



State of North Carolina  
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February 23, 2011

Governor Beverly Perdue  
North Carolina Office of the Governor  
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Raleigh, North Carolina 27699-0301

Dear Governor Perdue,

Thank you again for the opportunity to serve as Chairman of the Governor's Logistics Task Force. By our travel through the state, we are listening to the people and learning of their needs and their ideas on how to best move people, goods and information in a more effective manner. I continue to be very 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.

Pursuant to the requirements of Executive Order 32, please find attached a copy of the task force's second six month report. Since we have had a couple of additions to the membership of the Task Force, a full listing of the current membership is included as an addendum to this report.

Contained within this report is a brief overview of our recent regional outreach meetings, as well as a summary of the work done by the North Carolina State University-led research team on the task force's "Seven Portals Study". Also included are recommendations related to improving the governance structures of our state's transportation assets. We intend to continue our initial work on governance since the task force believes that improving the manner in which our logistics assets operate will help to better position our state for success in effectively moving people, goods and information.

Over the coming months, the task force will begin to wrap-up its regional outreach meetings and begin developing our final report. We welcome your input as we go forward so that our analysis of the state's logistics capabilities is as comprehensive as it can be. The task force looks forward to submitting our final report to you by the end of this calendar year.

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

Most Sincerely,

A handwritten signature in black ink, appearing to read "Walter Dalton".

Walter Dalton



## February 2011 Logistics Task Force Report to Governor

The Logistics Task Force has continued its travels across the state in an effort to understand the transportation needs of the respective regions, as well as the industries which are of paramount importance to the economy.

Since our last report, the Task Force has held regional meetings in Lenoir, Wilmington, Elizabeth City, Kinston and Rocky Mount, with working meetings also being held in Raleigh. These meetings have afforded the Task Force the opportunity to learn the unique characteristics and needs of the various regions of the state. A full listing of our past and future meetings is included as Addendum #1 to this report.

Additionally, one industry sector-specific informational meeting was held at Nash Community College in Rocky Mount focusing on Agriculture. Speakers advised Task Force members on the importance of agriculture to North Carolina's state-wide economy, current transportation practices, and potential transportation changes that would help the industry grow.

Over all of our regional meetings the basic format continues to involve 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.

In February 2011, Logistics Task Force members attended the International Trade & Transportation Studies' *Freight in the Southeast* symposium.

We have begun to conclude our regional outreach, but we still have meetings planned in Fayetteville/Fort Bragg, Morehead City, and Durham which will take place over the coming months. The meeting in Fayetteville will take place on Fort Bragg and will focus on the importance of the military industry in North Carolina.

Following the conclusion of the regional outreach meetings, working sessions will be held for the remainder of the year in order to complete the work of the Task Force in compliance with the Executive Order.

As stated in our first report, the Task Force has also initiated an academic investigation into the types of inland ports or other multi-modal freight facilities that might best serve the state's respective regions. 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 Institute for Transportation Research and Education of North Carolina State University has served as the primary investigator for this study with individual region-specific research being handled by representatives from other UNC-system institutions. The Universities involved and their respective study region are as follows:

Region	University
Northeast	East Carolina University
East	UNC-Chapel Hill
Southeast	UNC-Greensboro
Research Triangle	NC State University
Piedmont Triad	NC A&T State University
Charlotte USA	UNC-Charlotte
Advantage West	NC State University (with review by Western Carolina University)

Over the past months, the respective universities have communicated with representatives of their specific region. The study team leadership has regularly provided updates to the Regional Hub Design subcommittee, as well as the Task Force as a whole.

During a December working session, the respective regional study teams provided updates to the Task Force regarding their work. Each study group discussed the characteristics of their respective region, as well as presented illustrative sites within the region for potential development of inland port or intermodal facilities.

Following these presentations, the Task Force recommended that the study teams solicit comment their respective regional partnerships regarding their current research. From those comments, the Task Force asked that a form of quantitative measure be developed which could be used to further understand the comparison between respective illustrative sites. The Task Force directed the study team to continue its work, remaining in regular communication with the Regional Hub Design subcommittee, and making monthly presentations to the entire group. It is expected that the full study team will generate their final report for submission to the full Task Force by May.

Another aspect of the Task Force's work over the past months has involved the development of governance structures to operate and regulate logistics activities within North Carolina. Many of these governance structures already exist in entities such as the North Carolina State Ports Authority and the North Carolina Global Transpark Authority.

As you may be aware, the Task Force was directed by the General Assembly to study two items related to governance. The first the concept of combining the North Carolina Railroad, the North Carolina Ports Authority, and the North Carolina Global TransPark Authority under one entity with one governing oversight body. Additionally, the legislation encouraged the establishment of Class One Rail service by more than one railroad to the North Carolina Global TransPark Authority and the State Ports. [SL 2010-0152, Part XXX] Through our work, the Task Force has examined both issues and has made the following recommendations:

- 1) The Task Force has determined that it is prudent for the General Assembly to consider the movement of the North Carolina State Ports Authority from under the Department of Commerce and placing it, along with the NC Global Transpark Authority under the Department of Transportation
- 2) With regards to the movement of the North Carolina Railroad in the same manner, the Task Force does believe that it should also report to the Department of Transportation. However, because of the organization's unique structure, further study regarding any reporting powers needs to be undertaken before any action commences.
- 3) Upon initial review of the concept of establishing dual Class I rail access to the NC State Ports facilities and Global Transpark, the Task Force has determined that more research needs to be committed to this idea. Currently each Port facility has access by a single Class I carrier, as does the Global Transpark. Future expansion of rail coverage to these areas would need to be examined based on current right of way contracts between the respective carriers and the rail in question. Also, the feasibility of using shortline rail carriers to leverage rate competition between Class I carriers should be studied if expansion of service is not deemed practicable or feasible. The Task Force is also aware of the current action by the federal Surface Transportation Board regarding an examination of rail competitiveness and will stay apprised of further action by the Board on this issue.

The Task Force provided a report to the General Assembly on January 26<sup>th</sup> in compliance with the study language regarding its work to date on issues related to governance.

The Governance subcommittee also recommends that the General Assembly consider further realignment to the North Carolina Board of Transportation to allow for representation generally from the respective seven economic development geographic boundaries, as well as to better address the current and future logistics needs of the citizens and businesses of this state. With actions being taken under the current appointment and term structure, it is proposed that the Board membership be realigned to allow for 2 members to come from each of the respective regional boundaries (a total of 14 members) and 5 members to be treated as “at-large members” in one of the following areas of interest: Environment, Logistics/Multimodal Transport, Government & Finance, Rural Transportation, and Urban Transportation. As referred to in this proposal, regional boundaries are defined as the current and future counties which make up the seven economic development regions as defined by the North Carolina Department of Commerce. This proposal also retains the current Department Division structure at this time. The Task Force also recognizes the need for further evaluation on the matter of regional boundaries for this purpose and will continue to study this concept.

Following the January meeting focused on agriculture, the Task Force has directed the Commerce subcommittee to continue its analysis of the potential for growth in the export market for our agricultural products. The Task Force has also directed the subcommittee to examine the impact that current statutes have on the actions of the agricultural industry and how they can be modified to improve the conditions for increases in exports of North Carolina products.

In the coming months, the Governance subcommittee will also begin to consider the potential governance structures for proposed inland ports and intermodal facilities, as recommended by the *Seven Portals Study*. Additionally, they will examine possible funding structures and potential public-private partnerships which may be established to construct and maintain various inland port facilities throughout the state.

The Task Force's other subcommittees have also been diligently working. The Regional Hub Design subcommittee continues to serve as an advisor to the *Seven Portals Study* team and will soon begin to examine the characteristics of “model logistics villages” in collaboration with the Best Practices subcommittee. Best Practices will also begin a literature review of previous studies of logistics capacity both in states and in specific logistics facilities. Finally, the Commerce subcommittee is planning to engage in further study of the markets for North Carolina products, as well as an analysis of the types of products which are both imported into and exported from the state.

Finally, the Task Force has a website which is located at <http://www.ncdot.gov/business/committees/statewidelogistics/>. The site, which is maintained by NCDOT, contains meeting minutes from the Task Force, as well as our subcommittees. As we continue our work, we anticipate continuing to add information to inform the general public about what we have done. The site also has the ability for members of the public to provide comment to the Task Force.

Overall, the Task Force has certainly made a lot of progress since our initial meeting in February 2010. We have learned a lot about the various regions and industries of this state and the needs that each have as it relates to transportation and logistics. During the next few months, we will begin to develop a statewide vision for future growth and improvement in the area of logistics. Effectively moving people, goods and information throughout North Carolina will certainly position our state for future success in all areas.

## **GOVERNOR'S LOGISTICS TASK FORCE MEETINGS**

### PAST MEETINGS

- 2/5/10- Initial Task Force Meeting: Raleigh
- 3/16/10- Charlotte: Charlotte Douglass Airport
- 4/22/10- Lexington: Davidson Community College
- 5/17/10- Asheville: Asheville Civic Center
- 6/24/10- Cullowhee: Western Carolina University
- 7/19/10- Raleigh
- 8/25/10- Lenoir: Broyhill Civic Center
- 9/21/10- Wilmington: Cape Fear Community College
- 10/18/10- Elizabeth City: Elizabeth City State University
- 11/18/10- Kinston: NC Global TransPark
- 12/15/10- Raleigh
- 1/19/11- Rocky Mount: Nash Community College
- \*\*2/9/11- Charlotte: Joint meeting with ITTS Conference- Marriott City Center
  - \*\*This meeting was not an official meeting of the Task Force, but rather an invitation that was extended to the Task Force on behalf of NCDOT and ITTS

### FUTURE MEETINGS

- 3/14/11- Fayetteville/Ft Bragg
- Week of 4/18/11- Morehead City
- Week of 5/16/11- Durham
- Week of 6/13/11- Raleigh- Working Session
- Week of 7/18/11- Raleigh- Working Session
- Week of 8/15/11- Raleigh- Working Session
- Week of 9/19/11- Raleigh- Working Session
- Week of 10/17/11- Raleigh- Working Session
- Week of 11/14/11- Raleigh- Working Session
- 12/15/11- Raleigh- Close out/Final Report

**Addendum #2**

**Governors Logistics Task Force  
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**Addendum #2**

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**Addendum #2**

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