



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTH OF JUNE, 2014 M. DURWOOD STEPHENSON, DIRECTOR

Whew! It seems as if the month of June has flown into summer and settled so quickly into July.

At the end of every month, I report major activities for the month, assess past progress of agenda, evaluate processes and plan forward within an evolving transportation future.

It is my responsibility to provide you with the information you need to intelligently argue the need and justification for the Freeway agenda. Hopefully the persistent messaging will propel a stronger advocacy and be more than a monthly email to be read and discarded.

The consistent delivery of content must expand beyond a singular platform and is, instead, an evolving entity that wills itself forward recognizing the long road of execution necessary for transportation success.

The report allows us to connect on a frequent basis and is a regular reminder of the recent past, the current activities and the next steps forward.

In addition to the monthly report, the on-going, nearly daily correspondence via emails, the countless meetings and of course, a website that provides a constant presence are all tools to chronicling and exploring the important, innovative work ahead, focusing resources and attention on the fundamental issues.

Achieving success is about making the connection between the big picture goals and the challenges that confront us. Less we forget, the big picture goal is the renewal of economic opportunity for Eastern North Carolina with the first premise a Freeway connecting all major transportation venues; an improved and safer U.S. 70 with efficient access to I-95, I-40, U.S. 117, U.S. 64/264 and N.C. 24 enabling the movement of people and goods to our ports, tourism destinations, the Global Transpark and markets across the United States and the Global community.

M. Durwood Stephenson

Director

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On June 4, the Board of Transportation U.S. 70 Work Group met in Raleigh. Rob Hanson and his staff provided a detailed status report on all major U.S. 70 Corridor projects. Copies of the report are available upon request. Chris Johnson, Johnston County Economic Development Director gave a real-life review of the impacts of a major Bypass. He reported the U.S. 70 Clayton Bypass did not have any negative impacts on the Town of Clayton and the Bypass was in fact, a positive development for Clayton and for the more eastern Johnston County towns: Smithfield, Selma, Wilson's Mills, Pine Level and Princeton. Chris emphasized the significance of connectivity and suggested we call the new highway a connector and not a bypass.

The news has been dominated during the month of June by activities and deliberations of the General Assembly. Despite predictions of a quick session and early departure, the budget remains at an impasse at month end and even into the early days of July. Although transportation funding or the lack of continues to be a frequent topic of conversation and the headlines of countless news articles, there are no proposals being considered in our State.

As we have been cautioning for several months, we are moving perilously close to the August 1 deadline for replenishing the Highway Trust Fund. In a recent CALL TO ACTION email, the impacts of a failure of Congressional action on this issue was detailed. As I wrote several months ago, several members of the North Carolina Congressional delegation expressed strong opinions that Congress would not allow the Trust Fund to go broke. The improbability of a failure to act inches forward to a looming possibility that YEAR ZERO may actually become reality in a few short days now. Congress is scheduled to recess on August 1, the day of reckoning for the Highway Trust Fund.

This month the U.S. Senate Finance Committee attempted to move forward with a \$ 9 billion proposal to restore The Highway Trust Fund through 2014. At this time, it does not appear likely this Proposal will get beyond the Senate Finance Committee.

In another attempt to forestall the depletion of transportation dollars, Republican Senator Bob Corker of Tennessee and Democratic Senator Chris Murphy of Connecticut prepared legislation to raise the fuel taxes by 12 cents over the next two years and set future annual increases at the rate of inflation in order to sustain the fund.

The Federal Fuels tax is currently 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel. Despite the growth of transportation needs, the fuels tax has remained at current levels since 1993. It should be noted Presidents Reagan and Clinton both supported and enacted fuels tax increases. Despite the bipartisan effort by Senators Corker and Murphy, it does not appear likely this effort will be approved – certainly not prior to August 1.

At present levels, the Federal Fuels Tax generates approximately \$ 35 billion annually, but U.S. DOT has been spending \$ 53 billion annually with subsidies from the Treasury – a sum that has been woefully inadequate.

Certainly I am not advocating for an increase in fuels tax nor has our organization endorsed the idea. The issue was debated in our State legislature last session and was capped.

Our plea and arguments to our elected leaders must be; seek a politically palatable solution to a serious problem that threatens an aging infrastructure and protect the investments that are so necessary to commerce and the safety of the motoring public.

Refocusing locally, North Carolina Rail Road President, Scott Saylor and I were invited by Town of Selma Mayor Cheryl Oliver to speak to Selma Town Council on June 10. My presentation consisted of a brief history of the Corridor Commission, its planned agenda and the current status of major Commission priorities. President Saylor provided specifics on major investments in rail in Eastern North Carolina. Selma is an important player in future rail and economic opportunity. The site located in Selma is a rarity offering East – West and North – South rail service via 2 Class A rail carriers.

On June 16, Haywood Daughtry released the crash data along U.S. 70 Corridor for Johnston, Wayne, Lenoir, Jones, Craven and Carteret County for period 2011-2013. A review of the data indicates 28 fatalities with property damages of \$ 18.89 million and a crash rate 65% higher than any other major highway Corridor in North Carolina. The fatality crash rate is 465% higher than I-40. There were 4,076 crashes along the 135 mile corridor. Haywood provided data for each County along the Corridor with hazardous crash interactions specifically noted and identified. The information is available on Corridor Commission Website and substantiates troubling statistics confirming serious safety issues.

The next big event of the month was the quarterly scheduled meeting of the Corridor Commission on June 19 at Crystal Coast Convention Center in Morehead City. The changing of venues to coincide with seasonal weather proved to be the right decision. Contrary to several previous winter month events at the Coast, the picture perfect day lifted the spirits of all and encouraged several to stay the weekend.

The primary focus of the June 19 agenda was the U.S. 70 Economic Impact Study with presentations from study consultants Dr. Paula Dowell, Cambridge Systematics and Sanford Holshouser Development Group representatives and principals, Rocky Lane and Ernie Pearson. The meeting was well attended in anticipation of release of the report and its verification of the authenticity of the Corridor agenda. The basic tenets contained in the report:

- Economic Impact of a U.S. 70 Freeway is estimated at approximately \$ 1 billion
- Improvements to US Highway 70 would benefit not only the corridor, but all of North Carolina.
- Economic growth will be slower if US Highway 70 is not improved.
- Upgrading of the entire US Highway 70 Corridor could add 1,150 to 1,900 additional jobs along the corridor and up to 2,500 jobs per year statewide.

N.C.D.O.T. Chief Deputy Secretary, Nick Tennyson addressed the Directors encouraging our members not to give up on future highway projects, but to stay engaged, not to be discouraged and be patient. He reminded us that transportation is a long-term process. Deputy Secretary Tennyson also reminded us of the inadequacy of funding: The State of North Carolina has \$ 70 billion in identified transportation needs and only \$ 1.5 billion in available revenue. He reconfirmed our belief in the significance of transportation infrastructure citing its role in creating jobs and boosting the economy.

We are grateful to Deputy Secretary Tennyson for his attendance and his well-timed, appropriate remarks and reminders.

Following disposition of routine Corridor business matters, Patrick Flanagan of Eastern Carolina RPO, reviewed the data scores for U.S. 70 Corridor Commission projects. The data he reviewed were quantitative scores as of June 9, 2014 and are not the final scores.

Chris Pendergraph, N.C.D.O.T. Division 4 Operations Chief updated the Directors on the status of construction on Goldsboro Bypass. As they say a picture is worth a thousand words: Chris provided a pictorial essay of the project. The photos portrayed a reality that is encouraging and was not believed possible just a couple of years ago.

On June 26 & 27 NC SITE (North Carolina Section of Institute of Transportation Engineers) held their mid-year conference in Beaufort, North Carolina. General Jim Trogdon spoke to the group on the new Highway funding formula followed by Dr. Larry Goode with need and feasible options for new transportation funding in North Carolina. On Friday, as requested, I gave updates on status of U.S. 70 Corridor Commission, its agenda and project priorities.

The RPO's/MPO's and Division Engineers in concert with public discussions and elected officials continued the evolving process of scoring projects. It is a process that we will continue to monitor and press for projects that coincide with our connectivity agenda.

For the past 4+ years, I have inundated you with emails and a monthly report discussing topics that hopefully provides the information you need to engage in meaningful dialogue with local citizenry, elected officials and DOT planners and engineers.

All of you are an important and absolutely necessary part of a successful campaign to sustain "One Voice, One Vision" agenda. It is easy to forget the importance and significance of each individual and the results of their activity or inactivity.

An Eighteenth Century Poet wrote:

"There is nothing that hath so great a power as the aggregates of small things

Each individual action is a contributing factor to success or inaction to failure."

Although there can be no inscrutable evidence of my strong personal belief that the congregation of effort by many individuals coupled with the persistent diplomacy of Bobby Lewis and Jamie Shern is the primary reason that we are now under construction on Gallant's Channel Bridge. The number of letters, emails and calls orchestrated by Carteret County Chamber to U.S. Coast Guard seeking permits cannot be over emphasized and were a major factor.

It is that level of activity necessary to reversing unfavorable economic trends in Eastern North Carolina.

As our Economic Study consultants reminded us, a Freeway along the entire 135-mile corridor is a first-step toward economic viability but not the panacea.

If we are serious about revitalizing the economic fortunes of the East, it shall be our challenge to confront a plethora of obstacles and circumstances and address each as they emerge.

In addition to infrastructure deficiencies, we must improve quality of life issues such as education and medical care. A recent quality of health care study published by BUSINESS NORTH CAROLINA identified the 10 worst health care qualities by County. Eight of those 10 are located in the East. We are all aware of the evolving face of health care. As community leaders each of us has/have an obligation to monitor and promote high quality medical care in our respective communities.

There are new and un-limitless educational opportunities being explored in rural North Carolina. Special schools are being planned under the "New Schools" umbrella and some unconventional educational facilities are now operational with good results. It is a course of action to be continued and expanded.

Dr. Mike Walden, Professor and economist at North Carolina State University recently wrote an article suggesting North Carolina communities that are in decline economically should consider the New York City Brooklyn neighborhood model.

Although we covet the turn-around success of Brooklyn's DUMBO (Down Under Manhattan Bridge Overpass), I am hopeful we are not forced into revival mode under the same circumstances. Dr. Walden wrote the two examples to be gleaned from New York are:

- First conditions must get so bad that they are really good. In essence real estate values hit rock bottom and are recycled by developers because prices have declined below competing properties.
- Second, redevelopment must be a joint effort between bargain seeking private investors and public investment (government).

The residents, citizens and elected leaders of our region have recognized deteriorating conditions and, hopefully, will reverse those trends prior to further economic erosion as suggested by Dr. Walden. Surely, we are better than that!

Your comments, observations, suggestions and comments are welcome and thank each of you for past, continuing and future efforts on behalf of Eastern North Carolina.