Visit: www.pieresearch.com

PSA

Infrastructure Advocacy
& Education Organization

PSA - IAEO December 2015 Infrastructure Update

First Fully Funded, Long-Term Surface Transportation Bill in Ten Years

President Obama signed into law a five-year transportation infrastructure bill earlier in December, titled "Fixing America's Surface Transportation Act" (FAST Act). The measure will invest $61 billion in public transportation systems, and more than $300 billion in the nation's surface transportation infrastructure, an increase of 11 percent over five years. Overall, the FAST Act largely maintains current program structures and funding shares between highways and transit.

The law also makes changes and reforms to many Federal transportation programs, including streamlining the approval processes for new transportation projects, providing new safety tools, and establishing new programs to advance critical freight projects.

Below is a more detailed summary of some FAST Act provisions, courtesy of the Department of Transportation:

PROJECT DELIVERY: DOT has been a leader in reducing the bureaucratic red tape that can stall and delay critical transportation projects from moving forward. The FAST Act adopted a number of Administration proposals to further speed the permitting processes while still protecting environmental and historic treasures and codifying the online system to track projects and interagency coordination processes.

FREIGHT: The FAST Act would establish both formula and discretionary grant programs to fund critical transportation projects that would benefit freight movements. These programs are similar to what the Administration proposed and will provide for the first time a dedicated source of Federal funding for freight projects, including multimodal projects. The Act emphasizes the importance of Federal coordination to focus local governments on the needs of freight transportation providers.

INNOVATIVE FINANCE BUREAU: The FAST Act establishes a new National Surface Transportation and Innovative Finance Bureau within the Department to serve as a one-stop shop for state and local governments to receive federal funding, financing or technical assistance. This builds on the work of the Department's Build America Transportation Investment Center and provides additional tools to improve coordination across the Department to promote innovative finance mechanisms. The Bureau is also tasked with responsibility to drive efficiency in the permitting process, consistent with our request to establish a dedicated permitting office.

TIFIA: The TIFIA Loan program provides important financing options for large projects and public-private partnerships. The FAST Act includes organizational changes that will provide an opportunity for important structural improvements with the potential to accelerate the delivery of innovative finance projects. However, FAST's cut to the TIFIA program could constrain growth in this area over the course of the bill.

SAFETY: The FAST Act includes authority sought by the Administration to prohibit rental car companies from knowingly renting vehicles that are subject to safety recalls. It also increased maximum fines against non-compliant auto manufactures from $35 million to $105 million. The law also will help bolster the Department's safety oversight of transit agencies and also streamlines the Federal truck and bus safety grant programs, giving more flexibility to States to improve safety in these areas. However, we know the bill also took a number of steps backwards in terms of the Department's ability to share data with the public and on the Department's ability to exercise aggressive oversight over our regulated industries.

TRANSIT: The FAST Act includes a number of positive provisions, including reinstating the popular bus discretionary grant program and strengthening the Buy America requirements that promote domestic manufacturing through vehicle and track purchases.

LADDERS OF OPPORTUNITY: The Act includes a number of items that strengthen workforce training and improve regional planning. These include allocating slightly more formula funds to local decision makers and providing planners with additional design flexibilities. Notably, FAST makes Transit Oriented Development (TOD) expenses eligible for funding under highway and rail credit programs. TOD promotes dense commercial and residential development near transit hubs in an effort to shore up transit ridership and promote walkable, sustainable land use.

Other FAST ACT Provisions of Note

Though the FAST ACT focuses on transportation and highways, the bill contains two other important provisions.

First, it removes a paragraph in the Water Resources Reform and Development Act of 2014 that prevented cities from using tax-exempt municipal bonds to match U.S. Treasury-backed loans for up to 51% of project funding under the Water Infrastructure Financing and Innovation Act. This language placed unnecessary restrictions on funding and would have made it more difficult for critical water projects to move forward.

Second, the bill reauthorizes the Export-Import Bank (EXIM) through fiscal year 2019. EXIM is an independent Executive Branch agency that supports U.S. jobs by facilitating the export of goods and services through funding assistance when private-sector lenders are unable or unwilling to provide financing. It helps level the playing field for U.S. companies engaged in international commerce. What's more, EXIM generates money that actually helps to reduce the federal deficit. Over the past 20 years, it has generated nearly $7 billion more than the cost of its operations.

2015 U.S. Water Industry Outlook

The WeiserMazars Water Group recently released its third edition of the U.S. Water Industry Outlook. WeiserMazars LLP is an international accounting, audit, tax and advisory services organization with nearly 14,000 professionals located around the world.

The 2012 and 2014 Water Industry Outlooks also identified aging infrastructure as a key challenge for the industry, along with talent attraction & retention and regulatory compliance.

Other key takeaways from the 2015 report:

• The majority of respondents also cited the need to simplify the rate approval process.
• Tariff increases drove growth, with technical expertise and competitive pricing being significant success factors.
• The majority of respondents also said that financing was readily available and accessible.
• The top rated industry trends were privatization, partnerships, and acquisitions.

The 2015 survey found that the water industry is increasingly technology focused, viewing technology and innovation as the means to address its challenges. Interestingly, respondents indicated that the main drivers for investments in technology are the replacement of aging infrastructure, the reduction of operating costs and compliance with regulation.

You can read the full report at:
http://www.weisermazars.com/media/Water%20Industry%202015.pdf

70% of Americans Support Increased Federal Funding For Public Transit

A new national survey reveals that more than 7 in 10 Americans support increased federal funding for the nation's public transportation systems, including those that serve small cities, towns, and large urban areas. The survey was conducted by ORC International for the American Public Transportation Association (APTA) and it shows support for increased funding for public transit is consistent across communities of all sizes.

Support for increased public transportation funding was also seen across age groups and political affiliations, with some of the highest numbers among Millennials ages 18 – 34 (77%) and individuals age 65 and older (76%).

Owning or having access to a private vehicle does not diminish public transit support across the nation, with 71% of car owners reporting that they want to see more federal investment in public transportation in both large and small communities. In addition, a majority (56%) of respondents said public transit is important in attracting and retaining employers in their community.

When asked about the types of public transit survey respondents are familiar with in their community, they noted scheduled bus (57%), van/buses for persons with disabilities (51%), passenger train (40%), inter-state bus (37%), commuter vanpools (27%), trolleys (20%) and ferries (19%).

$40 Million Smart City Challenge

The U.S. Department of Transportation announced a Smart City Challenge to create a fully integrated, first-of-its-kind city that uses data, technology and creativity to shape how people and goods move in the future. The winning city will be awarded up to $40 million from the U.S. DOT (funding subject to future appropriations) to implement bold, data-driven ideas by making transportation safer, easier, and more reliable. Additionally, Paul G. Allen's Vulcan Inc., has announced its intent to award up to $10 million to the U.S. DOT winner of the Smart City Challenge.

USDOT is kicking off its Smart City Challenge today by inviting cities to submit a high-level description of their vision of a Smart City by February 4, 2016, consistent with the Notice of Funding Opportunity. U.S. DOT will then announce five finalists in March 2016, who will then compete for up to $40 million to be awarded to one city in June 2016.

To learn more about the Smart City Challenge or to explore joining as a partner organization, visit www.transportation.gov/smartcity.

Consolidated Appropriations Act, 2016

On December 18, 2015 President Obama signed into law the "Consolidated Appropriations Act, 2016" which provides fiscal year 2016 full-year appropriations funding for all agencies through September 30, 2016 -- thus avoiding another government shutdown.

Continued Growth Forecasted for the Construction Industry in 2016

Associated Builders and Contractors (ABC) forecasts a continued steady economic recovery for the U.S. commercial and industrial construction industries in 2016. Despite a weak global economy, the industry's solid economic recovery in 2015 should continue in 2016, led by strong consumer spending.

"As the mid-phase of the economic recovery continues, ABC forecasts growth in nonresidential construction spending of 7.4 percent next year along with growth in employment and backlog," said ABC Chief Economist Anirban Basu. "The mid-phase of the recovery is typically the lengthiest part and ultimately gives way to the late phase, when the economy overheats. The current recovery could end up challenging the lengthiest recovery in U.S. history, which lasted 120 months between March 1991 and March 2001.

"ABC's leading indices each suggest that 2016 will be another solid year for the typical U.S. nonresidential construction firm," said Basu. "ABC's Construction Confidence Index encompasses expectations with respect to hiring, profit margins and projected sales growth.

Basu's full forecast is available in the December edition of ABC's Construction Executive magazine - http://www.constructionexec.com/Articles/tabid/3837/entryid/4707/2016-economic-outlook.aspx, along with the regional outlook for commercial and industrial construction by economist Bernard Markstein, Ph.D.

End of the Line for Keystone XL Pipeline Permit

Arguing that approval would undermine the U.S. effort to curb greenhouse gases, President Obama announced that his administration will not issue a permit for the construction of the controversial Keystone XL pipeline. With the main

Democratic Presidential candidates also opposed to the pipeline, the project could be revived only if the Republicans won the White House and TransCanada reapplied for the pipeline permit.

FAA Announces Drone Registration Rule

The U.S. Department of Transportation's Federal Aviation Administration (FAA) announced a streamlined and user-friendly web-based aircraft registration process for owners of small unmanned aircraft (UAS) weighing more than 0.55 pounds (250 grams) and less than 55 pounds (approx. 25 kilograms) including payloads such as on-board cameras.

Registration is a statutory requirement that applies to all aircraft. Under this rule, any owner of a small UAS who has previously operated an unmanned aircraft exclusively as a model aircraft prior to December 21, 2015, must register no later than February 19, 2016. Owners of any other UAS purchased for use as a model aircraft after December 21, 2015 must register before the first flight outdoors. Owners may use either the paper-based process or the new streamlined, web-based system. Owners using the new streamlined web-based system must be at least 13 years old to register.

Owners may register through a web-based system at www.faa.gov/uas/registration.

Registrants will need to provide their name, home address and e-mail address. Upon completion of the registration process, the web application will generate a Certificate of Aircraft Registration/Proof of Ownership that will include a unique identification number for the UAS owner, which must be marked on the aircraft. Owners using the model aircraft for hobby or recreation will only have to register once and may use the same identification number for all of their model UAS. The registration is valid for three years.

The normal registration fee is $5, but in an effort to encourage as many people as possible to register quickly, the FAA is waiving this fee for the first 30 days (from Dec. 21, 2015 to Jan 20, 2016).

The online registration system does not yet support registration of small UAS used for any purpose other than hobby or recreation – for example, using an unmanned aircraft in connection with a business. The FAA is developing enhancements that will allow such online registrations by spring of 2016.
The full rule can be viewed here:
www.faa.gov/news/updates/media/20151213_IFR.pdf

Latest Economic Indicators at a Glance

Annual Employment Report

Total nonfarm payroll employment increased by 211,000 in November, and the unemployment rate was unchanged at 5.0 percent. Job gains occurred in construction, professional and technical services, and health care. Mining and information lost jobs.

Construction Employment

Construction employment expanded by 46,000 net new jobs in November after adding 34,000 jobs in October, according to an analysis provided by Associated Builders and Contractors Chief Economist Anirban Basu. Nonresidential construction employment increased by 9,300 jobs in November after adding 19,400 jobs during the prior month (revised downward from 20,100). The residential construction sector added 32,100 positions in November after adding just 8,500 jobs in October.

In the aggregate, construction employment increased by 0.7 percent for the month, more than in any other industry. Leisure and hospitality was a distant second at 0.3 percent. The construction industry's unemployment rate was unchanged, holding steady at 6.2 percent in November.

"Today's jobs release clearly shows that various construction segments continue to gain momentum and that contractors will continue to scramble to secure properly trained human capital," said Basu. ". The combination of November's strong performance and the upward revision to job creation estimates for prior months tells us that the brief slowdown in economy-wide hiring during the late summer is no longer a source of significant concern and serves as confirmation that the Federal Reserve will begin raising rates later this month.

"There are a number of additional implications," said Basu. "One is that construction wage pressures will continue to build in 2016. Construction is hardly alone, with a growing roster of industries reporting hiring challenges. It has now become quite common for corporations to shut down operations in smaller communities because of an inability to properly staff offices or other facilities.

"One of the most interesting aspects of today's report was additional evidence of public sector support for nonresidential construction's recovery," said Basu. "A year ago, the segment's recovery was almost entirely driven by expansion in private funding for construction projects. With state and local government finances improving, the nonresidential construction sector has acquired an additional source of momentum. This is reflected in part in the 4,600 jobs added in the heavy and civil engineering segment in November."

- Nonresidential building construction employment grew by 100 jobs in November and is up by 13,600 jobs or 1.9 percent on a yearly basis.

- Residential building construction employment expanded by 6,300 jobs in November and is up by 26,400 jobs or 3.9 percent on a year-over-year basis.
- Nonresidential specialty trade contractors added 9,200 jobs for the month and employment in that category is up by 91,600 jobs or 4.1 percent from the same time one year ago.
- Residential specialty trade contractors added 25,800 net new jobs in November and have added 101,700 jobs or 6.0 percent since November 2014.
- The heavy and civil engineering construction segment added 4,600 jobs in November and is up by 26,000 positions or 2.8 percent on a year-over-year basis.

Consumer Confidence

"Consumer confidence retreated in November, following a moderate decrease in October," said Lynn Franco, Director of Economic Indicators at The Conference Board. "The decline was mainly due to a less favorable view of the job market. Consumers' appraisal of current business conditions, on the other hand, was mixed. Fewer consumers said conditions had improved, while the proportion saying conditions had deteriorated also declined. Heading into 2016, consumers are cautious about the labor market and expect little change in business conditions."

Consumers' assessment of current conditions was less positive in November. Those saying business conditions are "good" decreased from 26.8 percent to 24.4 percent. However, those claiming business conditions are "bad" also decreased from 18.3 percent to 16.9 percent. Consumers were less upbeat about the current state of the job market. Those stating jobs are "plentiful" decreased from 22.7 percent to 19.9 percent, while those claiming jobs are "hard to get" increased to 26.2 percent from 24.6 percent.

Gross Domestic Product (GDP)

Real gross domestic increased at an annual rate of 2.0 percent in the third quarter of 2015, according to the "third" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 3.9 percent.

Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) was unchanged in November on a seasonally adjusted basis. Over the last 12 months, the all items index increased 0.5 percent before seasonal adjustment.

The indexes for energy and food declined in November, offsetting an increase in the index for all items less food and energy and resulting in the seasonally adjusted all items index being unchanged. The energy index fell 1.3 percent, with all of the major component indexes declining except electricity. The food index fell 0.1 percent, as the index for food at home fell 0.3 percent, with five of the six major grocery store food group indexes declining.

The index for all items less food and energy rose 0.2 percent in November, the same increase as in September and October. The indexes for shelter, medical care, airline fares, new vehicles, and tobacco were among the indexes that rose in November. In contrast, the indexes for recreation, apparel, household furnishings and operations, and used cars and trucks all declined.

The all items index rose 0.5 percent over the last 12 months; this is the largest 12-month increase since the 12-month period ending December 2014. The food index rose 1.3 percent over the span, while the energy index declined 14.7 percent. The index for all items less food and energy rose 2.0 percent, its largest 12-month increase since the 12 months ending May 2014.

Producer Price Index

The Producer Price Index for final demand increased 0.3 percent in November, seasonally adjusted. Final demand prices decreased 0.4 percent in October and 0.5 percent in September. On an unadjusted basis, the final demand index fell 1.1 percent for the 12 months ended in November, the tenth consecutive 12-month decline.

Productivity and Costs

Nonfarm business sector labor productivity increased at a 2.2-percent annual rate during the third quarter of 2015 as output increased 1.8 percent and hours worked decreased 0.3 percent. (All quarterly percent changes in this release are seasonally adjusted annual rates.) The decline in hours worked was the first decline in this series since a 4.8-percent decline in the third quarter of 2009. From the third quarter of 2014 to the third quarter of 2015, productivity increased 0.6 percent, reflecting increases in output and hours worked of 2.5 percent and 1.9 percent, respectively.

Labor productivity, or output per hour, is calculated by dividing an index of real output by an index of hours worked of all persons, including employees, proprietors, and unpaid family workers. Measures released today are based on more recent source data than were available for the preliminary report.
Unit labor costs in the nonfarm business sector increased 1.8 percent in the third quarter of 2015, reflecting a 4.0-percent increase in hourly compensation and a 2.2-percent increase in productivity. Unit labor costs increased 3.0 percent over the last four quarters.

Factory Orders

New orders for manufactured durable goods in November increased $0.1 billion or virtually unchanged to $238.8 billion. This increase, up two consecutive months, followed a 2.9 percent October increase. Excluding transportation, new orders decreased 0.1 percent. Excluding defense, new orders decreased 1.5 percent.

Transportation equipment, also up two consecutive months, drove the increase, $0.3 billion or 0.4 percent to $82.2 billion.

Employment Cost Index

Compensation costs for civilian workers increased 0.6 percent, seasonally adjusted, for the 3-month period ending in September 2015. Wages and salaries (which make up about 70 percent of compensation costs) increased 0.6 percent, and benefits (which make up the remaining 30 percent of compensation) increased 0.5 percent.

Civilian Workers

Compensation costs for civilian workers increased 2.0 percent for the 12-month period ending in September 2015. In September 2014, compensation costs increased 2.2 percent. Wages and salaries increased 2.1 percent for the current 12-month period, unchanged from the 12-month period ending in September 2014. Benefit costs increased 1.8 percent for the 12-month period ending in September 2015. In September 2014, the increase was 2.4 percent.

Private Industry Workers

Compensation costs for private industry workers increased 1.9 percent over the year, slowing from the previous year's increase of 2.3 percent. Wages and salaries increased 2.1 percent for the current 12-month period. The increase for the 12-month period ending in September 2014 was 2.3 percent. The increase in the cost of benefits was 1.4 percent for the 12-month period ending in September 2015, lower than a year earlier when the increase was 2.3 percent. Employer costs for health benefits increased 3.0 percent over the year. In September 2014, the increase was 2.6 percent. Among occupational groups, compensation cost increases for private industry workers for the 12-month period ending in September 2015 ranged from 1.5 percent for natural resources, construction, and maintenance to 2.3 percent for production, transportation, and material moving occupations.

Among industry supersectors, compensation cost changes for private industry workers for the current 12-month period ranged from -1.1 percent for information to 2.4 percent for trade, transportation, and utilities.

State and Local Government Workers

Compensation costs for state and local government workers increased 2.3 percent for the 12-month period ending in September 2015. In September 2014, the increase was 2.1 percent. Wages and salaries increased 1.8 percent for the 12-month period ending in September 2015, and a year earlier the increase was 1.6 percent. Benefit costs increased 3.0 percent in September 2015, unchanged from the 12-month period ending in September 2014.

Real Earnings

Real average hourly earnings for all employees increased 0.1 percent from October to November, seasonally adjusted. This result stems from a 0.2 percent increase in average hourly earnings, combined with no change in the Consumer Price Index for All Urban Consumers (CPI-U).

Real average weekly earnings decreased 0.2 percent over the month due to the increase in real average hourly earnings, combined with a 0.3-percent decrease in the average workweek.

Real average hourly earnings increased 1.8 percent, seasonally adjusted, from November 2014 to November 2015. The increase in real average hourly earnings, combined with a 0.3-percent decrease in the average workweek, resulted in a 1.6-percent increase in real average weekly earnings over this period.

Construction Spending

Construction spending during October 2015 was estimated at a seasonally adjusted annual rate of $1,107.4 billion, 1.0 percent above the revised September estimate of $1,096.6 billion. The October figure is 13.0 percent above the October 2014 estimate of $979.6 billion.

During the first 10 months of this year, construction spending amounted to $888.1 billion, 10.7 percent above the $802.3 billion for the same period in 2014.

Spending on private construction was at a seasonally adjusted annual rate of $802.4 billion, 0.8 percent above the revised September estimate of $795.8 billion. Residential construction was at a seasonally adjusted annual rate of $399.0 billion in October, 1.0 percent above the revised September estimate of $395.0 billion. Nonresidential construction was at a seasonally adjusted annual rate of $403.4 billion in October, 0.6 percent above the revised September estimate of $400.8 billion.

In October, the estimated seasonally adjusted annual rate of public construction spending was $304.9 billion, 1.4 percent above the revised September estimate of $300.8 billion. Educational construction was at a seasonally adjusted annual rate of $69.2 billion, nearly the same as the revised September estimate of $69.2 billion. Highway construction was at a seasonally adjusted annual rate of $94.1 billion, 1.1 percent above the revised September estimate of $93.1 billion

Nonresidential Construction Spending

Nonresidential construction spending expanded in October for the third consecutive month (September's estimate was revised higher than August's) according to analysis of U.S. Census Bureau data released by Associated Builders and Contractors (ABC) today. Nonresidential construction spending totaled $701.8 billion in October on a seasonally adjusted annualized rate, a 1 percent increase on a monthly basis and an 11 percent increase on a yearly basis.

Private sector nonresidential construction spending added 0.6 percent for the month, reaching a total of $403.4 billion. Nonresidential spending in the public sector gained 1.4 percent from September, totaling $298.4 billion.

"The data tell a simple story: October was a strong month for nonresidential construction spending," said ABC Chief Economist Anirban Basu. "Interestingly, in October, publicly financed construction spending expanded more rapidly than private construction spending, representing a stark reversal from prior years when construction's recovery was motivated almost exclusively by private spending growth. There is reason to believe that public finances will continue to improve, which should help bolster nonresidential construction's fortunes into 2016.

"One could question, of course, what factors are driving positive construction spending outcomes and whether or not those factors will remain in place," said Basu. "Those are more complex questions, but even they can be answered with some degree of satisfaction. Construction spending continues to be supported by ongoing improvement in state and local government finances, inexpensive money, availability of both debt and equity to finance projects, growing demand for office and other forms of space, and added levels of confidence among key economic actors.

Spending increased in 10 of 16 nonresidential construction sectors on a monthly basis in October:

- Public safety-related spending expanded by 15.7 percent for the month but fell by 2.2 percent from October 2014.
- Conservation and development-related spending gained 12.2 percent on a monthly basis and 9.6 percent on a yearly basis.

- Spending in the communication category increased by 7.3 percent since September 2015 and 19.2 percent since October 2014.
- Manufacturing-related spending expanded by 3 percent month-over-month and 40.5 percent year-over-year.
- Spending the water supply category grew by 2.4 percent for the month and 4.6 percent since the same time last year.
- Health care-related spending grew 1.3 percent from September and 6.1 percent from October of last year.
- Highway and street-related spending expanded by 1.1 percent on a monthly basis and 6 percent on a yearly basis.
- Transportation-related spending grew 0.9 percent month-over-month and 4.2 percent year-over-year.
- Office-related spending inched 0.5 percent higher on a monthly basis and 15.3 percent higher on a yearly basis.
- Spending in the educational category expanded by 0.4 percent from September 2015 and 9.4 percent from October 2014.

Spending in six of the nonresidential construction subsectors fell in October on a monthly basis:

- Spending in the amusement and recreation category fell by 0.3 percent for the month but increased by 24.1 percent on a yearly basis.
- Lodging-related spending declined 0.4 percent on a monthly basis but gained 29.6 percent year-over-year.
- Commercial-related spending dipped 0.5 percent from September 2015 and 2.2 percent from October 2014
- Spending in the sewage and waste disposal category fell 0.7 percent on a monthly basis but expanded by 6.2 percent on a yearly basis.
- Power-related spending fell 1.9 percent for the month but is up 5.1 percent year-over-year
- Religious-related spending dipped 3.4 percent on a month-ago basis but is up 10.3 from the same time last year.

Construction Materials Prices

Construction input prices fell for the fifth consecutive month in November according to an analysis of the Bureau of Labor Statistics' Producer Price Index released today by Associated Builders and Contractors (ABC). Input prices fell 0.4 percent on a monthly basis and are down 4.2 percent on a year-over-year basis. Nonresidential construction prices behaved similarly, falling 0.5 percent month-over-month and 4.6 percent year-over-year. Only two of the 11 key input prices have risen since November 2014.

"There are many factors at work, all helping to push commodity prices lower," said ABC Chief Economist Anirban Basu. "These factors include a stronger U.S. dollar, weak economic performance among major emerging countries like China, Brazil and Russia, ongoing softness in economies in Europe, OPEC's recent decision to maintain high levels of output, elevated levels of oil and gas output from private companies wrestling with debt service payments and the impact of energy-saving technologies.

"For now, the world is glutted with key construction inputs ranging from steel and copper to oil and natural gas," said Basu. "While prices may stabilize during the months ahead, a sharp increase in input prices remains unlikely. With the Federal Reserve Bank contemplating interest rate increases in the near-term, the U.S. dollar could get even stronger in 2016, helping to further suppress input price inflation."

Only four key input prices rose in November on a monthly basis:

- Softwood lumber prices increased 2.4 percent on a monthly basis, but fell 4.6 percent on a yearly basis.
- Prices for prepared asphalt and tar roofing and siding products rose 2.4 percent from the previous month, but are 2.7 percent lower than at the same time one year ago.
- Plumbing fixtures and fittings prices were up 1.1 percent from October 2015 and 2.1 percent from November 2014.
- Concrete product prices rose 0.3 percent for the month and 2.9 percent on a year-over-year basis.

Seven key input prices fell in November on a monthly basis:

- Natural gas prices plunged 15.4 percent for the month and are 44 percent lower than at the same time one year ago.
- Crude petroleum prices fell 10.4 percent from October 2015 and are down 46.2 percent from November 2014.
- Crude energy materials prices slipped 9.2 percent during the month and are 36.9 percent lower than they were one year ago.
- Iron and steel prices dipped 3.7 percent for the month and 22.8 percent year-over-year.
- Prices for steel mill products fell 3.3 percent on a monthly basis and 18.4 percent on a yearly basis.
- Nonferrous wire and cable prices slid 0.8 percent month-over-month and 7.2 percent year-over-year.
- Prices for fabricated structural metal products fell 0.3 percent for the month and are 0.8 percent lower than at the same time one year ago.

Retail Sales

U.S. retail and food services sales for November, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $448.1 billion, an increase of 0.2 percent from the previous month, and 1.4 percent above November 2014. Total sales for the September 2015 through November 2015 period were up 1.7 percent from the same period a year ago. The

September 2015 to October 2015 percent change was unrevised from +0.1 percent.

Retail trade sales were up 0.2 percent from October 2015, and up 0.7 percent above last year. Nonstore retailers were up 7.3 percent from last year.

New Residential Sales

Sales of new single-family houses in November 2015 were at a seasonally adjusted annual rate of 490,000. This is 4.3 percent above the revised October rate of 470,000 and is 9.1 percent above the November 2014 estimate of 449,000.

The median sales price of new houses sold in November 2015 was $305,000; the average sales price was $374,900. The seasonally adjusted estimate of new houses for sale at the end of November was 232,000. This represents a supply of 5.7 months at the current sales rate.

New Residential Construction

Privately-owned housing units authorized by building permits in November were at a seasonally adjusted annual rate of 1,289,000. This is 11.0 percent above the revised October rate of 1,161,000 and is 19.5 percent above the November 2014 estimate of 1,079,000.

Single-family authorizations in November were at a rate of 723,000; this is 1.1 percent above the revised October figure of 715,000. Authorizations of units in buildings with five units or more were at a rate of 539,000 in November.

Privately-owned housing starts in November were at a seasonally adjusted annual rate of 1,173,000. This is 10.5 percent above the revised October estimate of 1,062,000 and is 16.5 percent above the November 2014 rate of 1,007,000.

Single-family housing starts in November were at a rate of 768,000; this is 7.6 percent above the revised October figure of 714,000. The November rate for units in buildings with five units or more was 398,000.

Privately-owned housing completions in November were at a seasonally adjusted annual rate of 947,000. This is 3.2 percent below the revised October estimate of 978,000, but is 9.2 percent above the November 2014 rate of 867,000.

Single-family housing completions in November were at a rate of 632,000; this is 0.3 percent above the revised October rate of 630,000. The November rate for units in buildings with five units or more was 306,000.

U.S. Trade Balance

The goods and services deficit was $43.9 billion in October, up $1.4 billion from $42.5 billion in September, revised. October exports were $184.1 billion, $2.7 billion less than September exports. October imports were $228.0 billion, $1.3 billion less than September imports.

The October increase in the goods and services deficit reflected an increase in the goods deficit of $2.1 billion to $63.1 billion and an increase in the services surplus of $0.6 billion to $19.2 billion.

Year-to-date, the goods and services deficit increased $22.2 billion, or 5.3 percent, from the same period in 2014. Exports decreased $84.7 billion or 4.3 percent. Imports decreased $62.5 billion or 2.6 percent.