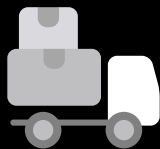
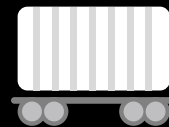




# Arkansas Transportation Report



August 2017



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



***Business matters.***

# Arkansas River traffic bounces back in June, YTD activity still down 5%

Barge activity on the Arkansas River made a strong comeback in June, but year-to-date traffic for the first six months of the year was off by 5% compared to 2016.

Information from the U.S. Army Corps of Engineers showed 5.63 million tons were shipped January through June, down from the 5.91 million tons during the same period of 2016.

River traffic was impacted earlier this year by heavy rainfall in March and through April in areas of Oklahoma that feed into the Arkansas River watershed. The increased river levels slowed and eventually halted shipping on the river.

May's monthly total of 499,662 tons was the lowest monthly level since June 2015 (390,084 tons).

River traffic in June surged to 1.04 million tons, a 7.1% increase from 979,684 tons in June 2016.

Inbound tonnage on the Arkansas River in the first six months of 2017 totaled 2.25 million tons, down 10% compared to the January-June period of 2016. Outbound tonnage was 2.31 million tons, up 9%, and internal tonnage (materials originated and shipped between ports on the river) was down 14% to 1.24 million tons.

In specific categories of tonnage, shipments of chemical fertilizers for the first six months of the year totaled 1.72 million tons, up 3% from the January-June period last year. Shipments of sand/gravel/rock totaled 1.45 million tons, a decline of 9% from January-June of 2016.

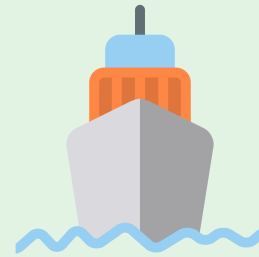
Other chemicals was the only significant gainer through the first six months of 2017, up 55% to 136,629 tons. Iron and steel (up 9% to 659,800 tons) and wheat (up 8% to 555,200 tons) showed modest gains.

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 six months each year)

- 2017:** 5.636 million tons
- 2016:** 5.913 million tons
- 2015:** 4.455 million tons
- 2014:** 5.782 million tons
- 2013:** 5.960 million tons
- 2012:** 5.806 million tons
- 2011:** 5.289 million tons




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

### Chemical fertilizers

up 3% 

January- June 2017: 1,721,697 tons  
January- June 2016: 1,676,668 tons

### Sand-gravel-rock

down 9% 

January- June 2017: 1,452,325 tons  
January- June 2016: 1,593,597 tons

### Iron-steel

up 9% 


January- June 2017: 659,800 tons  
January- June 2016: 603,380 tons

### Soybeans

up 1% 

January- June 2017: 590,111 tons  
January- June 2016: 583,000 tons

### Wheat

up 8% 

January- June 2017: 555,200 tons  
January- June 2016: 512,600 tons

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# Cass Freight: Shipments, expenditures continue hot streak

June shipments were up 4.8% and freight expenditures were up 5.4% compared to the same period in 2016, according to the Cass Freight Index. Both indexes have been positive for six months in a row, and are showing “accelerating strength” according to Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index

Broughton continued his assertion that 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.

“The positive trajectory of the last six months is still below the levels achieved in the 2012-2015 period, but if the current rate of improvement continues it appears poised to reach those levels by the end of the year,” Broughton wrote.

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 fell 4.3% in June That followed a 6.9% gain in May. Year-to-date, compared with the same six months in 2016, the index is up 1%. In the second quarter as a whole, tonnage was up 0.8%.

ATA Chief Economist Bob Costello said after such a large spike in May, it was not surprising to see the index give back some of those gains in June.

“However, looking back at the second quarter as a whole, tonnage was up 0.8% over the first quarter and 1.9% over the same quarter last year, so it was a solid three month period,” he explained. “June’s slide does not change my belief that we will continue to see moderate, albeit at times choppy, growth in truck tonnage as the year continues,”

As part of the June report, ATA also revised its May gain in the index upward to a 6.9% jump from a previously reported 6.5% gain.

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 4.3%**

Truck Tonnage Index decrease in June 2017



**up 6.9%**

Truck Tonnage Index increase in May 2017



**June shipments:**

**up 4.8%**

compared to June 2016 (Cass Freight Index)



**June expenditures:**

**up 5.4%**

compared to June 2016 (Cass Freight Index)

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# Rail, intermodal traffic up 4.3% through first six months of 2017

Total U.S. railroad traffic for the first six months of 2017 was 6.69 million carloads, up 6.4% from the January-June period in 2016, according to the Association of American Railroads (AAR). Intermodal units in June were a record 6.89 million, up 2.7% from last year.

“Rail traffic indicators of the economy remain mixed,” AAR Senior Vice President John T. Gray wrote in the report. “While some commodity groups, such as intermodal, chemicals and crushed stone and sand [driven heavily by frac sand] set new all-time first half records and a few others like grain and coke set post-recession records, several other traffic categories continue to struggle. All of this indicates an industrial economy that may not yet have a clear direction forward and one that continues to undergo structural change. It is a sign of the reality railroads constantly face: changing markets that are difficult to foresee and plan for.”

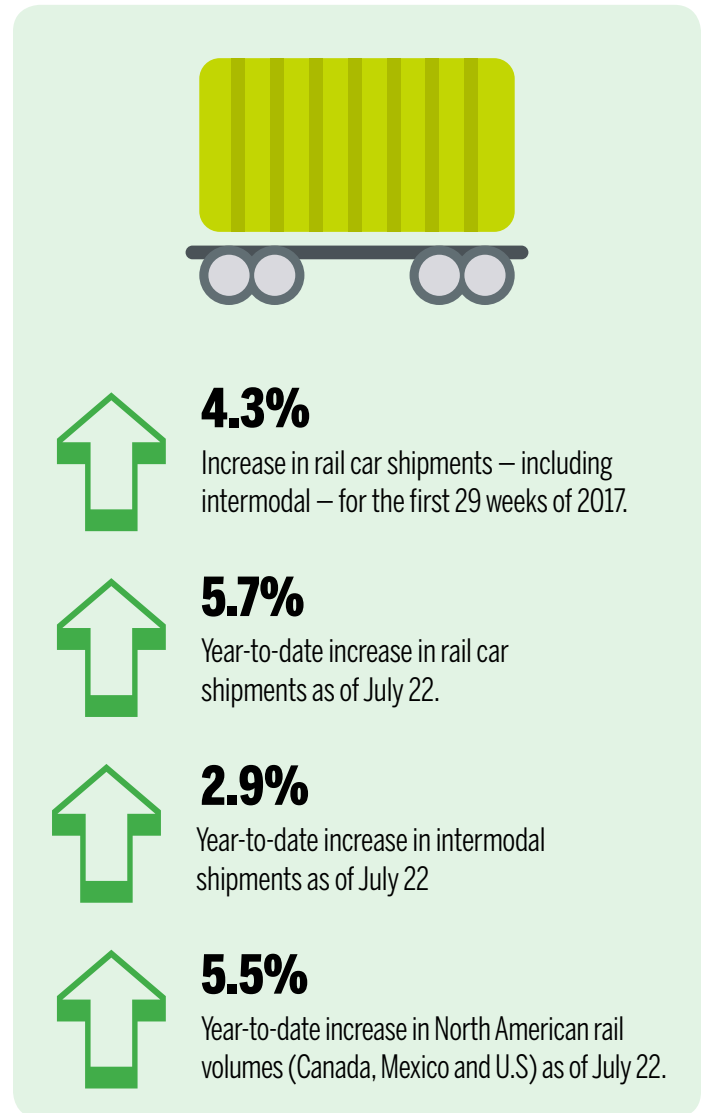
Total U.S. weekly rail traffic for the week ending July 22 was 534,152 carloads and intermodal units, up 1.1% from the same week of 2016. Total carloads for the period were 256,863 carloads, a 2% decrease compared with the same week in 2016. U.S. weekly intermodal volume was 277,289 containers and trailers, an increase of 4.1% compared to 2016.

Total combined U.S. traffic for the first 29 weeks of 2017 was 15.12 million carloads and intermodal units, an increase of 4.3% compared to last year.

Three of the 10 carload commodity groups posted an increase compared with the same week in 2016. They were coal, up 5.3% to 88,304 carloads; nonmetallic minerals, up 2.9% to 38,630 carloads; and forest products, up 1.9% to 10,388 carloads. Commodity groups that posted decreases compared with the same week in 2016 included grain, down 15.8% to 20,316 carloads; miscellaneous carloads, down 15.2% to 9,258 carloads; and motor vehicles and parts, down 13.2% to 12,696 carloads.

North American rail volume for the week ending July 22, on 13 reporting U.S., Canadian and Mexican railroads, totaled 348,537 carloads, up 0.1% compared with the same week last year, and 356,487 intermodal units, up 5.5% compared with last year. Total combined weekly rail traffic in North America was 705,024 carloads and intermodal units, up 2.8%. North American rail volume for the first 29 weeks of 2017 was 20,030,682 carloads and intermodal units, up 5.5% compared with 2016.

Canadian railroads reported 74,663 carloads for the week, up 6.5%, and 67,374 intermodal units, up 9.3% compared with the same week in 2016. For the first 29 weeks of 2017, Canadian rail-



roads reported cumulative rail traffic volume of 4,127,599 carloads, containers and trailers, up 11.5%.

Mexican railroads reported 17,011 carloads for the week, up 6.9% compared with the same week last year, and 11,824 intermodal units, up 19.4%. Cumulative volume on Mexican railroads for the first 29 weeks of 2017 was 783,720 carloads and intermodal containers and trailers, down 1% from the same point last year. **TBP**

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# XNA sets all-time monthly enplanement mark in June

Mid-way through 2017, traffic at the state's three largest commercial airports is up compared to 2016, according to the latest data. And Northwest Arkansas Regional Airport (XNA) in Highfill hit an historic milestone in the month of June.

Enplanements — or outbound passengers — at XNA were up 5.12% in the first six months of the year, from 316,680 in 2016 to 332,902 in 2017. June enplanements totaled 68,274, the highest monthly total in the airport's history since opening in 1998. XNA is responding to the passenger growth with a \$35 million parking deck. Nabholz started construction on the four-story parking deck in mid-January.

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.

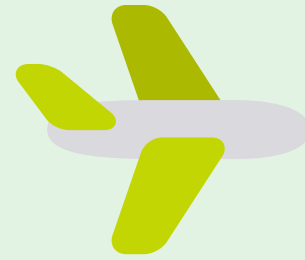
At Bill and Hillary Clinton National Airport in Little Rock, enplanements totaled 498,552 in the January-June period, up 2.44 percent from the same six months of 2016. Enplanements for the month of June were up nearly 4%, from 94,989 to 98,564.

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

At Fort Smith Regional Airport, the state's third-largest airport, enplanements totaled 43,824 in the January-June period, up 5.36% from the same six-month period last year. Enplanements in the month of June were up just slightly, from 8,128 in May 2016 to 8,304 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.

Enplanements on all U.S. carriers (including domestic and international traffic) in April — the most recent federal data available — totaled an all-time high of 70.3 million, up 3.6% compared to 67.85 million in April 2016, according to the U.S. Department of Transportation. It's the first time monthly enplanements have exceeded 70 million. **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 2.44%**

Through June 2017: 498,552

Through June 2016: 486,690

## 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 5.12%**

Through June 2017: 332,902

Through June 2016: 316,680

## 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 5.36%**

Through June 2017: 43,824

Through June 2016: 41,593

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