MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

May 2013

UNEMPLOYMENT RATE (percent of labor force)	APR 2013	PREVIOUS 3 MONTHS AVERAGE	APR 2012
U.S. (seasonally adjusted)	7.5	7.7	8.1
U.S. (not seasonally adjusted)	7.1	8.1	7.7
REGION (not seasonally adjusted)	7.4	8.7	8.3

NON-FARM EMPLOYMENT (thousands)	APR 2013	PREVIOUS 3 MONTHS AVERAGE	% CHANGE APR 2013 / APR 2012
U.S.	134,839	134,839	1.6
REGION	8,353	8,338	1.2
Construction and Manufacturing	637	636	0.8
FIRE / Professional / Business	2,066	2,069	2.0
Government	1,164	1,162	-0.8
All Others	4,477	4,471	1.2

REAL GDP (percentage change)	2013Q1	2012Q4	2012Q3
U.S. (seasonally adjusted at annual rates)	2.4	0.4	3.1
REGION (Oxford Economics Estimate)	2.3	1.3	2.1

CONSUMER PRICE INDEX (percentage change)	APR '13 / APR '12	APR '13 / MAR '13	MAR '13 / MAR '12
U. S.	1.1	-0.4	1.5
Core	1.7	0.1	1.9
REGION	1.4	-0.2	1.9
Core	1.9	-0.1	2.1
Food & Beverages	1.9	0.5	1.6
Housing	1.9	-0.3	2.1
Transportation	-0.4	-1.1	2.0
Energy	-3.3	-2.9	0.4

CONSTRUCTION COST INDEX (percentage change)	APR '13 / APR '12	APR '13 / MAR '13	MAR '13 / MAR '12
U.S. 20-CITY	1.5	0.0	1.6
NY REGION	5.0	0.0	5.0

GASOLINE PRICES (US dollars per gallon)	APR 2013	A month ago	A year ago
U.S. (all types NSA)	$3.67	$3.80	$3.96
New York City (all types NSA)	$4.02	$3.97	$4.12
Newark, NJ (all types NSA)	$3.53	$3.70	$3.91

HOUSING PRICES (12-month percentage change)	MAR '13 / MAR '12	FEB '13 / FEB '12	JAN '13/ JAN '12
U.S. 20-CITY COMPOSITE	10.9	9.4	8.1
NY METROPOLITAN AREA	2.6	2.0	0.6

INTERNATIONAL TRADE (billions of dollars)	MAR 2013	% CHANGE VS. MAR 2012	% CHANGE YTD 2013 VS MAR 2012
U.S.	317.8	-5.7	-1.6
NY CUSTOMS DISTRICT	35.6	-5.9	-3.8
NY Imports	21.0	-7.2	-6.0
NY Exports	14.6	-4.0	-0.5

MANHATTAN COMMERCIAL REAL ESTATE	APR 2013	MAR 2013	FEB 2013
Availability (%)			
Manhattan Totals	11.8	11.8	11.4
Midtown	12.2	12.0	11.6
Downtown	13.3	13.6	13.0
Average Asking Rent (Class A Office APRket) ($/square foot)			
Manhattan Totals	70.1	70.3	70.2
Midtown	77.7	78.5	78.6
Downtown	52.6	52.6	52.4

REGIONAL ECONOMIC FORECAST	2013	2014	2015
Real GDP (%)	1.9	2.5	3.0
Nonfarm Employment Growth (%)	1.1	1.1	1.6

Sources available upon request.

The views expressed herein are solely those of the authors and do not reflect the official positions of PANYNJ or its leadership.

Contact: Alexander Heil, Chief Economist, aheil@panynj.gov

SPECIAL FOCUS

A Shorter Long Haul?

In late 2011 the Federal Motor Carrier Safety Administration (FMSCA) made headlines by approving the first new commercial truck operating hours of service (HOS) rules since 2003. Regulators argue that the new rules, for which compliance is required by July 1, 2013, will help reduce fatigue-related accidents on the road. In contrast, some industry representatives claim that the rules will drive up costs and reduce industry productivity without measurable health or safety benefits. Others assert that the costs will likely have a minimal effect on commercial carriers' profitability based on analysis of the effects of earlier rule changes. Below, we discuss the most significant change in the HOS rules compared with the current rules and the different views offered by the FMCSA, industry interest groups, and academic researchers on the new regulations' costs and benefits.

The main change in the HOS rules applies to what is known as the "34-hour restart provision." Currently commercial truck operators are limited to driving 60 hours on duty over 7 consecutive days, or 70 hours on duty over 8 days. However, operators may "restart" these periods after taking 34 consecutive hours, or more, off duty. The new HOS regulations mandate that the restart provision include two periods between 1 AM and 5 AM and that drivers limit the frequency of restarts to once per week.

The new provision is intended to improve working conditions for the segment of over-the-road ("long haul") operators who work the most intense schedules in the industry. These operators comprise roughly 15 percent of the commercial truck operator workforce and average 70 to 80 hours of work time per week according to the 2007 FMCSA Field Survey. The estimated benefit/cost ratio of the new regulation varies depending on the assumptions used to compute lost industry productivity, health benefits from sleep, and safety benefits from fewer fatigue-related crashes. According to regulatory impact analysis released by FMCSA in 2011, the estimated net benefits of the new HOS rules amount to $205 million.

The FMCSA's analysis has drawn fire from the American Trucking Association (ATA), a leading industry representative. A report produced by an independent consultant commissioned by ATA questioned the FCMSA's assumptions about the frequency of fatigue-related large truck crashes, the benefits of increased sleep time to driver health and argued that the costs of the new regulation far outweigh any benefits. Analysis produced by Ahren Johnston, a logistics researcher at Missouri State University, suggests that the additional costs associated with new HOS rules may not have much of an effect on industry profitability (analysis of health and safety benefits were not considered). Johnston's analysis shows that while changes in the 2003 HOS rules were associated with an increase in the ratio of operating expenses to revenue for U.S. carriers (not including administrative expenses), the carriers' profitability, estimated by total return on assets, remained constant. This finding suggests that higher operating expenses were offset by reductions in assets, administrative expenses, or both.

Wages make up about one-third of shippers' total costs, so if the new rules require carriers to add more employees to compensate for the loss of long distance routes, some of these additional costs could make their way to consumers. Ultimately, time will tell whether the HOS rule changes will have a significant effect on the profitability of the trucking industry, the health and safety of commercial truck operators, and public safety.

Driver Group	Avg Weekly Work Time	% of Workforce
Moderate	45	66%
High	60	19%
Very High	70	10%
Extreme	80	5%

Total Drivers: 1.6 million

Source: FMCSA 2007 Field Survey

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AVIATION	Mar '13	Mar '12	Change
Revenue Passengers (000's)	**9,419.9**	**9,109.0**	**3.4%**
John F. Kennedy International Airport (JFK)	4,167.2	4,054.7	2.8%
LaGuardia Airport (LGA)	2,306.0	2,073.7	11.2%
Newark Liberty International Airport (EWR)	2,917.7	2,945.3	-0.9%
Stewart International Airport (SWF)	29.0	35.3	-17.8%
Revenue Freight (Short Tons)	**176,314**	**187,324**	**-5.9%**
Domestic	61,496	68,711	-10.5%
International	114,818	118,614	-3.2%
Flights	**103,330**	**107,116**	**-3.5%**
Domestic Air Carrier	74,897	78,262	-4.3%
International Air Carrier	23,257	22,883	1.6%
General Aviation	5,176	5,971	-13.3%
Paid Parked Cars	**717,902**	**730,340**	**-1.7%**
Revenue AirTrain Passengers	**599,150**	**600,905**	**-0.3%**

FERRY OPERATIONS	Mar '13	Mar '12	Change
Passengers (000's)			
New Jersey Ferries	589.4	659.7	-10.7%

PATH	Mar '13	Mar '12	Change
Passengers (000's)	**5,939.0**	**6,953.0**	**-14.6%**
Average Weekday	235.6	269.8	-12.7%
Average Saturday	118.3	130.0	-9.0%
Average Sunday	79.9	91.9	-13.1%

PORT COMMERCE	Mar '13	Mar '12	Change
Port Trade			
Container Imports (TEUs)	212,577	208,999	1.7%
Container Exports (TEUs)	132,189	143,471	-7.9%
Containers lifted on/off Express Rail	37,018	42,505	-12.9%

TUNNELS, BRIDGES & TERMINALS	Mar '13	Mar '12	Change
Eastbound Vehicle Volumes (000's)	**9,634**	**9,814**	**-1.8%**
George Washington Bridge	4,066	4,125	-1.4%
Lincoln Tunnel	1,588	1,634	-2.8%
Holland Tunnel	1,369	1,409	-2.8%
Bayonne Bridge	283	299	-5.5%
Goethals Bridge	1,135	1,149	-1.2%
Outerbridge Crossing	1,193	1,198	-0.4%
Eastbound Volumes by Vehicle Type (000's)			
Autos	8,794	8,922	-1.4%
Trucks	595	639	-6.9%
Buses	243	252	-3.6%

PORT AUTHORITY PULSE (Seasonally Adjusted, 2010=100)	Mar '13	Feb '13	Change
PA Pulse (Transportation Activity Index)	95.6	95.8	-0.2%
PA Freight Pulse	93.3	94.5	-1.3%
PA Passenger Pulse	97.9	97.1	0.8%

U.S. TRANSPORT. SERVICES INDEX (Prelim., Seasonally Adj., 2000=100)	Mar '13	Feb '13	Change
TSI - Combined Index	114.4	114.1	0.3%
TSI - Freight	113.7	113.3	0.3%
TSI - Passenger	116.1	115.8	0.2%

TRANSPORTATION **FOCUS**

Truck Patterns at Hunts Point, Bronx NY

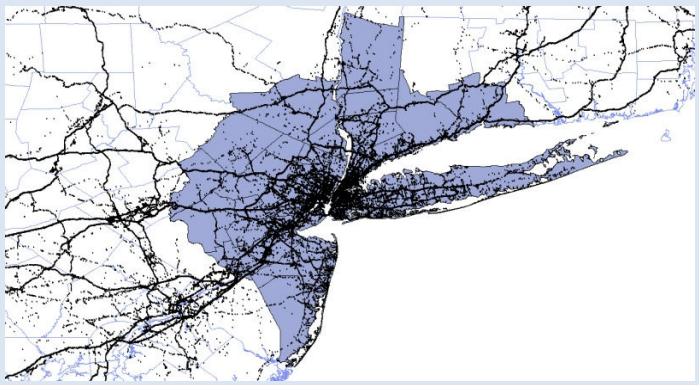
Hunts Point Food Distribution Center, the largest in the nation, handles produce, meat, fish, and specialty food products. These commodities are highly perishable, and therefore require fast and reliable transportation. Although the center's location was chosen in part due to its access by highway, rail, and water, trucking has become the dominant mode serving the Hunts Point area due to its relatively high speed and flexbility. The environmental, health, and safety impacts of truck traffic on the local transportation network has been a matter of ongoing concern for the community.

A better understanding of the truck activity generated at Hunts Point from a regional perspective would shed light on the potential for serving the area with alternative goods movement strategies. A previous NYSDOT study indicated that about 44% of the trucks in/out of Hunts Point are large trucks. Here we focus on the activities of large trucks serving Hunts Point, based on data from the American Truck Research Institute.

The trucks selected from the ATRI truck database were those that travelled in the 28-county NY/NJ Metro region during the week from May 2 to May 8, 2011. As described in the December 2012 edition of this newsletter, these trucks were traced for a three week period surrounding this selection week. Of the total 17,291 unique trucks in the dataset, 426 (2.5%) visited Hunts Point at least once in this period, and 300 of these (70%) specifically visited the food distribution center. The map below shows the GPS location reads generated by these Hunts Point trucks in the NY/NJ Metro region.

Of the 426 trucks visiting Hunts Point, about 11.5% of them returned to the peninsula more than once per week. Only 8% were local trucks that never traveled outside of the 28-county NY/NJ Metro region over the three week period. At some point in the study period, about 38% of the trucks visited Long Island, 98% of the trucks crossed the Hudson River, and 38% used the George Washington Bridge. Many of the trucks traveled quite long distrances over this period: 9% visited the Pacific coast states; 47% visited New England and 3.3% visited both the west coast states and New England. In addition, 11% visited Florida, and 5.4% visited both FL and New England.

The majority of the trucks in the ATRI sample serve long distance markets , and 85% are large trucks, so these results may not be representative of the overall truck patterns at Hunts Point. However, they do provide some useful insights into the geography covered by many of the larger trucks visiting the site, as well as the nature and utility of the ATRI dataset for local analysis.



Port Authority of NY & NJ
Planning & Regional Development Department
233 Park Avenue South, 11th Floor
New York, NY 10003

Alexander Heil, Ph.D., Chief Economist; aheil@panynj.gov
Graciela Ramirez, Input-Output Modeling & Regional Economics
Mark Seaman, Cost-Benefit Analysis & World Economy
Andrew Liebowitz, Forecasting
Huajing Shi, Ph.D., Transportation Indicators Page