DIRECTOR'S REPORT FOR MONTH OF MARCH, 2013 M. DURWOOD STEPHENSON, DIRECTOR

The month of March is a time of change. It represents endings and beginnings: the ending of winter and the beginning of spring. This year the transition has been slower than normal as the weather has not conformed to the calendar.

The Corridor Commission has witnessed change as we welcomed several new members with fresh eyes and new ideas; but, hopefully continued commitment to the primary agenda to improve the future of Eastern North Carolina.

In my February report, I cited the necessity of collaboration between urban and rural communities to improve our State. In a meeting with metropolitan mayors, Governor McCrory stressed to them the importance of communication with rural small-town neighbors in promoting commerce for both. We should continue to "court" our urban neighbors and provide evidence of the importance of connecting goods, services and people to our assets.

MAP-21, the first major transportation legislation in several years includes mandates for more restrictions on drivers convicted of DUI. North Carolina does not yet comply with those new requirements and is subject to loss of funds and penalty if State legislation is not enacted to bring our State into compliance. At last report 33 States, including North Carolina are under penalty by U.S. Department of Transportation.

On March 12, U.S. 70 Corridor Commission had first meeting of the year at new Woodmen Center in Kinston. The meeting was well attended as we welcomed several new Commission members.

Membership information as submitted to me at the time of the meeting indicated Carteret, Johnston and Wayne Counties had appointed the following individuals to serve on Corridor Commission:

Carteret County

Robin Comer David Whitlow Joan Pulley Tom Steepy

Johnston County

Frank Price **Donald Rains** Richard Hicks Ted Godwin

Wayne County

Chris Boyette Joe Daughtery Steve Keen Bill Pate

Craven and Lenoir County have not officially finalized their committee appointments, but are currently being represented by the following persons:

Craven County

Tom Mark Jack Veit, III Danny Walsh Vacant

Lenoir County

J. Mac Daughety Brian Lucas Mark Pope Vacant

Officers were elected for year 2013 as follows:

Chairman:

Robin Comer

Vice-Chairman:

J. Mac Daughety

Secretary/Treasurer: Frank Price

Division 2 Engineer, Neil Lassiter and Division 4 Engineer, John Rouse provided updates on key Corridor projects in their respective divisions. The minutes from that meeting provide summary of their reports.

Discussions continued on establishing independent non-profit legal structure for U.S. 70 Corridor Commission. Chairman Comer appointed a committee of 5 to meet with the Chairman, an attorney to be hired, and myself to finalize an agreement in accordance with membership wishes and Corridor agenda. Lack of legal structure has significantly delayed U.S. 70 Economic Impact Study; a document with increasing importance to mesh with Secretary Tata and Governor McCrory's emphasis on commerce in funding transportation is engaging a qualified, independent attorney and scheduling a meeting with the membership committee has not progressed as quickly as hoped, but is in process.

Mac Daughety discussed considerations for NC Quad-East Interstate Concept. Resolutions of support for the concept have been approved by several groups. It is an idea with merit, but will require considerable thought and vision. Perhaps we should consider expanding the Interstate concept.

In her absence, the Corridor Commission unanimously approved a Resolution of Appreciation for Leigh H. McNairy. As a member of Board of Transportation, Leigh was a strong advocate for the Corridor Agenda. She also chaired the BOT Committee for U.S. 70 Corridor. We are grateful for her tireless service, her ideas and her vision for Eastern North Carolina. A copy of the Resolution is attached.

Transportation has been a source of considerable thought and conversation among General Assembly members. Based on the conversations, rumors, public comments and media reports from legislators, there seems to be consensus on a need for additional revenue and recognition that the gas tax as a basic funding source is inadequate and declining. Representative Brawley has joined a chorus of voices citing the inability of a declining gas tax to provide adequate funding for transportation in North Carolina. Representative Brawley says gas tax, although inadequate is too high (Currently 37.54 ϕ per gallon). He followed Secretary Tata's lead in admitting tolls may be a consideration by default, although he admits — he hates tolls.

Senate Bill 127 sponsored by Senator Harry Brown establishes seven (7) geographical regional divisions reducing from the current 14 Transportation Divisions. Attempts have been made in the past to reorganize the Divisions without success. It will be interesting to listen to the debates on this legislation.

During the past several months I had an opportunity to attend several presentations on the future of transportation funding. Unfortunately none of the many and varied ideas for funding received wide acceptance. Everyone acknowledges the need, but none of us have the solution. The presentations I have witnessed have all been "what if" scenarios.

Within the past few days I had an opportunity to be present with a small group visited by the Governor and was pleased to hear his straight forward matter of fact plan for transportation.

The Governor said priority funding for transportation will be based on three (3) criteria:

- (1) Jobs/Commerce
- (2) Congestion
- (3) Safety

He further advised he plans to offer a different plan for transportation funding within the next few weeks. I look forward to hearing his recommendations and am hopeful it is a plan we can sell to the citizens.

We take great pride in North Carolina in our reputation as the Good Roads State; although that reputation is slipping. Beyond North Carolina, the United States has the best roads in the world and an enviable total transportation system, but is also in peril. As the debate rages here in our State and in the whole United States on transportation funding, we must compare ourselves with other emerging nations. In the United States, we currently spend 1.7% of GDP on transportation; Brazil is more than double at 4% of GDP and our giant competitor, China spends 9% of GDP on transportation.

The Corridor Commission has been active in efforts to discourage the development of wind farms that impact military training and operations. We have expressed an opinion that legislation is required to require State permitting of wind energy facilities in order to control siting of these facilities. Representatives John Bell, Jimmy Dixon, Pat McElraff and John Whitmire are primary sponsors of House Bill 484 which is an act to establish a system of permits for the siting and operation of wind energy facilities. A companion bill (SB 491) was introduced by Senator Harry Brown.

It should be noted this legislation does not prohibit nor discourage development of wind energy, but in keeping with the models established by the States of Texas, Oklahoma and Maryland, it does provide a tool for the State to control wind energy development and assure protection for our military. In view of our strong advocacy for this legislation, I encourage you to express appreciation to our legislators for their action. Our military friends can not express their support publicly, but I feel sure they are silently applauding.

The Kinston Bypass project consultant URS has scheduled several public information sessions during the month of April. We previously encouraged attendance to learn more about the road ahead for this bypass.

An article recently published in News & Observer entitled North Carolina's Growing Demographic Divide written by Dr. James H. Johnson, Jr. and Dr. Allan Parnell depicts a region in decline without great hope for a reversal of fortunes. Eastern North Carolina has endured sweeping economic changes; the decline of tobacco, the top cash crop; the loss of traditional manufacturing, primarily small cut & sew operations; an aging population; and a lack of infrastructure created an exodus of population that continues.

Authors Johnson and Parnell confirm 47 of our 100 counties have lost population since 2010 despite a growing population in North Carolina led by Wake County, the fastest growing county in the nation. Their analysis of statistics suggests a hopeless decline without a path to successful reversal of fortunes.

As proud residents of the region, we must admit we have not adjusted well or timely to the changing economic climate. Our rural communities remain economically isolated generally void of infrastructure connectivity. We must develop a rural strategy leaning on the productivity of our natural resources and the beauty of our environment.

There is a line in a now popular song: "I won't ever give up. I've got to learn what I've got and what I'm not." The lyrics offer wisdom worthy of adoption.

Trends for the economies of the East have not been favorable nor acceptable for an extended period. Reversing trends is more difficult and requires far greater effort than accepting the natural order of current trends. For the past three (3) years we have been taking inventory of what we've got. Our assets are many, varied and complimentary; agriculture, military, ports, rail, Global Transpark, medical and people with a strong work ethic.

As we attempt to emphasize and promote our assets, we must understand and accept what we are not. We are not a populous region, we are not a region with adequate infrastructure and in reality our ports probably do not have the capacity to become a large container ship destination.

But in the words of Carthaginian General Hannibal in 200 BC, "We will either find a way or make one." We really do not have but one other option and that option represents failure.

In our quest to reverse current trends, we are exploring every possible option to revitalize the East.

The economic deadline of Eastern North Carolina is not a unique phenomenon; it is a national trend in rural America. National concern for the future of rural communities has prompted USDA Secretary Vilsack to promote initiatives labeled RECAPTURE RURAL AMERICA. At this point, it is only a concept program, but the problem has been identified.

I am pleased to report authors of the **News & Observer** article noted above; Dr. James Johnson and Dr. Allan Parnell, have agreed to join me for discussions seeking solutions to the

problems they identified in their article. Donald Belk, North Carolina State University and Director of Sentinel Landscapes, an initiative proposed by military, has also agreed to join us.

It is our plan to join USDA's RECAPTURE RURAL AMERICA initiative and be among the leaders in transferring the concept to reality. It should be noted Dr. Johnson and Dr. Parnell are both natives of Eastern North Carolina and have a keen understanding of our history and the expertise to lead us to an improved future. I will keep you posted on our deliberations and will be soliciting your ideas and assistance as we refuse to give up on ourselves.

As we continue our efforts to revitalize Eastern North Carolina, we must and will explore every option and opportunity and seek to expand our support group. Perhaps we should consider establishing a Business Advisory Support Committee. I solicit your thoughts and ideas on best approach to including the business community as a proactive participant.

I look forward to your thoughts and assistance.

U.S. 70 CORRIDOR COMMISSION

RESOLUTION FOR LEIGH HARVEY MCNAIRY

WHEREAS, Leigh Harvey McNairy has served her Community and State for many years in various capacities; and

WHEREAS, Leigh Harvey McNairy has been a strong proponent for infrastructure improvements in Eastern N.C. to foster commerce and improve quality of life for all citizens; and

WHEREAS, Leigh Harvey McNairy has served on the North Carolina Board of Transportation with enthusiasm, knowledge and determination; and

WHEREAS, Leigh Harvey McNairy established and Chaired a formal Board of Transportation U.S. 70 Committee to plan, advocate and support U.S. 70 Corridor Commission agenda; and

WHEREAS, Leigh Harvey McNairy has led the effort to advance a series of projects that will improve mobility, accessibility, traffic safety and promote economic development; and

WHEREAS, Leigh Harvey McNairy has also served as a member of U.S. 70 Corridor Commission and is an invaluable partner and advocate for mission and purposes of U.S. 70 Corridor Commission; and

WHEREAS, the agenda of U.S. 70 Corridor Commission has progressed on a timely schedule exceeding general expectations with the leadership of Leigh Harvey McNairy through participation with NC BOT and U.S. 70 Corridor Commission; and

NOW THEREFORE, BE IT RESOLVED, the U.S. 70 Corridor Commission hereby conveys our deepest gratitude to Leigh Harvey McNairy for her commitment and dedication to improving the economic future stability and safety for all modes of transportation in Eastern North Carolina.

ADOPTED by U.S. 70 Corridor Commission this the twelfth day of March, 2013.

(Executive Director