



ARKANSAS Transportation REPORT

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Editor's note: The Arkansas Transportation Report is Sponsored by Arkansas Trucking Association & Arkansas State Chamber of Commerce.



Arkansas River traffic up 32% through July, up almost 24% in July

By Talk Business & Politics Staff

Traffic on the Arkansas River for the first seven months of 2016 totaled 6.754 million tons, up 32% compared to a 2015 period that saw several months of stalled traffic because of flooding.

July saw 841,511 tons shipped on the river, up 23.8% compared to July 2015, according to the U.S. Corps of Engineers.

Thanks to unusual amounts of rainfall in 2015, tonnage on the Arkansas River was down 15% compared to 2014, and fell below 10 million tons for the first time in at least four years. Information from the U.S. Corps of Engineers shows that 9.962 million tons were shipped in 2015. Tonnage totaled 11.719 million tons in 2014, down from the 12.139 million in 2013 but better than the 11.687 million in 2012 and the 10.6 million in 2011.

In the January-July period, inbound tonnage totaled 2.768 million tons, up 10% compared to the same period in 2015. Outbound tonnage on the Arkansas River was 2.318 million tons, up 58%, and internal tonnage (tons shipped between ports on the river) totaled 1.667 million tons, up 44%.

The Arkansas River system is 445 miles long and stretches from the confluence of the Mississippi River to the Port of Catoosa near Tulsa, Okla. The controlled waterway has 18 locks and dams, with 13 in Arkansas and five in Oklahoma. The river also has five ports: Pine Bluff, Little Rock, Fort Smith, Muskogee, Okla., and the Tulsa Port of Catoosa in Oklahoma.

Arkansas River tonnage

2015: 9.962 million tons
2014: 11.719 million tons
2013: 12.139 million tons
2012: 11.687 million tons
2011: 10.58 million tons

Following are the top five categories of items moved on the river in the January-July period compared to the same period in 2015.



Chemical fertilizers

Jan.-July 2016: 1.861 million tons
Jan.-July 2015: 1.19 million tons

up 56% ↑

Sand-gravel-rock

Jan.-July 2016: 1.83 million tons
Jan.-July 2015: 1.345 million tons

up 38% ↑

Wheat

Jan.-July 2016: 698,900 tons
Jan.-July 2015: 319,600 tons

up 119% ↑

Iron-steel

Jan.-July 2016: 691,580 tons
Jan.-July 2015: 827,325 tons

down 16% ↓

Soybeans

Jan.-July 2016: 594,200 tons
Jan.-July 2015: 518,900 tons

up 14.5% ↑

National freight sector remains 'uneven,' muted consumer spending a concern

By Talk Business & Politics Staff

The national freight industry has been less than solid for the first half of the year, and the second half of the year is likely to be "uneven" if not "flattish."

July shipments were down 2.6%, and freight expenditures down 5.1% compared to the same period in 2015, according to the Cass Freight Index. The American Trucking Associations' For-Hire Truck Tonnage Index fell 2.1% in July, following a revised 1.6% decline in June. Year-to-date, compared with the same period in 2015, tonnage was up 3.2%.

Rosalyn Wilson, a supply chain expert and senior business analyst with Pasadena, Calif.-based Parsons, who provides economic analysis for the Cass Freight Index, said volatility in the supply chain and continued moves in the retail sector to manage inventories has reduced freight demand.

"July's Cass Freight Index confirmed that overall shipment volumes (and pricing) are persistently weak, with increased levels of volatility as all levels of the supply chain (manufacturing, wholesale, retail) continue to try and work down inventory levels," Wilson said in her report. "That said, there have been a few areas of growth, mostly related to e-commerce, with lower levels of expansion being experienced in transit modes serving the auto and housing/construction industries. All of this added up to slightly lower shipment volume in July, the seventeenth straight month of year-over-year decline."

Cass uses data from \$26 billion in annual freight transactions to create the Index. The data comes from a Cass client base of more than 350 large shippers.

ATA Chief Economist Bob Costello also said "inventory correction" issues create uneven demand in the trucking industry.

"On a monthly basis, tonnage has decreased in four of the last five months and stood at the lowest level since October during July," Costello said in his report. "This prolonged softness is consistent with a supply chain that is clearing out elevated inventories. Looking ahead, expect a softer and uneven truck freight environment until the inventory correction is complete. With moderate economic growth expected, truck freight will improve the further along the inventory cycle we progress."

Trucking serves as a barometer of the U.S. economy, representing 68.8% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled just under 10 billion tons of freight in 2014. Motor carriers collected \$700.4 billion, or 80.3% of total revenue earned by all transport modes.

Wilson said the U.S. economy slipped into an industrial recession in March 2015 thanks to a rapid decline in energy exploration and production. Consumer spending was supposed to have saved

the day, but it didn't. Instead of the U.S. economy benefitting from lower fuel prices, consumers made different decisions, according to Wilson.

Wilson predicts flat industrial production through the rest of 2016, and noted that if consumers continue to be stingy, it could push the U.S. into another recession.

"That said, there is a bit of irony in our prediction of possible recession," Wilson noted in her report. "The longer the consumer saves and pays down debt, the more likely it is that the U.S. falls into a recession. But, the longer the consumer saves and pays down debt, the shorter and more mild the recession will be since there will be less excess to clean-up. Stay tuned."

American Trucking Associations'

▼ **down 2.1%**
Truck Tonnage Index decrease in July 2016

▼ **down 1.6%:**
Truck Tonnage Index increase in June 2016
(American Trucking Associations')

July shipments:
▼ **down 2.6%**
compared to July 2015

July shipment costs:
▼ **down 5.1%**
compared to July 2015
(Cass Freight Index)



Year-to-date U.S. rail, intermodal traffic down 7.3%

By Talk Business & Politics Staff

For the week ended Aug. 20, total U.S. weekly rail traffic was 531,484 carloads and intermodal units, down 6.4% compared with the same week last year, according to the Association of American Railroads.

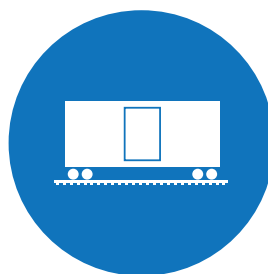
Total carloads for the week ending Aug. 20 were 270,464 carloads, down 6.4% compared with the same week in 2015, while U.S. weekly intermodal volume was 261,020 containers and trailers, down 6.4% compared to 2015. Four of the 10 carload commodity groups posted an increase compared with the same week in 2015. They included grain, up 36.5% to 24,944 carloads; motor vehicles and parts, up 4.9% to 18,974 carloads; and miscellaneous carloads, up 4.8% to 10,558 carloads. Commodity groups that posted decreases compared with the same week in 2015 included petroleum and petroleum products, down 24.2% to 10,933 carloads; coal, down 16.6% to 89,599 carloads; and forest products, down 14.3% to 9,869 carloads.

For the first 33 weeks of 2016, U.S. railroads reported cumulative volume of 8,126,642 carloads, down 11.4% from the same point last year; and 8,506,957 intermodal units, down 3% from last year. Total combined U.S. traffic for the first 33 weeks of 2016 was 16,633,599 carloads and intermodal units, a decrease of 7.3% compared to last year.

North American rail volume for the week ending Aug. 20, 2016, on 13 reporting U.S., Canadian and Mexican railroads totaled 356,785 carloads, down 6.3% compared with the same week last year, and 335,584 intermodal units, down 5.5% compared with last year. Total combined weekly rail traffic in North America was 692,369 carloads and intermodal units, down 5.9%. North American rail volume for the first 33 weeks of 2016 was 21,751,535 carloads and intermodal units, down 7.1% compared with 2015.

Canadian railroads reported 70,786 carloads for the week, down 5.8%, and 62,881 intermodal units, down 1.5 percent compared with the same week in 2015. For the first 33 weeks of 2016, Canadian railroads reported cumulative rail traffic volume of 4,230,741 carloads, containers and trailers, down 7.2%.

Mexican railroads reported 15,535 carloads for the week, down 5.8% compared with the same week last year, and 11,683 intermodal units, down 4.7%. Cumulative volume on Mexican railroads for the first 33 weeks of 2016 was 887,195 carloads and intermodal containers and trailers, down 1.9% from the same point last year.



↓ **7.3%**

Decline in rail car shipments – including intermodal – for the first 33 weeks of 2016.

↓ **11.4%**

Year-to-date decline in rail car shipments as of Aug. 20

↓ **3%**

Year-to-date decline in intermodal shipments as of Aug. 20

↓ **7.1%**

Year-to-date decline in North American rail volumes (Canada, Mexico and U.S) as of Aug. 20

January-July enplanements up at two of Arkansas' three largest commercial airports

By Talk Business & Politics Staff

Travel out of Arkansas' three largest commercial airports struggles to keep up with the 2015 pace, with July traffic up at two of the airports and down at the state's largest field.

January-July enplanements at the Bill and Hillary Clinton National Airport in Little Rock totaled 579,137, up 1.42% compared to the same period in 2015. July enplanements were 92,447, down 4.03% compared to July 2015.

The state's largest airport is coming off its lowest year for enplanements since 1991. Enplanements in 2015 totaled 996,837, down 4.29%. Enplanements were below 1 million, the first time enplanements dropped below the million mark since 1991.

Enplanements at the second largest airport, Northwest Arkansas Regional Airport (XNA), totaled 380,143 in the first seven months of the year, up just 0.75% compared to the same period in 2015. However, the 2015 enplanements set a new record at 647,530. XNA's first full year of traffic was 1999, and the airport posted eight consecutive years of enplanement gains before seeing a decline in 2008.

July enplanements at XNA totaled 63,463, up 1.36% compared to July 2015.

Fort Smith Regional Airport enplanements were 49,801 for the first seven months of 2016, down 4.97% compared to the same period in 2015. July enplanements totaled 8,208, up 8.65% compared to in July 2015. Fort Smith enplanements totaled 86,704 in 2015, down 7.1% compared to 2014. The 2014 traffic was 92,869, the first time the airport had topped the 90,000 mark since 2007.

Airlines for America, the lobbying group for the airline industry, recently reported the change in cost of air travel between 1979 and 2015. (The data begins with 1979, the first year of deregulated domestic air service.)

The costs reflect average amounts collected by airlines related to reservation changes and luggage fees.

1979: Domestic passengers flew an average of 1,947 miles per round trip and paid a fare of \$186.22 or 9.56 cents per mile flown, plus a reservation change fee of 6 cents and a bag fee of 44 cents for a total of \$186.72

2015: Domestic passengers flew an average of 2,383 miles per round trip and paid a fare of \$363.98 or 15.27 cents per mile flown, plus a reservation change fee of \$10.11 and a bag fee of \$12.80 for a total of \$386.89



ENPLANEMENT HISTORY

(Clinton National Airport-Little Rock)

2015:	996,837
2014:	1.038 million
2013:	1.085 million
2012:	1.147 million
2011:	1.103 million
2010:	1.124 million

1.42%

Gain in January-July enplanements

ENPLANEMENT HISTORY

(Northwest Arkansas Regional Airport)

2015:	643,320
2014:	640,537
2013:	581,487
2012:	565,045
2011:	562,747
2010:	570,625

0.75%

Gain in January-July enplanements

ENPLANEMENT HISTORY

(Fort Smith Regional Airport)

2015:	86,704
2014:	92,869
2013:	84,520
2012:	86,653
2011:	86,234
2010:	86,129

4.97%

Decline in January-July enplanements



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