

Decaying roads add to economic woes in U.S.

By Bob Tita, Barron's

America's road to recovery may face a costly detour due to a fraying transportation network.

One in nine of the country's 607,380 bridges are structurally deficient and 42% of the country's major urban highways are congested, according to an American Society of Civil Engineers estimate, the result of years of inadequate funding and deferred maintenance.

Trucks ship the bulk of the country's goods. But trucking companies and their customers complain those shipments are being rerouted—sometimes by hundreds of miles—or traveling at lower speeds over deteriorating or traffic-clogged highways. That causes higher costs for fuel, maintenance and other expenses, including drivers.

In some cases, the higher transportation costs end up on consumers. "We try to price our products to what our costs are," said Donald Maier, senior vice president of global operations for Lancaster, Pa.-based Armstrong World Industries Inc., which makes floor and ceiling tiles.

He said fully loaded truck trailers traveling to or from its Marietta, Pa., ceiling tile plant will have to use a 25-mile detour, mostly to avoid a two-lane state highway bridge over a tributary of the Susquehanna River that will no longer be rated to accommodate fully-loaded heavy-duty trucks. Armstrong projects the additional miles will add about \$200,000 to \$300,000 a year to the Marietta plant's transportation costs "These costs will get passed on to our distributors and it's a cost that will get passed on to the consumers too," Maier said.

The burden is greatest in industries and regions where heavy loads are the norm, such as steel, energy, construction and automotive. But the impact percolates through the broader economy as well. Inadequate surface transportation is projected to cost U.S. businesses \$430 billion more in operating expenses by 2020 and cause \$1.7 trillion in lost sales opportunities, according to the ASCE.

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