## DIRECTOR'S REPORT M. DURWOOD STEPHENSON, DIRECTOR FOR MONTHS OF JANUARY & FEBRUARY, 2019

Happy New Year! An opportunity to reflect and renew. Around this time every year, with the holidays in the rear-view mirror and the new year's resolutions set, we begin the work of continuing to make our agenda a reality.

The beginning of a new year is a perfect time to review the past year's progress and it is also a proper time to explore new concepts and the impact of new technologies.

January is a time for fresh starts and new goals.

A recent infrastructure report card gave our Nation's infrastructure a rating of "D". Workers involved in roads, bridges, water systems, airports and necessary infrastructure are daily reminded of our country's failing – infrastructure. Over 200,000 U.S. bridges are more than 50 years old. Maintaining infrastructure should be a completely bipartisan issue, but neither side of the aisle seems willing to address the growing problems.

For the past 50 years, the American economy has been propelled by a combination of three (3) innovations: the computer, the microchip and the internet. The research and development that produced each came from an alliance of government, academic and private business.

A 2018 survey of approximately 31,000 people from N.C. State's Institute for Emerging Issues cited the biggest problem facing North Carolina is "The rural-urban divide."

Leslie Boney, Director of the Institute for Emerging Issues at N.C. State University in a recent editorial wrote, quote, "We need less focus on divides and more focus on connections." Boney, staffed The Rural Prosperity Task Force led by Erskine Bowles and has years of invaluable experience observing and counseling rural communities, recently identified four forces that can close North Carolina's Urban-Rural Divide.

- 1. Talented, skilled workers
- 2. Employment opportunities
- 3. Tourism variety
- 4. Urban and rural interests working together

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The rural vs urban divide that has become a frequent conversation in North Carolina is an issue that has become a worldwide phenomenon. A recent report from Sweden cautioned elected officials, "Don't let country folk fall behind." In Sweden most of the population now reside in urban towns like Stockholm while small, rural regions are experiencing drops in population as shops, offices and older housing is left empty. A dwindling town has a shrinking tax base, leaving little funding for community services. Sound familiar?

Renowned Economist, Michael Walden cites transportation as the key to two goals of society: individual freedom and economic development, "Faster, more reliable, more versatile, coupled with less expensive travel – moving people and products are keys to an expanding economy and higher standard of living. Better transportation creates more opportunities for businesses to sell and individuals to work." Both of these issues are the factors that become the dogma that led to the establishing of the I-42/U.S. 70 Corridor Commission. As rural Eastern North Carolina began to lose residents and jobs, it became obvious we must become pro-active in combatting the downward economic spiral.

New technologies are evolving as traditional jobs disappear and the funding for expanded transportation declines. The gas tax has been the primary source of transportation funding. With the increase of new technologies and the popularity of electric cars, the gas tax will not be an adequate funding source. For the past several years, alternative funding sources have been studied, reviewed and discussed. Mileage fees, tolls, income taxes and sales fees are suggested revenue sources, but none of these ideas have gained wide acceptance.

Rural Eastern North Carolina has suffered a series of weather-related setbacks as billions in damages from Hurricanes Matthew, Florence and Michael within the past 3 years. Recovery efforts have been lagging and infrastructure deficiencies have been exposed coupled with a workforce lacking job skills to compete in a changing work-place environment.

Dan Gerlach, President of the Golden Leaf Foundation in a December editorial wrote, "We can't let damage hold back rural North Carolina." The Golden Leaf Foundation has been a significant contributor to funding for Hurricane damaged community facilities. What an asset for North Carolina!

State Representative Holly Grange and State Senator Harper Peterson are leading another effort to secure funding and advance recovery for Eastern North Carolina communities from the estimated \$ 13 billion in damages resulting from Florence and Michael. The legislators, in concert with the Eastern N.C. Disaster Recovery and Resiliency Alliance, are pursuing federal funds to supplement State dollars allocated for recovery from storms Michael and Florence. Many of the citizens and their communities have not yet recovered from Hurricane Matthew.

As time moves forward, media attention's focus seems to have lost interest in the devastation of recent hurricanes and flooding. Recovery has been slow and addressing the root causes of flooding continues to elude resolution. Unfortunately, flooding frequency and severity of damages inflicted by flooding continues to escalate with every flood event worse than the one before.

We are now constantly bombarded with news of pending doom of the future of the working class being replaced by Artificial Intelligence Technology (AI). Predictions of the loss of 40% of all current jobs within the next decade are disturbing, but the realities are AI advancement is necessary because an aging population coupled with a lack of workplace skills has already contributed to employee scarcity.

A recent government study suggests approximately 7 million non-farm jobs are vacant. This includes nearly 300,000 construction jobs and about a half-million jobs are available in the manufacturing sector. This same study says the demand for manufacturing workers will increase to approximately 2.5 million within the next decade. This study confirms AI is the only feasible solution to keeping our economies moving forward instead of being the job killer that some claim. The media warns about the futuristic displacement of jobs by AI, at the risk of the loss of privacy as issues with Facebook have been exposed. With the estimated 40% of loss of current jobs, the key to the future of employment is retraining the workforce.

Driverless vehicles seem to be media "darlings" as futuristic transportation advocates attempt to tout the new era of autonomous vehicles, but realistic analysis suggests the emergence of autonomous vehicles is greatly exaggerated. An Associated Press (AP) article written by Tom Krishner says an optimistic assessment is 10 years out, but others say large-scale public acceptance and use of driverless vehicles is several decades before the major obstacles to autonomous travel is resolved. Some of the obstacles Krishner identified are snow and weather (heavy snow blocks the view of the lane lines that vehicle cameras use to find their way); pavement lines (not yet standardized); left turns (deciding when to turn left in front of oncoming traffic); consumer acceptance (fatal crashes experienced by Uber driverless vehicles has forced researchers and consumers to question the safety of autonomous vehicles).

Recent reported failures of AI driving autonomous vehicles have been well documented and exposed, but less well documented is a surprising noteworthy failure of AI to be gender and race neutral. Computer vision experts have reported significant racial bias in facial analysis and recognition technology. ACLU and many law enforcement advocates are suggesting there should be a moratorium on the use of AI technology for legal and law enforcement purposes especially for drones and police body cameras.

Healthcare is beginning to utilize AI as the role of AI in transportation (driverless cars) and manufacturing has become widely accepted and exposed, despite some recent failures. New AI technologies have proven beneficial and accurate in detecting diseases thru X-Rays, MRI's and eye scans. Medical conditions such as osteoporosis, diabetes, hypertension and heart failure are prime targets in tomorrow's medical care community.

Google is now challenging Uber in the driverless taxi race and has logged considerably more driverless miles with less problems and no major mishaps with autonomous vehicles.

In America AI and technology are focused on advancing driverless transportation, but in Japan the priority is bona fide flying cars with the stated mission of leading the world in developing flying vehicles. Scientists and technology experts in Japan predict the skies of Tokyo will be filled with aerial taxis and delivery trucks within the next decade.

It is obvious AI and technology will dramatically alter the future of transportation, medicine, and manufacturing, and will be a factor in all phases of our lives and our economies, but the human brain will continue to be an integral part of the future. In front of an audience of hundreds, Harish Natarajan, the grand finalist of the 2016 World Debating Championship, battled IBM's Debater program. Although the computer analyzed a database of 10 billion facts on the topic in debate, the winner was the human debater proving humans still prevail when it comes to the subtleties of knowledge, persuasion and argument.

On January 9 and 10, N.C. Department of Transportation hosted a Transportation Summit, titled 'Moving from Vision to Reality at the Speed of Change: The summit featured a prestigious group of speakers and great minds with acknowledgement of the role of AI and technology in the future of transportation with human leadership and reasoning developing public policy to appropriately utilize the tools of technology.

Although we acknowledge the role of Al and technology in futuristic transportation, we must diligently continue to pursue our current agenda in order to transition to transportation of the future.

On January 14, Deputy Chief Engineer, John Rouse; Division Engineer, Preston Hunter and I discussed challenges recently encountered in securing ROW for James City improvements.

In December (18 - 2018), following several conversations with John McNairy, I met with Jack McNairy and Eddie Price representing Harvey Enterprises, owners of several parcels along the I-42/U.S. 70 project in James City.

Subsequently Jack Best and I met with NC Railroad President, Scott Saylor to discuss the rail spur serving Harvey Property (Dixie Chemical Co.). President Saylor came to our aid and in concert with Norfolk-Southern Railroad agreed to abandon the unused rail spur and provide ROW to NCDOT for planned construction of I-42/U.S. 70 at this location. We are grateful to Scott for his assistance in resolving this significant challenge.

On January 22, Governor Cooper convened a meeting with local citizens and leadership of Eastern North Carolina bringing his Cabinet Secretaries and Senior staff to listen and learn of struggles and challenges in the rural East.

The first meeting of the year for I-42/U.S. 70 Corridor Commission was held in Johnston County (Smithfield) on January 31, 2019. NCDOT Secretary, Jim Trogdon and Commerce Secretary, Tony Copeland attended and made presentations. I encourage you to read minutes from this meeting to review their remarks.

At the conclusion of the meeting, Linda Rouse Sutton was elected as our new Chairman and Jesse Vinson was elected Vice-Chairman. Frank Price was re-elected as Secretary-Treasurer. A list of current Directors and officers for the coming year is attached.

Don Black, an active proponent of the I-42/U.S. 70 Corridor Commission, was present at our January 31 meeting and suggested we seek U.S. DOT approval to proceed with shielding Goldsboro Bypass as Interstate 42. Mr. Black followed-up with U.S. DOT and with the co-operation and assistance of NCDOT Chief Engineer, Tim Little, has secured approval for the official designation. We are grateful to Mr. Black for his tireless pursuit of this designation and to Tim for his pursuit of posting shielding signs.

Joining Commerce Secretary Tony Copeland at our meeting was the Economic Developers from our region representing our Corridor Commission Counties. Their observations and comments were invaluable and appreciated.

Johnston County Economic Developer, Chris Johnson, offered a good suggestion: Chris suggested U.S. 70 routes being upgraded to Interstate status, be referred to as Interstates and not Bypasses.

On Wednesday, February 27, 2019, a Public Meeting for proposed improvements for I-42/U.S. 70 from the Neuse River Bridge to east of Thurman Road in Craven County was held and well attended.

For the past 3 years all of Eastern North Carolina has been confronted by historical flooding impacting families, lives, businesses and infrastructure. We are indebted to emergency responders and countless heroic efforts by so many. Among the many recognized was NCDOT Operations Center was awarded a top National honor for its response to Hurricane Florence.

It is now our task to pursue every feasible solution to mitigating impacts of future flooding which is inevitable and a serious challenge to our economic future.

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