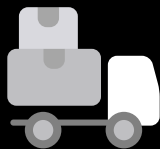
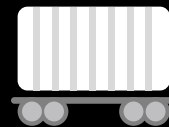




Arkansas Transportation Report



July 2017



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



Business matters.

Arkansas River traffic down 7% through May, 'dramatic' jump expected in June

Traffic on the Arkansas River (McClellan-Kerr Arkansas River Navigation System) was down 7% through the first five months of the year, as heavy rainfall throughout the spring led to a brief suspension of towing operations in May.

Information from the U.S. Corps of Engineers shows that 4.58 million tons were shipped January-May, off from the 3.91 million tons during the same period of 2016.

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.

River traffic in the month of May totaled 499,662 tons, the lowest monthly level since June 2015 (390,084 tons).

Bryan Day, executive director of the Little Rock Port Authority, said the year-to-date numbers through May were not unexpected, but added that river flows returned to normal by mid-June. He said barge activity has jumped "dramatically" in June, as the backlog of barges began arriving from The Port of Rosedale in Mississippi.

Inbound tonnage on the Arkansas River in the January-May period totaled 1.87 million tons, down 13% compared to the same five months in 2016. Outbound tonnage was 1.70 million tons, up 7%, and internal tonnage (materials shipped between ports on the river) was down 15% to 999,066 million tons.

Shipments of chemical fertilizer for the first five months of the year totaled 1.45 million tons, down 2% from the January-May period in 2016. Shipments of sand/gravel/rock totaled 1.15 million tons, a decline of 9% from January-May of 2016.

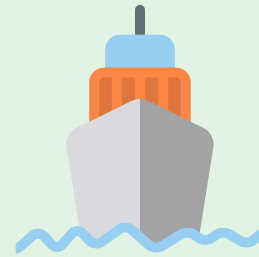
Other chemicals was the only significant gainer through the first five months of 2017, up 66% to 101,857 tons. Petroleum products (down 64% to 72,800 tons), manufactured equipment/machinery (down 53% to 9,210 tons) and minerals and building materials (down 46% to 118,800 tons) were all off sharply through the January-May period.

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 five months each year)

2017: 4.587 million tons	2014: 4.981 million tons
2016: 4.933 million tons	2013: 5.030 million tons
2015: 4.065 million tons	2012: 4.814 million tons
	2011: 4.310 million tons



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

Chemical fertilizers

down 2%



January- May 2017: 1,452,946 tons
January- May 2016: 1,477,606 tons

Sand-gravel-rock

down 9%



January- May 2017: 1,156,366 tons
January- May 2016: 1,270,807 tons

Soybeans

down 2%



January- May 2017: 523,511 tons
January- May 2016: 532,600 tons

Iron-steel

up 2%



January- May 2017: 507,300 tons
January- May 2016: 496,880 tons

Wheat

up 12%



January- May 2017: 424,200 tons
January- May 2016: 379,500 tons

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



Business matters.

Freight industry still gaining momentum in most segments

May shipments were up 7.1%, and freight expenditures were up 7.4% compared to the same period in 2016, according to the Cass Freight Index. The American Trucking Associations' For-Hire Truck Tonnage Index rose 6.5% in May, following a 1.5% decline during April. Year-to-date, compared with the same period in 2016, tonnage was up 2.5% at the end of May.

Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index, said the overall freight recession, which began in March 2015, appears to be over and, more importantly, freight seems to be gaining momentum in most segments.

He also noted improvements in the pricing power of truckers and intermodal shippers. "Not only have both the shipments and expenditures indexes been positive for five months in a row, but they are showing accelerating strength," he noted in the report. "We should also remind readers of a fundamental rule of marketplaces: volume leads pricing. Repeatedly we have watched in a host of different markets, that volume goes up before pricing starts to improve and volume goes down before pricing starts to weaken. Even in markets as basic as the weather, the number of hours of sunshine (sunrise to sunset) starts to decline long before the temperature starts to fall."

Cass uses data from more than \$20 billion in annual freight transactions to create the Index.

The American Trucking Associations' (ATA) For-Hire Truck Tonnage Index increased 6.5% in May. That followed a 1.5% decline during April. Year-to-date, compared with the same five months in 2016, the index is up 0.9%. For all of 2016, tonnage was up 2.5%.

As part of the May report, ATA also revised its April decline in the index downward to a 1.5% dip from a previously reported 2.5% drop.

ATA Chief Economist Bob Costello said after three straight declines totaling 2.6%, truck tonnage snapped back in May.

"One month does not make a trend, but the nice gain last month fits more with the anecdotal reports I've been hearing from fleets, at least more so than three straight months of decreases.

"Despite the robust jump in May, 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, repre-



American Trucking Associations

up 6.5%



Truck Tonnage Index
decrease in May 2017

down 1.5%



Truck Tonnage Index
decrease in April 2017

May shipments:

up 7.1%



compared to May 2016 (Cass Freight Index)

May expenditures:

up 7.4%



compared to May 2016 (Cass Freight Index)

senting 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**

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



Business matters.

U.S. rail traffic up almost 7%, coal volumes up 15.1%

Total U.S. railroad traffic for the first five months of 2017 was 5.63 million carloads, up 6.8% from the January-May period last year. Intermodal units in May were 5.77 million. Up 2.3% from last year.

“All things considered, May was a good month for rail traffic,” AAR Senior Vice President John T. Gray wrote in the report. “Thirteen of the 20 commodity categories we track had higher carloads in May 2017 than in May 2016, including the four biggest categories — coal, chemicals, crushed stone and sand and grain. Excluding coal, carloads in May were up 4.1%, their biggest monthly increase in more than two years, and May was the best intermodal month of the year.”

Total U.S. weekly rail traffic for the week ending June 17 was 543,179 carloads and intermodal units, an increase of 5.2% from the same week of 2016

Total carloads for the period were 266,402 carloads, up 6.2% compared with the same week in 2016, while U.S. weekly intermodal volume was 276,777 containers and trailers, up 4.3% compared to 2016.

Six of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included nonmetallic minerals, up 15.5% to 39,654 carloads; coal, up 15.1% to 87,066 carloads; and chemicals, up 5.7% to 31,288 carloads. Commodity groups that posted decreases compared with the same week in 2016 included petroleum and petroleum products, down 12.4% to 9,326 carloads; motor vehicles and parts, down 8.1% to 17,189 carloads; and grain, down 4.6% to 21,677 carloads.

North American rail volume for the week ending June 17, on 13 reporting U.S., Canadian and Mexican railroads, totaled 363,399 carloads, up 8.4% compared with the same week last year, and 356,805 intermodal units, up 6.8% compared with last year. Total combined weekly rail traffic in North America was 720,204 carloads and intermodal units, up 7.6%. North American rail volume for the first 24 weeks of 2017 was 16,564,178 carloads and intermodal units, up 5.7% compared with 2016.

Canadian railroads reported 78,763 carloads for the week, up 17.1%, and 67,962 intermodal units, up 17.8% compared with the same week in 2016. For the first 24 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 3,418,962 carloads, containers and trailers, up 11.6%.



4.6%

Increase in rail car shipments – including intermodal – for the first 24 weeks of 2017.



6.2%

Year-to-date increase in rail car shipments as of June 17.



4.3%

Year-to-date increase in intermodal shipments as of June 17.



684%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of June 17.

Mexican railroads reported 18,234 carloads for the week, up 6.4% compared with the same week last year, and 12,066 intermodal units, up 10%. Cumulative volume on Mexican railroads for the first 24 weeks of 2017 was 644,145 carloads and intermodal containers and trailers, down 1.4% from the same point last year. **TBP**

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



Year-to-date traffic up at Arkansas' three largest airports

Traffic at the state's three largest commercial airports improved in May, according to the latest data. And year-to-date traffic through the first five months is up at all three locations.

Enplanements — or outbound passengers — at Fort Smith Regional Airport, the state's third-largest airport, totaled 35,520 in the January-May period, up 6.14% from the same five-month period in 2016. Enplanements in the month of May were up just slightly, from 8,448 in May 2016 to 8,507 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.

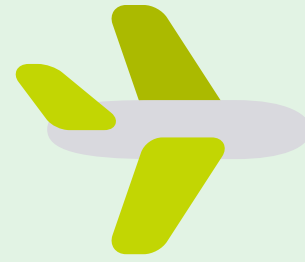
Northwest Arkansas Regional Airport (XNA) in Highfill, the second-largest airport in the state, totaled 263,484 in January-May, up 4.79% from 251,427 in the year-ago period. May enplanements totaled 61,847, up 1.4% from 60,977 enplanements in May 2016.

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 2.12% through the first five months of the year, from 391,701 in the January-May period last year to 399,988 this year. May enplanements were also up at the airport, from 95,082 a year ago to 97,332 this year, an improvement of 2.37%

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) in February — the most recent federal data available — totaled 69.32 million, up 2.60% compared to 67.56 million in February 2016, according to the U.S. Department of Transportation. **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 2.12%

Through May 2017: 399,988

Through May 2016: 391,701

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 4.79%

Through May 2017: 263,484

Through May 2016: 251,427

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 6.14%

Through May 2017: 35,520

Through May 2016: 33,465

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



Business matters.



Arkansas Transportation Report

Permission from Talk Business & Politics must be obtained for any use of this material.
Contact Roby Brock at robby@talkbusiness.net for approval requests.

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



Business matters.