

U.S. economy hits a pothole

Rough, clogged roads take toll on businesses across America

BY DON LEE
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PROVIDENCE, R.I. — It was a beautiful May afternoon when Donnel Gomes took his week-old silver Mercedes for a spin into the city. He turned onto Broad Street and ... kaboom!

The car fell into a huge pothole, blowing its right tire, ripping the front axle and knocking out the air bag system. Cost: \$3,800.

"It was a wreck," says the 48-year-old electrician, although Gomes reckons he got off easy compared with a female motorcyclist he saw thrown into the air after hitting a crater. "A damn minefield," he says of many of Providence's roads.

Rhode Island has an unusually large share of shoddy highways, streets and bridges, but it's not much better in the rest of the country.

America's transportation infrastructure has fallen into such disrepair that it is weighing on the economy.

Consumers shell out billions of dollars for extra car repairs every year. Insufficient and poorly maintained roads mean costly bottlenecks for businesses that discourage expansion and hobble American companies competing in the global economy.

Nationally, congestion on major urban highways costs the economy more than \$100 billion a year in fuel and lost work time, estimates the American Society of Civil Engineers.

And, says Casey Dinges, the engineering group's senior managing director: "It's become a white-knuckle experience for many commuters."



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U.S. politicians decry the condition of infrastructure, but many are reluctant to raise taxes or boost tolls and user fees.

U.S. spending for transportation and other infrastructure accounts for 2.4 percent of its economy versus about 12 percent for China, said economist David Dollar, a former China director for the World Bank. Europe's infrastructure spending is about 5 percent.

Dollar says visiting Chinese officials and business leaders remark how surprised they are at America's declining infrastructure, sometimes asking whether they can help finance improvements.

American politicians, from President Barack Obama to small-town mayors, decry the deplorable condition of infrastructure, but many are reluctant to raise taxes or boost tolls and user fees to pay for road repairs and improvements.

maintain the status quo.

That's partly why the share of congested highways in U.S. cities has risen to more than 40 percent today from 25 percent in the early 1980s, according to the Transportation Department. Roads with "acceptable ride quality" fell to 82 percent in 2010 from 87 percent in 1995.

It's especially tough for states such as Rhode Island that have been lagging economically and depend greatly on Uncle Sam for transportation money. The federal highway program is funded by an 18.4 cents-per-gallon gas tax, but that hasn't budged since 1993. Now, the fund is on the verge of insolvency.

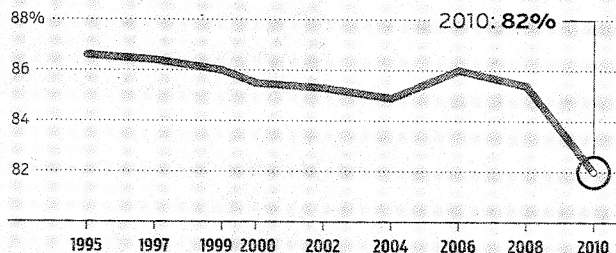
Congress came through this summer with a last-minute replenishment of money, but it'll only last until May — the legislative equivalent of repairing a pothole with a so-called cold patch, which usually

The measure of good pavement

The Highway Performance Monitoring System measures the effectiveness of road maintenance on highways and bridges. Pavement quality has a direct effect on vehicle maintenance costs, travel time and potential for road congestion.

OVERALL PAVEMENT RIDE QUALITY

Percentage of vehicle miles traveled on roads classified as good or acceptable



SOURCE: Federal Highway Administration

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only lasts a year or two.

New Englanders and those in tough-climate cities like Chicago are accustomed to swerving around potholes, depressions and other unsightly road hazards caused by nature's

freezing-and-thawing cycle and the salting of streets. After the brutal winter, New Jersey got nearly 10,000 reports of potholes in the year ended June 30, more than double the previous 12 months. Rhode Is-

land has paid drivers nearly triple the amount for pothole damage last winter and spring than it did a year earlier — and the state is still processing claims.

Stephen Cardi, 72, a third-generation construction contractor in Rhode Island, remembers when things were different.

He was a teenager when his father had a hand in the development of Interstates 95 and 295 in the 1950s and 1960s.

As these arteries opened up access to new lands, Cardi saw communities popping up around Providence, including Warwick, the suburb where his company is based.

Commerce improved almost immediately. Companies had greater flexibility to be located where they wanted.

They didn't have to rely on rail to transport goods; they could truck them to growing markets in the West.

In the past half century since major highways were completed, the country's population has doubled, to almost 320 million, but Cardi notes that the interstate system remains much as it was before. "They might have widened or added a lane, but not distance," he says, adding that inadequate infrastructure investment is "dragging the economy down."

Leonard Lardaro, an economics professor at the University of Rhode Island, agrees.

Rhode Island has persistently lagged other states in the recovery, with higher unemployment and slower job growth, and Lardaro says that's no coincidence. "Infrastructure is not unrelated to how we're doing," he says. "Those are investment-oriented activities. They generate future growth."

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