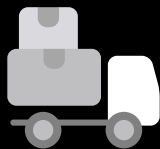
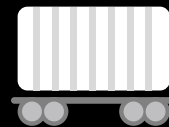




# Arkansas Transportation Report



September 2018



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# Arkansas River barge traffic essentially flat in 2018, up less than 1% through August

According to information from the U.S. Army Corps of Engineers, year-to-date (YTD) traffic on the Arkansas River (McClellan-Kerr Arkansas River Navigation System) through August totaled 7,645,241 tons, up less than 1% compared with barge activity in the first eight months of 2017.

The YTD activity is also slowing from earlier in the year. Activity through the first five months of the year was up almost 10% compared to 2017, according to records kept online by the Corps of Engineers

“We know that the river system as a whole has lost tonnage due to a reduced volume of imported fertilizer that’s been displaced by domestically manufactured fertilizer moving via truck and rail,” said Bryan Day, executive director of the Little Rock Port Authority. “As for the Port of Little Rock, barge activity has remained strong and at near record levels. Our customers continue to forecast strong tonnage for the balance of the calendar year and we are still expecting to end this year with record tonnage.”

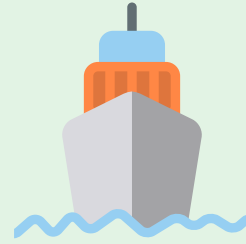
Inbound tonnage through the first eight months of 2018 totaled 2,963,560 tons, up 2% compared with the same period of 2017. Outbound tonnage in the January-August period was up just 1%, from 2,909,113 tons to 2,940,960 tons. Internal tonnage (products shipped between ports on the river) totaled 1,740,721 tons, a 3% decrease from 1,794,707 tons in the January-August period of 2017.

In August, Arkansas River traffic activity was at its lowest level of 2018 with 811,840 tons. It was the second consecutive month river traffic dipped below 900,000 tons. Compared with August 2017, the barge activity was down 19%.

Shipments of sand/gravel/rock were the top product through the first eight months of the year at 1,961,383 tons, still down 7% compared with the same eight months of 2017. Chemical fertilizer shipments totaled 1,850,795 tons, down 11% from last year.

The big gainer was soybeans, which went from 649,511 tons in January-August 2017 to 925,500 tons in January-August 2018, a jump of 45%.

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 Arkansas River through the first eight months of 2018:

## Sand/gravel/rock

down 7%



January-August 2018: 1,961,383 tons  
January-August 2017: 2,099,457 tons

## Chemical fertilizers

down 11%



January-August 2018: 1,890,795 tons  
January-August 2017: 2,069,527 tons

## Iron/steel

up 18%



January-August 2018: 1,110,700 tons  
January-August 2017: 944,670 tons

## Soybeans

up 45%



January-August 2018: 942,500 tons  
January-August 2017: 649,511 tons

## Wheat

down 17%



January-August 2018: 729,100 tons  
January-August 2017: 881,200 tons

## Arkansas River tonnage

(through the first eight months each year)

<b>2018:</b> 7,645,241 tons	<b>2014:</b> 7,631,216 tons
<b>2017:</b> 7,609,115 tons	<b>2013:</b> 7,950,825 tons
<b>2016:</b> 7,675,697 tons	<b>2012:</b> 7,668,091 tons
<b>2015:</b> 6,355,997 tons	<b>2011:</b> 7,131,058 tons

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# Freight volume, pricing still 'extraordinarily' strong

The most recent data from the Cass Freight Shipments and Expenditures Index indicates the freight economy is "extraordinarily" strong, both from a volume and a pricing perspective.

Both indexes are "ignoring all the angst coming out of Washington D.C. about the trade wars," according to Donald Broughton, a chief market strategist and senior transportation analyst with Avondale Partners, who provides economic analysis for the Cass Freight Index.

August shipments came in at 6% higher compared with the same month of 2017. Freight expenditures, the total amount spent on freight, continued to climb sharply from 2017. The August price volume was ahead 16.7% of last year's amount in the same month.

"Demand is exceeding capacity in most modes of transportation by a significant margin," Broughton wrote. "In turn, pricing power has erupted in those modes to levels that continue to spark overall inflationary concerns in the broader economy."

Broughton added he isn't concerned about long-term inflationary pressure as technology continues to provide multiple ways to increase "asset utilization and price discovery" in all parts of the economy. He did note the flatbed segment of trucking, however, is continuing to struggle with productivity after the adoption of ELDs.

Despite a monthly decline in August, truck freight remained solid according to the American Trucking Associations (ATA). The ATA's For-Hire Truck Tonnage dropped 1.8% in August. That followed a 1.9% increase in July.

Compared with August 2017, the index rose 4.5%, down from July's 8.6% year-over-year increase. Year-to-date, compared with the same period last year, tonnage increased 7.6%, ahead of the annual gain of 3.8% in 2017.

"The deceleration in the year-over-year increases has begun due to more difficult year-over-year comparisons," ATA Chief Economist Bob Costello wrote in his report. "It was a year ago when freight began to surge. We should all expect smaller year-over-year gains going forward than we witnessed over the last year."

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 10.77 billion tons of freight in 2017. Motor carriers collected \$700.1 billion, or 79.3% of total revenue earned by all transport modes. **TBP**



## American Trucking Associations



**down 1.8%**

Truck Tonnage Index  
decrease in August 2018



**up 1.9%**

Truck Tonnage Index  
increase in July 2018



**August shipments  
up 6.0%**

compared with August 2017 (Cass Freight Index)



**August expenditures  
up 16.7%**

compared with August 2017 (Cass Freight Index)

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# August a 'very good month' for U.S. rail traffic

Total U.S. railroad traffic in August was 1.38 million carloads, up 3.8% from August 2017, according to the Association of American Railroads (AAR). Intermodal units (containers and trailers) in August totaled 1.44 million units, up 5.1% from the same month last year. Combined there were 2.82 million U.S. carload and intermodal originations in August, up 4.5% from August 2017.

Total U.S. carload traffic for the first eight months of 2018 was 9.18 million carloads, up 1.9% from the same period last year, and 9.70 million intermodal units, up 6% from last year.

"August was a very good month for U.S. rail traffic with 16 of the 20 carload commodity categories the AAR tracks registering higher carloads in August 2018 than in August 2017, the most since January 2015," AAR Senior Vice President of Policy and Economics John T. Gray wrote in the August report. "The U.S. economy has been improving since the 2016 slow down and freight railroads are committed to maintaining the economic momentum by moving goods safely and efficiently for their customers.

Gray said trade policy discussions continue to add a level of uncertainty to future economic growth.

Total U.S. weekly traffic for the week ending Sept. 15 was 553,003 carloads and intermodal units, up 4.8% compared with the same week in 2017.

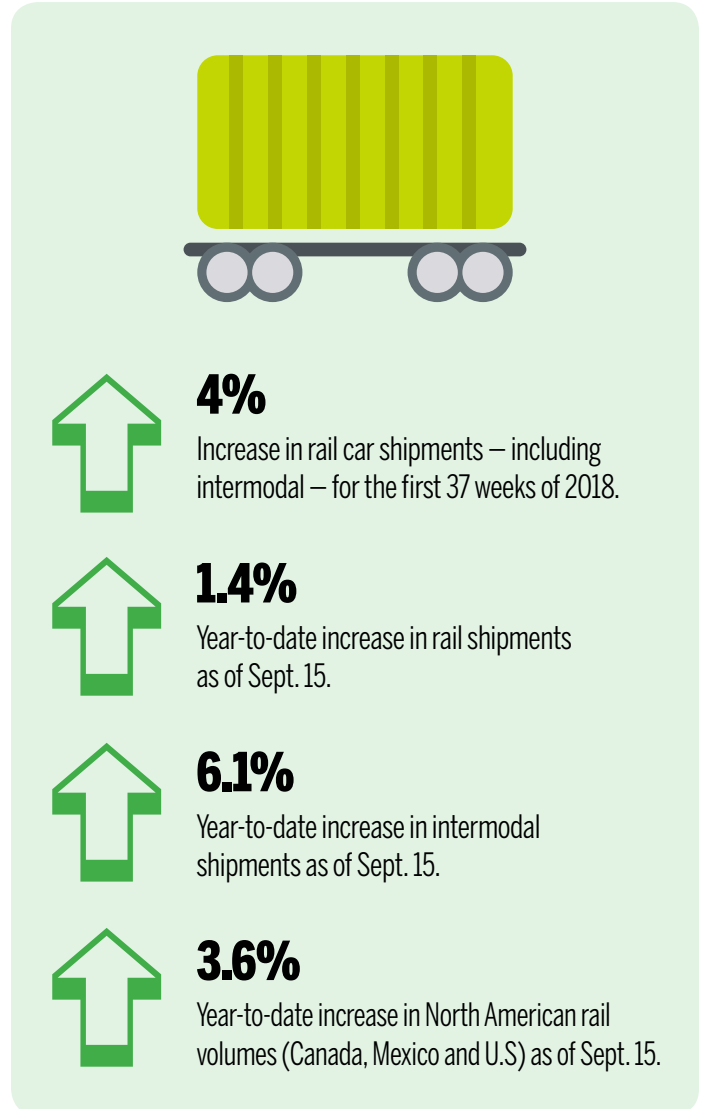
Total carloads for the period were 268,612 carloads, up 4.8% compared with the same week last year. U.S. weekly intermodal volume was 284,391 containers and trailers, up 6.5% compared with last year.

Total combined U.S. traffic for the first 37 weeks of 2018 was 19.94 million carloads and intermodal units, up 4% compared to last year.

Nine of the 10 carload commodity groups posted an increase compared with the same week in 2017. They included petroleum and petroleum products, up 4,253 carloads, to 13,335; chemicals, up 2,153 carloads, to 32,650; and farm products excl. grain, and food, up 1,986 carloads, to 16,583. One commodity group posted a decrease compared with the same week in 2017: coal, down 3,457 carloads, to 85,562.

North American rail volume for the week ending September 15, on 12 reporting U.S., Canadian and Mexican railroads, totaled 371,432 carloads, up 1.4% compared with the same week last year, and 376,921 intermodal units, up 6.1% compared with last year. Total combined weekly rail traffic in North America was 748,353 carloads and intermodal units, up 3.7%. North American rail volume for the first 37 weeks of 2018 was 26,891,746 carloads and intermodal units, up 3.6% compared with 2017.

Canadian railroads reported 83,028 carloads for the week,



down 4.2%, and 74,452 intermodal units, up 3.2% compared with the same week in 2017. For the first 37 weeks of 2018, Canadian railroads reported cumulative rail traffic volume of 5,521,091 carloads, containers and trailers, up 3.8%.

Mexican railroads reported 19,792 carloads for the week, up 3.4% compared with the same week last year, and 18,078 intermodal units, up 12.9%. Cumulative volume on Mexican railroads for the first 37 weeks of 2018 was 1,429,092 carloads and intermodal containers and trailers. **TBP**

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# XNA sees YTD enplanement growth of more than 7% through August

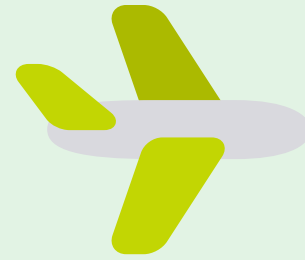
Enplanements at two of the state's three largest commercial airports are trending higher this year, according to the latest data available.

Year-to-date enplanements — or outbound passengers — at Northwest Arkansas Regional Airport in Highfill were up 7.69% through August this year, from 479,012 last year to 515,869 this year. August enplanements, however, were 66,400, the lowest monthly total this year since April (63,498), according to historical data kept by the airport. June 2018 (78,912) is the highest enplanement month at the airport since it opened in 1998.

Enplanements at the state's largest airport, Bill and Hillary Clinton National Airport in Little Rock, totaled 703,973 through the first eight months this year. That's up 3.84% from 677,924 in the same period last year. August enplanements were 92,768, up 10.7% from 83,804 from August 2017.

Fort Smith Regional Airport totaled 59,010 through August, down 1.2% from 59,728 last year. August enplanements, however, were up 2.1%, from 7,468 last year to 7,626 to this year.

According to the U.S. Department of Transportation, enplanements on all U.S. carriers (including domestic and international traffic) in June—the most recent federal data available—was a new high of 74.8 million. That's up 1.0% from May, for the fifth consecutive monthly increase. June 2017 to June 2018 enplanements rose 5.8%. **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

**up 3.84%**

January-August 2018: 703,973

January-August 2017: 677,924

### 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 7.69%**

January-August 2018: 515,869

January-August 2017: 479,012

### 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 1.2%**

January-August 2018: 59,010

January-August 2017: 59,728

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