State of North Carolina
Office of the Lieutenant Governor

WALTER H. DALTON
LIEUTENANT GOVERNOR
lt.gov@nc.gov

20401 MAIL SERVICE CENTER
RALEIGH, NC 27699-0401
TELEPHONE: (919) 733-7350

August 5, 2010

Governor Beverly Perdue
North Carolina Office of the Governor
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

Dear Governor Perdue,

Thank you for the opportunity to serve as Chairman of the Governor's Logistics Task Force. The task force began its work in February and has held monthly meetings throughout the state. Along with your Senior Policy Advisor Al Delia who serves as Vice Chairman, we have been pleased to be working with a membership of governmental and industry leaders that bring an impressive breadth of experience and institutional knowledge to this important endeavor.

The task force membership includes Department of Transportation Secretary Gene Conti, Department of Commerce Secretary Keith Crisco, and Department of Environment and Natural Resources Secretary Dee Freeman. Participating members of the General Assembly are Senators Clark Jenkins and Michael Walters, as well as Representatives Nelson Cole and Danny McComas.

Pursuant to the requirements of Executive Order 32, please find attached a copy of the task force's six month report. A full listing of the task force membership is also included as an addendum to this report.

Over the coming months, the Task Force will continue its meetings across the state in an effort to gain a better understanding of the transportation and infrastructure needs of our communities. We plan to have a more comprehensive report, as well as recommendations for legislation to be considered by the 2011 Session of the General Assembly, for your review by the end of the year.

Thank you again for all that you do for the state.

Most Sincerely,

Walter Dalton

LOCATION: 310 NORTH BLOUNT STREET, RALEIGH, NC 27601
FAX: 919-733-6595

The Governor's Logistics Task Force was established pursuant to Executive Order Number 32, issued on December 8, 2009, and will expire on December 7, 2011. The Task Force is charged with researching existing and potential transportation efficiencies, and making short-term and long-term recommendations to create an integrated logistics plan for North Carolina.

The Task Force has met monthly since a February 2010 kick-off meeting at the NC Department of Transportation in Raleigh. Aside from the July meeting in Raleigh that was devoted largely to subcommittee work, the monthly meetings of the full Task Force have been regional outreach meetings. These meetings have afforded the Task Force the opportunity to learn the unique characteristics and needs of the various regions of the state.

The basic format for the regional outreach meetings involves presentations and committee interaction with multiple speakers. At each meeting, the first group of speakers presents an economic overview of the region. They are followed by speakers discussing the regional assets that are in place, and their importance. Finally presentations are given on the region's infrastructure for moving people, freight, and information.

The regional outreach meetings not only serve to inform the Task Force members about the respective areas of North Carolina, but they also provide citizens around the state with a forum to interact with the Logistics Task Force and learn of their work.

To date, regional outreach meetings have been held at Charlotte-Douglas International Airport, Davidson County Community College, Asheville Civic Center, and Western Carolina University. Future regional outreach meetings are planned to be held in Lenoir, Wilmington, Elizabeth City, Kinston, Rocky Mount, and Fayetteville.

In March 2011, a Logistics Task Force meeting will be held in Charlotte in conjunction with the annual meeting of the International Trade & Transportation Studies.

In addition to our meetings, the Logistics Task Force has also initiated an academic investigation into the types of inland ports or other multi-modal freight facilities (varying in size and characteristics) that might best serve the state's respective regions. In the 2008 "*Statewide Logistics Plan for North Carolina*", the North Carolina State University-based researchers concluded that the state should invest in the creation of inland ports. Based upon a discussion of that report, the task force voted to recommend a "*Seven Portals Study,*" financed and managed by the NC Department of Transportation, which will examine and analyze these issues, and findings will be reported to the Task Force. The overall vision for this research is to examine the feasibility of placing an inland port facility in each of the seven economic development regions. The North Carolina State University-led research team includes representatives from colleges and universities throughout the state.

The Task Force has four working subcommittees, each of which has begun meeting. While all four groups have their distinctive charges and work plans, they will communicate freely in order to benefit from the efforts of the other subcommittees.

The Best Practices Subcommittee (Dan Danieley, chairman) has begun its work, and is studying what other states and/or countries have done successfully in regards to logistics that North Carolina might want to emulate.

The Commerce Subcommittee (Larry Wooten, chairman) is examining the state's largest exporters, determining where their products are going and by what method of transportation those products leave the state. They are investigating what can be done to help them move freight faster and more efficiently, what is currently working, and what steps are needed for improvement. Commodities likely to be important to North Carolina's future are being researched, as well.

The Governance Subcommittee (Colonel Beth Austin, chairwoman) is reviewing the current operational structure of North Carolina's freight logistics and other transportation assets, and will make recommendations as to potential improvements. Pursuant to the recommendations of the 2008 Statewide Logistics Plan for North Carolina and a directive to the Task Force by the General Assembly, this subcommittee is specifically studying the concept of combining the North Carolina Railroad, the North Carolina Ports Authority, and the NC Global TransPark under one entity with one governing oversight body. Additionally, the legislation encourages the establishment of Class One Rail service by more than one railroad to the NC Global TransPark and the State Ports.

The Regional Hub Design Subcommittee (John Atkins, chairman) is exploring the feasibility and design of regional transportation hubs to make sure the entire state of North Carolina is able to move goods efficiently. This subcommittee will work closely with the multi-university "*Seven Portals Study*" research team, and will ultimately make recommendations on characteristics and proposed locations of inland ports and/or other multi-modal freight facilities.

A Task Force website has been created by the NC Department of Transportation that will give the public access to information including the Statewide Logistics Plan, Executive Order 32, Task Force membership and contact information, Subcommittee information, minutes of meetings, and a schedule of future meetings.

While this Governor's Logistics Task Force is a two-year project, the subcommittees and the Task Force as a whole are working towards an interim report this fall in order that any recommendations which require legislative action to implement can be presented to the General Assembly in time for consideration in the 2011 legislative session.

Governor's Logistics Task Force

The Honorable Walter Dalton
Lieutenant Governor of North Carolina
Task Force Chairman

Mr. Al Delia
Senior Advisor to the Governor
Task Force Vice Chairman

The Honorable Gene Conti
Secretary
NC Department of Transportation

The Honorable Keith Crisco
Secretary
NC Department of Commerce

The Honorable Dee Freeman
Secretary
NC Department of Environment & Natural Resources

The Honorable Clark Jenkins
Member
NC Senate

The Honorable Nelson Cole
Member
NC House of Representatives

The Honorable Michael Walters *
Member
NC Senate

The Honorable Danny McComas *
Member
NC House of Representatives

The Honorable Terry Bellamy
Mayor
City of Asheville

The Honorable Allen Joines
Mayor
City of Winston-Salem

Mr. John Atkins, III
Chairman & CEO
O'Brien/Akins Associates, PA

Colonel Beth Austin
Deputy Chief of Staff for Logistics
NC National Guard

Mr. Dee Blackwell
Executive Director
Western Piedmont Council of Governments

Mr. Earl Brinkley
Director of Global Logistics (Retired)
John Deere Company

Ms. Dawn Clegg
Supply Chain Manager
ArvinMeritor

Mr. David Congdon
President & CEO
Old Dominion Freight Line

Mr. Dan Danieley
Manager
Burlington-Alamance Regional Airport

* Pending Appointment

Mr. Tom Eagar
CEO
NC Ports Authority

Dr. Paul Kauffmann
Chair
ECU Department of Engineering

Ms. Patricia A. Long
Vice-Chair
Longistics International

Mr. Bob Morgan
President
Charlotte Chamber of Commerce

Mr. Jerry Orr
Manager
Charlotte Douglas International Airport

Mr. Rick Scholtes
General Manager
Target Distribution Center

Mr. Guy (Buddy) Shavender
President & CEO
Shavender Trucking

Mr. Joe Stephens
Managing Director
FedEx Mid-Atlantic Air Hub

Dr. S. Gary Teng
Director
UNCC Center for Lean Logistics & Eng. Systems

Mr. David Willauer
Senior Transportation Planner
IEM, Inc.

Mr. Larry Wooten
President
NC Farm Bureau Federation

Logistics Task Force Subcommittees

Best Practices
Mr. Danieley - Ch.
Ms. Clegg
Dr. Kauffmann
Mr. Shavender
Dr. Teng

Commerce
Mr. Wooten - Ch.
Ms. Bellamy
Rep. Cole
Mr. Joines
Dr. Kauffmann
Mr. Morgan
Mr. Scholtes

Governance
Col. Austin - Ch.
Mr. Brinkley
Mr. Blackwell
Sec. Conti
Mr. Eagar
Sec. Freeman
Sen. Jenkins
Mr. Orr

Regional Hub Design
Mr. Atkins - Ch.
Mr. Brinkley
Mr. Congdon
Mr. Danieley
Mr. Eagar
Sec. Freeman
Ms. Long
Mr. Stephens
Mr. Willauer