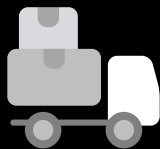
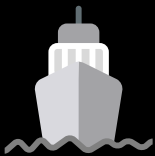
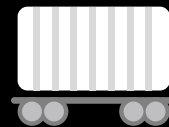




Arkansas Transportation Report



February 2017



sponsored by The Arkansas Trucking Association & Arkansas State Chamber of Commerce



Business matters.

Arkansas River traffic up nearly 16% in 2016

By Talk Business & Politics staff

Despite continued declines reported in iron and steel shipments, food and farm products and petroleum products, traffic on the Arkansas River in 2016 totaled 11.542 million tons, up nearly 16% compared to 2015.

2016 was a good bounce-back year for the Arkansas River, after tonnage had fallen below 10 million tons in 2015 for the first time in at least four years, with unusually heavy rains during the year closing the river for several months. 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 2016, inbound tonnage totaled 4.170 million tons, down 6% compared to 2015. Outbound tonnage on the Arkansas River was 4.470 million tons, up 39%, and internal tonnage (tons shipped between ports on the river) totaled 2.900 million tons, up 26%.

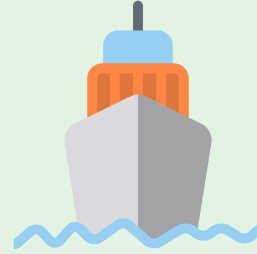
Iron and steel shipments for the year totaled 1.210 million tons, down 18% compared to 2015. Food and farm products totaled 355,100 tons in 2016, a 22% drop from the previous year, and petroleum products were down 37% at 333,643 tons.

Among the big gainers in 2016 were wheat (up 103% to 1.147 million tons) and other chemicals (up 76% to 185,483 tons).

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. **TBP**

Arkansas River tonnage

2016: 11.542 million tons
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 2016.

Sand-gravel-rock

up 18%



January–December 2016: 3.223 million tons
 January–December 2015: 2.732 million tons

Chemical fertilizers

up 35%



January–December 2016: 2.885 million tons
 January–December 2015: 2.135 million tons

Soybeans

up 13%



January–December 2016: 1.382 million tons
 January–December 2015: 1.218 million tons

Iron-steel

down 18%



January–December 2016: 1.210 million tons
 January–December 2015: 1.475 million tons

Wheat

up 103%



January–December 2016: 1.147 million tons
 January–December 2015: 564,000 tons

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December shipments up for second time in three months in U.S., tonnage down 6.2%

By Talk Business & Politics staff

The December Cass Freight Shipments Index came in at 3.5% growth over the same period in 2015, suggesting that October data was not a “false positive” when it comes to improved shipping levels.

The October Index broke a string of 20 months in negative territory when it was up 2.7%, but then November fell back into negative territory, albeit ever so slightly, down 0.5%.

Freight expenditures fell 3.0% over the year-ago period of December 2015. 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.

The American Trucking Associations’ For-Hire Truck Tonnage Index fell 6.2% in December, following a revised 8.4% jump during November. Year-to-date, compared with the same period in 2015, tonnage was down 0.7% at the end of December.

Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index, said the December data is beginning to suggest that the consumer is finally starting to spend a little and that with the recent surge in the price of crude, the industrial economy’s rate of deceleration has eased.

“If the winter of the overall freight recession we’ve been in for more than a year and a half in the U.S. is not yet over, it is certainly showing promising signs of thawing,” Broughton wrote in his report.

Broughton said he has seen a wide range of results in the different modes, from continued volume growth in parcel and airfreight driven by e-commerce, to a sequential improvement in truck tonnage to less bad rail and barge volume overall.

“There is some degree of normal seasonality at work, and we are continuing to get daily reports of stronger shipment volume in almost all modes from both hard data sources and industry anecdotes,” he wrote

ATA Chief Economist Bob Costello said the ups and downs that plagued most of 2016 continued to December.

“I don’t recall a year in recent memory with so many large swings on a month-to-month basis,” he noted. “

Looking ahead, however, Costello said there are positive signs for truck tonnage, including spending by consumers, larger wage gains and solid home construction.

“Factory output will continue to be soft, but it should be better this year than last year. And most importantly, the supply



American Trucking Associations



down 6.2%

Truck Tonnage Index change in December 2016



up 8.4%

Truck Tonnage Index gain in November 2016



December shipments:

up 3.5%

compared to December 2015 (Cass Freight Index)



December shipment expenditures:

down 3.0%

compared to December 2015 (Cass Freight Index)

chain continues to make progress reducing bloated inventories, which will help truck volumes going forward.”

Trucking serves as a barometer of the U.S. economy, representing 70.1% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled almost 10.5 billion tons of freight in 2015. Motor carriers collected \$726.4 billion, or 81.2% of total revenue earned by all transport modes. **TBP**

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Business matters.

With a boost from coal, rail and intermodal traffic up slightly to start 2017

By Talk Business & Politics staff

For the month of January 2017, the Association of American Railroads reported that combined railcar and intermodal traffic was 2.017 million units, up 0.5% compared to the same period in 2016.

Rail traffic for the first four weeks was 997,573 carloads, up 2.9%. Intermodal units totaled 1.021 million, down 1.8% in the first four weeks.

“January rail traffic paints a mixed picture, with some commodities exceeding expectations, while others remained flat or down,” AAR Senior Vice President of Policy and Economics John T. Gray said in the report. “For most of last year, coal carloads were down sharply, but for the past couple of months, including January, they’ve been the major force behind rail carload gains. We can probably expect continued uncertainty in energy markets going forward, but we’re hopeful that improving macro-economic fundamentals will drive improvement in rail volumes for many commodity categories this year.”

Total U.S. weekly rail traffic for the week ending Jan. 28 was 529,696 carloads and intermodal units, up 3.3% compared with the same week last year.

Total carloads for the period were 259,708 carloads, up 4.3% from the same week in 2016, while U.S. weekly intermodal volume was 269,988 containers and trailers, up 2.4% compared to 2016.

Five of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included coal, up 12.8% to 87,208 carloads; nonmetallic minerals, up 7.7% to 31,955 carloads; and metallic ores and metals, up 7.0% to 21,227 carloads. Commodity groups that posted decreases compared with the same week in 2016 included petroleum and petroleum products, down 12.6% to 10,167 carloads; forest products, down 4.2% to 10,149 carloads; and chemicals, down 3.9% to 30,734 carloads.

North American rail volume for the week ending Jan. 28 on 13 reporting U.S., Canadian and Mexican railroads totaled 356,206 carloads, up 5.9% compared with the same week last year, and 345,019 intermodal units, up 2.6% compared with last year. Total combined weekly rail traffic in North America was 701,225 carloads and intermodal units, up 4.2%. North American rail volume for the first 4 weeks of 2017 was 2.666 million carloads and intermodal units, up 1.2% compared with 2016.

Canadian railroads reported 79,900 carloads for the week,



0.5%

Increase in rail car shipments – including intermodal – for the first four weeks of 2017.



2.9%

Year-to-date increase in rail car shipments as of Jan. 28



1.8%

Year-to-date decline in intermodal shipments as of Jan. 28



5.9%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of Jan. 28

up 14.0%, and 64,152 intermodal units, up 3.6% compared with the same week in 2016. For the first 4 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 544,807 carloads, containers and trailers, up 6.0%.

Mexican railroads reported 16,598 carloads for the week, down 3.8% compared with the same week last year, and 10,879 intermodal units, up 2.8%. Cumulative volume on Mexican railroads for the first 4 weeks of 2017 was 100,625 carloads and intermodal containers and trailers, down 8.2% from the same point last year. **TBP**

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2016 enplanements up at three largest commercial airports in Arkansas

By Talk Business & Politics staff

Traffic out of Arkansas' three largest commercial airports was up in 2016, with the largest increase in Northwest Arkansas.

Enplanements — or outbound passengers — at Northwest Arkansas Regional Airport (XNA) in Highfill, the second-largest airport in the state, totaled a record 669,487 last year, up 3.39% from the previous record of 647,530 enplanements in 2015. 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.

December enplanements at XNA totaled 55,339, up 14.1% from 48,461 in December 2015. 2017 is also off to a strong start, with the airport reporting 46,287 enplanements in January, a 7.1% increase from January 2015 totals.

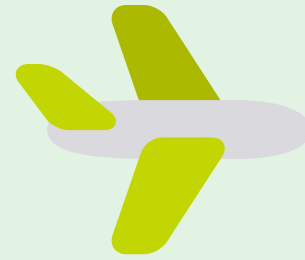
Despite staying below the 1 million mark for the second consecutive year, enplanements at the Bill and Hillary Clinton National Airport in Little Rock were up 0.42% to 996,897 last year. That's compared to 992,712 enplanements in 2015. December enplanements were 81,698, down 0.23% compared to December 2015.

The last two years are the first two years since 1991 that enplanements at the state's largest airport have been below 1 million.

Fort Smith Regional Airport enplanements were 87,488 in 2016, up only marginally compared to 86,704 enplanements in 2015. December enplanements totaled 7,216, up 14.2% compared to December 2015. Fort Smith's 2015 enplanement totals were 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.

Fort Smith's airport numbers are also off to a strong start in 2017, with 6,391 enplanements reported in January. That's up from 5,500 enplanements in January 2016, an increase of 16.2%

U.S. Department of Transportation figures show U.S. November enplanements — the most recent federal data available — totaled 66.930 million, up 3.0% compared to November 2015. In the 12-months ended in November, U.S. enplanements were 826.241 million, up 3.15% compared to the November 2015–November 2016 period. **TBP**



Enplanement history Clinton National Airport-Little Rock

2016: 996,897
2015: 992,712
2014: 1.038 million
2013: 1.085 million
2012: 1.147 million
2011: 1.103 million
2010: 1.124 million

0.42%

Gain in 2015 to 2016 enplanements

Enplanement history Northwest Arkansas Regional Airport-Highfill

2016: 669,487
2015: 647,530
2014: 640,537
2013: 581,487
2012: 565,045
2011: 562,747
2010: 570,625

3.39%

Gain in 2015 to 2016 enplanements

Enplanement history Fort Smith Regional Airport

2016: 87,488
2015: 86,704
2014: 92,869
2013: 84,520
2012: 86,653
2011: 86,234
2010: 86,129

0.90%

Gain in 2015 to 2016 enplanements

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