

"Blue Interstates" Could Save Firms Money

Waterways, ports and docks are getting stimulus money to help revive a greener way of hauling: over water.

By Jim Ostroff, Associate Editor, The Kiplinger Letter
January 7, 2009

Waterways and ports will get their share of the multibillion-dollar mega-infrastructure spending, alongside roads and bridges, that Congress will authorize early in the Obama administration as part of an economic stimulus initiative.

A new water highway plan is in the works, more than a half century after the interstates got rolling. Over the next year or so, the Department of Transportation will designate coastal areas, rivers and lakes across the nation as U.S. marine highway corridors and channel money into dredging, as well as repairing and enlarging river lock systems and shoring up dams.

The idea is to encourage businesses to shift their freight hauling from superhighways to water routes as part of the effort to reduce greenhouse gas emissions. The commitment will ensure that money continues to flow to waterways projects long after the economic stimulus winds down beyond its projected end in December 2010. Although it's unlikely that businesses will receive tax incentives to ship by water, using this route would help them avoid fees on carbon emissions that are expected to be levied on trucking firms and passed along to customers.

Water cargo transportation will be one component of President-elect Barack Obama's plan to reduce the nation's dependence on crude oil imports, along with increasing domestic oil production and developing non-fossil-fuel alternatives. A typical barge tow equals 1,050 truckloads of goods and uses only 25% as much fuel as big rigs.

Moving more goods by water also will help ease road congestion. Traffic snarls are a key issue for businesses that have seen shipping delays and freight costs mount as trucks get bogged down on interstates and suburban and city roadways.

The savings add up. "Roughly \$7 billion is saved each year [already] because goods move via inland waterways," says John Doyle, vice president of government affairs for Waterways Council Inc., a trade group. The savings could be 10 times this amount once the water highways are built out during the next decade or so.