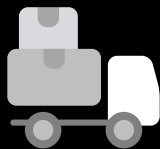
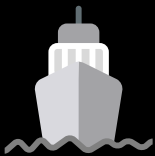
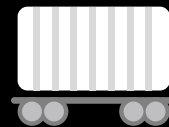




Arkansas Transportation Report



April 2018



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Business matters.

Arkansas River traffic down 17% through first quarter

A sharp decline in barge activity on the Arkansas River showed signs of leveling off through March.

According to information from the U.S. Army Corps of Engineers, traffic on the Arkansas River (McClellan-Kerr Arkansas River Navigation System) through the first three months of the year totaled 2,692,329 tons. That's down 17% from 3,246,499 tons from the same period of 2017, and reflects the same decline through the first two months of the year.

The combined three-month total of 2,692,329 tons is the lowest YTD mark in the past eight years, encompassing the available historical data online from the Corps of Engineers. The decline in barge activity was caused by high levels on the Arkansas River, brought on by heavy rainfall.

"Water levels have returned to normal and tonnage is picking up," said Bryan Day, executive director of the Little Rock Port Authority. "We still believe that this will be a solid year and [barge] activity will exceed last year."

Inbound tonnage through the first three months of 2018 totaled 1,027,080 tons, down 19% compared to the same period last year. In the same three months, outbound tonnage was down 11%, from 1,250,606 tons to 1,107,058 tons. Internal tonnage (products shipped between ports on the river) totaled 558,191 tons, a 23% decrease from the January-March period of 2017.

Shipments of chemical fertilizer were the top product through the first three months, at 749,067 tons. That's a decline, though, of 28% from the year-ago period. Sand/gravel/rock shipments through March this year totaled 643,591 tons, down 22% from last year. Soybean shipments through March were essentially flat, at 443,600 tons.

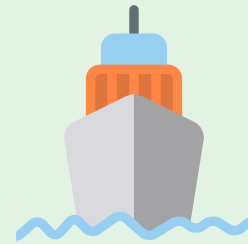
The big gainer was petroleum products, which went from 33,600 tons in January-March 2017 to 47,800 tons in January-March 2018, a jump of 42%

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 three months each year)


2018: 2,692,329 tons	2014: 3,062,076 tons
2017: 3,246,499 tons	2013: 3,273,607 tons
2016: 2,942,811 tons	2012: 2,775,745 tons
2015: 2,810,934 tons	2011: 3,028,425 tons




Following are the top five categories of items moved on the Arkansas River through the first three months of 2018

Chemical fertilizers down 28% 


January-March 2018: 749,067 tons
January-March 2017: 1,040,199 tons

Sand/gravel/rock down 22% 


January-March 2018: 643,591 tons
January-March 2017: 822,688 tons

Soybeans flat 

January-March 2018: 443,600 tons
January-March 2017: 444,800 tons

Iron/steel down 17% 

January-March 2018: 247,900 tons
January-March 2017: 326,300 tons

Wheat down 13% 

January-March 2018: 247,000 tons
January-March 2017: 285,200 tons

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Business matters.

Freight capacity tight, demand remains strong

The most recent data from the Cass Freight Shipments and Expenditures Index signals 2018 will be an extraordinarily strong year for transportation and the economy.

March shipments came in at 11.9% higher compared to the same month of 2017. Freight expenditures, the total amount spent on freight, rose 15.6% over the year-ago period of March 2017.

According to Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index, March's 15.6% increase signals tight capacity, strong demand and shippers who are willing to pay up for services to get goods picked up and delivered in modes throughout the transportation industry.

"The index is just below the all-time high established back in June 2014 and may blow through that record with ease in coming months," he wrote. "Stay tuned."

The American Trucking Associations' (ATA) For-Hire Truck Tonnage dropped 1.1% in March, the second consecutive month showing a decline. ATA revised the February decline from the originally reported 2.6% to 0.8%.

Compared with March 2017, the index jumped 6.3%, which was below February's 7.7% year-over-year gain, but still well above 2017's annual increase of 3.8%

"Despite a softer March and February, truck freight tonnage remains solid as exhibited in the year-over-year increase of 6.3%," ATA Chief Economist Bob Costello wrote in his report "While I expect the pace of growth to continue moderating in the months ahead, if for no other reason than year-over-year comparisons will become more difficult as tonnage snapped back in May of 2017, the levels of freight will remain good going forward."

Trucking serves as a barometer of the U.S. economy, representing 70.6% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled nearly 10.5 billion tons of freight in 2016. Motor carriers collected \$676.2 billion, or 79.8% of total revenue earned by all transport modes. **TBP**



American Trucking Associations



down 1.1%

Truck Tonnage Index
decrease in March 2018



down 0.8%

Truck Tonnage Index
decrease in February 2018



**March shipments
up 11.9%**

compared to March 2017 (Cass Freight Index)



**March expenditures
up 15.6%**

compared to March 2017 (Cass Freight Index)

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Business matters.

US rail traffic up 5% in March

Total U.S. railroad traffic in March was 1.05 million carloads, up 3.6% from March 2017, according to the Association of American Railroads (AAR). Intermodal units (containers and trailers) in March totaled 1.08 million units, up 6.5% from the same month last year. Combined there were 2.12 million U.S. carload and intermodal originations in March, up 5% from March 2017.

“Railroads are a derived-demand industry,” AAR Senior Vice President of Policy and Economics John T. Gray wrote in the report. “Their level of business depends to a large degree on what’s happening elsewhere in the economy. There’s always some economic uncertainty — today that involves, among other things, trade relations, commodity prices, and what the Fed will do about interest rates — but economic signals today are mostly positive.

“Rail traffic in March was largely positive too, at least in terms of traffic segments that are most sensitive to what’s going on in the economy.”

Total U.S. weekly rail traffic for the week ending April 21 was 539,425 carloads and intermodal units, up 6.2% compared with the same week last year. Total carloads for the period were 264,552 carloads, up 3.5% compared to the same week in 2017, while U.S. weekly intermodal volume was 274,873 containers and trailers, up 8.9% compared to last year.

Total combined U.S. traffic for the first 16 weeks of 2018 was 8.39 million carloads and intermodal units, up 3% compared to last year.

Seven of the 10 carload commodity groups posted an increase compared with the same week in 2017. They included coal, up 3,922 carloads, to 80,608; nonmetallic minerals, up 3,328 carloads, to 39,387; and grain, up 2,424 carloads, to 25,938. Commodity groups that declined compared with the same week in 2017 were metallic ores and metals, down 1,207 carloads, to 23,972; petroleum and petroleum products, down 995 carloads, to 9,356; and farm products excl. grain, and food, down 511 carloads, to 15,542.

North American rail volume for the week ending April 21 on 12 reporting U.S., Canadian and Mexican railroads totaled 366,248 carloads, up 2% compared with the same week last year, and 355,613 intermodal units, up 5.6% compared with last year. Total combined weekly rail traffic in North America was 721,861 carloads and intermodal units, up 3.8%. North American rail volume for the first 16 weeks of 2018 was 11,310,634 carloads and intermodal units, up 2.7% compared with 2017.



3.0%

Increase in rail car shipments — including intermodal — for the first 16 weeks of 2018.



0.4%

Year-to-date increase in rail shipments as of April 21.



5.6%

Year-to-date increase in intermodal shipments as of April 21.



2.0%

Year-to-date increase in North American rail volumes (Canada, Mexico and U.S.) as of April 21.

Canadian railroads reported 80,327 carloads for the week, down 2.2%, and 64,061 intermodal units, down 2.7% compared with the same week in 2017. For the first 16 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 2,312,464 carloads, containers and trailers, up 2.7%.

Mexican railroads reported 21,369 carloads for the week and 16,679 intermodal units. Cumulative volume on Mexican railroads for the first 16 weeks of 2018 was 607,062 carloads and intermodal containers and trailers. **TBP**

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March enplanements drop at state's 'Big Three' airports

Thanks to March declines, traffic trended downward at all three of the state's largest commercial airports through the first three months of 2018.

Enplanements — or outbound passengers — at Bill and Hillary Clinton National Airport in Little Rock totaled 218,376 through March, a dip of 1.3% from the same three-month period last year. March enplanements were 83,929, also down 1.3% from March 2017.

After staying below the 1 million mark for two years, enplanements at the state's largest airport rose to 1.01 million in 2017. That was up 2.02% compared to 996,897 in 2016. 2015 and 2016 were the first two years since 1991 that enplanements at the state's largest airport were below 1 million.

Northwest Arkansas Regional Airport (XNA) in Highfill, on the heels of a record-setting 2017, is trending ahead of that pace through March, but only slightly. The airport saw 160,762 enplanements through the first three months, up less than 1% compared to the same three months in 2017. YTD enplanements at the airport were up 3.5% through February.

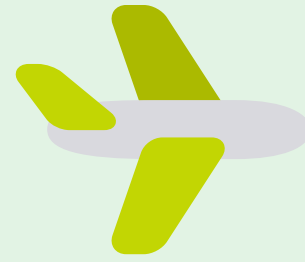
March enplanements at XNA were off 3.36% from 60,186 last year to 58,164 this year.

XNA is the state's second-largest airport, and saw a record 725,284 enplanements last year. That was an increase of 3.66% from the previous record total of 699,487 in 2016. XNA's first full year of traffic was 1999, and the airport posted eight consecutive years of enplanements gains before seeing a decline in 2008. There was also a decline from 2010 to 2011 before the current streak of gains for six consecutive years.

January-March enplanements at Fort Smith Regional Airport totaled 19,171 through the first three months, down more than 5% from 20,236 in the same period last year. March enplanements were down 8.1%, from 7,528 last year to 6,914 this year.

Enplanements at the Fort Smith airport for 2017 were up for the second straight year, totaling 89,582. That was a 2.4% increase from 87,488 in 2016.

According to the U.S. Department of Transportation, enplanements on all U.S. carriers (including domestic and international traffic) in January—the most recent federal data available — dropped 0.8% to 71.6 million. That halted three consecutive months of enplanement growth. **TBP**



Enplanement history

Bill and Hillary Clinton National Airport-Little Rock

2017: 1.017 million
 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

down 1.30%

January-March 2018: 218,376

January-March 2017: 221,244

Northwest Arkansas Regional Airport-Highfill

2017: 725,284
 2016: 699,672
 2015: 649,741
 2014: 640,537
 2013: 581,487
 2012: 565,045
 2011: 562,747
 2010: 570,625

up 0.89%

January-March 2018: 160,762

January-March 2017: 159,336

Fort Smith Regional Airport

2017: 89,582
 2016: 87,488
 2015: 86,704
 2014: 92,869
 2013: 84,520
 2012: 86,653
 2011: 86,234
 2010: 86,129

down 5.26%

January-March 2018: 19,171

January-March 2017: 20,236

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