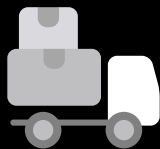
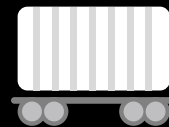




Arkansas Transportation Report



June 2017



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Business matters.

April traffic on Arkansas River at lowest level since 2011

Despite a dip in April caused by heavy rainfall, traffic through the first four months of 2017 on the Arkansas River (McClellan-Kerr Arkansas River Navigation System) totaled 4.087 million tons, up 3% compared to the January-April period of 2016.

River traffic in the month of April totaled just 840,871 tons, the first April total to dip below 900,000 tons since 2011 (825,318 tons).

Inbound tonnage on the Arkansas River in the January-April period totaled 1.620 million tons, down 8% compared to the same four-month period in 2016. Outbound tonnage was 1.582 million tons, up 29%, and internal tonnage (tons shipped between ports on the river) totaled 884,932 tons, down 9%.

Rains that began to fall in March and through April in areas of Oklahoma feeding into the Arkansas River watershed resulted in increased river levels that began to slow and eventually halt shipping on the river.

Bryan Day, executive director of the Little Rock Port Authority, said river conditions have stopped traffic but have not yet halted port operations.

“The Arkansas River has had high flows for the past several weeks and barge traffic has stopped,” Day told Talk Business & Politics. “We hope the river will reopen next week. As of today (May 23), barge traffic has not returned to normal. Although some of our industry partners have been slightly inconvenienced, the slowdown in river traffic has not impacted any jobs or economic development efforts.”

Chemical fertilizer shipments for the first four months of 2017 totaled 1.294 million tons, up 9% from the same four-month period in 2016. Shipments of sand/gravel/rock totaled 1.030 million tons, a decline of 2% from January-April of 2016.

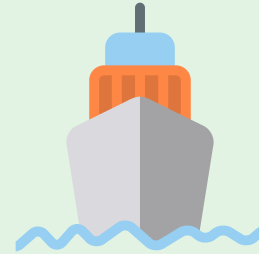
Among the big gainers through the first three months of 2017 were other chemicals (up 174% to 86,854 tons) and wheat (up 40% to 393,000 tons).

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

(through the first four months each year)

2017: 4.087 million tons	2014: 4.083 million tons
2016: 3.960 million tons	2013: 4.193 million tons
2015: 3.718 million tons	2012: 3.779 million tons
	2011: 3.854 million tons




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

Chemical fertilizers

up 9% 


January- April 2017: 1,294,291 tons
January- April 2016: 1,192,257 tons

Sand-gravel-rock

down 2% 


January- April 2017: 1,030,632 tons
January- April 2016: 1,048,600 tons

Soybeans

up 10% 


January- April 2017: 500,711 tons
January- April 2016: 457,200 tons

Iron-steel

up 20% 

January- April 2017: 420,300 tons
January- April 2016: 376,780 tons

Wheat

up 40% 

January- April 2017: 393,000 tons
January- April 2016: 280,300 tons

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Business matters.

Cass Freight shipments, expenditures post strong increases in April

The April Cass Freight Shipments Index came in at 4% growth over the same month in 2016, but it's worth noting that April 2016 was down 4.9%, and that was on top of April 2015 which was down 2.5%, so that served as an easier comparison.

The 4% year-over-year increase in the April 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.

Posting a strong 6% year-over-year increase in April, the Cass Freight Expenditures Index also continued to signal a turn in trend. Expenditures (or the total amount spent on freight) turned positive for the first time in 22 months in January 2017, albeit against an easy comparison. Not since 2011, when the economy was still climbing out of the recession, had this index been so low. 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 the shipments and expenditures index have been positive for four consecutive months.

The American Trucking Associations' (ATA) For-Hire Truck Tonnage Index slipped 2.5% in April, the largest monthly contraction so far in 2017. That followed a 1.1% decline during March. Year-to-date, the index is off 0.3%. For all of 2016, tonnage was up 2.5%.

ATA Chief Economist Bob Costello said April's contraction was a bit surprising, and difficult to pinpoint.

"Especially considering the anecdotal reports I've been hearing from fleets regarding freight levels," he explained. "It's not necessarily that tonnage levels fell in April that is surprising, but the size of the decrease. One explanation is that housing starts fell substantially in April as well, and residential construction generates heavier truck freight."

"Despite the fact that tonnage is down a total of 3.6% over the last three months, I still expect moderate growth going forward as key sectors of the economy continue to improve slowly," he said.

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 2.5%

Truck Tonnage Index decrease in April 2017



down 1.1%

Truck Tonnage Index decrease in March 2017



April shipments: up 4%

compared to April 2016 (Cass Freight Index)



April expenditures: up 6%

compared to April 2016 (Cass Freight Index)

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Business matters.

Rail, intermodal traffic up 3.9% through first four months of 2017

For April 2017, the Association of American Railroads reported that combined railcar and intermodal traffic was 2.07 million units, up 5.2% compared to the same period in 2016.

Total U.S. railroad traffic for the first 17 weeks of 2017 was 4.34 million carloads, up 6.4% from the same point last year; and 4.44 million intermodal units, up 1.6% from last year. Total combined U.S. traffic for the first 17 weeks of 2017 was 8.78 million carloads and intermodal units, an increase of 3.9% compared to last year.

“U.S. grain car loadings during April 2017 were the highest since 2011, with rail grain deliveries to ports since the first of the year running 19% ahead of 2016,” AAR Senior Vice President of Policy and Economics John T. Gray wrote in the report. “These agricultural exports improve our balance of trade and strengthen the farm economy.”

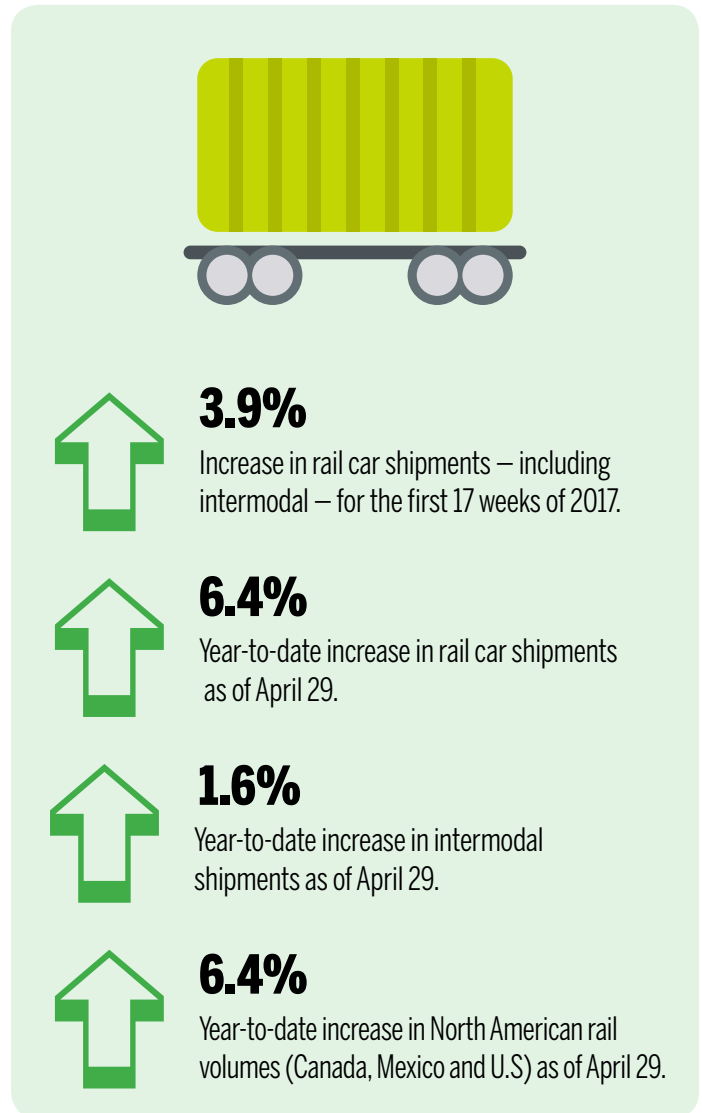
Total U.S. weekly rail traffic for the week ending April 29 was 527,830 carloads and intermodal units, up 5.1% compared with the same week last year.

Total carloads for the period were 258,476 carloads, up 6% from the same week in 2016, while U.S. weekly intermodal volume was 269,354 containers and trailers, up 4.2% compared to 2016.

Four of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included grain, up 18.3% to 23,784 carloads; coal, up 17.7% to 75,662 carloads; and nonmetallic minerals, up 15.2% to 40,660 carloads. Commodity groups that posted decreases compared with the same week in 2016 included petroleum and petroleum products, down 12.9% to 9,624 carloads; motor vehicles and parts, down 12.1% to 16,677 carloads; and farm products excl. grain, and food, down 3.9% to 15,603 carloads.

North American rail volume for the week ending April 29, on 13 reporting U.S., Canadian and Mexican railroads, totaled 358,834 carloads, up 8% compared with the same week last year, and 346,706 intermodal units, up 4.7% compared with last year. Total combined weekly rail traffic in North America was 705,540 carloads and intermodal units, up 6.4%. North American rail volume for the first 17 weeks of 2017 was 11,637,645 carloads and intermodal units, up 4.9% compared with 2016.

Canadian railroads reported 83,214 carloads for the week, up 16%, and 66,264 intermodal units, up 9.8% compared with the same week in 2016. For the first 17 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 2,403,552 car-



loads, containers and trailers, up 9.8%.

Mexican railroads reported 17,144 carloads for the week, up 3% compared with the same week last year, and 11,088 intermodal units, down 9.4%. Cumulative volume on Mexican railroads for the first 17 weeks of 2017 was 447,010 carloads and intermodal containers and trailers, down 1.5% from the same point last year. **TBP**

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Business matters.

April enplanements dip at two of state's three largest airports

Traffic slipped slightly during April at two of the state's three largest commercial airports, but year-to-date numbers are still ahead of last year's pace.

Enplanements — or outbound passengers — at Fort Smith Regional Airport, the state's third-largest airport, totaled 27,013 in the January-April period, up 7.97% from the same four-month period in 2016. Enplanements in April, however, were down 1.6%, from 6,892 in 2016 to 6,777 this year.

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.

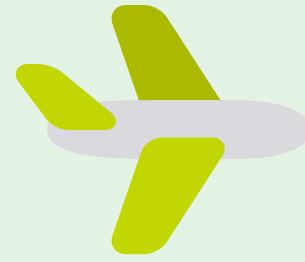
Northwest Arkansas Regional Airport (XNA) in Highfill, the second-largest airport in the state, totaled 201,637 in January-April, up 5.87% from 190,450 in the year-ago period. April enplanements totaled 54,499, up 3% from 52,910 enplanements in April 2016.

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.

Enplanements at Bill and Hillary Clinton National Airport in Little Rock are up 2.04% through the first four months of the year, from 296,619 in the January-April period last year to 302,656 this year. April enplanements were essentially flat at the airport, from 81,548 a year ago to 81,412 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 May 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: 2.04%

Through April 2017: 302,656

Through April 2016: 296,619

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: 5.87%

Through April 2017: 201,637

Through April 2016: 190,450

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 7.97%

Through April 2017: 27,013

Through April 2016: 25,017

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