

**IMPACT OF THE
PROPOSED CITY OF
HOUSTON TRUCK PERMIT
ORDINANCE FOR
HIGH-WIDE-HEAVY LOADS**

**Industry Meeting Group ~ City of Houston
Truck Permitting Ordinance Analysis**

**Port of Houston Authority
Trade Development Division**



Port of Houston Overview

- POH ~ 212 million tons of cargo handled 2005
 - Largest foreign tonnage port in U.S.
 - Largest import tonnage port in U.S.
 - 2nd largest total tonnage port in U.S.
- PHA handles roughly 14% of POH tonnage
 - 24 million tons of “general” cargo in 2006
 - HWH loads are primarily classified as general cargo

2006 Port of Houston Economic Impacts

- 785,049 Jobs in the State of Texas
- \$117.6 Billion of Total Economic Activity in the State of Texas
- \$39.3 Billion of Total Personal Income and Consumption Expenditures
- \$3.7 Billion of State and Local Taxes
- **As POH Grows ~ Houston Grows!**

Source: Martin Associates 2006 Economic Impact Study

TRUCK PERMITTING ORDINANCE ANALYSIS ~ AUGUST 29, 2007

Port of Houston Authority Overview

- PHA's continued growth is dependent upon shippers' perspectives of POH & Houston market
 - Competitiveness, flexibility, and cargo handling capabilities
 - Price competitiveness and transit efficiencies
- Maritime cargo handling is a highly competitive thin-margin industry

Truck Permitting Ordinance Analysis

- Multivariate and iterative analysis
 - Input from trucking firms, stevedore firms, cargo handlers
 - Input and review of findings from industry experts
 - Center for Transportation Research
 - Texas Transportation Institute
 - Martin Associates
 - Internal PHA expertise
- Assessment of economic impact of proposed ordinance
 - Jobs
 - Personal Wages
 - Business Revenues
 - State & Local Taxes
 - Competitiveness of Houston / Port

Truck Permitting Ordinance Impacts

Preliminary Analysis of Impact of Proposed HWH Truck Permit Fees on Houston Economy

2008 Estimated HWH Permits 80,000
 2008 Estimated Port of Houston 21.7500% 17,400

	Percent	Permit Count	Fee	Annual Impact to Workers' Revenue
Overweight - Single Trip	17.725%	3,084	145	447,202
Overweight - 30 Day	9.350%	1,627	175	284,708
Overweight - 60 Day	5.200%	905	350	316,680
Overweight - 90 Day	4.250%	740	525	388,238
Overweight - Super Heavy	2.105%	366	830	304,004
Overweight - Annual	4.870%	847	1,875	1,588,838
Mobile Crane - Single Trip	0.013%	2	145	315
Mobile Crane - 30 Day	1.050%	183	190	34,713
Mobile Crane - 60 Day	0.003%	0	320	139
Mobile Crane - 90 Day	0.002%	0	470	202
Mobile Crane - Annual	0.001%	0	950	165
Overlength or Overwidth - Single Trip	16.450%	2,862	95	271,919
Overlength or Overwidth - 30 Day	5.150%	896	135	120,974
Overlength or Overwidth - 60 Day	8.250%	1,436	270	387,585
Overlength or Overwidth - 90 day	5.120%	891	405	360,806
Overlength or Overwidth - Annual	7.470%	1,300	1,500	1,949,670
Overheight - Single Trip	2.210%	385	185	71,140
Semi-Annual Package Permit	3.160%	550	2,035	1,118,924
Annual Package Permit	8.187%	1,425	2,035	2,898,935
	100.566%	17,498		10,545,156

high case estimate

TRUCK PERMITTING ORDINANCE ANALYSIS ~ AUGUST 29, 2007

Truck Permitting Ordinance Impacts

Preliminary Analysis of Impact of Proposed HWH Truck Permit Fees on Houston Economy

2008 Estimated HWH Permits		80,000		
2008 Estimated Port of Houston	18.6200%	14,896		
		Permit		Annual Impact to
	<u>Percent</u>	<u>Count</u>	<u>Fee</u>	<u>Workers' Revenue</u>
Overweight - Single Trip	17.725%	2,640	145	382,846
Overweight - 30 Day	9.350%	1,393	175	243,736
Overweight - 60 Day	5.200%	775	350	271,107
Overweight - 90 Day	4.250%	633	525	332,367
Overweight - Super Heavy	2.105%	314	830	260,255
Overweight - Annual	4.870%	725	1,875	1,360,191
Mobile Crane - Single Trip	0.013%	2	145	270
Mobile Crane - 30 Day	1.050%	156	190	29,718
Mobile Crane - 60 Day	0.003%	0	320	119
Mobile Crane - 90 Day	0.002%	0	470	173
Mobile Crane - Annual	0.001%	0	950	142
Overlength or Overwidth - Single Trip	16.450%	2,450	95	232,787
Overlength or Overwidth - 30 Day	5.150%	767	135	103,564
Overlength or Overwidth - 60 Day	8.250%	1,229	270	331,808
Overlength or Overwidth - 90 day	5.120%	763	405	308,883
Overlength or Overwidth - Annual	7.470%	1,113	1,500	1,669,097
Overheight - Single Trip	2.210%	329	185	60,902
Semi-Annual Package Permit	3.160%	471	2,035	957,902
Annual Package Permit	8.187%	1,220	2,035	2,481,755
	100.565%	14,980		9,027,623

median case estimate

TRUCK PERMITTING ORDINANCE ANALYSIS ~ AUGUST 29, 2007

Truck Permitting Ordinance Impacts

- Immediate and adverse impact on businesses that center around the Port of Houston
- Impacts will likely be iterative and increasingly detrimental
- Detrimental business impacts will be trifurcated:
 - Trucking firms, cargo handlers and other workers
 - Importer / Exporter of goods
 - Competitive position of the State of Texas, City of Houston and the Port of Houston

Truck Permitting Ordinance Job Impacts

- Adverse impact to over 4,821 “direct jobs” will occur
 - Over 1,626 workers reside in Houston
 - Over 1,205 workers reside in “Other” Harris County
- Average annual salary of 4,821 direct workers is \$48,753
 - **\$235,038,213 at-risk “direct job” wages as a result of ordinance**
- Reliance of other workers on economic activity of 4,821 impacted direct workers
 - Negative impact to 5,117 indirect workers
 - Negative impact to 6,561 induced workers
 - **11,678 impacted indirect and induced workers**

Truck Permitting Ordinance Economic Impacts

- Jobs at risk of loss or workload / wage reduction
 - **16,499 “at risk” direct, indirect and induced workers**
- Economic Impact will be Extremely Significant to Houston, Harris County and The State of Texas
 - Personal Income of Direct Workers at Risk **\$ 235 Million**
 - Economic Impact of Workers **\$ 1.11 Billion**
 - **Total Adverse Economic Impact \$1.34 Billion**
- State & Local tax impact dependent upon economic activity of workers
 - **\$41.9 Million Tax Revenue “At-Risk”**

Truck Permitting Ordinance Impacts Summary

- Jobs at risk of loss or workload / wage reduction
- Economic impact will be extremely significant
- State & Local tax impact dependent upon economic activity of workers is at risk
- Competitive position of Port, City and State is compromised