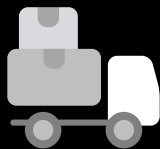
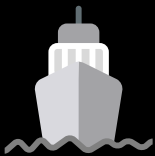
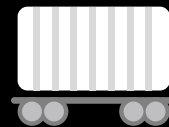




Arkansas Transportation Report



April 2017



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Business matters.

Arkansas River traffic up 10% through first quarter of 2017

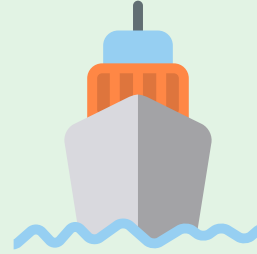
Traffic through the first three months of 2017 on the Arkansas River (McClellan-Kerr Arkansas River Navigation System) totaled 3.246 million tons, up 10% compared to the January-March period of 2016. It's the first time since 2014 (3.062 million tons) that tonnage on the Arkansas River has topped the 3 million mark the first three months of the year. There were 1.154 million tons shipped in March, up slightly from 1.143 million tons in March 2016.

Inbound tonnage on the Arkansas River in the January-March period totaled 1.271 million tons, down 2% compared to the same three-month period in 2016. Outbound tonnage was 1.250 million tons, up 32%, and internal tonnage (tons shipped between ports on the river) totaled 724,588 tons, up 3%.


Chemical fertilizer shipments for the first three months of 2017 totaled 1.040 million tons, up 18% from the same three-month period in 2016. Shipments of sand/gravel/rock totaled 822,688 tons, up 10 percent from January-March of 2016.

Among the big gainers through the first three months of 2017 were other chemicals (up 173% to 55,470 tons) and wheat (up 55% to 285,200 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**




Following are the top five categories of items moved on the river during the first three months of 2017.

Chemical fertilizers up 18% 


January-March 2017: 1,040,199 tons
January-March 2016: 882,957 tons

Sand-gravel-rock up 10% 


January-March 2017: 822,688 tons
January-March 2016: 749,457 tons

Soybeans up 14% 

January-March 2017: 444,800 tons
January-March 2016: 388,600 tons

Iron-steel up 20% 

January-March 2017: 326,300 tons
January-March 2016: 272,000 tons

Wheat up 55% 

January-March 2017: 285,200 tons
January-March 2016: 183,700 tons

Arkansas River tonnage

(through the first three months each year)

2017: 3.246 million tons

2016: 2.942 million tons

2015: 2.810 million tons

2014: 3.062 million tons

2013: 3.273 million tons

2012: 2.775 million tons

2011: 3.028 million tons

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Business matters.

Shipments fall slightly, expenditures continue positive trend in March

The March Cass Freight Shipments Index came in at 0.9% growth over the same month in 2016, weaker than the 1.9% February year-over-year change, but it's worth noting that March 2016 was one of the least negative months for the shipments index and therefore serves as a tougher comparison.

The 0.9% year-over-year increase in the March Cass Shipments Index is yet another data point suggesting the first positive indication in October, which broke a string of 20 months in negative territory, may have indeed been a change in trend.

After taking a positive turn for the first time in 22 months in January, freight expenditures (the total amount spent on freight) continued trending upward in March, up 3.0% over the year-ago period of March 2016. 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.

Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index, said parcel volumes associated with e-commerce continue to show outstanding rates of growth, with both FedEx and UPS reporting strong U.S. domestic volumes.

The American Trucking Associations' (ATA) For-Hire Truck Tonnage Index slipped 1% in March, following a 0.1% decline during February. Year-to-date, compared with the same three-month period in 2016, tonnage was down 0.2% at the end of March.

ATA Chief Economist Bob Costello said March's truck tonnage numbers, like several other economic indicators, were likely hurt by some late season winter storms.

"Despite last month's dip, seasonally adjusted tonnage rose 1.2% during the first quarter overall from the previous quarter, and increased 0.2% from the same quarter last year," he wrote in his report.

Looking ahead, Costello said he isn't expecting a surge in truck tonnage anytime soon, but the signs remain mostly positive for freight, including lower inventory levels, better manufacturing activity, solid housing starts and good consumer spending. "As a result, we can expect moderate growth going forward," he wrote.

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**



American Trucking Associations



down 1.0%

Truck Tonnage Index decrease in March 2017



down 0.1%

Truck Tonnage Index decrease in February 2017



March shipments: up 0.9%

compared to March 2016 (Cass Freight Index)



March expenditures: up 3.0%

compared to March 2016 (Cass Freight Index)

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Business matters.

Rail, intermodal traffic up 3.5% through first three months of 2017

For the month of March 2017, the Association of American Railroads reported that combined railcar and intermodal traffic was 2.58 million units, up 5.5% compared to the same period in 2016.

Total U.S. railroad traffic for the first 13 weeks of 2017 was 3.32 million carloads, up 5.7% from the same point last year; and 3.38 million intermodal units, up 1.4% from last year. Total combined U.S. traffic for the first 13 weeks of 2017 was 6.71 million carloads and intermodal units, an increase of 3.5% compared to last year.

“This was the best first quarter ever for U.S. railroad intermodal volume,” AAR Senior Vice President of Policy and Economics John T. Gray wrote in the report. “Roughly half of intermodal is international trade, but it’s not just intermodal that’s associated with international trade. At least 42% of the carloads and intermodal units our nation’s railroads carry, and more than 35% of rail revenue, are directly associated with international trade.”

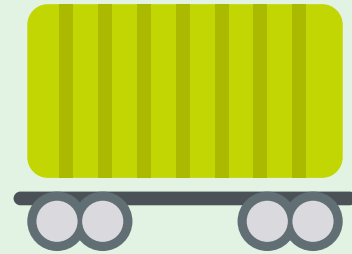
Total U.S. weekly rail traffic for the week ending April 1 was 527,665 carloads and intermodal units, up 7.2% compared with the same week last year.

Total carloads for the period were 259,720 carloads, up 9.1% from the same week in 2016, while U.S. weekly intermodal volume was 267,945 containers and trailers, up 5.5% compared to 2016.

Four of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included coal, up 26.8% to 78,665 carloads; metallic ores and metals, up 14.6% to 24,379 carloads; and nonmetallic minerals, up 13% to 38,251 carloads. Commodity groups that posted decreases compared with the same week in 2016 included petroleum and petroleum products, down 5.8% to 10,050 carloads; chemicals, down 5.6% to 32,210 carloads; and forest products, down 4.7% to 10,469 carloads.

North American rail volume for the week ending April 1, 2017, on 13 reporting U.S., Canadian and Mexican railroads totaled 357,657 carloads, up 9.3% compared with the same week last year, and 341,863 intermodal units, up 6.8% compared with last year. Total combined weekly rail traffic in North America was 699,520 carloads and intermodal units, up 8.1%. North American rail volume for the first 13 weeks of 2017 was 8,873,298 carloads and intermodal units, up 4.4% compared with 2016.

Canadian railroads reported 81,027 carloads for the week, up 11.3%, and 63,670 intermodal units, up 14.1% compared with the same week in 2016. For the first 13 weeks of 2017, Canadian rail-



3.5%

Increase in rail car shipments – including intermodal – for the first 13 weeks of 2017.



5.7%

Year-to-date increase in rail car shipments as of April 1.



1.4%

Year-to-date increase in intermodal shipments as of April 1.



9.3%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of April 1.

roads reported cumulative rail traffic volume of 1,818,965 carloads, containers and trailers, up 8.9%.

Mexican railroads reported 16,910 carloads for the week, up 3.5% compared with the same week last year, and 10,248 intermodal units, up 0.1%. Cumulative volume on Mexican railroads for the first 13 weeks of 2017 was 342,551 carloads and intermodal containers and trailers, down 0.4% from the same point last year. **TBP**

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Business matters.

Enplanements still rising at state's commercial airports through 1Q 2017

Traffic continues to rise at the state's three largest commercial airports through the first three months of 2017, with Fort Smith still setting the pace.

Enplanements — or outbound passengers — at Fort Smith Regional Airport, the state's third-largest airport, totaled 20,236 in the January-March period, up 11.65% from the same three-month period in 2016. March enplanements totaled 7,528, up 8.26% from 6,953 enplanements in March 2016.

Fort Smith enplanements were 87,488 in 2016, up only marginally compared to 86,704 enplanements in 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.

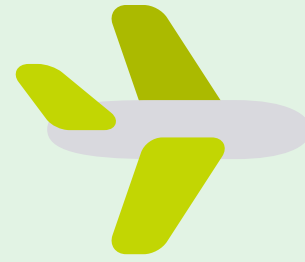
Northwest Arkansas Regional Airport (XNA) in Highfill, the second-largest airport in the state, totaled 147,138 in January-March, up 6.98% from 137,540 in the year-ago period. March enplanements totaled 55,396, up 8.5% from 51,022 enplanements in March 2016.

Enplanements at XNA 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.

After a start to the year that was essentially flat, enplanements at Bill and Hillary Clinton National Airport in Little Rock are now on the rise, from 215,071 in January-March in 2016 to 221,244 in the same period this year, up 2.87%. March enplanements actually jumped at Clinton National Airport, from 79,080 a year ago to 85,028 this year.

Enplanements at the Clinton National Airport in Little Rock were up 0.42% to 996,897 last year. That's compared to 992,712 enplanements in 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.

Enplanements on all U.S. carriers (including domestic and international traffic) totaled 69.34 million in January, up 2.61% compared to 67.56 million in January 2016, according to the U.S. Department of Transportation. (January data was the most recent available as of April 24.) **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

up 2.87%

Through March 2017: 221,244

Through March 2016: 215,071

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

up 6.98%

Through March 2017: 147,138

Through March 2016: 137,540

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

up 11.65%

Through March 2017: 20,236

Through March 2016: 18,125

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