



Partnership for New York City

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PARTNERSHIP STUDY DISCOVERS \$13+ BILLION IN ANNUAL COSTS TO THE METRO REGION ECONOMY DUE TO TRAFFIC CONGESTION

REGION LOSES AS MANY AS 52,000 JOBS EVERY YEAR

NEW YORK, December 4, 2006 - In a breakthrough study, the Partnership for New York City has identified more than \$13 billion a year in losses to the New York Metropolitan Region's economy that are a direct result of traffic congestion. The report issued by the Partnership today concludes that existing transportation and road systems are inadequate to accommodate the region's growing population and continued economic expansion, resulting in the loss of as many as 52,000 new jobs every year.

According to the Partnership, the traffic problem will only grow as Manhattan-bound traffic moving through the region increases by more than 20 percent over the next two decades.

"Busy streets are signs of our region's economic health. But the level of traffic congestion in New York City has now passed the tipping point and is causing serious damage to virtually every community and industry sector," said Partnership President and CEO Kathryn S. Wylde. "Left unchecked, excess congestion will stunt the economy's capacity for sustained growth and innovation in the years ahead."

For the report, *Growth or Gridlock? The Economic Case for Traffic Relief and Transit Improvement for a Greater New York*, the Partnership enlisted a team of private sector experts to explore the economic consequences of traffic congestion and the possible remedies. HDR Decision Economics and the PB Consult unit of Parsons Brinckerhoff provided major contributions to the report.

Findings of the Partnership study include:

- The primary cause for traffic congestion across the city and the region is the density of economic activity in the Manhattan Central Business Districts, which drive a \$901 billion regional economy.

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- 3.6 million people travel into Manhattan south of 60th Street each weekday, a third of them in cars, trucks or taxis.
- Delays endured by commuters, workers and other travelers annually cost some \$5 billion to \$6.5 billion in lost time and productivity and up to \$2 billion in wasted fuel and other vehicle operating costs.
- Traffic delays add to logistical, inventory and personnel costs that annually amount to an estimated \$1.9 billion in additional costs of doing business and \$4.6 billion in unrealized business revenue each year.
- There is a net loss in regional economic output of at least \$3.2 to \$4 billion annually due to loss of productivity, with the greatest losses concentrated in Manhattan, New Jersey and Long Island.
- Other world cities, many of which are competitors with New York for business investment and job creation, are moving aggressively to reduce the burden that traffic places on economic activity.

“Businesses, individuals and communities across New York City and the region suffer from through traffic that is trying to move toward or away from Manhattan’s super-charged center of commerce, tourism and dense residential activity,” Wylde said. “We must move quickly to consider all potential solutions and to ultimately adopt a comprehensive program of traffic relief and congestion management. The cost of doing nothing about the problem is simply too great for the city and the region.”

While the Partnership does not take a position in the report on how to solve the congestion problem, it seeks to make the case for the city to obtain available federal aid to undertake a comprehensive feasibility study of congestion-relief strategies, focusing on best practices around the world.

According to the Partnership report, potential options that merit further study include:

- Better design and management of freight loading facilities;
- Improved regulation and increased pricing for on-street parking;
- New and upgraded bus, ferry and commuter rail services;
- Charges for vehicle use of certain roads and for entry into highly congested zones.

“Although government is making improvements in mass transit, traffic management and parking regulation, excess congestion continues to grow. The historic response to heavy traffic - building new highways and road capacity - is not an option here,” Wylde concluded. “To maintain economic growth, we must examine all available remedies and tailor a solution that reflects the region’s complexity and is fair and practical for all New Yorkers.”

The Partnership’s full report is available on its web site at www.pfnyc.org.

The Partnership for New York City (www.pfnyc.org) is a network of business leaders dedicated to enhancing the economy of the five boroughs of New York City and maintaining the city’s position as the center of world commerce, finance and innovation.

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