



Cape Fear Firebird

The Light of Save the Cape

January 22, 2015

It seems to me that I've heard that song before.
~ Sammy Kahn and Jule Styne

Ports Puffery

The North Carolina State Ports Authority, in recent public statements, says that the State Ports:

- make a \$14 billion annual economic contribution to the State,
- support more than 76,000 jobs statewide, and
- generate more than \$700 million in State and local taxes.

Those statements suggest that the State Ports create those effects. But they do not. Those dollars and jobs and taxes are produced by international commerce, the goods moving through the ports. The production, distribution, and sale of those goods. But most of that commerce would occur *with or without the State Ports*. That is not disclosed in the statements, and that is reprehensible.

North Carolina is not an island; ports in neighboring states could handle our State's commerce quite handily. And do. Eighty percent of North Carolina's commerce moves through ports in other states now. Professor Woody Hall of UNCW, a participant in this and a prior similar study, said exactly that to the *Star News* about the earlier study: "It doesn't mean, however, that if the ports closed those ... jobs would necessarily go away." So what value do our Ports add?

The State Ports do provide some economic benefit relative to out-of-state ports: there are location and operational efficiencies for the 20% of the State's commerce the State Ports handle, and some commerce in the eastern part of the State would not exist but for proximity to the Ports.

An objective study would quantify those. But the study from which these figures are drawn is designed not for analysis but for promotion. The real economic impacts would not be adequate.

This snow job is frighteningly similar to claims made several years ago in support of the plan for a massive container terminal at Southport. That project fell with a thud, leaving a \$50 million dent in the State Ports' balance sheet and causing management to be banished to the outer darkness.

Now we see in the report developing the claims recited above an "opportunity for increased economic growth," a new Far East container service using vessels that would require a deeper and wider channel in the Cape Fear River. Estimated economic impacts: \$3.77 billion. From what? Poaching from other ports traffic that moves into and benefits our State anyway? Bogus benefits, to justify an exercise in bureaucratic hubris likely to cost \$500 million in State and Federal tax money.

"It's from an old familiar score."