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The McClellan-Kerr Arkansas River Navigation System contributes total impacts of $8.5 billion in sales, $289 million in taxes, and 55,872 jobs to the national economy.

The McClellan-Kerr Arkansas River Navigation System (MKARNS), located in Oklahoma and Arkansas, contains 445 miles of waterway and is a crucial part of the United States’ transportation system. The MKARNS strategically connects the heartland of the United States with the rest of the world via the Mississippi River and Port of New Orleans. We investigate the regional economic impacts of the MKARNS in order to inform waterway stakeholders of the system’s value.

Our study considers multiregional economic impacts from hydropower energy generation, USACE O&M expenditures, private sector investment expenditures, port activities, shippers’ activities, transportation cost savings, and recreation benefits related to the MKARNS. Our findings show the MKARNS contributes total impacts of $8.5 billion in sales, 55,872 jobs, and $289 million in taxes to the national economy. The findings of this study can inform future MKARNS investment decisions resulting in sustainable growth in the regional and national economies.

This executive summary contains results from two parallel studies, MBTC 4001 Regional Economic Impact Study for the McClellan Kerr Arkansas River Navigation System project report (Nachtmann, et al., 2015) and Final Report FHWA-OK-14-16 (Robinson, et al., 2014).

55,872 jobs
445 navigable miles
$8.5 billion in sales impacts
11.7 million tons
As much freight as 221,896 trucks or 57,693 railcars
Tax impacts of $289 million

Contacts and Acknowledgements

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MKARNS Tax Impacts

We investigated the direct and indirect impacts of MKARNS operations on Business Taxes including taxes on sales, property, and production.

The total nationwide impact of the entire MKARNS operations on Business Taxes is $289 million. On its own, the Arkansas segment of the MKARNS nationally contributes $168 million, and while the Oklahoma MKARNS segment nationally contributes $125 million. The combined impact is slightly less than the two segment impacts combined due to shared freight benefits.

Examining the MKARNS Business Tax impacts, we observe Port Activities and Transportation Cost Savings are the largest contributors to Business Tax impacts.

The McClellan-Kerr Arkansas Navigation System (MKARNS) is a 445 mile navigation system originating from the Tulsa Port of Catoosa and flowing in the southeast direction through Arkansas to the Mississippi River.

The MKARNS is a multi-beneficiary system providing navigation, hydropower generation, recreation, water supply, and fish and wildlife habitats.

There is a 420 foot drop in elevation from the Port of Catoosa to the Mississippi River. A series of eighteen locks and dams work together to maintain navigation throughout the system.

The MKARNS was classified as a high-use waterway system in February 2015 based on a 5-year average of 3.3 billion tons transported.
Here we report the total direct and indirect impacts on Sales revenue if the MKARNS was no longer in operation. Sales is defined as the revenue generated by firms whose operations are affected by the MKARNS.

The total MKARNS impact on Sales is $8.525 billion nationwide. On its own, the Arkansas segment of the MKARNS nationally contributes $4.535 billion, and while the Oklahoma MKARNS segment nationally contributes $4.077 billion. The combined impact is slightly less than the two segment impacts combined due to shared freight benefits.

Examining the MKARNS Sales impact results, we observe Port Activities ($2,904 million), Shippers’ Activities ($1,775 million), and Transportation Cost Savings ($1,615 million) are the largest contributors to Sales impacts.

Employment impacts are the jobs created directly by MKARNS activities due to purchases from businesses and individuals’ local expenditures.

The total impact on Employment of the MKARNS is 55,872 jobs nationwide. On its own, the Arkansas segment of the MKARNS nationally contributes 33,695 jobs, and while the Oklahoma MKARNS segment nationally contributes 22,761 jobs. The combined impact is slightly less than the two segment impacts combined due to shared freight benefits.

The largest component of the entire MKARNS and MKARNS Oklahoma segment employment impacts are due to port activities (18,070 and 9,580 jobs respectively). The largest employment impact component of the MKARNS Arkansas segment is due to recreation (11,429 jobs).