



US 70 Corridor Commission

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

Last report (December) the focus was endings and beginnings as we looked backward briefly, evaluating agenda progress before planning forward. The Commission is experiencing some membership changes, but the determination and effort to continue progression of the agenda will be no less intense.

The volume of activity during the month is evidence of the continuing enthusiasm for the agenda. Although we scheduled fewer formal meetings in deference to holidays and "line-up" changes, the leadership and membership continued to "press" forward. I received and responded to 228 emails and a comparable volume of visits and telephone calls.

On January 2, Carteret County Chamber of Commerce President, Michael Wagoner and Joan Pulley, Chair of Chamber's Public & Government Affairs Committee shared the Chamber's Legislative Agenda for 2013. The planned agenda encompasses several issues of local interest including tourism, education, property insurance, military, ports, climate change, ferries and transportation. The legislation program being promoted continues the Chamber's strong support for the U.S. 70 Corridor Agenda. Quoting from the Legislative Agenda: **"The Carteret County Chamber of Commerce recognizes that transportation is the backbone of a region's economic vitality. The U.S. 70 Highway Corridor is central to Carteret County's transportation system. The Chamber supports improvements to the U.S. 70 Corridor between Raleigh and Carteret County. The Chamber commends the work of the U.S. 70 Corridor Commission, which is a coalition of local, regional and State government agencies that share the vision for bringing U.S. 70 up to freeway standards."**

We are especially grateful to the Carteret Chamber membership for their persistent contacts with U.S. Coast Guard encouraging approval of a permit to construct Gallant's Channel Bridge as designed.

Wind Farm development within the training flight patterns of military continues to be of great concern. The entire month was filled with correspondence, telephone conferences and meetings discussing strategies to assure protection of military air space. In conversations with

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Senator Norman Sanderson and Representative N. Leo Daughtry, we discussed the successful strategy utilized in the states of Maryland, Oklahoma and Texas. These three (3) states adopted legislation requiring a State approved permit for wind farm development. The office of Attorney General Roy Cooper has assisted our efforts in exploring legislative solutions. After much debate, the wind farm developer, Invenergy agreed to a mitigation conference. Following the conference Invenergy announced plans to abandon the development at Pantego. We are pleased with this announcement, but as of this date no official abandonment has been finalized. We with our military friends, legislators and Eastern North Carolina leaders will continue to carefully monitor the situation. Our Governor and legislators have expressed support for wind generated energy, but not at the expense of our military.

On January 4, the Eastern North Carolina Coalition of MPO's & RPO's met in Goldsboro to discuss issues of concern to Coalition members and to prepare for upcoming legislative session. Discussions focused primarily on:

- Impact of tolling on ferry system, specifically, work force and tourism. A consultant has been engaged to provide a study and offer recommendations and/or possible suggestions for changes in tolling legislation as adopted at last session.
- Equity Formula. Should coalition prepare a plan for equity formula changes or should we prepare for possible legislative changes and suggest a no-change policy. The group decided on the latter.
- The consensus of the group was transportation funding sources are in decline and do not provide sufficient dollars for transportation needs. A presentation was provided on the 2040 Plan with possible funding options.
- A review of six (6) priority projects endorsed by U.S. 70 Corridor Commission and the ENC. An in-depth analysis of these projects, why they were selected and their regional impact and the role they play in promoting military operations. There were general discussions and suggestions that additional projects that are regional, and promoted commerce and the basic assets of Eastern North Carolina be included.
- Prioritization 3.0 was discussed with suggestions for changes being recommended to Strategic Planning Office.

In the afternoon Eastern legislators met with Eastern Legislative Coalition to plan and prepare for legislative session. Representative Jimmy Dixon best summarized current situation and future opportunities. "I am first and foremost an Eastern North Carolina boy, but we must recognize we can no longer provide wants, it has to be absolutely needs only and the needs must be verified and confirmed." It is our job to identify and justify those needs. The U.S. 70 Corridor Economic Impact Study should be a useful tool in making those arguments.

We have as a region and organization greatly benefitted from the passion and leadership of Daniel VanLiere and Alex Rickard. We wish them well in their new assignments and are and will remain in their debt. Our agenda progress is a result of their dedication and

guidance. We now welcome new leadership and solicit their ideas and counsel as we move forward together.

Governor Pat McCrory appointed Tony Tata as Secretary of Department of Transportation. In announcing the appointment the governor cited Secretary Tata's background in leading large organizations and overseeing large budgets while serving as a brigadier general in the U.S. Army. Our legislators, local elected officials, and community leaders must utilize every available opportunity to acquaint Secretary Tata and his team with the needs and priorities of Eastern North Carolina. Governor McCrory has a history of utilizing transportation as a tool for economic development. We believe in that axiom and should adopt it as our mantra.

The Board of Transportation currently has committees for U.S. 70 Corridor Commission and Highway 17 Association to assure focus on the projects and regions served by those Strategic Corridors. We should suggest and promote continuance of those committees.

Several of the Corridor Commission members notified me that appointments to the commission were being evaluated and many would be making changes. Several indicated appointments may not be finalized by next scheduled meeting on January 17. I notified Marcia on January 7 to remove posted date from our website. For the next several days, I attempted to get agreement on a date to accommodate a majority of individual schedules. With new individuals joining, I have asked Rob Hanson to provide a presentation on the complicated merger process. The first date available for a majority is March 12. The meeting will be at Woodman of The World Center in Kinston at 2:00 PM. The new date will be posted on our website.

I attended Carteret County Chamber of Commerce Legislative luncheon on January 11. Representative Pat McElraft and Senator Norman Sanderson provided a legislative perspective. Chamber Legislative chair Joan Pulley presented the Chamber's legislative agenda. The mood was a bit somber as the recent passing of Senator Jean Preston was noted and her years of outstanding service to the Community and State was acknowledged.

I attended Board of Transportation meeting on January 9. BOT U.S. 70 Corridor Chair, Leigh H. McNairy presided at committee meeting with a presentation of status of current projects by Rob Hanson.

Following months of discussions, debate and fact gathering, wind farm developer, Invenergy issued a letter expressing intent to abandon Pantego project in Beaufort County and concentrate on Hales Lake Wind Project in Camden and Currituck Counties. The Hales Lake Wind Project will consist of 79 wind turbines. In the most conciliatory correspondence to date, Invenergy stated they are committed to developing projects that are compatible with existing military uses. It is incumbent upon us to continue to carefully monitor Invenergy's development plans and commit fully to protecting our military.

The Southern Environmental Law Center has requested additional data be provided in a supplemental EIS. Project Planning Engineer, Mark Pierce, has responded to the comments and request will be considered.

I had an opportunity to meet with Duke Energy N.C. President, Brett Carter, to discuss economic opportunities in Eastern North Carolina. Mr. Carter serves on Ports Authority Board and has an understanding of the needs of Eastern North Carolina. I learned Duke Energy has a strong economic development team in Eastern North Carolina. President Carter committed the expertise and services of the economic development team and the financial resources of Duke Energy to economic challenges in our region.

The bus/train service established by Amtrak commenced in October of last year and according to a report released by Amtrak this month, ridership is strong and growing. The service links Morehead City, Havelock, New Bern and Greenville to Amtrak train in Wilson. Amtrak has committed to provide the service for a period of one year to grow the route and assure financial stability for the program. In December approximately 357 passengers utilized the service between Morehead City and Wilson. Amtrak's other Eastern North Carolina bus route from Wilmington to Wilson, which serves Jacksonville and Kinston had 355 passengers in December.

It has been suggested the Corridor Commission and Cambridge systems brief Secretary Tata on the U.S. 70 Corridor Economic Impact Study. The study will be a useful tool that fuses well with the Governor's directive and Secretary Tata's stated vision for the department.

The Wilson's Mills Town Board has recommended Town Administrator, Richard Hicks to serve on Corridor Commission replacing Fleeta Byrd. The Johnston County Commissioners formally approved the appointment and appointed Commissioner, Ted Godwin, to replace Commissioner, Wade Stewart. Commissioner Stewart passed away suddenly on January 14. Commissioner Stewart was an advocate and supporter of the establishment of the Corridor Commission. Commissioner Stewart was a tireless worker and was totally dedicated to improving Johnston County and Eastern North Carolina. He will be sorely missed.

I provided white papers on history, purpose and agenda of Corridor Commission to Mr. Hicks and Commissioner Godwin. I had an opportunity to meet with Mr. Hicks and was pleased to learn he has been following Corridor Commission's activities since his interim service as Town Manager of Smithfield. He is an excellent addition to the Commission. Frank Price and Mayor Don Rains will continue to serve as county appointees.

The Corridor Commission has been a strong and long-time supporter and promoter of our seaports at Morehead City and Wilmington. In a recent report published by **THE ECONOMIST**, January, 2013 Edition the importance of ports was substantiated. According to the report 90% of global trade by volume is seaborne while the airborne share of trade is declining. Rail and trucking will also benefit from the escalation of shipping. According to the

report, rail will deliver goods for distribution across America for deliveries of 600 miles or greater with trucking being the preferred delivery vehicle for travel less than 600 miles.

A similar report ensued from a study of shipping in Britain. Once the envy of the world, Britain accounted for more than 40% of the global goods trade. In recent years the shipping volume traveling to and from Britain has decreased significantly. A study of the decline of exports and shipping in Britain revealed two factors that may prove beneficial to American trade and shipping. A major factor cited in the British study was an unfavorable exchange rate; a second factor is the historical preference for larger seaborne vessels in large ports. America currently has a highly favorable exchange rate and our smaller ports portend an era of opportunity for a niche in the market as the larger ports in Charleston, Norfolk and the West Coast cater exclusively to the large container ship trade. It is an opportunity we must prepare to explore as our neighbors to the south and north solicit the large ship trade.

On January 23, I responded to an inquiry from Carteret County Commissioner, Robin Comer, regarding the status of permits for Gallant Channel Bridge. A conversation between General Trogdon, Bobby Lewis and the Coast Guard Commander on January 15 was positive and the data collected to date is also favorable. At the request of the commander, the navigation study has been extended thru May, 2013. The "let" date is now scheduled for November, 2013. We all remain hopeful permits will be issued timely to assure the November contract award.

After many discussions and scheduling attempts, the next Corridor Commission meeting was planned for Tourist Center in Havelock on March 12. On January 23, Lenoir County Commissioner and Corridor Commission member, Mac Daughety, asked for an opportunity to host the meeting and showcase the recently completed Woodmen of the World Center in Kinston. Commission Member, Danny Walsh graciously consented to the change of venue. Therefore, the next meeting will be at the Woodman center on March 12 at 2:00 PM. Thanks Danny!

In late January, Preliminary Findings Report consisting of widening of NC 241 from NC 24 to SR 1151 (Bob Stroud Road) was released. The purpose of the project is to improve connectivity in Eastern North Carolina. We are attempting to improve link to I-40 and I-95. Linking Marine Corps Base, Morehead City Port and Global TransPark to Interstate Corridor (I-40 and I-95) will enhance these major assets. Environmental issues and costs will be identified in a Feasibility Analysis. The need for this project was previously suggested and identified by Corridor Commission with support from Eastern North Carolina Coalition (MPO's & RPO's). The report is available for review on Corridor website.

NCDOT Secretary, Tony Tata is advocating a policy that places greater emphasis on job growth in determining funding priorities. **"We're taking a hard look at what we need to do in North Carolina to leverage infrastructure to create more jobs,"** Tata said. The directive and policy revision is in accordance with Governor McCrory's campaign promise.

The work we are doing with the U.S. 70 Economic Impact Study ties directly to the Secretary and Governor's initiatives and fulfills the role of Economic Development considerations in highway planning and funding prioritization.

Historically the gas tax has been the primary funding source for transportation throughout the United States. As construction costs rise and transportation needs escalate, gas tax revenues are on the decline. There is a nationwide debate on new and/or additional sources of revenue for transportation. In our own General Assembly, several of our legislators are exploring alternative revenue sources.

Demographics predict within the next 35 years there will be more than nine billion people living on our planet. During that period the growth of infrastructure and resources will continue to slow and fall further behind the population growth. North Carolina, a rapidly growing state, is a prime example of that scenario. In Eastern North Carolina, our economic opportunities have continuously been diminished. If that trend is to be reversed, we must continue our push for the whole agenda of the Corridor Commission and, more specifically, promoting U.S. 70 as a Freeway.

On January 29, at the request of Wayne County Commission Chairman, Steve Keen, I had an opportunity to meet with Commissioners Keen, Daughtery and Pate and Chris Boyette, recently appointed to serve on Corridor Commission as representatives of Wayne County. We discussed the general agenda of the Corridor Commission and projects of local interest in Wayne County.

The year is in its infancy and the challenges will continue to be great, but the passion for Eastern North Carolina and the steely resolve of our leadership will, with your help, mirror the success of last year in achieving our objectives. I personally deeply appreciate the service and effort of each of you and look forward to working with each of you as we welcome new members with fresh ideas and renewed vigor.