Relay Joint Bars	L.18 x L.19	1,441
21. Unit Price Per Relay Joint Bar	3/	<u>\$17.89</u>
22. Total Relay Joint Bars GSV	L.20 x L.21	\$25,779
23. Scrap Joint Bars Miles	Page 3, L.7, Column (3)	22.81
24. Scrap Joint Bars Tons Per Mile	Page 9, L.14, Column (4)	<u>12.70</u>
25. Total Scrap Joint Bars Tons	L.23 x L.24	290
26. Reusable Percentage	2/	95%
27. Total Reusable Scrap Joint Bars Tons	L.25 x L.26	276
28. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
29. Total Scrap Joint Bars GSV	L.27 x L.28	\$35,265
30. Total Joint Bars GSV	L.22 + L.29	\$61,044

(Footnotes on Page 8)

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>C. Relay Anchors</u>		
31. Relay Rail Anchors Welded Miles	There is no CWR on the DSRR	0.00
32. Relay Rail Anchors Welded Per Mile	There is no CWR on the DSRR	<u>0</u>
33. Total Relay Rail Anchors Welded	L.31 x L.32	0
34. Reusable Percentage	2/	80%
35. Total Reusable Relay Rail Anchors Welded	L.33 x L.34	0
36. Unit Price Per Relay Anchor	3/	<u>\$0.14</u>
37. Total Relay Rail Anchors Welded GSV	L.35 x L.36	\$0
38. Relay Rail Anchors Jointed Miles	Page 2, L. 6, Column (4)	5.49
39. Relay Rail Anchors Jointed Per Mile	7/	<u>2,708</u>
40. Total Relay Rail Anchors Jointed	L.38 x L.39	14,862
41. Reusable Percentage	2/	80%
42. Total Reusable Relay Rail Anchors Jointed	L.40 x L.41	11,890
43. Unit Price Per Relay Anchor	3/	<u>\$0.14</u>
44. Total Relay Rail Anchors Jointed GSV	L.42 x L.43	\$1,665
45. Total Relay Rail Anchors GSV	L.37 + L.44	\$1,665
46. Scrap Rail Anchor Miles	Page 3, L.7, Column (3)	22.81
47. Scrap Tons of Anchors Per Mile	8/	<u>4.07</u>
48. Total Scrap Rail Anchors Tons	L.46 x L.47	93
49. Reusable Percentage	2/	80%
50. Total Reusable Rail Anchor Tons	L.48 x L.49	74
51. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
52. Total Scrap Rail Anchors Welded GSV	L.50 x L.51	\$9,455
53. Total Rail Anchors GSV	L.45 + L.52	\$11,120
<u>D. Spikes</u>		
54. Scrap Spike Miles	Page, 3, L.7, Column (3)	22.81
55. Scrap Spike Tons Per Mile	9/	<u>4.36</u>
56. Total Scrap Spike Tons	L.54 x L.55	100
57. Reusable Percentage	2/	80%
58. Total Reusable Scrap Spikes Tons	L.56 x L.57	80
59. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
60. Total Scrap Spikes GSV	L.58 x L.59	\$10,222

(Footnotes on Page 8)

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>E. Bolts & Washers</u>		
61. Scrap Bolts & Washers Miles	Page, 3, L.7, Column (3)	22.81
62. Scrap Bolts & Washers Tons Per Mile	10/	<u>1.38</u>
63. Total Scrap Bolt & Washers Tons	L.61 x L.62	31
64. Reusable Percentage	2/	80%
65. Total Reusable Scrap Bolts & Washers Tons	L.63 x L.64	25
66. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
67. Total Scrap Bolts & Washers GSV	L.65 x L.66	\$3,194
<u>F. Total</u>		
68. Total Relay OTM GSV	L.7 + L.22 + L.45	\$147,139
69. Total Scrap OTM GSV	L.14 + L.29 + L.52 + L.60 + L.67	<u>\$247,108</u>
70. Total OTM GSV	L.68 + L.69	\$394,247

Footnotes

- 1/ There are two (2) tie plates per crosstie. According to the Railway Tie Association, crossties are typically laid every 19.5 inches. (5,280 ft. per mile x 12 in. per ft.) ÷ 19.5 in. between ties equals 3,249 crossties per mile and two (2) crosstie plates per crosstie equals 6,498 tie plates per mile.
- 2/ STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-7.
- 3/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx." adjusted to 1Q 2026 price levels.
- 4/ Calculated based on a weighted average tie plate weight of 21.0 lbs. per tie plate and 6,498 tie plates per mile. [6,498 tie plates per mile x 21.0 lbs. per tie plate] ÷ 2000.0 lbs. per ton equals 68.23 tons per mile.
- 5/ Quote from Harmer Steel received November 2022 was equal to \$120.00 per gross ton. Converted to price per net ton results in a scrap price of \$107.14 per net ton (\$120.00 x [2,000 lbs. per net ton ÷ 2,240 lbs. per gross ton]) and adjusted to 1Q 2026 price levels.
- 6/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. [5,280 ft. per mile ÷ 39.0 ft. per rail section] x 2.0 rails per section equals 270.8.
- 7/ Calculated based on the assumption that DSRR uses 10 anchors per 39 foot section of rail.
- 8/ Calculated based on anchor weight of 1.88 lbs. per anchor and an assumed 16 anchors per 39 foot section of rail.
- 9/ Calculated based on a spike keg for 5/8 x 6 inch spikes with a keg weight of 200 lbs. and an assumed 43.64 spike kegs per mile of rail.
- 10/ Calculated based on a bolt keg for 1 x 5 1/4 inch bolts with a keg weight of 200 lbs. and an assumed 13.8 bolt kegs per mile of rail.

DSRR Other Track Material Calculations**85 Lb Jointed Rail
Manufactured
In 1911**

<u>Item</u> (1)	<u>Source</u> (2)	<u>In 1911</u> (3)
1. Feet Per Mile	Given	5,280
2. Inches Per Feet	Given	12
3. Feet Per Rail Section	Given	39
4. Rails Per Section	Given	2
5. Pounds Per Ton	Given	2,000
<u>A. Tie Plates</u>		
6. Inches Between Ties (Spacing)	1/	19.5
7. Miles of Rail	Page 2, L.3, Column (4)	28.30
8. Pounds Per Tie Plate	2/	21
9. Ties Per Mile	$(L.1 \times L.2) \div L.6$	3,249
10. Tie Plates Per Mile	$L.9 \times L.4$	6,498
11. Tie Plate Tons Per Mile	$(L.10 \times L.8) \div L.5$	68.23
<u>B. Joint Bars</u>		
12. Joint Bars Per Mile	3/	270.77
13. Joint Bar Pounds Per Pair	4/	93.84
14. Scrap Joint Bars Tons Per Mile	$(L.12 \times L.13) \div L.5$	12.70
15. Miles of Scrap Rail	Page 3, L.7, Column (3)	22.81
<u>C. Rail Anchors</u>		
16. Anchors Per Relay Welded Section	There is no CWR on the DSRR	0
17. Anchors Per Relay Jointed Section	2/	10
18. Anchors Per Scrap Section	2/	16
19. Weight Per Anchor	5/	1.88
20. Anchors Per Mile - Relay Welded Rail	$[(L.1 \div L.3) \times L.4] \times L.16$	0
21. Anchors Per Mile - Relay Jointed Rail	$[(L.1 \div L.3) \times L.4] \times L.17$	2,708
22. Anchors Per Mile - Scrap Rail	$[(L.1 \div L.3) \times L.4] \times L.18$	4,332
23. Anchor Scrap Tons Per Mile	$(L.22 \times L.19) \div L.5$	4.07

(Footnotes on Next Page)

DSRR Other Track Material Calculations**85 Lb Jointed Rail
Manufactured
In 1911**
(3)

<u>Item</u> (1)	<u>Source</u> (2)	
<u>D. Rail Spikes</u>		
24. Spike Keg Weight	6/	200
25. Kegs Needed Per Mile	7/	43.64
26. Spike Tons Per Mile	$(L.24 \times L.25) \div L.5$	4.36
<u>E. Bolts and Washers</u>		
27. Bolts Keg Weight	8/	200
28. Kegs Needed Per Mile	9/	13.80
29. Bolts Tons Per Mile	$(L.27 \times L.28) \div L.5$	1.38

-
- 1/ According to the Railway Tie Association crossties are typically laid every 19.5 inches.
- 2/ STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-5.
- 3/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. $[(Line\ 1 \div Line\ 3) \times Line\ 4]$.
- 4/ Wabtec Corporation identifies 36 inch joint bars for 85 lb. rail as 93.84 lbs. per pair.
- 5/ According to Progress Rail, 5.5" is the standard rail anchor size for rail sections 110, 112, 115, and 119 and 6.0" is the standard rail anchor size for rail sections 131, 132, 133, 136, 140, and 141. Progress Rail lists the 5.5" standard weight as 1.79 lbs. and the heavy duty weight as 1.96 lbs. and the 6.0" standard weight as 1.88 lbs. and the heavy duty weight as 2.10 lbs. It has been assumed that any track less than 131 lbs. would use 5.5" anchors and track equal to or larger than 131 lbs. would use 6.0" anchors. For 5.5" anchors the average of Progress Rail's standard and heavy duty weights was used $(1.79\ lbs. + 1.96\ lbs. \div 2 = 1.875\ lbs.)$. For 6.0" anchors the average of Progress Rail's standard and heavy duty weights was used $(1.88\ lbs. + 2.10\ lbs. \div 2 = 1.99\ lbs.)$.
- 6/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that a 200. Lb Keg of spikes for 5/8 x 6 inch spikes contains 242 spikes.
- 7/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that for 5/8 x 6 inch spike 43.64 kegs would be needed per mile.
- 8/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that a 200. Lb Keg of bolts for 1 x 5 1/4 inch spikes contains 109 spikes.
- 9/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that for 1 x 5 1/4 inch bolts 13.8 kegs would be needed per mile.

DSRR Turnout Gross Salvage Value ("GSV") -- 1Q26

<u>Description</u> (1)	<u>Quantity 1/</u> (2)	<u>Unit Price</u> (3)	<u>Total</u> (4)
<u>A. Relay Turnouts</u>			
1. 115 lb.	1	\$4,341 2/	\$4,341 3/
2. 90 lb.	<u>2</u>	\$3,256 2/	<u>\$6,512</u> 3/
3. Total Relay	3		\$10,853
<u>B. Scrap Turnouts</u>			
4. Various	5	\$127.77 4/	<u>\$639</u> 3/
5. Total GSV 5/	8		\$11,492

1/ Field review and Google Earth Pro.

2/ Quotes from Harmer Steel received November 2022 indexed to 1Q26 using the Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts.

3/ Column (2) x Column (3).

4/ Harmer Steel received November 2022 was equal to \$120.00 per gross ton. The 1Q26 value equals \$143.10 per gross ton. Converted to price per net ton results in a scrap price of \$127.77 per net ton (\$143.10 x [2,000 lbs. per net ton ÷ 2,240 lbs per gross ton]).

5/ Line 3 + Line 4.

DSRR Removal and Restoration Costs -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Fit Rail and OTM Miles	Page 3, L.4, Column (3)	5.49
2. Fit Rail and OTM Removal Cost Per Mile	1/	\$16,000
3. AAR Materials and Supplies Index	2/	1.405
4. 1Q26 Cost Per Mile	L.2 x L.3	<u>\$22,476</u>
5. Fit Rail and OTM Removal Costs	L.1 x L.4	\$123,393
6. Scrap Rail and OTM Miles	Page 3, L.7, Column (3)	22.81
7. Scrap Rail and OTM Removal Cost Per Mile	1/	\$15,500
8. AAR Materials and Supplies Index	2/	1.405
9. 1Q26 Cost Per Mile	L.7 x L.8	<u>\$21,774</u>
10. Scrap Rail and OTM Removal Costs	L.6 x L.9	\$496,698
11. Fit Turnouts	Page 11, L.3, Column (2)	3
12. Fit Turnout Removal Costs Per Turnout	1/	\$800
13. AAR Materials and Supplies Index	2/	1.405
14. 1Q26 Cost Per Mile	L.12 x L.13	<u>\$1,124</u>
15. Fit Turnout Removal Costs	L.11 x L.14	\$3,371
16. Scrap Turnouts	Page 11, L.4, Column (2)	5
17. Scrap Turnout Removal Costs Per Turnout	1/	\$500
18. AAR Materials and Supplies Index	2/	1.405
19. 1Q26 Cost Per Mile	L.17 x L.18	<u>\$702</u>
20. Scrap Turnout Removal Costs	L.16 x L.19	\$3,512
21. Total Track Removal Costs	L.5 + L. 10 + L.15 + L.20	\$626,974
22. Public Highway Crossings	Page 17, L.55, Column (3)	25
23. Public Highway Restoration Costs Per Crossing	1/	\$2,000
24. AAR Materials and Supplies Index	2/	1.405
25. 1Q26 Cost Per Mile	L.23 x L.24	<u>\$2,809</u>
26. Total Public Highway Crossings Costs	L.22 x L.25	\$70,237
27. Private Highway Crossings	Page 17, L.56, Column (3)	29
28. Private Highway Restoration Cost per Crossing	1/	\$300
29. AAR Materials and Supplies Index	2/	1.405
30. 1Q26 Cost Per Mile	L.28 x L.29	<u>\$421</u>
31. Total Private Highway Crossings Costs	L.27 x L.30	\$12,221
32. Total Crossing Restoration	L.26 + L.31	<u>\$82,458</u>
33. Total Removal and Restoration Costs	L.21 + L.32	\$709,432

1/ STB Docket No. FD 36005 KCVN/CPRR Feeder Line Application for Towner Line, Comments of V&S Railway, LLC
Volume II of II, page 33.

2/ AAR Materials and Supplies Index West 3Q 2016 to 1Q 2026.

DSRR Asset Transportation Costs -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Tons</u> (3)	<u>Number of Railcars 1/</u> (4)
1. Relay Rail	Page 3, L.23, Column (3)	796	8
2. Reroll Rail	Page 3, L.26, Column (3)	2,787	28
3. Scrap Rail	Page 3, L.29, Column (3)	523	6
4. Scrap Tie Plates	Page 6, L.12, Column (3)	1,479	15
5. Scrap Joint Bars	Page 6, L.27, Column (3)	276	3
6. Scrap Anchors	Page 7, L.50, Column (3)	74	1
7. Scrap Spikes	Page 7, L.58, Column (3)	80	1
8. Scrap Bolt and Washers	Page 8, L.65, Column (3)	25	1
9. Scrap Turnouts	Page 11, L.4, Column (2)	<u>5</u>	<u>1</u>
10. Total		6,046	64
11. Cost Per Railcar 2/		xxx	<u>\$4,112</u>
12. Transportation Costs 3/		xxx	\$263,168

1/ Column (2) ÷ 100 tons per railcar.

2/ Average costs per railcar to salvage and scrap centers in Arkansas and Memphis, TN from Northern Louisiana as found in UP Exempt Circular UPRR 4021 items 1200 and 1262.

3/ Column (3), Line 10 x Line 11.

DSRR Estimated Value of Land -- 1Q26

<u>Land Holding Type</u>	<u>Acres 1/</u>	<u>Average Price per Acre 2/</u>	<u>Total Land Value 3/</u>
(1)	(2)	(3)	(4)
1. Fee Simple	38.030	\$2,984	\$113,472
2. Servitude	<u>318.273</u>	<u>\$0</u>	<u>\$0</u>
3. Total 4/	356.303	---	\$113,472

1/ RMI Valuation, Inc. Report Figure 2.

2/ RMI Valuation, Inc. Report Figure 9. 2022 Land value net of brokers' commissions and closing costs and adjusted to 1Q 2026 prices levels based on the average historic change in Louisiana rural land values as developed by the USDA. See workpaper "USDA Land Values - Downloaded 6-02-2026 - CAGR Calculation.xlsx"

3/ Column (2) x Column (3).

4/ Sum of Line 1 and Line 2.

1Q26 Relay and Scrap Rail Wholesale Prices

<u>Item</u> (1)	<u>Unit</u> (2)	<u>Wholesale Price 1/ (3)</u>	<u>November 2022 Price/Index (4)</u>	<u>1Q 2026 Price/Index (5)</u>	<u>November 2022 to 1Q 2026 Index 2/ (6)</u>	<u>1Q 2026 Wholesale Price 3/ (7)</u>
A. Steel (Rail) (per unit)						
1. Rail 85 pound per yard, Arema Fit #1	Net Ton	\$200.00	\$355.00 4/	\$423.33 5/	1.192	\$238.50
2. Rail Reroll	Gross Ton	\$179.20	\$355.00 4/	\$423.33 5/	1.192	\$213.69
3. Rail Reroll 6/	Net Ton	\$160.00	\$355.00 4/	\$423.33 5/	1.192	\$190.80
4. Rail Scrap	Gross Ton	\$120.00	\$355.00 4/	\$423.33 5/	1.192	\$143.10
5. Rail Scrap 7/	Net Ton	\$107.14	\$355.00 4/	\$423.33 5/	1.192	\$127.77
B. Steel (OTM) (per unit)						
6. Scrap OTM (Gross Ton)	Gross Ton	\$120.00	\$355.00 4/	\$423.33 5/	1.192	\$143.10
7. Scrap OTM (Net Ton) 8/	Net Ton	\$107.14	\$355.00 4/	\$423.33 5/	1.192	\$127.77
8. Tie Plates, D/S, 8" x 13" 6"	Each	\$2.90	\$355.00 4/	\$423.33 5/	1.192	\$3.46
9. Joint Bars, 90 pound per yard, Fit six hole	Pair	\$21.00	\$355.00 4/	\$423.33 5/	1.192	\$25.04
10. Joint Bars, 85 pound per yard, Fit six hole	Pair	\$15.00	\$355.00 4/	\$423.33 5/	1.192	\$17.89
11. Anchors, Fit 6"	Each	\$0.12	\$355.00 4/	\$423.33 5/	1.192	\$0.14
C. Timber (Ties) (per unit)						
12. Relay 7x9x9' hardwood	Each	(\$2.00)	209.736 9/	227.625 10/	1.085	(\$2.17)
13. Landscape 7x9x9'	Each	(\$15.00)	209.736 9/	227.625 10/	1.085	(\$16.28)
14. Scrap 7x9x9'	Each	(\$25.00)	209.736 9/	227.625 10/	1.085	(\$27.13)
D. Turnouts (per unit)						
15. Weight 115 #9 AREMA relay	Each	\$4,000	209.736 9/	227.625 10/	1.085	\$4,341.17
16. Weight 90 #9 AREMA relay	Each	\$3,000	209.736 9/	227.625 10/	1.085	\$3,255.88

1/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx."

2/ Column (5) ÷ Column (4).

3/ Column (3) x Column (6).

4/ MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel for November 2022.

5/ MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel average for January to March 2026.

6/ Rail Reroll Gross Tons have been converted to Net Tons. L.1, Column (3) x (2,000 lbs ÷ 2,240 lbs).

7/ Rail Scrap Gross Tons have been converted to Net Tons. L.4, Column (3) x (2,000 lbs ÷ 2,240 lbs).

8/ Scrap OTM Gross Tons have been converted to Net Tons. L.6, Column (3) x (2,000 lbs ÷ 2,240 lbs).

9/ Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts for November 2022.

10/ Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts average for January to March 2026.

DSRR Crossing Calculations

<u>Crossing # 1/</u> (1)	<u>DSRR Mile Post 2/</u> (2)	<u>Public / Private 3/</u> (3)	<u>Bell (B) / Flasher (F) / Gates (G) 4/</u> (4)
1. 425398V	471.32	Private	
2. 425399C	471.52	Public	
3. 441262Y	472.10	Private	
4. 425400U	472.62	Private	
5. 425401B	472.92	Public	
6. 425402H	473.43	Private	
7. 425404W	474.31	Private	
8. 425405D	474.63	Public	
9. 924862M	475.40	Private	
10. 425408Y	475.72	Private	
11. 425409F	476.15	Public	
12. 425462S	476.85	Public	
13. 425463Y	476.98	Private	
14. 438859P	477.00	Private	
15. 425464F	477.13	Public	
16. 425465M	477.50	Private	
17. 425466U	477.92	Public	
18. 924864B	478.05	Private	
19. 425467B	478.12	Public	
20. 425468H	478.62	Public	
21. 425469P	479.43	Public	
22. 425470J	480.15	Public	
23. 425471R	480.72	Private	
24. 425472X	480.82	Private	
25. 425473E	481.21	Public	
26. 425474L	481.72	Private	
27. 425475T	482.13	Public	
28. 425476A	482.42	Private	
29. 924865H	482.90	Private	
30. 425478N	482.95	Private	
31. 425479V	483.15	Private	
32. 425481W	484.02	Public	
33. 425482D	484.63	Private	
34. 425483K	485.13	Private	
35. 425484S	485.82	Public	

(Footnotes on Next Page)

DSRR Crossing Calculations

<u>Crossing # 1/</u>	<u>DSRR Mile Post 2/</u>	<u>Public / Private 3/</u>	<u>Bell (B) / Flasher (F) / Gates (G) 4/</u>
(1)	(2)	(3)	(4)
36. 425485Y	487.12	Public	
37. 425487M	487.63	Private	
38. 425489B	487.92	Private	
39. 425490V	488.41	Public	
40. 425491C	488.82	Private	
41. 425492J	489.43	Private	
42. 425493R	489.95	Public	
43. 425494X	491.00	Private	
44. 425497T	491.55	Public	
45. 425501F	491.90	Private	
46. 425502M	492.62	Private	
47. 425504B	493.58	Public	
48. 425505H	493.92	Public	
49. 425506P	494.84	Private	
50. 425507W	495.29	Public	
51. 425508D	495.63	Private	
52. 425509K	496.82	Public	Y
53. 425510E	497.92	Public	Y
54. 425511L	498.32	Public	Y
55. Total Public Crossings		25	3
56. Total Private Crossings		<u>29</u>	<u>0</u>
57. Total Crossings		54	3

1/ Federal Railroad Administration Crossing Identification Number.

2/ DSRR milepost as reported by the Federal Railroad Administration.

3/ Developed using the Federal Railroad Administration Crossing Inventory database.

4/ Based on field inspection. "Y" indicates that the crossing has a Bell/Flasher/Gate.

DSRR Turnout Calculations

<u>Turnout 1/</u> (1)	<u>Active/ Inactive 2/</u> (2)	<u>Comments 3/</u> (3)	<u>Classification 4/</u>		
			<u>Relay</u> (4)	<u>Scrap</u> (5)	<u>Total</u> (6)
1. MP 498.2	Inactive	Levee Street		1	1
2. MP 491.0	Active	South Madison Parish Port Spur	1		1
3. MP 490.8	Active	North Madison Parish Port Spur	1		1
4. MP 487.8	Inactive	Sondheimer		1	1
5. MP 478.5	Inactive	Transylvania		1	1
6. MP 474.5	Inactive	Hollybrook		1	1
7. MP 474.2	Inactive	Hollybrook		1	1
8. MP 471.8	Active	Lake Providence Port Lead	1		1
9. Total Relay Turnouts (Sum of Lines 1 through 8, Column (4))			3	0	3
10. Total Scrap Turnouts (Sum of Lines 1 through 8, Column (5))			<u>0</u>	<u>5</u>	<u>5</u>
11. Total Turnouts (Sum of Lines 9 and 10)			3	5	8

1/ Approximate milepost based upon track charts and field inspection.

2/ Based upon field inspection.

3/ Approximate station name based upon track charts and field inspection.

4/ Active turnout are assumed to be relay quality while inactive are assumed to be scrap.

DSRR Net Liquidation Value
Assuming the DSRR Line Includes the Abandoned Track South of Tallulah, LA - 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Relay Rail Gross Salvage Value ("GSV")	Page 3, L.25, Column (3)	\$193,660
2. Relay Other Track Material ("OTM") GSV	Page 8, L.68, Column (3)	\$150,036
3. Relay Turnouts GSV	Page 11, L.3, Column (4)	<u>\$10,853</u>
4. Total Relay GSV	L.1 + L.2 + L.3	\$354,549
5. Reroll and Scrap Rail GSV	Page 3, L.32, Column (3)	\$613,228
6. Scrap OTM GSV	Page 8, L.69, Column (3)	\$253,496
7. Scrap Turnouts GSV	Page 11, L.4, Column (4)	<u>\$894</u>
8. Total Reroll and Scrap GSV	L.5 + L.6 + L.7	\$867,618
9. Total Rail GSV	L.1 + L.5	\$806,888
10. Total OTM GSV	L.2 + L.6	\$403,532
11. Total Turnouts GSV	L.3 + L.7	<u>\$11,747</u>
12. Total Relay, Reroll and Scrap GSV	L.9 + L.10 + L.11	\$1,222,167
13. Ties Net Salvage Value	Page 4, L.30, Column (3)	\$0
14. Total Gross Salvage Value	L.12 + L.13	\$1,222,167
15. Rail/Turnout Removal and Restoration Costs	Page 12, L.33, Column (3)	\$726,393
16. Relay Marketing and Disposition Costs	L.4 x 13% 1/	\$46,091
17. Scrap Marketing and Disposition Costs	L.8 x 5% 1/	<u>\$43,381</u>
18. Total Marketing and Disposition Costs	L.16 + L.17	\$89,472
19. Transportation Costs	Page 13, L.12, Column (4)	\$275,504
20. Total Liquidation Cost	L.15 + L.18 + L.19	\$1,091,369
21. Total Net Salvage Value ("NSV") of Track Assets	L.14 - L.20	\$130,798
22. Total Value of Land	Page 14, L.3, Column (4)	\$123,318
23. Total Net Liquidation Value	L.21 + L.22	\$254,116

1/ STB Docket No. FD 36005 KCVN/CPRR Feeder Line Application for Towner Line, Comments of V&S Railway, LLC
Volume II of II, page 33.

DSRR Line Segments

<u>Segment</u> (1)	<u>Main Miles 1/</u> (2)	<u>Siding Miles 1/</u> (3)	<u>Total Miles 2/</u> (4)
1. Lake Providence to Madison Parish Port Spur	19.91	0.86	20.77
2. Madison Parish Port Spur to Tallulah	7.53	0.00	7.53
3. CPKC Line to Bobby Street	<u>0.54</u>	<u>0.17</u>	<u>0.71</u>
4. Total Track Miles 3/	27.98	1.03	29.01
<u>Relay Miles</u>			
5. Lake Providence to Madison Parish Port Spur	3.98	0.00	3.98
6. Madison Parish Port Spur to Tallulah	1.51	0.00	1.51
7. CPKC Line to Bobby Street	<u>0.11</u>	<u>0.00</u>	<u>0.11</u>
8. Total Relay Miles 4/	5.60	0.00	5.60
<u>Reroll Miles</u>			
9. Lake Providence to Madison Parish Port Spur	13.94	0.00	13.94
10. Madison Parish Port Spur to Tallulah	5.27	0.00	5.27
11. CPKC Line to Bobby Street	<u>0.38</u>	<u>0.00</u>	<u>0.38</u>
12. Total Reroll Miles 5/	19.58	0.00	19.58
<u>Scrap Miles</u>			
13. Lake Providence to Madison Parish Port Spur	1.99	0.86	2.85
14. Madison Parish Port Spur to Tallulah	0.75	0.00	0.75
15. CPKC Line to Bobby Street	<u>0.05</u>	<u>0.17</u>	<u>0.22</u>
16. Total Scrap Miles 6/	2.80	1.03	3.83

1/ Based on track charts and field observations.

2/ Column (2) + Column (3).

3/ Sum of Segment Miles.

4/ Sum of Relay Miles.

5/ Sum of Reroll Miles.

6/ Sum of Scrap Miles.

DSRR Rail Assets Gross Salvage Value ("GSV") -- 1Q26**85 Lb Jointed Rail
Manufactured
In 1911 1/**
(3)

<u>Item</u> (1)	<u>Source</u> (2)	
1. Total Main Track Miles	Page 2, L.4, Column (2)	27.98
2. Total Sidings Miles	Page 2, L.4, Column (3)	<u>1.03</u>
3. Total Rail Miles	L.1 + L.2	29.01
4. Relay Fit Miles	Page 2, L.8, Column (4)	5.60
5. Reroll Miles	Page 2, L.12, Column (4)	19.58
6. Scrap Miles	Page 2, L.16, Column (4)	<u>3.83</u>
7. Total Reroll and Scrap Miles	L.5 + L.6	23.41
8. Total Rail Miles	L.4 + L.7	29.01
9. Pounds per Yard	2/	85.00
10. Rails Per Yard	3/	2.00
11. Yards Per Mile	5,280 feet ÷ 3 feet	1,760
12. Pounds per Mile	L.9 x L.10 x L.11	299,200
13. Tons Per Mile	L.12 ÷ 2,000 lbs.	149.60
14. Relay Fit Tons	L.4 x L.13	837.10
15. Percent of Total Tons	L.14 ÷ L.20	19.29%
16. Reroll Tons	L.5 x L.13	2,929.86
17. Scrap Tons	L.6 x L.13	<u>572.71</u>
18. Total Reroll and Scrap Tons	L.16 + L.17	3,502.57
19. Percent of Total Tons	L.18 ÷ L.20	80.71%
20. Total Tons By Rail Type	L.14 + L.18	4,339.68
21. Percent of Total Tons	L.15 + L.19	100.00%
22. Reusable Percentage	4/	97.00%
23. Relay Fit Reusable Tons	L.14 x L.22	811.99
24. Relay Fit Unit Price Per Ton	5/	<u>\$238.50</u>
25. Relay Fit GSV	L.23 x L.24	\$193,660
26. Reroll Reusable Tons	L.16 x L.22	2,841.97
27. Reroll Price Per Ton	5/	<u>\$190.80</u>
28. Reroll GSV	L.26 x L.27	\$542,248
29. Scrap Reusable Tons	L.17 x L.22	555.53
30. Scrap Price Per Ton	5/	<u>\$127.77</u>
31. Scrap GSV	L.29 x L.30	\$70,980
32. Total Reroll and Scrap GSV	L.28 + L.31	\$613,228
33. Total Reusable Tons	L.23 + L.26 + L.29	4,209.49
34. Total Rail GSV	L.25 + L.32	\$806,888

1/ Weight of rail on DSRR confirmed in DSRR_02366 which shows range of rail weight.

2/ Rail is identified by its weight per yard of length. Thus 85# rail weighs 85 pounds per yard, etc.

3/ Each segment of track has two (2) rails.

4/ Assumed reusable rail based on STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-7.

5/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx" indexed to 1Q26 using the MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel.

DSRR Net Salvage Value ("NSV") For Ties -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Total Miles	Page 2, L.4, Column (4)	29.01
2. Ties Per Mile	1/	3,249
3. Total Ties	L.1 x L.2	94,255
4. Relay Ties Per Mile	L.6 ÷ L.1	179
5. Relay Percentage	2/	
6. Total Relay Ties	L.3 x L.5	
7. Unit Price Per Relay Tie	3/	-\$2.17
8. Total Relay Ties Gross Salvage Value ("GSV")	L.6 x L.7	
9. Landscape #1 Ties Per Mile	L.11 ÷ L.1	325
10. Landscape #1 Ties Percentage	2/	
11. Total Landscape #1 Ties	L.3 x L.10	
12. Unit Price Per Landscape #1 Tie	3/	-\$16.28
13. Total Landscape #1 Ties GSV	L.11 x L.12	
14. Landscape #2 Ties Per Mile	L.16 ÷ L.1	325
15. Landscape #2 Ties Percentage	2/	
16. Total Landscape #2 Ties	L.3 x L.15	
17. Unit Price Per Landscape #2 Tie	3/	-\$16.28
18. Total Landscape #2 GSV	L.16 x L.17	
19. Scrap Ties Per Mile	L.21 ÷ L.1	2,421
20. Scrap Percentage	2/	
21. Total Scrap Ties	L.3 x L.20	
22. Unit Price Per Scrap Tie	3/	-\$27.13
23. Total Scrap Ties GSV	L.21 x L.22	
24. Total Ties GSV	L.8 + L.13 + L.18 + L.23	
25. Estimated Tie Removal Cost Per Tie	4/	
26. AAR Materials and Supplies Index	5/	1.417
27. 1Q26 Cost Per Tie	L.25 x L.26	
28. Estimated Tie Removal Cost	L.3 x L.27	
29. Total Ties NSV	L.24 - L.28	-\$2,757,312
30. STB NSV For Ties 6/	L.29 or Zero	\$0

1/ Crossties are typically laid every 19.5 inches, which equates to approximately 3,249 crossties per mile [(5,280 ft/mile x 12 in/ft) ÷ 19.5 in]. Confirmed in DSRR_02366 which indicates tie spacing.

2/ Based on our field review, we estimate that [REDACTED] of the ties would be classified as relay, [REDACTED] would be classified as landscape #1, [REDACTED] would be classified as landscape #2, and [REDACTED] would be classified as scrap.

3/ Average of quotes from Harmer Steel received November 2022 indexed to 1Q26 using Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts.

4/ Source: DSRR_02395. Quote from Green Railroad Services showing a [REDACTED] per tie disposal cost.

5/ AAR Table C, West, Materials and Supplies Index 2Q 2021 to 1Q 2026.

6/ Based on STB precedents, should the NLV for ties be less than zero we assumed that the railroad would not go through the process of removing and disposing of the ties and the NLV is assumed to be zero.

DSRR Tie Allocation Calculations

<u>Item</u>	<u>Source</u>	<u>Allocation Percent</u>
(1)	(2)	(3)
1. Relay	1/	████
2. Landscape 1	1/	████
3. Landscape 2	1/	████
4. Scrap	1/	████
5. Total	Sum of L.1 through L.4.	100.0%

1/ Tie allocation percentage based on condition of the rail line identified during the field review undertaken by L. E. Peabody & Associates adjusted to reflect tie acquisitions in 2025 on this line provided in DSRR_03510.xlsx.

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>A. Tie Plates</u>		
1. Relay Tie Plates Miles	Page 2, L.8, Column (4)	5.60
2. Relay Tie Plates Per Mile	1/	<u>6,498</u>
3. Total Relay Tie Plates	L.1 x L.2	36,363
4. Reusable Percentage	2/	97%
5. Total Reusable Relay Tie Plates	L.3 x L.4	35,272
6. Unit Price Per Relay Tie Plate	3/	<u>\$3.46</u>
7. Total Relay Tie Plates GSV	L.5 x L.6	\$122,041
8. Scrap Tie Plates Miles	Page 3, L.7, Column (3)	23.41
9. Scrap Tie Tons Per Mile	4/	<u>68.23</u>
10. Total Scrap Tie Plates Tons	L.8 x L.9	1,598
11. Reusable Percentage	2/	95%
12. Total Reusable Scrap Tie Plates Tons	L.10 x L.11	1,518
13. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
14. Total Scrap Tie Plates GSV	L.12 x L.13	\$193,955
15. Total Tie Plates GSV	L.7 + L.14	\$315,996
<u>B. Joint Bars</u>		
16. Relay Joint Bars Miles	Page 2, L.8, Column (4)	5.60
17. Relay Joint Bars Per Mile	6/	<u>270.8</u>
18. Total Relay Joint Bars	L.16 x L.17	1,515
19. Reusable Percentage	2/	97%
20. Total Reusable Relay Joint Bars	L.18 x L.19	1,470
21. Unit Price Per Relay Joint Bar	3/	<u>\$17.89</u>
22. Total Relay Joint Bars GSV	L.20 x L.21	\$26,298
23. Scrap Joint Bars Miles	Page 3, L.7, Column (3)	23.41
24. Scrap Joint Bars Tons Per Mile	Page 9, L.14, Column (4)	<u>12.70</u>
25. Total Scrap Joint Bars Tons	L.23 x L.24	297
26. Reusable Percentage	2/	95%
27. Total Reusable Scrap Joint Bars Tons	L.25 x L.26	282
28. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
29. Total Scrap Joint Bars GSV	L.27 x L.28	\$36,031
30. Total Joint Bars GSV	L.22 + L.29	\$62,329

(Footnotes on Page 8)

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>C. Relay Anchors</u>		
31. Relay Rail Anchors Welded Miles	There is no CWR on the DSRR	0.00
32. Relay Rail Anchors Welded Per Mile	There is no CWR on the DSRR	<u>0</u>
33. Total Relay Rail Anchors Welded	L.31 x L.32	0
34. Reusable Percentage	2/	80%
35. Total Reusable Relay Rail Anchors Welded	L.33 x L.34	0
36. Unit Price Per Relay Anchor	3/	<u>\$0.14</u>
37. Total Relay Rail Anchors Welded GSV	L.35 x L.36	\$0
38. Relay Rail Anchors Jointed Miles	Page 2, L.8, Column (4)	5.60
39. Relay Rail Anchors Jointed Per Mile	7/	<u>2,708</u>
40. Total Relay Rail Anchors Jointed	L.38 x L.39	15,153
41. Reusable Percentage	2/	80%
42. Total Reusable Relay Rail Anchors Jointed	L.40 x L.41	12,122
43. Unit Price Per Relay Anchor	3/	<u>\$0.14</u>
44. Total Relay Rail Anchors Jointed GSV	L.42 x L.43	\$1,697
45. Total Relay Rail Anchors GSV	L.37 + L.44	\$1,697
46. Scrap Rail Anchor Miles	Page 3, L.7, Column (3)	23.41
47. Scrap Tons of Anchors Per Mile	8/	<u>4.07</u>
48. Total Scrap Rail Anchors Tons	L.46 x L.47	95
49. Reusable Percentage	2/	80%
50. Total Reusable Rail Anchor Tons	L.48 x L.49	76
51. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
52. Total Scrap Rail Anchors Welded GSV	L.50 x L.51	\$9,711
53. Total Rail Anchors GSV	L.45 + L.52	\$11,408
<u>D. Spikes</u>		
54. Scrap Spike Miles	Page, 3, L.7, Column (3)	23.41
55. Scrap Spike Tons Per Mile	9/	<u>4.36</u>
56. Total Scrap Spike Tons	L.54 x L.55	102
57. Reusable Percentage	2/	80%
58. Total Reusable Scrap Spikes Tons	L.56 x L.57	82
59. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
60. Total Scrap Spikes GSV	L.58 x L.59	\$10,477

(Footnotes on Page 8)

**DSRR Gross Salvage Value ("GSV")
For Other Track Materials ("OTM") -- 1Q26**

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
<u>E. Bolts & Washers</u>		
61. Scrap Bolts & Washers Miles	Page, 3, L.7, Column (3)	23.41
62. Scrap Bolts & Washers Tons Per Mile	10/	<u>1.38</u>
63. Total Scrap Bolt & Washers Tons	L.61 x L.62	32
64. Reusable Percentage	2/	80%
65. Total Reusable Scrap Bolts & Washers Tons	L.63 x L.64	26
66. Unit Price Per Scrap Ton	5/	<u>\$127.77</u>
67. Total Scrap Bolts & Washers GSV	L.65 x L.66	\$3,322
<u>F. Total</u>		
68. Total Relay OTM GSV	L.7 + L.22 + L.45	\$150,036
69. Total Scrap OTM GSV	L.14 + L.29 + L.52 + L.60 + L.67	<u>\$253,496</u>
70. Total OTM GSV	L.68 + L.69	\$403,532

Footnotes

- 1/ There are two (2) tie plates per crosstie. According to the Railway Tie Association, crossties are typically laid every 19.5 inches. (5,280 ft. per mile x 12 in. per ft.) ÷ 19.5 in. between ties equals 3,249 crossties per mile and two (2) crosstie plates per crosstie equals 6,498 tie plates per mile.
- 2/ STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-7.
- 3/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx." adjusted to 1Q 2026 price levels.
- 4/ Calculated based on a weighted average tie plate weight of 21.0 lbs. per tie plate and 6,498 tie plates per mile. [6,498 tie plates per mile x 21.0 lbs. per tie plate] ÷ 2000.0 lbs. per ton equals 68.23 tons per mile.
- 5/ Quote from Harmer Steel received November 2022 was equal to \$120.00 per gross ton. Converted to price per net ton results in a scrap price of \$107.14 per net ton (\$120.00 x [2,000 lbs. per net ton ÷ 2,240 lbs. per gross ton]) and adjusted to 1Q 2026 price levels.
- 6/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. [5,280 ft. per mile ÷ 39.0 ft. per rail section] x 2.0 rails per section equals 270.8.
- 7/ Calculated based on the assumption that DSRR uses 10 anchors per 39 foot section of rail.
- 8/ Calculated based on anchor weight of 1.88 lbs. per anchor and an assumed 16 anchors per 39 foot section of rail.
- 9/ Calculated based on a spike keg for 5/8 x 6 inch spikes with a keg weight of 200 lbs. and an assumed 43.64 spike kegs per mile of rail.
- 10/ Calculated based on a bolt keg for 1 x 5 1/4 inch bolts with a keg weight of 200 lbs. and an assumed 13.8 bolt kegs per mile of rail.

DSRR Other Track Material Calculations**85 Lb Jointed Rail
Manufactured
In 1911**

<u>Item</u> (1)	<u>Source</u> (2)	<u>In 1911</u> (3)
1. Feet Per Mile	Given	5,280
2. Inches Per Feet	Given	12
3. Feet Per Rail Section	Given	39
4. Rails Per Section	Given	2
5. Pounds Per Ton	Given	2,000
<u>A. Tie Plates</u>		
6. Inches Between Ties (Spacing)	1/	19.5
7. Miles of Rail	Page 2, L.4, Column (4)	29.01
8. Pounds Per Tie Plate	2/	21
9. Ties Per Mile	$(L.1 \times L.2) \div L.6$	3,249
10. Tie Plates Per Mile	$L.9 \times L.4$	6,498
11. Tie Plate Tons Per Mile	$(L.10 \times L.8) \div L.5$	68.23
<u>B. Joint Bars</u>		
12. Joint Bars Per Mile	3/	270.77
13. Joint Bar Pounds Per Pair	4/	93.84
14. Scrap Joint Bars Tons Per Mile	$(L.12 \times L.13) \div L.5$	12.70
15. Miles of Scrap Rail	Page 3, L.7, Column (3)	23.41
<u>C. Rail Anchors</u>		
16. Anchors Per Relay Welded Section	There is no CWR on the DSRR	0
17. Anchors Per Relay Jointed Section	2/	10
18. Anchors Per Scrap Section	2/	16
19. Weight Per Anchor	5/	1.88
20. Anchors Per Mile - Relay Welded Rail	$[(L.1 \div L.3) \times L.4] \times L.16$	0
21. Anchors Per Mile - Relay Jointed Rail	$[(L.1 \div L.3) \times L.4] \times L.17$	2,708
22. Anchors Per Mile - Scrap Rail	$[(L.1 \div L.3) \times L.4] \times L.18$	4,332
23. Anchor Scrap Tons Per Mile	$(L.22 \times L.19) \div L.5$	4.07

(Footnotes on Next Page)

DSRR Other Track Material Calculations**85 Lb Jointed Rail
Manufactured
In 1911**

<u>Item</u> (1)	<u>Source</u> (2)	<u>In 1911</u> (3)
<u>D. Rail Spikes</u>		
24. Spike Keg Weight	6/	200
25. Kegs Needed Per Mile	7/	43.64
26. Spike Tons Per Mile	$(L.24 \times L.25) \div L.5$	4.36
<u>E. Bolts and Washers</u>		
27. Bolts Keg Weight	8/	200
28. Kegs Needed Per Mile	9/	13.80
29. Bolts Tons Per Mile	$(L.27 \times L.28) \div L.5$	1.38

1/ According to the Railway Tie Association crossties are typically laid every 19.5 inches.

2/ STB Docket No. FD 36005 filed March 18, 2016, KCVN/CPRR Feeder Line Application for Towner Line, Volume II, Verified Statement of Gerald W. Fauth III, Appendix GWF-5.

3/ One joint bar is necessary for each side of rail per joint, joints are necessary to connect the rail section every 39 feet. $[(Line\ 1 \div Line\ 3) \times Line\ 4]$.

4/ Wabtec Corporation identifies 36 inch joint bars for 85 lb. rail as 93.84 lbs. per pair.

5/ According to Progress Rail, 5.5" is the standard rail anchor size for rail sections 110, 112, 115, and 119 and 6.0" is the standard rail anchor size for rail sections 131, 132, 133, 136, 140, and 141. Progress Rail lists the 5.5" standard weight as 1.79 lbs. and the heavy duty weight as 1.96 lbs. and the 6.0" standard weight as 1.88 lbs. and the heavy duty weight as 2.10 lbs. It has been assumed that any track less than 131 lbs. would use 5.5" anchors and track equal to or larger than 131 lbs. would use 6.0" anchors. For 5.5" anchors the average of Progress Rail's standard and heavy duty weights was used $(1.79\ lbs. + 1.96\ lbs. \div 2 = 1.875\ lbs.)$. For 6.0" anchors the average of Progress Rail's standard and heavy duty weights was used $(1.88\ lbs. + 2.10\ lbs. \div 2 = 1.99\ lbs.)$.

6/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that a 200. Lb Keg of spikes for 5/8 x 6 inch spikes contains 242 spikes.

7/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Spikes sections that notes that for 5/8 x 6 inch spike 43.64 kegs would be needed per mile.

8/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that a 200. Lb Keg of bolts for 1 x 5 1/4 inch spikes contains 109 spikes.

9/ LBFoster Rail Products "Other Track Materials and Accessories" brochure Track Bolts sections that notes that for 1 x 5 1/4 inch bolts 13.8 kegs would be needed per mile.

DSRR Turnout Gross Salvage Value ("GSV") -- 1Q26

<u>Description</u> (1)	<u>Quantity 1/</u> (2)	<u>Unit Price</u> (3)	<u>Total</u> (4)
<u>A. Relay Turnouts</u>			
1. 115 lb.	1	\$4,341 2/	\$4,341 3/
2. 90 lb.	<u>2</u>	\$3,256 2/	<u>\$6,512</u> 3/
3. Total Relay	3		\$10,853
<u>B. Scrap Turnouts</u>			
4. Various	7	\$127.77 4/	<u>\$894</u> 3/
5. Total GSV 5/	10		\$11,747

1/ Field review and Google Earth Pro.

2/ Quotes from Harmer Steel received November 2022 indexed to 1Q26 using the Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts.

3/ Column (2) x Column (3).

4/ Harmer Steel received November 2022 was equal to \$120.00 per gross ton. The 1Q26 value equals \$143.10 per gross ton. Converted to price per net ton results in a scrap price of \$127.77 per net ton (\$143.10 x [2,000 lbs. per net ton ÷ 2,240 lbs per gross ton]).

5/ Line 3 + Line 4.

DSRR Removal and Restoration Costs -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Amount</u> (3)
1. Fit Rail and OTM Miles	Page 3, L.4, Column (3)	5.60
2. Fit Rail and OTM Removal Cost Per Mile	1/	\$16,000
3. AAR Materials and Supplies Index	2/	1.405
4. 1Q26 Cost Per Mile	L.2 x L.3	<u>\$22,476</u>
5. Fit Rail and OTM Removal Costs	L.1 x L.4	\$125,865
6. Scrap Rail and OTM Miles	Page 3, L.7, Column (3)	23.41
7. Scrap Rail and OTM Removal Cost Per Mile	1/	\$15,500
8. AAR Materials and Supplies Index	2/	1.405
9. 1Q26 Cost Per Mile	L.7 x L.8	<u>\$21,774</u>
10. Scrap Rail and OTM Removal Costs	L.6 x L.9	\$509,782
11. Fit Turnouts	Page 11, L.3, Column (2)	3
12. Fit Turnout Removal Costs Per Turnout	1/	\$800
13. AAR Materials and Supplies Index	2/	1.405
14. 1Q26 Cost Per Mile	L.12 x L.13	<u>\$1,124</u>
15. Fit Turnout Removal Costs	L.11 x L.14	\$3,371
16. Scrap Turnouts	Page 11, L.4, Column (2)	7
17. Scrap Turnout Removal Costs Per Turnout	1/	\$500
18. AAR Materials and Supplies Index	2/	1.405
19. 1Q26 Cost Per Mile	L.17 x L.18	<u>\$702</u>
20. Scrap Turnout Removal Costs	L.16 x L.19	\$4,917
21. Total Track Removal Costs	L.5 + L. 10 + L.15 + L.20	\$643,935
22. Public Highway Crossings	Page 17, L.55, Column (3)	25
23. Public Highway Restoration Costs Per Crossing	1/	\$2,000
24. AAR Materials and Supplies Index	2/	1.405
25. 1Q26 Cost Per Mile	L.23 x L.24	<u>\$2,809</u>
26. Total Public Highway Crossings Costs	L.22 x L.25	\$70,237
27. Private Highway Crossings	Page 17, L.56, Column (3)	29
28. Private Highway Restoration Cost per Crossing	1/	\$300
29. AAR Materials and Supplies Index	2/	1.405
30. 1Q26 Cost Per Mile	L.28 x L.29	<u>\$421</u>
31. Total Private Highway Crossings Costs	L.27 x L.30	\$12,221
32. Total Crossing Restoration	L.26 + L.31	<u>\$82,458</u>
33. Total Removal and Restoration Costs	L.21 + L.32	\$726,393

1/ STB Docket No. FD 36005 KCVN/CPRR Feeder Line Application for Towner Line, Comments of V&S Railway, LLC
Volume II of II, page 33.

2/ AAR Materials and Supplies Index West 3Q 2016 to 1Q 2026.

DSRR Asset Transportation Costs -- 1Q26

<u>Item</u> (1)	<u>Source</u> (2)	<u>Tons</u> (3)	<u>Number of Railcars 1/</u> (4)
1. Relay Rail	Page 3, L.23, Column (3)	812	9
2. Reroll Rail	Page 3, L.26, Column (3)	2,842	29
3. Scrap Rail	Page 3, L.29, Column (3)	556	6
4. Scrap Tie Plates	Page 6, L.12, Column (3)	1,518	16
5. Scrap Joint Bars	Page 6, L.27, Column (3)	282	3
6. Scrap Anchors	Page 7, L.50, Column (3)	76	1
7. Scrap Spikes	Page 7, L.58, Column (3)	82	1
8. Scrap Bolt and Washers	Page 8, L.65, Column (3)	26	1
9. Scrap Turnouts	Page 11, L.4, Column (2)	<u>7</u>	<u>1</u>
10. Total		6,200	67
11. Cost Per Railcar 2/		xxx	<u>\$4,112</u>
12. Transportation Costs 3/		xxx	\$275,504

1/ Column (2) ÷ 100 tons per railcar.

2/ Average costs per railcar to salvage and scrap centers in Arkansas and Memphis, TN from Northern Louisiana as found in UP Exempt Circular UPRR 4021 items 1200 and 1262.

3/ Column (3), Line 10 x Line 11.

DSRR Estimated Value of Land -- 1Q26

<u>Land Holding Type</u>	<u>Acres 1/</u>	<u>Average Price per Acre 2/</u>	<u>Total Land Value 3/</u>
(1)	(2)	(3)	(4)
1. Fee Simple	41.330	\$2,984	\$123,318
2. Servitude	<u>318.273</u>	<u>\$0</u>	<u>\$0</u>
3. Total 4/	359.603	---	\$123,318

1/ RMI Valuation, Inc. Report Figure 2 plus an estimated 3.3 acres on Scott Street Lead based on 0.54 miles and a 50 foot right of way.

2/ RMI Valuation, Inc. Report Figure 9. 2022 Land value net of brokers' commissions and closing costs and adjusted to 1Q 2026 prices levels based on the average historic change in Louisiana rural land values as developed by the USDA. See workpaper "USDA Land Values - Downloaded 6-02-2026 - CAGR Calculation.xlsx"

3/ Column (2) x Column (3).

4/ Sum of Line 1 and Line 2.

1Q26 Relay and Scrap Rail Wholesale Prices

<u>Item</u> (1)	<u>Unit</u> (2)	<u>Wholesale Price 1/ (3)</u>	<u>November 2022 Price/Index (4)</u>	<u>1Q 2026 Price/Index (5)</u>	<u>November 2022 to 1Q 2026 Index 2/ (6)</u>	<u>1Q 2026 Wholesale Price 3/ (7)</u>
A. Steel (Rail) (per unit)						
1. Rail 85 pound per yard, Arema Fit #1	Net Ton	\$200.00	\$355.00 4/	\$423.33 5/	1.192	\$238.50
2. Rail Reroll	Gross Ton	\$179.20	\$355.00 4/	\$423.33 5/	1.192	\$213.69
3. Rail Reroll 6/	Net Ton	\$160.00	\$355.00 4/	\$423.33 5/	1.192	\$190.80
4. Rail Scrap	Gross Ton	\$120.00	\$355.00 4/	\$423.33 5/	1.192	\$143.10
5. Rail Scrap 7/	Net Ton	\$107.14	\$355.00 4/	\$423.33 5/	1.192	\$127.77
B. Steel (OTM) (per unit)						
6. Scrap OTM (Gross Ton)	Gross Ton	\$120.00	\$355.00 4/	\$423.33 5/	1.192	\$143.10
7. Scrap OTM (Net Ton) 8/	Net Ton	\$107.14	\$355.00 4/	\$423.33 5/	1.192	\$127.77
8. Tie Plates, D/S, 8" x 13" 6"	Each	\$2.90	\$355.00 4/	\$423.33 5/	1.192	\$3.46
9. Joint Bars, 90 pound per yard, Fit six hole	Pair	\$21.00	\$355.00 4/	\$423.33 5/	1.192	\$25.04
10. Joint Bars, 85 pound per yard, Fit six hole	Pair	\$15.00	\$355.00 4/	\$423.33 5/	1.192	\$17.89
11. Anchors, Fit 6"	Each	\$0.12	\$355.00 4/	\$423.33 5/	1.192	\$0.14
C. Timber (Ties) (per unit)						
12. Relay 7x9x9' hardwood	Each	(\$2.00)	209.736 9/	227.625 10/	1.085	(\$2.17)
13. Landscape 7x9x9'	Each	(\$15.00)	209.736 9/	227.625 10/	1.085	(\$16.28)
14. Scrap 7x9x9'	Each	(\$25.00)	209.736 9/	227.625 10/	1.085	(\$27.13)
D. Turnouts (per unit)						
15. Weight 115 #9 AREMA relay	Each	\$4,000	209.736 9/	227.625 10/	1.085	\$4,341.17
16. Weight 90 #9 AREMA relay	Each	\$3,000	209.736 9/	227.625 10/	1.085	\$3,255.88

1/ See, "Harmer Steel RE Wholesale Track Materials Quote.msg" and "Harmer Steel Track Material Unit Price Quote completed November 9 2022.xlsx."

2/ Column (5) ÷ Column (4).

3/ Column (3) x Column (6).

4/ MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel for November 2022.

5/ MNP Corporation raw materials index for American Metal Market # 1 Scrap Steel average for January to March 2026.

6/ Rail Reroll Gross Tons have been converted to Net Tons. L.1, Column (3) x (2,000 lbs ÷ 2,240 lbs).

7/ Rail Scrap Gross Tons have been converted to Net Tons. L.4, Column (3) x (2,000 lbs ÷ 2,240 lbs).

8/ Scrap OTM Gross Tons have been converted to Net Tons. L.6, Column (3) x (2,000 lbs ÷ 2,240 lbs).

9/ Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts for November 2022.

10/ Bureau of Labor Statistics Producer Price Index Commodity data for Transportation equipment-Railway maintenance of way equipment and parts average for January to March 2026.

DSRR Crossing Calculations

<u>Crossing # 1/</u> (1)	<u>DSRR Mile Post 2/</u> (2)	<u>Public / Private 3/</u> (3)	<u>Bell (B) / Flasher (F) / Gates (G) 4/</u> (4)
1. 425398V	471.32	Private	
2. 425399C	471.52	Public	
3. 441262Y	472.10	Private	
4. 425400U	472.62	Private	
5. 425401B	472.92	Public	
6. 425402H	473.43	Private	
7. 425404W	474.31	Private	
8. 425405D	474.63	Public	
9. 924862M	475.40	Private	
10. 425408Y	475.72	Private	
11. 425409F	476.15	Public	
12. 425462S	476.85	Public	
13. 425463Y	476.98	Private	
14. 438859P	477.00	Private	
15. 425464F	477.13	Public	
16. 425465M	477.50	Private	
17. 425466U	477.92	Public	
18. 924864B	478.05	Private	
19. 425467B	478.12	Public	
20. 425468H	478.62	Public	
21. 425469P	479.43	Public	
22. 425470J	480.15	Public	
23. 425471R	480.72	Private	
24. 425472X	480.82	Private	
25. 425473E	481.21	Public	
26. 425474L	481.72	Private	
27. 425475T	482.13	Public	
28. 425476A	482.42	Private	
29. 924865H	482.90	Private	
30. 425478N	482.95	Private	
31. 425479V	483.15	Private	
32. 425481W	484.02	Public	
33. 425482D	484.63	Private	
34. 425483K	485.13	Private	
35. 425484S	485.82	Public	

(Footnotes on Next Page)

DSRR Crossing Calculations

<u>Crossing # 1/</u> (1)	<u>DSRR Mile Post 2/</u> (2)	<u>Public / Private 3/</u> (3)	<u>Bell (B) / Flasher (F) / Gates (G) 4/</u> (4)
36. 425485Y	487.12	Public	
37. 425487M	487.63	Private	
38. 425489B	487.92	Private	
39. 425490V	488.41	Public	
40. 425491C	488.82	Private	
41. 425492J	489.43	Private	
42. 425493R	489.95	Public	
43. 425494X	491.00	Private	
44. 425497T	491.55	Public	
45. 425501F	491.90	Private	
46. 425502M	492.62	Private	
47. 425504B	493.58	Public	
48. 425505H	493.92	Public	
49. 425506P	494.84	Private	
50. 425507W	495.29	Public	
51. 425508D	495.63	Private	
52. 425509K	496.82	Public	Y
53. 425510E	497.92	Public	Y
54. 425511L	498.32	Public	Y
55. Total Public Crossings		25	3
56. Total Private Crossings		<u>29</u>	<u>0</u>
57. Total Crossings		54	3

1/ Federal Railroad Administration Crossing Identification Number.

2/ DSRR milepost as reported by the Federal Railroad Administration.

3/ Developed using the Federal Railroad Administration Crossing Inventory database.

4/ Based on field inspection. "Y" indicates that the crossing has a Bell/Flasher/Gate.

DSRR Turnout Calculations

<u>Turnout 1/</u> (1)	<u>Active/ Inactive 2/</u> (2)	<u>Comments 3/</u> (3)	<u>Classification 4/</u>		
			<u>Relay</u> (4)	<u>Scrap</u> (5)	<u>Total</u> (6)
1. MP 498.2	Inactive	Levee Street		1	1
2. MP 491.0	Active	South Madison Parish Port Spur	1		1
3. MP 490.8	Active	North Madison Parish Port Spur	1		1
4. MP 487.8	Inactive	Sondheimer		1	1
5. MP 478.5	Inactive	Transylvania		1	1
6. MP 474.5	Inactive	Hollybrook		1	1
7. MP 474.2	Inactive	Hollybrook		1	1
8. MP 471.8	Active	Lake Providence Port Lead	1		1
9. Total Relay Turnouts (Sum of Lines 1 through 8, Column (4))			3	0	3
10. Total Scrap Turnouts (Sum of Lines 1 through 8, Column (5))			<u>0</u>	<u>5</u>	<u>5</u>
11. Total Turnouts (Sum of Lines 9 and 10)			3	5	8

1/ Approximate milepost based upon track charts and field inspection.

2/ Based upon field inspection.

3/ Approximate station name based upon track charts and field inspection.

4/ Active turnout are assumed to be relay quality while inactive are assumed to be scrap.