



# Cape Fear Firebird

*The Light of Save the Cape*

March 15, 2012

*It was without compeer among swindles—rounded, symmetric, colossal.*  
-Mark Twain

## **Deepwatergate**

On February 15, the North Carolina Department of Transportation team conducting the Maritime Strategy Study posted a draft report showing the results obtained so far in this \$2 million project. [www.ncmaritimestudy.com](http://www.ncmaritimestudy.com). The study is bent. Crooked. Rigged to push forward enormous, foolish, wasteful, destructive projects. For whatever purpose, we do not know.

Here's how it's done. The study concludes with a benefit/cost analysis. That is a very good tool, properly used. Add up the costs of a project, add up the benefits, and compare. If the benefits exceed costs, well, on we go.

But for the projects we looked at, improvement of the Port of Wilmington to handle much larger vessels and the alternative, a new container port at Southport, the report understates costs by about 50%. Disregards cost estimates from previous reports, including the dredging estimates of the Corps of Engineers. We brought that to the attention of the study team, and were ignored.

But the most amazing, indeed clumsy, method used to rig the result is the inclusion, in both benefit and cost columns, of highway projects across the State "currently unfunded ..that should be considered to enhance access" to the port project being considered. That's from the report. They have added in the cost and benefit columns for port projects such things as US 74 upgrade to interstate standards between Rockingham and Laurinburg, and projects on the DOT wish list in Wake, Johnston, Durham, Randolph, Richmond, Scotland, and other counties across the State.

The costs of those are stupendous—in the billions—and weigh heavily in the cost column. But, oh, in the benefits column they really get a kick. They add in all the benefits to regular travelers—you and me—unrelated to the port. Travel time savings, reduced accident costs—very significant benefits also adding up to billions, but completely unrelated to the port projects.

For example, adding in highway network improvements bumps up the costs for an improved container terminal at Wilmington by \$2.6 billion. But the benefits they count are valued at \$5 billion. Those figures overwhelm the costs and benefits of the actual port improvements, and push the benefit/cost ratio up to where they want it. The report shows a ratio of 2.1, benefits more than double costs. But if we remove those highway figures and use more realistic estimates of cost, we find that the real benefit/cost ratio for the project is only 0.6—benefits are less than costs. We should get off the bus right here.

For the megaport at Southport, an honest counting of benefits and costs yields a benefit/cost ratio of 0.3—benefits only about one-third of costs. If this goes forward, we are being swindled.