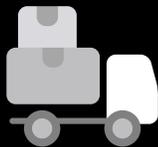
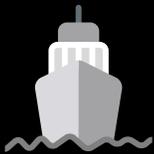
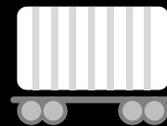




Arkansas Transportation Report



December 2017



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



Business matters.

River traffic through October at highest level since 2013

Despite a slow spring due to heightened river levels, barge activity on the Arkansas River through the first 10 months of 2017 has been robust.

Information from the U.S. Army Corps of Engineers showed 9.86 million tons were shipped January through October, up 2% from the 9.63 million tons during the same period of 2016.

Activity levels have been improving at a steady rate from earlier this year, when river traffic was impacted by heavy rainfall in March and 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).

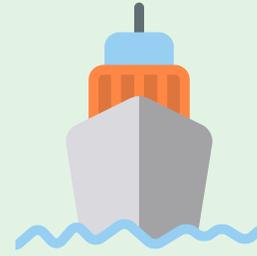
The October monthly total of 1.18 million tons was the highest since February (1.21 million tons) and second-highest monthly total of 2017. It was also an increase of 12% from the October 2016 totals of 1.05 million tons.

Inbound tonnage on the Arkansas River in the first 10 months of 2017 totaled 3.52 million tons, flat when compared to the January-October period of 2016. Outbound tonnage in the first 10 months of 2017 was up 9% to 3.90 million tons. Internal tonnage (materials originated and shipped between ports on the river) was down 3% to 2.43 million tons.

For specific categories of materials shipped on the Arkansas River, sand/gravel/rock in the first 10 months of 2017 totaled 2.85 million tons, up 3% from the same period last year. Shipments of chemical fertilizers in the first 10 months of 2017 totaled 2.50 million tons, flat when compared to the same period last year.

Other chemicals (up 55% to 240,150 tons) and iron and steel (up 25% to 1.19 million tons) were the big movers through the first 10 months of the year. Petroleum products (down 47% to 159,100 tons), manufactured equipment and machinery (down 24% to 31,050 tons) and minerals and building materials (down 21% to 301,200 tons) were all down sharply through the first the months of the year.

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 10 months of 2017.

Sand/gravel/rock up 3% 

January-October 2017: 2,855,170 tons
January- October 2016: 2,766,591 tons

Chemical fertilizers flat 

January- October 2017: 2,505,324 tons
January- October 2016: 2,499,789 tons

Iron and steel up 24.7% 

January- October 2017: 1,196,970 tons
January- October 2016: 959,180 tons

Wheat down 2% 

January- October 2017: 1,046,700 tons
January- October 2016: 1,063,200 tons

Soybeans up 14.1% 

January- October 2017: 1,031,911 tons
January- October 2016: 904,000 tons

Arkansas River tonnage

(through the first 10 months each year)

2017: 9.866 million tons	2013: 10.156 million tons
2016: 9.631 million tons	2012: 9.850 million tons
2015: 8.440 million tons	2011: 8.965 million tons
2014: 9.701 million tons	

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Business matters.

Cass Freight: October expenditures increase among highest in past five years

October shipments were up 0.5% compared the previous month, and up 2.9% compared to the same month in 2016. Freight expenditures (the total amount spent on North American freight) were up 3.9% in October, and were up a whopping 11.2% compared to the same month in 2016. That's the second-largest percentage increase posted in the last five years (June 2014's 12.1% was higher).

Shipments turned positive 11 months ago, while expenditures turned positive 10 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. He said the large year-over-year increase October continues a trend dating back to May, and is indicative of an economy that is continuing to expand.

"With October 2017 specifically achieving a level even with the record freight year of 2014, in our mind signals that if current momentum continues 2018 could attain new record highs," Broughton wrote in the October report.

Broughton also noted that when the Expenditures Index rises more than the Shipments Index, as it did in October, then rates are also rising

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 3.3% in October. The ATA is the largest national trade association for the trucking industry.

Compared with October 2016, the index surged 9.9%, the largest year-over-year increase since December 2013. Year-to-date, compared with the same 10 months in 2016, the index is up 3.1%.

"Continued improvement in truck tonnage reflects a much stronger freight market," ATA Chief Economist Bob Costello wrote in the report. "This strength is the result of several factors, including consumption, factory output, construction and improved inventory levels throughout the supply chain. Additionally, the 6.7% rise in tonnage over the last four months suggests to me that retailers are expecting a good holiday spending season."

As part of the October report, the ATA also revised its September decline in the index down to a 1.9% drop from the previously reported 0.9% decrease.

Trucking serves as a barometer of the U.S. economy, repre-



American Trucking Associations



up 3.3%

Truck Tonnage Index
increase in October 2017



down 0.9%

Truck Tonnage Index
decrease in September 2017



October shipments:

up 2.9%

compared to October 2016 (Cass Freight Index)



October expenditures:

up 11.2%

compared to October 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**

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Business matters.

AAR: Intermodal traffic in October strongest in history

Total U.S. railroad traffic for the first 10 months of 2017 was 11.17 million carloads, up 3.4% from the January-October period last year, according to the Association of American Railroads (AAR). Intermodal units totaled 11.57 million, up 3.7% from the year-ago period.

For October, U.S. railroads originated 1.06 million carloads, down 0.1% from the same month on 2016. Intermodal (containers and trailers) was up 6.4% from October 2016 to 1.14 million, the best month for intermodal rail traffic in history.

Combined there were 2.20 million U.S. carload and intermodal originations in October, up 3.1%.

“Year-over-year U.S. rail carloads in October were held back by declines in carloads of grain and coal,” AAR senior vice president John T. Gray wrote in the report. “However, carloads of these commodities tend to rise or fall for reasons that have little to do with the state of the economy. Excluding them, carloads were up 4.8% in October, their best monthly gain in almost three years. As such, rail carloads, as well as record intermodal volume in October, support the view that the economy is doing somewhat better now than it has been in the past two years.”

Total U.S. weekly rail traffic for the week ending Nov. 25 was 463,602 carloads and intermodal units, up 2.4% compared with the same week in 2016. Total carloads for the period were 230,326, up 0.2% compared with the same week in 2016, while U.S. weekly intermodal volume was 233,276 containers and trailers, up 4.7% compared to the same week in 2016.

Total combined U.S. traffic for the first 47 weeks of 2017 was 24,853,033 carloads and intermodal units, an increase of 3.3% compared to last year.

Four of the 10 carload commodity groups posted an increase compared with the same week in 2016. They included nonmetallic minerals, up 4,507 carloads, to 29,579; metallic ores and metals, up 1,616 carloads, to 19,802; and motor vehicles and parts, up 1,537 carloads, to 14,309. Commodity groups that posted decreases compared with the same week in 2016 included grain, down 3,820 carloads, to 18,771; coal, down 2,192 carloads, to 81,340; and farm products excl. grain, and food, down 1,044 carloads, to 14,531.

North American rail volume for the week ending Nov. 25, on 13 reporting U.S., Canadian and Mexican railroads, totaled 324,960 carloads, up 0.3% compared with the same week last year, and 309,922 intermodal units, up 5.3% compared with last year. Total combined weekly rail traffic in North America was 634,882 carloads and intermodal units, up 2.7%.

North American rail volume for the first 47 weeks of 2017 was 32,993,547 carloads and intermodal units, up 4.7% compared with 2016.

Canadian railroads reported 78,305 carloads for the week,



3.3%

Increase in rail car shipments – including intermodal – for the first 47 weeks of 2017.



3.0%

Year-to-date increase in rail shipments as of Nov. 25.



3.7%

Year-to-date increase in intermodal shipments as of Nov. 25.



4.7%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of Nov. 25.

essentially flat compared to last year, and 65,648 intermodal units, up 8.8% compared with the same week in 2016. For the first 47 weeks of 2017, Canadian railroads reported cumulative rail traffic volume of 6,848,611 carloads, containers and trailers, up 10.6%.

Mexican railroads reported 16,329 carloads for the week, up 3.2% compared with the same week last year, and 10,998 intermodal units, up 0.1%. Cumulative volume on Mexican railroads for the first 47 weeks of 2017 was 1,291,903 carloads and intermodal containers and trailers, up 1.4% from the same point last year. **TBP**

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XNA leads state's airports in 2017 enplanement growth

Enplanements in October were up at the state's three largest commercial airports, and year-to-date numbers are also ahead of last year's pace.

At Bill & Hillary Clinton National Airport in Little Rock, enplanements — or outbound passengers — totaled 90,809 in September, an increase of 1.98% from the same month in 2016. Enplanements for the January-October period were 847,979, up 1.89% from 832,243 in the same period in 2016.

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 Northwest Arkansas Regional Airport (XNA) in Highfill, enplanements in October were 68,015, down 6.68% from 63,752 enplanements in October 2016. That's the second-highest month for enplanement activity this year, behind June (72,202). For the first 10 months of the year, there were 605,976 enplanements at XNA, up 4.13% from 581,925 enplanements in the year-ago period.

Enplanements at XNA totaled a record 699,672 last year, up 7.68% from the previous record of 649,741 enplanements in 2015. The airport recently corrected its enplanement data as far as back as 2015 to reflect aircraft landings that were inadvertently not reported. The discrepancy was more than 57,000 over nearly three years.

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.

In Fort Smith, there were 8,035 enplanements in October, just a slight increase from 7,947 enplanements in October 2016. For the first 10 months of the year, there were 75,189 enplanements in Fort Smith, up 3.22% from 72,842 enplanements in the year-ago period.

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 August — the most recent federal data available — was 71.3 million, down about 0.4% from an all-time high in July, according to the U.S. Department of Transportation. That snapped a string of seven consecutive months of growth. **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 1.89%

Through October 2017: 847,979

Through October 2016: 832,243

Enplanement history

Northwest Arkansas Regional Airport-Highfill

2016: 699,672

2015: 649,741

2014: 640,537

2013: 581,487

2012: 565,045

2011: 562,747

2010: 570,625

up 4.13%

Through October 2017: 605,976

Through October 2016: 581,925

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 3.22%

Through October 2017: 75,189

Through October 2016: 72,842

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