



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTHS OF JUNE & JULY, 2015 M. DURWOOD STEPHENSON, DIRECTOR

A cool, wet spring has evolved into a record setting summer season as we recently eclipsed the middle of year 2015. The summer solstice is now behind us as the keepers of weather statistics advise June, 2015 was the hottest June in our meteorological history with July threatening that recent record.

Like the weather, change in all areas of life is inevitable and continuous. The long, arduous process of infrastructure and transportation requires persistent focus. It is too easy to lose that focus as weeks and months fade into years. As a group, we have remained diligent in pursuit of our agenda which has not changed much during the past 5+ years.

- The Gallant's Channel Bridge continues to be a frequent topic as we marvel at the rapid progress of the project Contractor, despite the long trail to beginning.
- The Havelock Bypass remains a major focus as NCDOT wrestles with FHWA, environmental permits and the intimidation of SELC.
- Interstate Designations for the East have created much excitement. Federal legislation to designate the U.S. 70 Corridor from I-40 in Raleigh to the Port at Morehead City was introduced in late 2014 and again in 2015. Identified as "The Military Transportation Act of 2015," HR 1844 enjoys strong support from N.C. House and Senate members. The legislation also includes 795 extending along U.S. 117 in Goldsboro to I-40 in Sampson County. Similar legislation is being promoted to designate U.S. 64 from Raleigh through Rocky Mount, Williamston and Elizabeth City to U.S. 17 in Norfolk. The designation as a "high priority corridor" may be eligible for federal funds to assist in upgrading designated routes. The proposed Raleigh-Norfolk corridor enjoys the support of the entire North Carolina delegation, but has not been fully supported by the Virginia delegation.

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Director

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- James City has crept out of the shadows and is back at the forefront as fresh faces (new consultants) attempt to win the hearts and minds of local communities.

As a side note, my low-tech phone gave way to age recently and I was forced to newer technology. In transferring the data, more than 9,000 trashed emails resurfaced reminding me of "hot topics" as far back as 2010 and 2011. As I methodically eliminated those emails again, I was struck by the frequency of many of our specific agenda issues. The common topics in order of frequency:

No. 1 James City

No. 2 – Gallants Channel Bridge

No. 3 – Goldsboro Bypass

No. 4 – Havelock Bypass

Not much has changed, but we must celebrate the progress of Gallants Channel Bridge and Goldsboro Bypass and remain diligent on James City and Havelock Bypass.

On June 4 the North Carolina Board of Transportation U.S. 70 Workgroup met at Highway Building. Chairman, Gus Tulloss and East Region Project Development Section Head, Rob Hanson facilitated the meeting. Rob and his staff provided a detailed status report on all Corridor agenda projects.

Eastern North Carolina, the Eastern RPO/MPO Coalition and the U.S. 70 Corridor Commission have unfortunately lost another valuable asset with the resignation of Robert Will, Community Planner. Fortunately for the region and a good addition for Havelock, Rob will remain in the area as a Planner for the Town of Havelock. His knowledge of regional issues will be an asset to the Town and will aid Havelock's efforts to maximize support for the Havelock Bypass.

On Friday, June 19, Representative David Rouzer invited House Transportation/Infrastructure Committee Chairman, Representative Bill Shuster to North Carolina to show him our Ports, explaining growth potential and need for port improvements.

While speaking on Federal topics, it is appropriate to note a proposed rule advanced by Environmental Agency (EPA) and U.S. Army Corps of Engineers to expand the definition of "waters of the United States." The expanded rule would include almost any body of water, such as ditches, mud flats, ponds and all other water features and would impact and expand wetlands. The Regulatory Flexibility Act requires consultation and assessment of the impact of the rule change on America's small businesses. The so called "land grab" did not 'play by the rules.' Responding to the new rules, 34 states formally requested that the new rule be withdrawn and any new rule comply with Regulatory Flexibility Act. EPA and COE chose to ignore the 34 states and the RFA.

The U.S. House of Representatives responded by passing legislation that would prevent EPA and COE from increasing federal jurisdictions over the Nation's waterways and wetlands. Approved by a bipartisan vote of 261 to 155, H.R. 1732, the Regulatory Integrity Protection Act, would require the EPA and the Corps of Engineers to withdraw their rule and develop a new plan in consultation with State and local Governments and stake holders.

H.R. 1732 as passed by the House would not add any new environmental protections or regulations, but it would create regulatory uncertainty by creating a process for stakeholders to provide public comment and a venue for voting the impact of new permitting procedures for small businesses, farmers, developers and municipal governments.

Affected interests are now urging the Senate to pass comparison legislature to H.R. 1732, drafted as Federal Water Quality Protection Act. It is an effort we should encourage and support. Infrastructure construction, especially roads are already a long-arduous expensive process. Adding costs and time to that process is ill-timed and unnecessary.

Despite concerns and objections voiced by stakeholders and affected interests in 32 states, the Administration announced plans to move forward to enforce Environmental Protection Agency's plan to regulate every body of water including farm or drainage ditches dug on your property.

It appears the only way to stop enforcement of the new rule is a lawsuit with favorable court rulings sustaining the lawsuit. I have had an opportunity to discuss the probability of a lawsuit with representatives of National Association of Home Builders and am planning a discussion of the issue with N.C. Farm Bureau leaders.

A quicker and less risky process may be Congressman David Rouzer's legislation entitled "Don't Ignore the Will of the American People" which would defund the Office of the Administrator of the EPA until the new rule is withdrawn and adopts the process as stipulated in H.R. 1732.

The crumbling of America has become a common theme in the media referencing the aging and deterioration of infrastructure: roads, bridges, railways and air-traffic control. Our own state is also experiencing the difficulties of an aging infrastructure that cannot maintain our infrastructure assets and are failing to provide expanding infrastructure needs for the population growth.

A funding source that is in-decline and the issues of regulatory compliance in an environmentally sensitive region are major factors in our inability to maintain our position long-touted as the "Good Roads State."

In an effort to escalate road building, Governor McCrory has asked the sitting General Assembly to give voters an opportunity to fund \$ 2.8 billion for investments in public facilities including our ports and highways. Identified as Connect NC, the Governor's bond package includes \$ 1.37 for roads to fund approximately 27 highway projects and 176 paving projects in 57 counties. The projects planned have secured environmental permits and are generally "categorized" as near "shovel" ready.

The State House has approved the \$ 2.85 billion bond to be placed before the voters in a statewide election.

Representative Jimmy Dixon expressed concerns about debt, but said voters should make the call on bonds. Representative Paul Luebke voiced opposition to the bond plan, citing a lack of public vetting of the issue. Apparently Representative Luebke missed the part about the issue being decided by a vote of the citizens.

At this juncture, a favorable vote by the Senate on the legislation as proposed by the House is doubtful without a strong push by vested interests and advocates for transportation. Representative Ken Goodman said, "Our roads and bridges and infrastructure and schools have been neglected for years. This is a good bill that makes good business sense." **The Fayetteville Observer** in a recent editorial wrote, "It's a good plan that will do important things."

Senate leaders insist they have a better plan for funding infrastructure without debt. We will continue to monitor the debate and offer support for best possible options that will re-establish our State as the "Good Roads State."

The North Carolina Chamber in full recognition of the importance of infrastructure and transportation in conducting and expanding business interests is currently sponsoring a television ad campaign in support of funding for investments in infrastructure and transportation.

The business leaders of our State, many of them from the metropolitan areas, obviously understand the necessity of infrastructure investments.

Infrastructure and transportation continues to be a major topic in dialogue across America similar to the debates we are watching in our State.

The National debate on transportation funding has been a local story in most major newspapers for several years, but responsible action to a great need has been insufficient to storm the tide of a crumbling infrastructure.

There have been 34 continuing Resolutions since 2009, all inadequately funded to meet the demands of an aging transportation system with a growing population of needs. Congress has not passed a Transportation Authorization bill since Map 21.

The North Carolina Congressional delegation has been proactive in pursuit of transportation/infrastructure funding legislation. Congressman Butterfield introduced "Military Transportation Improvement Act of 2014" on the last day of the 2014 session. The legislation promotes Interstate Designation for U.S. 70 and 795. The lateness of the session and the lack of a transportation funding bill left the legislation in "limbo."

We have continued to promote a Federal Transportation Funding Act and the designating of U.S. 70 and 795 as Interstates. Funding for transportation scheduled to expire, leaving hundreds of projects without funds to proceed, and leaving hundreds of workers unemployed.

The U.S. House voted to keep Federal money flowing to states (approximately 25% of N.C. transportation funding) through the end of July.

On July 30, the U.S. Senate passed bill **S. 1647** entitled, "**Developing a Reliable and Innovative Vision for the Economy**" (**DRIVE**) Act. Again the North Carolina Congressional delegation has proven to be infrastructure/transportation advocates. The entire delegation supported the legislation with all of North Carolina's Representatives co-sponsoring **H.R. 1844**, "**The Military Corridor Transportation Improvement Act**" a reference to transportation corridor from Marine Corps Air Station at Cherry Point to the Port at Morehead City.

Section 1204 of the 1,000+ page legislation, identifies the following High Priority Corridor on the National Highway System as future Interstates:

- Raleigh-Norfolk Corridor from Raleigh, North Carolina, through Rocky Mount, Williamston and Elizabeth City, North Carolina, to Norfolk, Virginia
- United States Route 117/Interstate Route 795 from United States Route 70 in Goldsboro, Wayne County, North Carolina to Interstate Route 40 west of Faison, Sampson County, North Carolina.
- United States Route 70 from its intersection with Interstate Route 40 in Garner, Wake County, North Carolina, to the port at Morehead City, Carteret County, North Carolina.

We frequently lament the NEPA process that, in the opinion of many, slows the transportation project approval process. It is a topic that should be carefully reviewed to determine if there are areas worthy of reconsideration.

Apparently our counterparts in other States are also expressing concern. U.S. Representative Jeff Denham, California sponsored H.R. 2497 entitled NEPA Reciprocity Act. The bill directs the Secretary of Transportation to establish a program to eliminate duplicative environmental reviews and approvals under State and Federal Law for rail and highway transportation projects. It further impacts the approval process by authorizing a state to use State Environmental Review and approve laws and procedures, consistent with specific stipulated requirements, in lieu of Federal Environmental law and regulations.

In my April/May, 2015 report, I suggested we should probably focus more than in the past on Federal legislation and our Congressional delegation. They are definitely a major factor in the salvaging of our infrastructure assets.

Although improving the U.S. 70 Corridor transitioning to a freeway and upgrading during the next few years to a full Interstate is a priority, the real agenda is to upgrade the economy of Eastern North Carolina.

Steve Yost, President of the Southeastern Partnership recently published an article entitled, **Feeding hope for rural jobs**. Mr. Yost touts the possibilities for job expansion in the rural industry via the food and beverage industry. Quote: "Innovation, competitive business costs and market access account for much of our success with food processors, an industry whose economic potential for rural North Carolina can be more effectively harnessed with modest policy actions."

Food clusters in a region capable of feeding the world is a natural progression for expansion of the industry and job creation.

Despite loss of tobacco income and the cash king of the East, agriculture remains as the dominant economic engine of North Carolina. Agriculture and agribusiness – food, fiber, animal husbandry and forestry – are 1/6 of North Carolina income and number of employees says Dr. Mike Walden, Economist, North Carolina State University.

In addition to the global opportunities of traditional agricultural expansion, there are opportunities in agriculture not yet adequately explored but underway. Research in the School of Agricultural and Life Sciences regularly present new ideas and hopes for an agricultural economic explosion in non-traditional agricultural pursuits.

I recall attending a series of seminars several years ago when discussions first began on the demise of tobacco and what's next scenarios. Respectfully the messages delivered promised a future in agriculture by growing our medicines replacing the artificial man-made chemicals with non-chemical laden plants.

A July article in **TIME** magazine explained the cancer-resisting ingredients in watermelon. Researchers are now seeking a process to extract the medicinal ingredients to develop a cancer fighting drug.

In August issue of **TIME** the articles continued to divulge continuing research that explores the values of several plant species to humanity: Pitaya – high in Vitamin C; Kaniwa – high in protein and iron; Coconut flour – highly quality diet; bamboo – antioxidant and antimicrobial properties. The plant life medicinal value continues to grow with new research.

Recently I had an opportunity to have dinner with the Dean of School of Agriculture & Life Sciences at North Carolina State University. The evening was filled with revelations on recent research offering great opportunities for the future of agriculture: A plant that grows well in North and can provide earnings up to \$ 40,000.00 per acre; Sweet potatoes providing \$ 250.00 for every \$ 1.00 invested and that is only two of a long list now in research.

The opportunities are limitless promising a great future for our young farmers. In addition to the value of those plants, there are huge enhanced economic opportunities for the farming community.

As we discussed over dinner, the obvious task is to convey the opportunities that lie in agricultural pursuits. Eastern North Carolina has rich, fertile soil, good water supply and people skilled in agriculture and the growing of diverse crops. Unfortunately a majority of the media continues to focus on the negative factors of the recent history of farming in Eastern North Carolina, but as usual, there is an up-side to agriculture going forward.

Opportunities to expand rural North Carolina from a life-style to an industry and business based on agriculture pursuits are growing. U.S. Secretary of Agriculture Vilsack recently announced the launch of two funds known as Rural Business Investment Companies (RBICs) to make equity investments in rural businesses, assisting them in growing business in rural communities and creating jobs. Investments in bio-manufacturing producing medicines from plants, advanced energy production, local and regional foods systems, improving farming technologies and other cutting-edge fields are the future of agriculture.

In response to the exciting research findings emerging from agricultural centered Universities and in particular North Carolina State University, Venture Capitalists from across the Nation are now focusing on the vast array of possibilities within agriculture for growth stage, agriculture related rural communities. Historically the agricultural industry has made limited access to capital.

Venture capitalists in record breaking numbers are now looking at North Carolina as a rural state with unlimited potential to grow jobs and business opportunities in smaller, rural communities.

It is the task and challenge of the leadership of our state to convey to the diminished agriculture community the opportunities are promise of a new growth industry that can resurrect a region in economic decline. Present at dinner, I noted earlier, was the recently elected State President of FFA, Shelby Bireley, a rising junior at NCSU. Her chosen focus during her year as FFA President is to educate the young on the opportunities for a rewarding career (financially and mentally) in agriculture.

Admittedly I have strayed far from a transportation advocacy agenda that represents the center piece of the U.S. 70 Corridor Commission, but our real agenda is the economic revival of our beloved Eastern North Carolina. It is our belief that a safe, efficient U.S. 70 Corridor is a vital base for economic growth. Logistics analysts and experts tell us that approximately 92% of our agriculture products move by trucks on our roadways. They are intertwined and one needs the other.

On July 10, NC East Alliance sponsored a meeting of North Carolina's Center for International Understanding (CIU) and the Coalition for Global Competitiveness in an effort to draft the nation's first state-level strategic Plan for Global Engagement. A diverse group of leaders from Eastern North Carolina convened to engage in dialogue to focus on establishing

the state-wide plan and to encourage our region to become a player in the global marketplace. It is a good first-step to global participation by our region.

A document outlining a proposed framework to promote discussion to define and develop strategies for global success provides several specific ideas including:

- Emphasize and invest in airport and air-freight capacity
- Invest in and support highway and multi modal capacity
- Market and develop port capabilities which will support trade opportunities where NC has unique competitive advantage.

The focus of the U.S. 70 Corridor Commission, the possibilities of a new-generation farming community and the objectives of the Global Initiative are clearly interdependent and promising.

During the past two months, we have expended considerable effort and energy on securing FHWA approval of EIS document for Havelock Bypass. I have had an opportunity via Rob Hanson and his staff to meet frequently with FHWA staff to continue to encourage and promote final signature on the EIS document in order to keep the Havelock Bypass on an orderly progressive, although a much slower than hoped for schedule. Our Eastern North Carolina Congressional delegation and their staffs have been very supportive in our efforts to push the project forward.

I encourage you to review minutes of U.S. 70 Corridor Commission meeting of July 16, recently provided by Marcia Wilson. In the interest of brevity, I will not review the action and presentations at the meeting. But I am attaching a copy of A RESOLUTION OF SUPPORT OF GOVERNOR PAT MCCRORY'S CONNECT NC BOND PROPOSALS. A number of groups, towns, counties and Chambers have also passed support Resolutions. It is estimated the bond results would create 27,000 short-term jobs and 4,300 long term jobs which the construction industry needs.

As July ends, there is much in limbo – both in Congress in Washington, D.C. and at the General Assembly in North Carolina. In Washington the Current MAP 21 Transportation Bill and funding expired on July 31 at midnight. Senate Majority Leader, Mitch McConnell promised to move the legislation forward in the senate by passing a 6-year Transportation Authorization Bill funded at \$ 45 billion for 3-years. However, in discussions with Congressman Butterfield and his staff, they expressed doubt the legislation would pass because of the controversial amendments attached to the legislation: one from Democrats and one from Republicans. Hopefully, at a minimum, a continuing Resolution will keep funding flowing in order to avoid a halt in Transportation project.

In North Carolina, a version of Connect NC Bonds has passed the House but remains in doubt in the Senate. Also the failure to pass a State budget is the primary focus of legislation and the media. Like Washington, the North Carolina budget will be a victim of a continuing Resolution for the short term.

I recently read an article entitled **SMALL STEPS TO BIG IMPROVEMENTS**. Although the application of the three principles noted differ from our perspective, they are universal in message.

BE MOTIVATED. We are driven to changes based on our desire for gain by being proactive.

BE REALISTIC. Our cause is not a bad idea or an unworthy cause, but our goals are long term and difficult. We must continue to sustain momentum even if the results are modest.

BE FOCUSED & MONITOR, MONITOR. Regularly monitor progress at regular intervals. Look daily in the mirror, whether real or metaphorical, and act on what you see. Constant monitoring and adapting to constant change are necessary to continuing success.

Thank you for staying focused on a better Eastern North Carolina.



US 70 Corridor Commission

NORTH CAROLINA

A RESOLUTION IN SUPPORT OF GOVERNOR PAT MCCRORY'S CONNECT NC BOND PROPOSALS

WHEREAS, Governor Pat McCrory has proposed a \$2.85 billion bond initiative intended to connect North Carolina cities and towns in the 21st century by building roads, upgrading technology, constructing and improving educational facilities, enhancing medical services, supporting our military installations, improving parks and recreational facilities, and building and improving port and rail infrastructure; and

WHEREAS, these strategic investments, as proposed, are designed to benefit every community across this great State and will create jobs and improve the quality of life and environment for every North Carolinian; and

WHEREAS, because of North Carolina's fiscal strength and strong balance sheet, no tax increase will be required to fund these bonds and in addition, the State's Triple A bond rating will be preserved; and

WHEREAS, by not addressing our serious infrastructure deficiencies now, our State will lose its ability to compete in the future, interest rates will go up, costs to taxpayers will increase, congestion will worsen and jobs will not expand at the rate needed to sustain a healthy and vibrant North Carolina; and

WHEREAS, the citizens of North Carolina must be allowed to make the important decision of investing in the opportunities provided to our future generations through the Connect NC bond initiative.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of U.S. 70 Corridor Commission support Governor McCrory's Connect NC bond initiative and encourage the General Assembly to allow North Carolina's citizens to vote on this critical bond proposal to ensure North Carolina's future on the global stage.

This Resolution shall be in full force and effect from and after its adoption.

Passed and adopted this 16th day of July, 2015.

Ted Godwin, Chairman
U.S. 70 Corridor Commission

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