



US 70 Corridor Commission

DIRECTOR'S REPORT M. DURWOOD STEPHENSON, DIRECTOR FOR MONTHS OF JULY & AUGUST, 2018

As we enter into the dog days of summer, typical of July and August in North Carolina, we worry about the extreme heat that generally enhances the intensity of storms amidst the forecast 10 to 30 predicted hurricanes for the East Coast.

It is incredible to think the first half of the year has come and gone and we have celebrated the most significant holiday in our Nation, the Fourth of July. It is interesting to note, but without any identified correlation, that three of our Colonial Presidents; John Adams, Thomas Jefferson and James Monroe; died on the Fourth of July.

Spot 5.0 scoring has been a priority for transportation advocates during the past several months as our RPO's and MPO's have explored data and listened to elected officials, business and citizens, promote favorite projects. Preliminary scoring results were published on July 27. The Board of Transportation will vote on the priorities at their September meeting.

The leadership at NCDOT; Secretary Trogdon, Chief Operating Officer, Bobby Lewis; and Chief Engineer, Tim Little, are exploring every opportunity to secure additional funds and utilizing those funds to supplement Highway Trust Fund dollars to accelerate projects. The \$ 2 billion CONNECT NC BOND and the Federal Infrastructure Grant (\$ 147,264 million) has provided extra dollars beyond the normal Housing Trust Fund dollars to accelerate several long over-due projects. Kudos to our Management Team for their aggressive pursuit of extra dollars and promoting project acceleration process.

On July 24, John Chaffee, President & CEO NC East Alliance USA, sponsored Coastal (ENC) Transportation Forum in Greenville, N.C. NCDOT Secretary, Jim Trogdon was the keynote speaker and was joined by Paula Dowell, Cambridge Systematics and other DOT Transportation officials to provide an update on status of Infrastructure – needed and planned in rural Eastern North Carolina. Ms. Dowell is also commencing an updated freight plan as previously presented to Corridor Commission by Ryan Purtle. On July 30, I attended a group meeting with Anne Hazlett, Assistant Secretary USDA, Rural Development. Ms. Hazlett visited several rural communities throughout Eastern North Carolina to solicit suggestions and ideas to improve rural North Carolina. This agency has been well funded and is looking for fresh ideas to enhance and improve the lives of our rural citizens. It is obvious the opioid crisis, so prevalent in rural America, is being studied by many agencies. Ms. Hazlett indicated funds are available from her agency to address the problem. The absence of broadband is another rural issue that can be assisted by USDA. She solicits ideas and/or programs to improve rural America. If any of you have ideas and/or planned programs in search of funding, please contact me and I will put you in-touch with her office.

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Director

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NCDOT under the direction of Division 4 Engineer, Ronnie Keeter, held a meeting with elected officials and key business leaders in Princeton on Tuesday, August 14. A review of possible alternatives for U.S. 70 to I-42 standards was reviewed. Mr. Keeter, Chief Engineer, Tim Little and NCDOT COO, Bobby Lewis and I previously met with SELC Area Director, Kym Hunter, to review and “vet” possible routes for the road upgrade to Interstate standards. Ms. Hunter expressed strong opposition to a new cross-country route for a Princeton Bypass. The improbability of permitting, the cost of such a new route and the opposition by the environmental community precludes further consideration of an all-new route. Therefore, several alternates to improve existing were presented. It should also be noted the existing route upgrade offers a plan that will preserve existing business operations along this corridor.

Ms. Leighanna Worley was recently appointed by Johnston County Board of Commissioners to Board of Directors for U.S. 70 – I-42 Corridor Commission. The Carteret County Board appointed Ryan Eggleston. We welcome both to our group and look forward to their ideas and suggestions. Unfortunately, neither can join us for September meeting because of conflict with League of Municipalities meeting in Hickory.

The U.S. 70 – I-42 Corridor agenda is continuing to move forward as most of the projects for a full corridor upgrade are funded and/or near final planning options. Many are in ROW acquisition with “let” dates scheduled.

A Feasibility Analysis for the proposed massive I-95/U.S. 70 – I-42 interchange has just been completed. This project is unfunded but is already being watched and anticipated by commercial interests that are aware of the potential this interchange provides.

The continuing urban vs. rural debate has persisted in media, radio, television, seminars, research, studies, political pundits and discussions at the local diner. **The News & Observer** Community Voices forum convened in Raleigh recently to discuss the obvious as described by Ned Barnett, **The News & Observer’s** associate and opinion and solutions editor, “So we have a classic tale of two Carolinas, one flourishing, one languishing.” The panelists noted Amazon and Apple’s interest in North Carolina’s urban centers while identifying our rural population second only to Texas. As residents of rural North Carolina, we take pride in our uniqueness and peaceful lifestyle, but we must address a lack of infrastructure that is detrimental to health care, education, logistics and job opportunities that allows our young to stay home.

In an article written by Gene Nichol, NC Poverty Research Fund, identified one of our major Towns (the center of our Corridor) as the fifth poorest city in America with more than 25 percent of residents living in poverty. There is little comfort in the Nichol report offering a similar parallel of life in Wilkes County. Poverty is misery and the knowledge that others share our misery does not reduce the misery.

Mark Vitner, Senior economist for Wells Fargo Securities, in contract to NC Poverty Research Fund report did not remind us of the dismal statistical data, but rather defined a path forward for a more economically promising future in rural North Carolina. In a July 2018 editorial commentary, Dr. Vitner offered solutions to our dilemma – jobs. Improving job skills lies at the heart of many of the most pressing issues facing rural North Carolina and according to Dr. Vitner, is beginning to impact our urban population, but devastating rural North Carolina.

Debunking the college at all costs mentality, job training programs are now being recognized as the clearest path to boosting economic mobility and increases the chances of earning a living wage.

A July gathering of more than 60 economic developers from the Economic Development Partnership of North Carolina's Energizing Rural North Carolina offered confirmation of Dr. Vitner's view, but according to Nathan Ramsey, Director of Mountain Area Workforce Development Board, we have the programs to train the work force, but they are not being utilized. To quote Mr. Ramsey, "We're prepared to train the workforce, but we have high demand, low enrollment programs."

Jennifer Lantz, Executive Director for Wilson Economic Development Council led the effort to establish the Wilson Academy of Applied Technology. The Wilson County schools now offer both diplomas and associate degrees to allow students to more easily transition into the workplace. Work force Centers have been established in Wilson, Johnston and Martin Counties. Project based learning is becoming the center for worker recruitment. Instead of recruiting companies, we must recruit people and educate our young people that are operating on outdated or incorrect perceptions according to Chris Chung, CEO of EDPNC.

The transitioning of education from traditional learning to job skills must be "sold" to parents, teachers, political leaders, business and to students seeking a better future.

The July issue of **BUSINESS NORTH CAROLINA** continued the focus on rural North Carolina and prospects for **Cultivating Rural Prosperity**. East Carolina University is leading an effort to address the region's disparities in health care, education and economic development. Governor Roy Cooper promotes more spending for education and job training while on the opposite side of the aisle, Senator Harry Brown champions North Carolina's rural communities.

The Governor's N.C. Job Ready Plan is designed to train and educate North Carolinians for good-paying jobs. In order to attract job seekers to work force development programs, educators and employers must change the mindset that young people must graduate from a four-year school. In addition to offering a faster route to employment schools, the cost of work force training programs is significantly less costly. As college costs escalate too many of our young are starting life overwhelmed by debt.

Senator Brown has advocated reallocating sales-tax revenue and he has championed a change in State's awarding of incentives.

In 2017, 49 rural counties lost population as our young left the region in search of jobs and a better quality of life. To paraphrase a song popular in World War I, "**How Ya Gonna Keep 'Em Down on the Farm After They've Seen Paree?**" questioning if U.S. Soldiers from rural, agricultural America would return to their rural roots after being exposed to the extravagances and culture of Paris. Today we are witness to a similar trend – our brightest off to college do not return to small, rural hometowns, depleting us of leadership and brain power.

Rural counties are experiencing success with early college and dual enrollment between high schools and community colleges. It is a model to be emulated and "sold" to the student population.

As I have often stated, converting U.S. 70 to an Interstate (I-42) is our top priority, but our purpose and mission is to promote growth and economic opportunity in rural Eastern North Carolina. In our quest to achieve economic prosperity, we must complete the three-legged stool as our foundation and hope for a better tomorrow:

1. Infrastructure
2. Job Skills
3. Education

INFRASTRUCTURE

Broadband is being expanded in Eastern North Carolina with funds from the grant noted earlier in this report. Secretary Trogdon and Chief Operating Officer, Bobby Lewis are committed to Broadband expansions in rural Eastern North Carolina along I-95 and U.S. 70 as per grant application and award. The largest grant for infrastructure ever received in North Carolina (\$ 147+ million) will parallel I-95 and U.S. 70 with Broadband and become an integral part of those highway improvements.

Congress recently passed H.R. 4 (Reauthorization Act of 2018) to fund Federal Aviation Administration (FAA) providing \$ 1 billion per year for airport construction and improvements. The legislation passed with strong bipartisan support.

We must work and voice support for all modes of transportation particularly the Highway Trust Fund. The Surface Transportation Bill is authorized every five (5) years and is scheduled for reauthorization in 2020. The Highway Trust Fund is running out of money and cannot as currently structured and funded keep up with the growing demand for transportation maintenance and expansion. Dollars for Highway Trust Fund are now provided by gas and diesel fuel tax. The fuel tax has not been increased since 1993. Congress must have the courage to increase gas tax or find new sources of revenue. Must agree a gas tax increase is unlikely.

Several states have already increased gas tax for highway construction. Construction costs are escalating as gas consumption and tax revenues are declining: Better gas mileage for vehicles and electric cars are major factors in declining gas tax revenues. I have attended numerous seminars and discussions on improving highway construction funding utilizing a different model not associated with the hated word "tax." A majority of the experts are advocating a Vehicle Miles Traveled (VMT) revenue

source for funding transportation. The I-95 Corridor Coalition, an association of 16 State Departments of Transportation between Maine and Florida, have initiated a pilot project that charges drivers a per-mile fee instead of a gas tax. The technology is available and in-place for many of the latest model vehicles.

In addition to promoting more and dependable revenue streams to expand and maintain our transportation systems, we cannot forget nor neglect all infrastructure that makes our communities functional and desirable. As an active participant in two on-going flood mitigation studies arising from Hurricane Matthew of nearly two years ago, we must expedite the studies and insist on action. As I work on this report another Hurricane threat is looming. I am sure, my next report will again offer inaction regrets.

Congress is now debating Water Resource Development Act to fund U.S. Corps of Engineers and hopefully provide long-term solutions to flooding in Eastern North Carolina. In 1965 the COE completed a detailed study of cause and effects of flooding in Eastern North Carolina. Unfortunately, the recommendations were ignored. A more recent study and report published by N.C. Emergency Management on May 1, 2018 offered similar recommendations. NCDOT in a joint study with North Carolina State University is now providing another study with recommendations anticipated in Spring of 2019.

Too many of financial resources are being hijacked by flood repairs in lieu of flood mitigation.

JOB SKILLS

Our Nation is suffering from a major labor shortage – not for lack of workers, but for lack of workers with job skills necessary to perform in a changing work environment. A large volume of the potential work force is unemployable creating a vacuum in a growing economic environment. Nearly one in three (1/3) American adults of employment age (an estimated 70 million people) or more have some form of arrest or felony conviction record, making it difficult, if not impossible for them to find work. The current population of the United States is around 325.7 million; 70 million unemployables represent more than 21 % of the population that cannot fill our jobs.

Approximately 50 percent of the United States population now live in nine (9) states while these highly populated urban areas make up just 3.6 % of the total land area in the 48 contiguous States, but 4 of 5 Americans live in these 9 states while we in rural North Carolina are losing population.

In 1992 there were 860 U.S. Counties where manufacturers employed at least a quarter of the workforce. In 2016, there were only 323 manufacturing-based counties. It is obvious manufacturing will not lead us to economic prosperity. Therefore, we must adapt to a changing economy and address the skills necessary to function in a new work environment.

In recent months, I have had the disappointing opportunity to be engaged with economic development consultants considering our region for economic development. Although we had the necessary infrastructure at both locations: two Interstates and a third coming, ample vacant land, good water supply with electrical capacity; the consultant could not recommend our region: reason – insufficient skilled workers. It is a trend and reputation we must change.

Earlier in this report, I noted active job training programs in Wilson, Johnston and Martin Counties. These programs are indicative of vocational training that were the mission and purpose of a Community College system when they were first established.

Manufacturing experts call this new era of automation and new technologies the next Industrial Revolution. Labeled “Industry 4.0”, the new trend is changing how people interact with computers utilizing wearable technology devices, 3D printing and other artificial intelligence tools to maximize safety and increase efficiencies.

EDUCATION

As a society we value education and education is the focus of parents, students and elected officials beginning with pre-school and spanning all the way through the post-college years.

Although education levels are a major consideration in hiring employees, a long-time tradition of seeking individuals with college degrees (preferably 4-year degrees) is being questioned. A large number of big-name companies including Google, Apple and Ernst & Young no longer exclusively recruit only college degrees for their work force. The argument is building that our reverence for the college diploma is a social status norm and not an economic necessity.

Modern-day employment seeks job specific skills rather than general educational training of the past. Employers require education, but value traits and job specific training more akin to vocational education of the past. A job ready applicant without life-strangling debt makes a happier more-efficient employee.

Forty-five million borrowers in the United States owe a total of roughly \$ 1.4 trillion in student loan debt; for many a life-time of struggling financially.

In order to prepare our population for today's jobs, we must promote and support project-based learning. Earlier in this report, I quoted Nathan Ramsey acknowledging we have the programs and tools to train the workforce for new jobs – now we must “sell” the concept because the new job skill training programs are not being widely used: “High demand, low enrollment.”

Infrastructure, job skills and education; the three-legged stool that is the foundation for economic opportunity and success for our region.

In the words of Michael Jordan, "Some people want it to happen, some wish it would happen, others make it happen." We began this journey to improve the lives of the citizens of rural Eastern North Carolina just over six years ago with plans and a vision for a Freeway through Eastern North Carolina; we now stand on the threshold of an Interstate Highway serving our region putting us on the global map.

As I complete this report for July and August spilling into early September, we are threatened by a massive storm that may exceed the devastation of Matthew.

I was planning our November meeting for an in-depth review and analysis of preparing and training a skilled work force to entice potential employers, but may have to probe flood issues. We will assess the consequences of Florence before we make that determination.

Good luck, stay safe and hope the media has greatly exaggerated Florence's track through Eastern North Carolina.