

Comments on: **Corridor K Economic Development and Transportation Study: Final Report**

Much of the data reported appear to relate to the entire **inter**-regional area through which the proposed road will pass, rather than to those **intra**-regional areas [and businesses] that might more reasonably be expected to benefit from Corridor K [CK]. Many, probably most, businesses in the broader region might never expect to benefit from the road since they are already close to other existing and sufficient roads.

An example of this diffuse, non-focused data is the "Corporate Site Location Survey" cited on page 33. Much of the data reported and that note the importance of transportation costs, transport difficulties, etc. faced by businesses never actually link the respondents in question with the potential benefits of CK. We are told that the data rank "highway accessibility" as a major factor in site selection, but this would be true of most, if not all, businesses any where.

Also in this vein is Table A [introduced on p.39 and reported on pp.40,41]. Table A purports to show "opportunities" for jobs if "transportation barriers were removed." How were the numbers derived? What is the difference between 'potential attraction' and 'new opportunities'? What are the overall projected numbers of new jobs? And: What portion of the apparently scores of thousands of jobs reported in Table A would result from CK? We are not told.

In the Executive Summary on p. 2 [and also on pp.61-63] we are told--as THE major positive finding--that 7,000 jobs over 5 years might result from "an improved east-west highway **such as** CK". The study was not done by the contracted group [Wilbur Smith Associates] but by ERP/LEAP [?] and considered only the general concept of an east-west road, and **not** the site-specific impact of CK. Importantly, the overall consequence for job creation is a tiny, even minuscule, number of jobs in relative and absolute terms. Indeed, the report concedes as much: "Though the gains above may seem small when compared to the total number of existing jobs in the region..." [p62].

Also, having made much of the importance of manufacturing as a desirable sector, it is admitted that very few of the potential jobs would be in manufacturing...p.39...while most would be in the ubiquitous service sector, which would presumably rely less on transportation, tourism excluded.

More problematic for me is the Existing Business Transportation Survey [p.36 & see pp.135-39 for actual survey] that was directed toward regional businesses "in the region" [p.36]. I was unable to determine who designed the survey...but it appears that this might be the only piece of **primary data collection** done by Wilbur Smith Associates. The survey reports that 82% of the 114 businesses surveyed "said that a highway connecting SE TN and SW NC would benefit their business" [p.38] by lowering transport costs, etc. **Was this a random survey?** It appears that it was not. On the website page [p135] that introduced the survey to potential respondents one reads the following: "...the Chamber of Commerce in your community was asked to identify businesses in their area that may use the existing roadway...or...that might benefit from access to improved east-west roadway connections." Not only is this not a random survey of businesses, it more closely resembles intentional manipulation since those respondents sought were precisely those whom CK would benefit. Indeed, the surprising outcome is that an even higher proportion of 'sampled' businesses did not report benefits from such a road! On the basis of this nonrandom survey, one

could establish serious doubt regarding the representativeness of much of the other data from the survey, **especially if extrapolations were made** from these respondents to determine aggregate [quantitative] benefits or to assert other aggregate [qualitative] benefits in a narrative form. In this case, large over-estimations of benefits could clearly be expected.

Especially devoid of useful content for decision making is Section VI [CK Economic Development Strategic Plan pp84-90] which might be expected to provide some methodology and numbers. Instead it is a vapid mishmash of 'vision statement', 'core values', and generalized 'goals and action strategies' which have nothing to do with a concrete assessment of CK.

I would suggest reading the document in a way that highlights the **utter lack** of relevance of much of the data for determining the impact of Corridor K on jobs, transportation costs, etc.;

Also--and in light of the small number of jobs projected [7,000]--I would make much of the **opportunity costs** of the use of the funds for CK; that is, the same funds could be used to upgrade **existing** roads, rather than to open new roads or roads with obviously limited multiplier effects such as CK. Using funds for CK would have potentially very HIGH opportunity costs, implying that their use for other road projects would be the more socially beneficial investment.

Jon Jonakin, Professor of Economics  
Tennessee Technological University