DIRECTOR'S REPORT FOR MONTH OF JULY, 2012 M. DURWOOD STEPHENSON, DIRECTOR

The month of July has been a period of transition and drama. The Corridor website is in transition from Kimley-Horn to Marcia Wilson, a major event and, hopefully, an improvement in our ability to communicate with our membership and the general public. Gallant's Channel Bridge, Havelock Bypass and wind farms have been the source of considerable drama and have stirred activity among our membership and NCDOT staff.

On July 2, I discussed with Mike Horne the transfer of website data from Kimley-Horn to Marcia Wilson. Mike was extremely helpful and co-operative. Marcia is working diligently to design and update the new website. Many of you have been contacted by Marcia as she moves forward with a new look, current data and new features. Please respond as promptly as possible to Marcia in order to assure the timely introduction of the new and improved website.

Congressman Butterfield's office contacted me on July 10 and asked for status of permits for Gallant's Channel Bridge and a briefing of pending issues that are creating delay. I suggested he may wish to get the most accurate and current data from Chief of Staff, Bobby Lewis. I advised Mr. Lewis they may be calling. I did provide a history and summary of salient facts to the Congressman's Office.

On July 17, Bobby Lewis and Jamie Shern met with new Coast Guard Rear Admiral Ratti to review and discuss status of permit for Gallant's Channel Bridge. The Admiral requested a Navigation Study. The study is now underway. We remain hopeful upon completion of this study, a permit will be forthcoming.

In early July, I began receiving calls and a large volume of emails expressing concerns about possible infringement on military air space by wind turbines generating power. In all of our communications, presentations and briefings from military, their top priority has always been protect our air space.

On July 12, I advised the Governor of the numerous reportings to me via telephone and email of expressions of concern on the possibility of wind energy developments impacting military flight training along the North Carolina coast. I provided a written summary of the concerns conveyed to me. In verbal and written communication, I identified the reports as rumor without verification or evidence from appropriate authorities, but the sources led me to believe the reports are credible.

The Governor was adamant in her position that no infringement upon military operations would be approved during her term as Governor. Her stated position is in accordance with her history of strong support for the military.

John Nicholson, military advisor to Governor, confirmed the Governor's position and stated opposition to wind energy installations that may have a negative impact on our Bases.

A strong commitment to the military by a contingent of leaders throughout Eastern North Carolina is evidenced by the relentless pursuit of support to oppose Invenergy's plan to develop a wind farm with approximately 120 windmills each 495 feet tall in close proximity to low level training flight program. In addition to the concerns about low level flight interference, the military has confirmed the static electrical currents generated by the wind turbines creates radar interference.

The military red flagged this project in March 2011, but it appears it continues to proceed.

I suggested a letter from Col. Leavitt to Governor Perdue confirming wind farm developments are an obstacle to military operations in Eastern North Carolina. On July 16 Colonel Jeannie Leavitt, Commander of Seymour-Johnson Air Force Base wrote to Governor Perdue stating '....I believe that wind farm development in any part of eastern North Carolina has the potential to harm the training missions of Seymour Johnson Air Force Base and potentially other Department of Defense users of the air space near the planned projects.' I delivered the letter to the Governor the next day on July 17. The Governor reaffirmed her commitment to oppose any development that will infringe on military operations.

Although this is not a specific item on the Corridor Commission agenda, we are aware of the importance of the military and the economic value and importance to our State and especially the Eastern region.

The leadership of the Corridor Commission; Chuck Allen our Chairman, Jack Best subcommittee Chair, BOT Member General Hugh Overholt and many other Eastern leaders have assumed prominent roles in support of the military and opposing wind turbine farms in this vicinity.

Discussions and negotiations are continuing with representatives of wind mill farm developer, Invenergy, military, permitting agencies, including utilities commission, officials from

Governor's staff and a large group of elected officials and determined military supporters. It is a mission filled with passion and failure is not an option.

The citizens of our State and especially those of us in the East are grateful for the passion and the diligence in protecting our military and a valuable asset.

After achieving this victory, we must begin a broader campaign in response to the constant plea of the military to protect their airspace by developing zoning tools for all jurisdictions in close proximity to military bases. The NC Working Lands Group Partnership is a formal association of N.C. Department of Environment and Natural Resources, N.C. Department of Agriculture and Consumer Services, U.S. Department of Agriculture Natural Resources Conservation Service, N.C. Soil and Water Conservation Commission, N.C. Cooperative Extension Service and N.C. Farm Bureau developed a formal working relationship to protect lands around or near military installations. We should pledge our support and assistance to this group and hopefully learn from them. We all share a common purpose and commitment.

On behalf of the Corridor Commission, I extend our sincere thanks and congratulations to former Global TransPark President Jim Fain upon his retirement. Mr. Fain came to the TransPark at a time when a new focus and spirit of energy was needed. He re-energized staff and support agencies with enthusiasm and a plan of action. Thank you and enjoy your retirement.

Secretary Conti, Chief Operating Officer, Jim Trogdon and Chief Engineer Terry Gibson approved Corridor 3 on July 19 as the NCDOT Preferred Alternatives for the U.S. 70 Havelock Bypass. The selected Corridor route will upon completion provide a 10-mile, four-lane divided freeway for U.S. 70 that will bypass the heavily congested City of Havelock and the Cherry Point U.S. Marine Corps Air Station. Obstacles remain in NCDOT's quest to deliver this long-awaited and much needed transportation improvement.

On July 19, I met with Scott Chase, Director of Planning for City of Havelock. Scott and his team with the support of elected officials have been pro active in developing concept plans for the future of Havelock. They have committed financial resources to further study engaging a consultant to assist in promoting the ambitious plan.

Representative Norm Sanderson has expressed interest in Slocum Gate project. NCDOT has reserved \$ 10 million for this project. However, the estimated cost is approximately \$ 20 million. The military has indicated this is a priority project. NCDOT is hopeful DAR funds may be available to fund the \$ 10 million balance, but it is a "long-shot" hope.

Leaders of Eastern MPO's and RPO's continue to meet and plan to formalize agreements and plan of operations of Eastern Coalition. As I stated last month, this coalition is a major accomplishment and will benefit transportation in Eastern North Carolina.

Tolls continue to be a major topic and source of emotional dialogue. Ferry tolls, I-95 tolls and tolling of major Metropolitan loops provide considerable discourse on the pros and cons of tolling.

Representative Renee Ellmers has introduced H.R. 4174 titled "No Tolls in North Carolina Act of 2012." I am not certain if the intent of this legislation is to stop all tolls in North Carolina or if it is to prohibit tolling I-95.

As you are aware, the Corridor Commission has not taken a position on tolling. The ferry tolls are a local issue and we respect the opinions of the affected communities. I-95 affects only Johnston County along U.S. 70 Corridor. The businesses, citizens and elected officials of the County are generally opposed to tolling I-95. The urban loops are not a consideration for our agenda.

As the debate on the pros and cons of tolling rages, it is interesting to note that toll roads were first suggested by Adam Smith in a publication entitled THE WEALTH OF NATIONS IN 1776. Adam Smith, generally regarded as the founder of modern economics, was an advocate of free enterprise and "hands off" government. Mr. Smith justified the tolling of roads by suggesting the roads should be funded by its users. Sound familiar?

In an editorial Point of View recently published in the NEWS & OBSERVER and written by David Farren, senior attorney with the Southern Environmental Law Center included the following statement: Quote: "\$ 1 billion in combined bypass projects along U.S. 70 in Eastern North Carolina. The main purpose is to prop up a port in Morehead City that is ill-suited to compete in the global economy."

Although the premise of Mr. Farren that the port at Morehead City is not suitable for global competition is subject to debate. The premise that the main purpose of the U.S. 70 Corridor Freeway is to promote the port is inaccurate.

The purpose of a Freeway Corridor has been repeatedly defined and the benefits are regional, enhancing opportunities for commerce, trade and the enhancement of our many assets.

Our objective is to achieve lasting change in our region by improving transportation and economic opportunities. The "road" to success is long and arduous, but achievable, thanks to all of you!