



# Cape Fear Firebird

*The Light of Save the Cape*

February 12, 2011

*It doesn't mean, however, that if the ports closed those 65,000 jobs would necessarily go away.*

*–Woody Hall, UNCW Economist*

## ***Port's Puffery***

Yesterday, the North Carolina State Ports Authority released a statement that the State ports support 65,000 jobs, and that nearly \$500 million in taxes are due to activity supported by the ports. That seems to mean that the State ports create or cause those jobs. But it does not.

The Devil is in the details, and in this case, the meaning of the word “support.” Support does not mean “create.” Those jobs and revenues are the products of international commerce, not use of the State ports. North Carolina is not an island. North Carolina industries conduct international trade through many ports, in state and out. Indeed, 80% of North Carolina’s international commerce moves through ports in other states. The State ports provide a benefit of shorter landside trips for some imports and exports, but they don’t cause the imports and exports.

Here’s the source of the State Ports Authority’s claims, a source of much potential mischief:

The State Ports Authority commissioned a study by a team of university professors led by members of the Institute for Transportation Research and Education (ITRE) at NC State University. Woody Hall of UNCW, providing the forthright statement above to the *Star-News*, was a member of the team. His comment exposes the fatal flaw in the study.

The study report, “Economic Contribution of the North Carolina Ports,” was delivered to the State Ports Authority earlier this week and is posted on the Ports Authority Web site. The study employed IMPLAN, a software system to assess economic impacts of proposed public projects. Implicit in such analysis would be comparison with a “base case”—what would the numbers be with and without the project. Only such a comparison would yield meaningful results—the additional benefits that the State Ports provide compared with letting imports and exports would move through ports in neighboring states. But the ITRE report does not do that—it pretends other ports don’t exist.

The authors of the report are careful to use language such as “contribute” and “support.” They understand the subtleties and limitations of those terms. But those subtleties and limitations are quickly lost when the State Ports Authority makes its public statements and carries the story to Raleigh seeking funds to dredge the Cape Fear River. Or worse, to revive plans for the North Carolina International terminal in Southport.

Back in the day, we would call this a snow job.