# NY's Ports Booming, But High Costs Of Security Are Eroding Gains

by Gotham Gazette Staff
Tuesday, August 16, 2005 12:00 AM -

By PATRICK McGEEHAN Published: August 16, 2005, NY Times

Although the ports of New York and New Jersey have improved their productivity to handle a rising flow of imports, their increased security costs since 9/11 have eroded some of the gains, according to a study released yesterday.

The ports have been booming as they attract a larger share of the goods bound for the Northeast from China and other foreign countries.

But despite huge investments in machinery and computers to improve their efficiency, terminal operators have been hiring at an equally fast pace, according to the report, the first independent study of local port activity since 2001.

The study was commissioned by the New York Shipping Association, whose offices were in the World Trade Center and are now in Iselin, N.J.

The number of jobs at cargo terminals in the ports has increased by more than 29 percent, rising to 20,947 in 2004 from 16,232 in 2000, the report shows.

The volume of cargo flowing through the port increased 27 percent, to 99.9 million tons from 78.6 million tons in 2000.

The growth in productivity in recent years was offset partly by the hiring of additional security guards to screen cargo and workers, the report said.

Frank M. McDonough, president of the association, whose members are shipping companies, terminal operators and stevedores, said they had added about 300 security workers.

The study found that cargo movements through the ports directly supported the equivalent of 122,550 jobs in the region and were indirectly responsible for almost as many jobs in other

industries, including wholesale trades, banking and insurance.

The study estimated that the direct and indirect jobs resulted in $12.6 billion in income annually and contributed $5.8 billion in taxes.

It was conducted by researchers at Rutgers University and A. Strauss-Wieder, a consulting firm in Westfield, N.J.

The biggest increases in employment have been in the warehouses and distribution facilities in northern New Jersey, Mr. McDonough said.

Those facilities, way stations for the goods unloaded off ships before they land on store shelves, have added 23,000 jobs since 2000, he said.

Mr. McDonough said the number of stevedores has declined slightly to 2,495, with average salaries of $87,000 a year. About 15 percent are women.

Security has become a big expense since 9/11 as operators like Maher Terminals have had to install radiation portals to check every outgoing cargo container for explosives.

Maher, a family-owned company, is installing a system of gates at its terminal in Elizabeth, N.J., to speed checks on each container and driver entering or leaving the waterfront, said Sam Crane, Maher's vice president for external affairs.

But it will still take at least 35 minutes and, during busy periods, more than an hour, for a truck to drop off an outgoing container and pick up an incoming one, he said.

div> Â