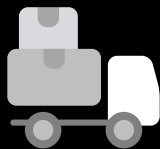
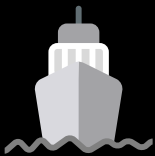
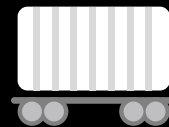




Arkansas Transportation Report



September 2017



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



Business matters.

Barge activity on Arkansas River through July down 2%

Through the first seven months of 2017, barge activity on the Arkansas River continues to make up ground after heavy rainfall during the spring impacted river traffic.

Information from the U.S. Army Corps of Engineers showed 6.60 million tons were shipped January through July, down 2% from the 6.72 million tons during the same period of 2016. That's an improvement from the year-to-date totals through June, when traffic was off by 5% compared to 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. In fact, May's monthly total of 499,662 tons was the lowest monthly level since June 2015 (390,084 tons).

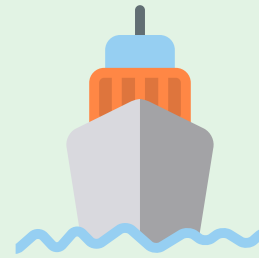
"Although river traffic is down slightly year over year, we anticipate a strong close to 2017," said Bryan Day, executive director of the Little Rock Port Authority. "The river system did experience several high flows earlier this year that did have an impact on tonnage. As the energy sector rebounds and the economy grows, we should soon see significant increases in commodity movements."

July's monthly total of 966,075 tons was up 14% from July 2016 totals of 841,511. The traffic was down slightly, however, from June 2017 totals of 1.04 million tons.

Inbound tonnage on the Arkansas River in the first seven months of 2017 totaled 2.53 million tons, down 8% compared to the January-July period of 2016. Outbound tonnage was up 10%, from 2.31 million tons last year to 2.55 million tons this year. Internal tonnage (materials originated and shipped between ports on the river) was down 9% to 1.51 million tons.

In specific categories of materials, shipments of chemical fertilizers for the first seven months of 2017 totaled 1.89 million tons, up 2% from the same period of 2016. Shipments of sand/gravel/rock were down 4% to 1.75 million tons in the January-July period. Other chemicals (up 58% to 166,183 million tons) and iron and steel (up 14% to 791,600 tons) were significant gainers through the first seven months.

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 seven months of 2017.

Chemical fertilizers

up 2% 

January- July 2017: 1,894,568 tons
January- July 2016: 1,861,738 tons

Sand-gravel-rock

down 4% 


January- July 2017: 1,757,775 tons
January- July 2016: 1,830,166 tons

Iron-steel

up 14% 


January- July 2017: 791,600 tons
January- July 2016: 691,580 tons

Wheat

up 3% 

January- July 2017: 716,600 tons
January- July 2016: 698,800 tons

Soybeans

up 7% 

January- July 2017: 633,511 tons
January- July 2016: 594,200 tons

Arkansas River tonnage

(through the first seven months each year)

2017: 6.602 million tons	2013: 7.075 million tons
2016: 6.754 million tons	2012: 6.688 million tons
2015: 5.135 million tons	2011: 6.188 million tons
2014: 6.693 million tons	

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Business matters.

Cass Freight: Is freight volume recovery beginning to wane?

July shipments were up 1.4% and freight expenditures (the total amount spent on freight) were up 4.5% compared to the same period in 2016, extending their run of positive comparisons, according to the Cass Freight Index.

Shipments turned positive eight months ago, while Expenditures turned positive seven months ago, 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 did note that, unlike the May 2017 and June 2017 Shipments Index, which on a nominal basis exceeded the May 2015 and June 2015 levels, July 2017 fell back below July 2015 levels. "This raises the potentially concerning question, 'Is the strength in the recovery in freight volume beginning to wane?'" he 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 rose 0.1% in July. That followed a 4.4% drop in June. Year-to-date, compared with the same seven months of 2016, the index is up 1.2%. Compared with July 2016, the index increased 2.3%

ATA Chief Economist Bob Costello said July's small increase in truck tonnage fits with other mixed economic indicators.

"Retail sales surprised to the upside," he explained. "But manufacturing production and housing starts were down, so combined those likely caused a rather flat month in July for truck tonnage.

"With better economic growth in the second half of 2017, expect truck tonnage to continue increasing at a moderate pace on a year-over-year basis."

As part of the July report, ATA also revised its June drop in the index downward to a 4.4% decrease. It was previously reported as a 4.3% decline

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



up 0.1%

Truck Tonnage Index increase in July 2017



down 4.4%

Truck Tonnage Index decrease in June 2017



July shipments:

up 1.4%

compared to July 2016 (Cass Freight Index)



July expenditures:

up 4.5%

compared to July 2016 (Cass Freight Index)

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Business matters.

U.S. rail traffic up 5.4% through July

Total U.S. railroad traffic for the first seven months of 2017 was 7.71 million carloads, up 5.4% from the January-July period last year, according to the Association of American Railroads (AAR). Intermodal units totaled 7.95 million, up 3.1% from the year-ago period.

For July, U.S. railroads originated 1.01 million carloads, down 0.6% from the same month in 2016. Intermodal (containers and trailers) was up 5.6% from July 2016 to 55,997 units.

“The decline in total rail carloads in July 2017 from July 2016 was very small at 0.6%, but it was the first carload decline since October 2016,” AAR Senior Vice President John T. Gray wrote in the report. “Beginning in July last year, certain categories of rail traffic — coal and grain in particular — saw a surge in rail volumes. That surge suddenly made comparisons to this year much tougher. That largely explains July’s carload decline. Meanwhile, intermodal continues to do well — July’s 5.6% gain is the sixth straight year-over-year monthly increase, and intermodal is on track to set a new annual record this year.”

Total U.S. weekly rail traffic for the week ending Aug. 26 was 551,776 carloads and intermodal units, up 2.3% compared with the same week last year. Total carloads for the period were 272,153 carloads, a 1% increase compared with the same week in 2016. U.S. weekly intermodal volume was 279,623 containers and trailers, up 3.6% from the same week in 2016.

Total combined U.S. traffic for the first 34 weeks of 2017 was 17.88 million carloads and intermodal units, an increase of 4.1% compared to last year.

Four of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included coal, up 4,756 carloads, to 96,317; metallic ores and metals, up 2,467 carloads, to 23,941; and nonmetallic minerals, up 2,444 carloads, to 39,999. Commodity groups that posted decreases compared with the same week in 2016 included motor vehicles and parts, down 3,237 carloads, to 16,156; and grain, down 1,845 carloads, to 19,881.

North American rail volume for the week ending Aug. 26, on 13 reporting U.S., Canadian and Mexican railroads totaled 371,895 carloads, up 4.1% compared with the same week last year, and 363,257 intermodal units, up 5.1% compared with last year. Total combined weekly rail traffic in North America was 735,152 carloads and intermodal units, up 4.6%. North American rail volume for the first 34 weeks of 2017 was 23,674,601 carloads and intermodal units, up 5.4% compared with 2016.

Canadian railroads reported 82,484 carloads for the week, up



4.1%

Increase in rail car shipments – including intermodal – for the first 34 weeks of 2017.



4.9%

Year-to-date increase in rail car shipments as of Aug. 26



3.4%

Year-to-date increase in intermodal shipments as of Aug. 26



5.4%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of Aug. 26

15.2%, and 71,079 intermodal units, up 10.6% compared with the same week in 2016. For the first 34 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 4,872,097 carloads, containers and trailers, up 11.6%.

Mexican railroads reported 17,258 carloads for the week, up 7.2% compared with the same week last year, and 12,555 intermodal units, up 10.6%. Cumulative volume on Mexican railroads for the first 34 weeks of 2017 was 922,439 carloads and intermodal containers and trailers, up 0.3% from the same point last year. **TBP**

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Business matters.

Despite rare dip in July, XNA enplanements still up at XNA

Traffic this year at Arkansas' three largest commercial airports is still up compared to 2016, according to the latest data, although one of them experienced a rarity in the July.

At Northwest Arkansas Regional Airport (XNA) in Highfill, enplanements—or outbound passengers—in July totaled 60,891, a dip of 4.0% compared to 63,463 enplanements in July 2016. In fact, it's the first month since April 2016 that monthly enplanements at XNA were lower than the same month the previous year.

Year-to-date numbers are still positive at the airport, though. Enplanements in the January-July period totaled 393,793, up 3.59% from 380,143 in the same period last year.

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.

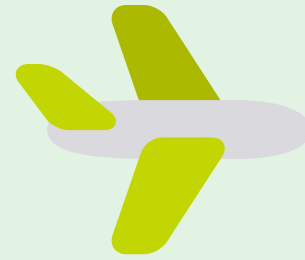
At Bill & Hillary Clinton National Airport in Little Rock, enplanements totaled 594,120 in the January-July period, up 2.59% from the January-July period of 2016. Enplanements for July were up 3.38% from 95,568 to 92,447.

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 52,260 through the first seven months, up 4.93% from the same seven-month period last year. Enplanements in July totaled 8,436, up slightly from 8,208 in July 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.

Enplanements on all U.S. carriers (including domestic and international traffic) in May — the most recent federal data available — totaled an all-time high of 70.9 million, rising 0.7% from April for the third consecutive monthly increase, 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 2.59%

Through July 2017: 594,120

Through July 2016: 579,137

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 3.59%

Through July 2017: 393,793

Through July 2016: 380,143

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 4.93%

Through July 2017: 52,260

Through July 2016: 49,801

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