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MARITIME STRATEGY MEETING

Tuesday, December 13, 2011

St. James Community Center

St. James, North Carolina

6:01 P.M. to 8:31 P.M.

ASHLEY E. FALLER, COURT REPORTER
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16 we will try to answer it as -- oh, I'm sorry. Thank
17 you. My name is Rachel Vanderburg with AECOM. I am
18 a project manager with the North Carolina Maritime
19 Strategy team which includes AECOM and URS along
20 with Eydo. We are doing work under contract through
21 the North Carolina DOT on behalf of the entire state
22 and we're going to tell you a little bit about that
23 study today.

24 Before we get started, I wanted to introduce
25 the mayor of the town of St. James, Bob Morrow, who

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1 wanted to welcome everyone here tonight.
2 (APPLAUSE)
3 BY BOB MORROW:
4 Thank you for that very kind introduction.
5 You read it just like I wrote it. At any rate,
6 welcome on behalf of the town of St. James. We're
7 glad to see everyone here. We hope that you have a
8 productive evening. I'm sure that many of you have
9 comments that you want to make. I have a written
10 statement, too, but I think there's about 50 people
11 ahead of me. By the time it came around to me I
12 think it would be past my bedtime so I'm just going

13 to turn this in.

14 I'd like to thank the Department of
15 Transportation for sponsoring these series of
16 meetings. I think it's wonderful that citizens such
17 as yourselves are being given the opportunity to
18 provide input for what I think we all would agree is
19 an extremely important topic. And with that, I will
20 turn it back over to the team. And, again, I wish
21 you a good evening and I hope it's a very productive
22 meeting. Thank you.

23 BY RACHEL VANDERBURG:

24 Thank you, Mayor. So as I mentioned I'm going
25 to go through the presentation quickly. I want to

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1 make sure that we have time for all of your comments
2 before it gets too late into the evening. This
3 public information workshop is the first of three
4 that we're holding this week. We're here in St.
5 James, we'll be in Wilmington tomorrow night, and up
6 at Morehead City on Thursday.

7 The Maritime Strategy Study is intended to
8 really look at how the ports of North Carolina can
9 help with job creation and advance the economy of
10 the state. The outcome is intended to be a menu of

11 alternatives for consideration by the state to
12 examine focused investments that could be made to
13 greatest benefit and looking at both benefits and
14 cost to the state of North Carolina.

15 The Maritime Strategy is really an outcropping
16 of a broader effort that's been undertaken by the
17 state as part of the Governor's Logistics Task
18 Force. It was recommended here just over a year ago
19 that a real focused look at maritime trade be
20 examined as part of that effort. So we are working
21 with the Logistic Task Force along with a 7 Portal
22 Study to make sure the efforts are coordinated and
23 complementary.

24 We are also integrated into the effort.
25 Executive Order 99 was issued, I believe, in July to

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1 ensure that port uses that are recommended are not
2 inconsistent with economic drivers of the
3 surrounding community.

4 So a lot of this seen in the back is the study
5 scope and is really to examine North Carolina's
6 position in global maritime trade. To look at how
7 global ports play in that and how that can be

8 improved as input to talk with all the stakeholders
9 in the maritime industry as well as freight
10 providers, economic development interests and the
11 community.

12 Again, we will identify specific strategies
13 that include focused investments as well as other
14 policy strategies that could enhance maritime trade
15 into and out of North Carolina.

16 You've seen the timeline in the back. We
17 kicked off the project in May. We have been working
18 to examine -- collect and examine a lot of data to
19 develop market scenarios, you can see some of that
20 in the back, to define specific alternatives,
21 evaluate those and come up with ultimately the final
22 recommendations for a final report in February.

23 We are now in the process of defining and
24 evaluating alternatives. So your role tonight is to
25 look at the information presented here. Look at the

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1 information on the boards behind you, ask a lot of
2 questions. I hope you had an opportunity to do that
3 during the open house, and certainly after my
4 presentation. And, also, to provide your input and
5 comments.

6 In addition to comments today, which can be
7 received in written or verbal form, you can also
8 make comments on the website, and I have a website
9 at the end of the presentation. It's also in the
10 brochure.

11 So let me tell you a little bit about what we
12 have done so far with the Maritime Strategy. A
13 tremendous amount of effort was to look at
14 information that had already been developed that
15 have been presented to us and recommended that we
16 review by various stakeholders. We collected and
17 examined more than 100 individual reports and
18 documents to make sure that we're building on the
19 work that had been done before, but also not just
20 relying on that information. So where we couldn't
21 validate data, we have done additional analysis. We
22 have made sure that we are building and taking a
23 fresh look at what was done before.

24 We've also obtained an independent market
25 forecast to use as part of our efforts from IHS

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1 Global Insight, and that's been a real key element
2 of our analysis. And then looking at the

3 infrastructure needs and strengths, our team has
4 done a very comprehensive GIS-based analysis with
5 highway infrastructure, the rail infrastructure as
6 well as waterway needs. And on the port side we
7 used our own analytic tools to examine the capacity
8 and the potential capacity of the port terminal
9 sites.

10 One thing that we have done in addition is
11 develop our own cost model to look at the drivers.
12 Look at how shippers make decisions in using ports
13 and how North Carolina ports could be more usable
14 and less costly to North Carolina shippers.

15 We've also integrated input from a whole set
16 of stakeholders. In this trend, stakeholders'
17 meetings have included industry workshops with
18 focused discussions with different groups of
19 industry listed here: Agriculture, railroad,
20 trucking and military. And we've also had focused
21 discussions and interviews. So this included
22 planning organizations and economic development
23 commissions across the state as well as with
24 specific interest in community groups.

25 We have also held some public workshops. The

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1 first round was really more of listening sessions at
2 the end of September and October, and this round
3 tonight. And there will be an additional round of
4 meetings as we develop our draft recommendations.

5 So just as a summary of the input that we've
6 heard, the top-line jobs, economic growth and the
7 environment were really recurrent concerns and
8 interests that we heard. As I mentioned, costs to
9 use the ports are the biggest driver of the decision
10 of shippers, and our real concern of being
11 competitive in the global market.

12 Also not surprisingly, road and rail
13 connections are very important. And it's important
14 to know also that the Maritime Strategy is looking
15 at port infrastructure, but also the statewide
16 infrastructure that can support maritime trade, not
17 just the terminals themselves.

18 There was a -- right now the market in North
19 Carolina is mostly truck-based. And really, to take
20 advantage of freight rail we need to increase the
21 volumes. And we've been working with shippers to
22 figure out how that might be accomplished.

23 In order to have a competitive containerized
24 crane in North Carolina there needs to be regular
25 calls of ships. This is something we heard from

1 multiple sources. We also identified some specific
2 themes and needs of North Carolina shippers
3 including refrigerated storage. That was seen as
4 something lacking by those that seek that kind of
5 facility. Also facilities to support
6 roll-on/roll-off and oversized cargo. Things like
7 construction equipment that are very large. And,
8 also, bulk handling for wood pellets and grain which
9 are both core opportunities to the state of North
10 Carolina.

11 An important message we heard, which is a
12 theme we've been building into our study, is that
13 the strategy be integrated to include the needs of
14 transportation, commerce and military, which are all
15 keys to its success.

16 And, finally, we heard from really all sides
17 of the issue that it's important that there is
18 greater communication in the maritime industry and
19 about maritime needs, both with shippers and users
20 of those facilities and with the public and the
21 community.

22 So a quick overview of North Carolina ports.
23 I think -- I'm trying to go through this quick. I
24 don't want to shortchange any of the information, I

25 don't want to take up your time. We have determined

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1 that North Carolina ports, there's opportunity to
2 grow, but it's limited. Some strategic investments
3 need to be made for long-term growth.

4 The state ports have a very good strength in
5 non-containerized cargo compared to the other
6 regional ports. That's really a huge chunk of their
7 business, and that would be an opportunity to
8 expand. The state has very low port costs within
9 the port itself in handling the goods on and off the
10 ships. But those costs and those advantages are
11 offset often by the land side cost, so that's a
12 challenge that needs to be overcome, or by distance
13 to the ocean. You see in the chart here, Wilmington
14 in particular is 26 miles from the open ocean as
15 compared to 4 for Morehead City which is a great
16 advantage, or looking at the other ports in the
17 region.

18 So here's a quick graph, and those of you who
19 were here during the open house have seen this, of
20 the existing goods that were carried through the
21 port of Morehead City. It handles only
22 non-containerized goods, phosphate and sulphur,

23 which are fertilizer input and are 86 percent of the
24 total tonnage going through that port, very
25 significant.

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1 The ports there also provide value item
2 service in terms of inventory management on site to
3 support shippers. You can see from the available
4 capacity and the volumes in 2010 that the slowdown
5 in the construction industry is really quite good
6 for certain types of storage of the port.

7 In the Port of Wilmington, grains and wood
8 products represent almost 80 percent of the cargo
9 flowing through that port in 2010 of the
10 non-containerized goods. Those are areas, both
11 grain and lumber, that the port is really nearing
12 capacity where they've had strong growth. The Port
13 of Wilmington also handles containers. Here you can
14 see in 2010 they have about 25,000 TEUs, which are
15 20-foot equivalent units, standardized method of
16 measuring containers, and had about 44 percent of
17 unused capacity.

18 Right now the ability to handle goods in the
19 long term would be limited by a single berth. It

20 can bring one ship in to be serviced by the
21 terminal. But in the long term, a yard would really
22 be a limitation too small to store all the
23 containers that would pass through.

24 In looking at the opportunities and the
25 challenges in front of the North Carolina ports, the

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1 needs for shippers within the region, we took a look
2 across different types of commodities of regional
3 demand versus capacity. So this graph shows you two
4 growth curves. The lower one being a three percent
5 growth curve, and the upper one being five percent
6 which are the bounds that were provided to us by IHS
7 Global Insight and various capacities in these
8 scenarios. This lower line is the existing regional
9 container capacity. So this presumes that a shipper
10 who wants to bring a container could use any port
11 between Jacksonville, Florida, and Norfolk,
12 Virginia.

13 (QUESTION ASKED BY MEMBER OF THE AUDIENCE)

14 BY RACHEL VANDERBURG:

15 The question was does this account for planned
16 growth. Let me -- the other lines represent the
17 incremental improvements that are now being planned

18 by the ports. So this first dark red line
19 represents the Hanjin Terminal in Jacksonville,
20 Florida, which is under development right now. So
21 that's going to happen. The orange line represents
22 the Navy Terminal in Charleston. Those two are well
23 into planning and development and construction.
24 Beyond that we have this dark green line, it may
25 look gray, which is the incremental additional

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1 capacity that could be achieved with the Craney
2 Island facility which was proposed by Norfolk. And
3 then this bright green line adds on top of that the
4 Jasper Terminal which would be the potential South
5 Carolina-Georgia joint venture.

6 So depending on which capacity line you take
7 and which growth curve you take, you can see the
8 assumptions, if you have the two that are now under
9 construction and five percent growth that the region
10 would be at capacity in 2025. So there's some
11 things that the industry can do when you're nearing
12 capacity to improve, but this gives you a sense of
13 the different scenarios that could be considered.
14 It should be noted that as you get further up the

15 line, those projects become more speculative, and in
16 particular Jasper, about the likelihood of that
17 project occurring.

18 We did a similar exercise for bulk demand. So
19 these are things like grain and wood pellets that I
20 mentioned. And here you have a very conservative
21 growth curve at two percent and then a four percent
22 growth curve. This excludes items like coal and
23 petroleum. And it should be noted that there's a
24 certain simplification that happened here. We've
25 assumed that the shipper doesn't care that his bulk

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1 product can be moved with the equipment as some
2 other bulk product and that the port is in a
3 location that can serve him. So there are, from
4 discussions with specific shippers of specific types
5 of goods, and we saw the grain example on the
6 boards, that what we're hearing is that the
7 facilities for certain types of bulk products are at
8 or near capacity or aren't in a location that
9 supports shipper needs.

10 Here we have breakbulk. Breakbulk is
11 something you can pick up in pieces like lumber. By
12 its very nature, these goods can be moved by a lot

13 of different terminal types and a lot of different
14 equipment, so there's a lot of flexibility here.
15 One thing that this doesn't reflect is that there
16 are certain terminals that cannot handle very dense
17 or heavy breakbulk. As an example in Virginia a
18 delivery company was recently set to strike a deal
19 with a paper company to use their ports in the
20 terminal as a breakbulk terminal. And it was
21 determined the port couldn't support the loads of
22 the paper. So this is as individual goods need to
23 be considered individually.

24 We also looked at Ro-Ro. This is
25 roll-on/roll-off cargo. This includes a lot of

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1 automobiles, but it also includes things like
2 tractors and construction equipment and military
3 equipment. And here you can see we have the low
4 forecast at three percent, higher at five percent
5 for the region. And depending on which growth, you
6 can see regional capacity is actually somewhat
7 constrained in the future. One thing, again, like
8 the others, there is some Ro-Ro equipment that is
9 very heavy and that is not reflected in the

10 simplified analysis.

11 For the region, these growth rates are for the
12 region as the whole and include the southeast United
13 States. Looking at the market, this is a market
14 that uses similar import and export facilities.

15 The growth forecasts were developed both from
16 the baseline data provided by the port that we have
17 a lot of the detailed data by commodity from PIERS,
18 which is a general commerce data site. From that
19 information and from global growth forecasts
20 specific to trade within the southeast United States
21 from IHS Global Insight, that's all they do is do
22 these, so we are using the baseline numbers and
23 taking their forecast of global growth and how that
24 affects the southeastern United States to develop
25 these curves.

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1 So looking at the strengths of the North
2 Carolina ports, looking at the strengths of the
3 North Carolina economy as a whole and, also, where
4 there appear to be needs based on industry input and
5 lack of facilities in the region, for example, we
6 have come up with several market scenarios that look
7 very promising.

8 And the first of those is grain and soybeans.
9 This is a strong part of the agricultural market in
10 North Carolina. And the ability to export here has
11 been -- is something that agricultural growers have
12 indicated would allow them to export more and really
13 grow their business. So you can see the blue line
14 for each of these is the existing, based on existing
15 growth and curve. Here we do some minor cost
16 improvements in red. And in this case, the green is
17 if we were to build a new grain facility, you could
18 really make an impact on this market in North
19 Carolina.

20 Couple of examples of where those grain
21 facilities might be accommodated is both at Radio
22 Island and Wilmington. The grain is in this
23 location here, and in the lighter gray at Wilmington
24 on this side.

25 We also examined containerized goods. This is

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1 mostly an import market driving the process, but
2 it's important to note that having containers
3 available is important for exports out of North
4 Carolina. So not only does this support local

5 retailers, but also supports manufacturers and
6 producers of a variety of goods within the state.

7 In this case there is an opportunity to divert
8 some growth by improving access to the ports. And,
9 basically, with some investment, there's a potential
10 to grow a certain amount of goods and enhance market
11 shares of North Carolina. One thing to note is all
12 of these are preliminary forecasts. We're still
13 developing them and examining the sensitivity to
14 improve costs.

15 (QUESTION ASKED BY MEMBER OF THE AUDIENCE)

16 BY RACHEL VANDERBURG:

17 The question was what the implications or how
18 many shippers in North Carolina take advantage of
19 tax credits. We are going to be looking at those
20 economic issues as part of our evaluation. I don't
21 have the answer for you right now.

22 As a subset effort of containerized goods for
23 refrigerated cargo, this is really a need that has
24 been expressed by providing coal storage, by
25 providing plug-ins for containers, and enhancing

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1 road and rail connections. This is an opportunity
2 that could really benefit the state.

3 What we have been doing, one of the issues
4 that the state has asked us to examine was, if there
5 is a need for container expansion, where would that
6 be accommodated? It would be accommodated at the
7 existing port sites or at other locations within the
8 state. So we took a 30,000-foot view and began to
9 examine up and down the coast where a port or
10 container port might be accommodated. So we looked
11 at these very general initial-stream criteria. Is
12 there water nearby? Can you get there? Looking at
13 are we avoiding military land, major developments,
14 coastal barrier resources. And, also, whether there
15 are sites that meet minimum for terminal
16 requirements which through initial screening is
17 roughly 200 acres and 3,000 foot of berth land or
18 water frontage. So from that, we came up with a set
19 of sites that are now being examined in terms of
20 their comparative costs. So looking at the relative
21 cost of dredging, the relative land size, the
22 opportunity for cost-effective operation and a site
23 that might limit environmental impact as compared to
24 the other options.

25 It should be noted we are not doing a full

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1 environmental impact study. Just a very stream
2 level, compare one site to the other. So then as
3 part of the next steps, we'll be looking at each one
4 of these sites to see what the benefits might be and
5 how each of these compare.

6 So from the very initial screening, we
7 actually have initially come up with six sites just
8 from the land suitability analysis, and two sites
9 have been discarded because of the infeasibility of
10 providing water access. So here are the sites,
11 you've seen them on the board, that are still --
12 have passed the screening process at a very high
13 level and now are being examined in terms of the
14 overall need is the size and location of these, do
15 they meet the needs of North Carolina, and also the
16 relative cost. And whether the costs could be
17 recovered as part of an ongoing operation.

18 The sites that we looked at are Radio Island
19 up in Morehead City, the existing Wilmington
20 terminal site, which we're calling the River Road
21 Southeast site, that's across the Cape Fear River,
22 and the Southport site, the mouth of the Cape Fear
23 River. So these are now being examined in more
24 detail.

25 We are also seeing an opportunity in terms of

1 wood products. This is a strong part of the North
2 Carolina economy. We see this as an important
3 investment that would benefit the state. There are
4 potentials here to both increase the share and the
5 benefits that the ports play to North Carolina
6 shippers, but also potential that without some focus
7 of improvements that those goods might be shipped
8 through another port.

9 As I mentioned before, we looked at Ro-Ro and
10 oversized cargo. There are local shippers like
11 Spirit AeroSystems and Caterpillar who have
12 indicated a desire and need to locate and grow
13 within North Carolina; Spirit Air with their
14 facility at Kinston and Caterpillar is opening a new
15 facility in Winston-Salem in February. So there are
16 opportunities here including the growing wind power
17 market that is being able to handle the specialized
18 products that could be an opportunity for the state.

19 As I mentioned, the Port of Morehead City has
20 a very large chemical and phosphate marketplace
21 there. And there are also some of these fertilized
22 products going through Wilmington. And it's
23 important to support and maintain this base.

24 Military is a big part of the North Carolina

25 economy. Although military cargo doesn't drive the

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1 business, we are seeking to accommodate it and make
2 it a complementary part of a larger strategy. It's
3 very complementary to Ro-Ro and the oversized
4 market, but they also have a need to move containers
5 for military use.

6 Beyond looking just at the port facilities, an
7 important part of our effort has been to examine
8 where -- what and where the goods are moving within
9 North Carolina. This is a quick picture of some of
10 the major freight roads and facilities within the
11 state that we're examining activity to, road and
12 rail connections, they're inland improvements that
13 can be made to support moving goods from these
14 locations.

15 Looking at the transportation challenges and
16 focussing investment for North Carolina is an
17 important effort of the team. As state and federal
18 funding is more limited, it's important that those
19 investments are prioritized. So we're going to be
20 looking at various ways to maximize the state's
21 benefit in terms of goods, improvement in economic

22 growth in target investments including highways,
23 looking at the gaps and areas of congestion and how
24 we can ease congestion in the future and make it
25 easier for North Carolina shippers whether they're

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1 receiving goods or exporting them to move their
2 goods throughout the state. We're looking at
3 railroads and also at water access, challenges for
4 the railroads.

5 In order to be competitive we need to make
6 sure there's sufficient volumes, so we're
7 determining whether or not that goal can be
8 achieved. We're looking at some of the challenges
9 at the Cape Fear Channel. We've been working in
10 coordination with the Corps of Engineers in doing
11 the feasibility studies. Our effort is to identify
12 the challenges and potential costs. The analysis is
13 being undertaken by the Corps as part of their
14 ongoing study.

15 So the next steps of the study will be to
16 quantify the investments that could help reduce
17 costs and be a benefit to the North Carolina
18 economy, to evaluate shipper cost savings and
19 economic benefits that would result in these

20 investments, and to figure out how these strategies
21 can be aligned with other statewide efforts to make
22 sure that we are integrating those together.

23 And, finally, to develop evaluation measures.
24 Again, at the end of the day our goal is to present
25 a matrix of alternatives to the state for

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1 decision-making purposes so that the decision to
2 make specific and targeted investments have an --
3 are supported by data and information has been
4 provided, and also that we -- they can align those
5 options with other strategies and other policies.

6 So if you have -- if you'd like more
7 information or as time goes by, please make a point
8 to look at our website which is ncmaritimestudy.com.
9 We will be posting things like this presentation
10 there. And we will also have an e-mail where we can
11 continuously accept comments. So if you thought of
12 something, you can submit your written comment
13 today. Please do go on the website, ask your
14 questions, submit your comments if there is no time
15 for you to do that.

16 Now, I would ask Garold to come up and tell

17 you a little bit about the format for the public
18 comment period. And if you have specific questions,
19 we will -- if there's a quick answer, we'll try to
20 answer them, otherwise, we'll try to get back to you
21 after the meeting.

22 BY GAROLD SMITH:

23 Thanks again for being here. We really
24 appreciate you all coming out and sharing your
25 thoughts with us. It's great to see such a good

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1 turnout tonight. Before we get started with the
2 public comment period, I just wanted to make a few
3 points here.

4 We all know that there's a lot of adverse
5 opinions in the room tonight, and we just ask that
6 everybody be respectful of those opinions and those
7 who are communicating those opinions. Also, we ask
8 that you please don't interrupt the speakers. We
9 have about 50 people signed up right now at three
10 minutes apiece, so we want to make sure that we are
11 being accommodating so everyone has an opportunity
12 to share their comments. Also, we know that we'll
13 have a more constructive session if we can all
14 observe these points.

15 Sort of the way that the logistics work, if
16 you wanted to speak tonight and make a formal
17 comment, we did have a sign-up sheet earlier. If
18 you did not sign up and you would like to speak,
19 there is another sheet at the sign-in desk. Please
20 make sure you sign in, because if you did not sign
21 in, unfortunately you will not be able to speak
22 tonight. Comments are limited to three minutes,
23 again to make sure everyone has an opportunity to
24 speak. Steffanie will be up in just a moment and
25 she has a couple of boards here. One of them says

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1 one minute, that means you have one minute left and
2 if you would start to wrap up your comments. And we
3 have another board that says stop. And I can't
4 think of a more clear word than stop. But just in
5 case, we do have a little doorbell. So if you hear
6 the doorbell, that really means stop. And Steffanie
7 will be in the front of the room, so if you do turn
8 and face the audience when you do your comments, if
9 you could periodically look over your shoulder to
10 make sure we don't need to come up and tap you.

11 If you are not able to make comments into the

12 -- spoken comments tonight, please feel free to make
13 written comments. We have comment sheets in the
14 back and you can put those comments in the box or
15 you can give them to one of the staff members here,
16 and those written comments count the same as spoken
17 comments. So even if you were not able to speak,
18 those will still become part of the public record.

19 As Rachel said, we will be taking questions
20 during this comment period, but please limit it to a
21 question so we don't have a back-and-forth dialogue.
22 Again, if you have a more intense question or one
23 question leads to another, feel free to talk to the
24 staff person afterwards.

25 We do have a court reporter here today. So

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1 your comments will be on public record. So we're
2 asking that once we call on you, you stand, you
3 state your name and your address and then give your
4 comment. I will have a microphone and Chris will
5 have a microphone. I will call the person who is
6 going to be speaking and then the person following
7 them. So when your name is called second, be
8 prepared to speak. With that, we will begin the
9 formal comment period. Thank you.

10 The first two speakers I have are Jim Bradshaw
11 and Mike Forte. Where is Mr. Bradshaw?

12 BY JIM BRADSHAW:

13 I'm Jim Bradshaw. I'm the director of
14 economic development of Brunswick County. Brunswick
15 County knows the importance of the ports. We have
16 three industrial parks that are being developed now
17 up in the Leland area. We are marketing sites to
18 folks throughout the United States, and the ports
19 are an important part of that. There's over 2,500
20 acres of land up there. The projects right now, we
21 have 14 projects, 7 them are port related. This
22 year, 42 projects, 38 percent are port related. So
23 we understand the importance of the ports. The
24 Maritime Study will provide a glimpse of the sites
25 in North Carolina and the challenges that a new port

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1 will have.

2 What we're looking at is the support of a
3 feasibility study. Now, a feasibility study would
4 answer many of the concerns that the citizens of
5 Brunswick County and others around the state have
6 pertaining to the port. A great example, I left

7 copies with the Maritime Study, is the port facility
8 in Portsmouth, Virginia. They address many of our
9 environmental concerns that are being looked at in
10 Southport. And we use that as an example of how a
11 good port can be constructed. I'd like to ask the
12 task force as part of the study to seriously
13 consider, when you're evaluating the Southport
14 facility, to look strictly at rail other than
15 bringing a highway into the port site. Just
16 utilizing why we have GIS, looking at the existing
17 railway, expanding that, also taking containers
18 straight off the ships if sites put on rail and
19 looking at electric engines and take it up to the
20 Davis Yard. So there will be no need for trucks
21 coming into Southport or around Boiling Springs.

22 I'm pleased to announce, too, that I'm working
23 closely with other agencies in Brunswick County.
24 The Brunswick County Board of Commissioners, the
25 Economic Development Commission, the Southport

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1 Committee of 100, the Southport Chamber of Commerce,
2 the Brunswick Chamber of Commerce, all have
3 resolutions supporting the feasibility study. Not
4 just for the site, but for the study done on the

5 site to determine is that the best place for a port.
6 Steve Goshen is here of North Carolina's Southeast.
7 Over 38 percent of his projects are also port
8 related.

9 We're all tired of losing industries in North
10 Carolina to other states. A lot of our existing
11 industries go to other states' ports. We need to
12 look at our ports. I'm pleased to see the North
13 Carolina Department of Transportation recognizes
14 that. They're improving I-74, make an interstate
15 close to the port, a new rail coming into the port,
16 so that Department of Transportation is doing that.

17 The future of our region will be determined by
18 January 4th. And in conclusion, a feasibility study
19 will answer many of the questions. So thank you
20 all.

21 (APPLAUSE)

22 GAROLD SMITH: Mike Forte will be
23 followed by Kathleen Pearce.

24 BY MIKE FORTE:

25 Hello, everybody. My name is Mike Forte. I'm

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1 a commissioner of Boiling Spring Lakes and our city

2 has passed a resolution opposing this port. I will
3 share with you the rationale that brought us to that
4 conclusion.

5 I'm a former small business owner, and I
6 evaluate projects from a business prospective. I
7 know there have been some outrageous job estimates
8 that some sources have stated 477,000 on one, 16,000
9 on another. The new deep-water port in Hampton
10 Roads, Virginia, produced a grand total of 47
11 permanent jobs. I submit that the jobs created
12 filling the shipping containers greatly outnumber
13 the jobs unloading them and trucking them.

14 We all know that our imports greatly exceed
15 our exports. For every full container received, we
16 ship back two empties. Our major export is scrap
17 paper and that cannot possibly create any
18 well-paying jobs.

19 A reasonable businessman's question should be,
20 if the ports need to be built or improved, why don't
21 the exporters pay for these facilities? Boiling
22 Spring Lakes is located directly north of where this
23 port is proposed. We anticipate an avalanche of
24 traffic, both truck and rail. We know only too well
25 that infrastructural improvements, highway and

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1 railroad, lack construction of new projects.

2 We value the safety of our residents and their
3 quality of life. We suffer a major hit from this
4 port project. You should address the infrastructure
5 problem by stating when the highway projects will be
6 started, completed and who will pay for them.

7 The NC Ports Authority say they need a private
8 partner in order to make the port feasible. They've
9 had five years to identify one and to the best of my
10 knowledge, no one has been located. Hampton Roads
11 did have a private partner to construct their port.
12 However, after losing money, the port was released
13 back to the State of Virginia. Private companies
14 will not tolerate red ink, but government agencies
15 do not seem to have a problem losing money. There's
16 an axiom known regarding the shipping industry.
17 Freight will find its most economic route. If 80
18 percent of North Carolina exports are being shipped
19 out of other state ports, what does that tell you?
20 Where is the tremendous increased demand for exports
21 going to come from? I'll share a few observations
22 with you. Can you be serious about locating a port
23 in the immediate vicinity of a nuclear power plant
24 and the world's largest ammo depot? The proposed
25 location for this deep-water port is in a location

1 that will not float a rowboat at low tide. The port
2 will require dredging over 17 miles of the Atlantic
3 Ocean to handle most Panamax power vessels.

4 We also see our neighbors at Bald Head Island
5 suffering. One more sentence. Our neighbors at
6 Bald Head will suffer as well. Their beaches will
7 erode from these proposals. I thank you for your
8 time.

9 (APPLAUSE)

10 GAROLD SMITH: Kathleen Pearce followed
11 by Rich Pearce.

12 BY KATHLEEN PEARCE:

13 Good evening, everyone. My husband and I have
14 been following this event of this possible port
15 coming to this beautiful, quiet town in North
16 Carolina. Unlike so many other areas that are built
17 up, we are a transplant from Washington, D.C. and we
18 love it here. It breaks my heart to think that we
19 would even be considering a port. We lived in
20 Montgomery County, Maryland, not far from Baltimore.
21 And if you have ever traveled up to Baltimore, it is
22 an absolute mess. You don't even have to travel
23 that far. You can go right to Wilmington and you

24 can see what has happened to the area surrounding
25 the port. And we have people who live in Boiling

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1 Springs who came down and have invested money into
2 homes here. And it's not fair to them that they
3 came down with a promise to enjoy this area in
4 retirement years and help this area in Brunswick,
5 which is really a poor area. But with a port coming
6 in, crime goes up, we'll have to add more people to
7 the police department. It's just not going to be
8 the end-all thing that people think it is. We're
9 not going to have the jobs that I keep hearing
10 people talk about jobs. Well, you just heard Mike
11 say, there's not going to be jobs. And the few jobs
12 that there are, most of the men here that are
13 unemployed will not be able to fulfill them. So, I
14 don't know, I just wish you all would stay involved,
15 hear what everybody's saying and consider it,
16 please. Thank you.

17 GAROLD SMITH: Rich Pearce followed by
18 David Spencer.

19 BY RICH PEARCE:

20 I find it interesting when the coastal
21 counties came out against the ports. There was a

22 public relations firm that seemed to burden the
23 interior counties to be for the port. Well, when
24 you dangle jobs and economic benefits, people are
25 struggling in the interior counties who don't have

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1 as much to lose as we do. Tourism is the number one
2 industry here. Naturally we're for that. We want
3 jobs, we need jobs. Is there a better way to spend
4 four and a half billion dollars with no port? We
5 had a PhD come in and he showed the overcapacity of
6 20 to 30 years, showing what's planned on the books
7 being felt now will greatly exceed the existing
8 demand. So is there a need for four and a half
9 billion in today's dollars, what's it going to be in
10 10, 15 years? How much in a year will it cost? Can
11 we afford that? They're running a deficit now at
12 the state level. We can't print money like the
13 federal government.

14 So in conclusion, I'd have to say I get the
15 feeling, I think most of us, that it's politically
16 irrelevant to benefit invested interests. It's
17 almost as if man's pride -- we must -- we can't just
18 say sorry, it wasn't a good idea. We have to --

19 that would be losing face. Why can't we admit --
20 the other thing that bothers me is state
21 competition. Well, in order to compete with Georgia
22 or Virginia we have to duplicate their capacity. Is
23 that really necessary? I mean, that's expensive.
24 So you have to ship in a little -- capacity is
25 there, that's what I mean.

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1 So I hope we consider this money that has to
2 be spent realistically along with the anatomy [sic].
3 And I think personally the coastal counties that
4 voted against it should have sway over decisions
5 that affects them. Thank you.

6 (APPLAUSE)

7 GAROLD SMITH: David Spencer. Is
8 Mr. Spencer here? Okay. We will go on to Gary
9 Eberling, followed by Frank Kelly.

10 BY GARY EBERLING:

11 I've been asked as a property owner over on
12 Oak Island to speak on behalf of Betty Wallace,
13 mayor of Oak Island who could not be here this
14 evening because of a prior commitment. They're in
15 the process of installing the new city council
16 tonight. So she asked if I'd read a statement. And

17 this is to the members of the North Carolina
18 Maritime Study.

19 (READING) Please find attached a copy of the
20 resolution approved July 13, 2010, of the town
21 council of the town of Oak Island. I wholeheartedly
22 concur with the position of the council. I believe
23 the port will cause irreparable harm to our
24 environment, negatively impact our coastal quality
25 of life, and would cause irrecoverable damage to our

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1 tourism-based economy. Our citizens lived and moved
2 to Oak Island and southeast Brunswick County because
3 of the pristine nature of the inlets, waterways,
4 beaches, marshes and estuaries.

5 In 2010, Brunswick County ranked tenth in
6 travel impact among North Carolina's 100 counties
7 and generated an economic impact of over 395 million
8 dollars. Tourism through the county generated more
9 than 4,600 jobs and a 74-million-dollar payroll in
10 2010. State and local tax revenues from traveling
11 to Brunswick County amounted to better than 46
12 million dollars representing a \$426.62 tax saving to
13 each county resident. The source of that is the

14 North Carolina Department of Commerce.

15 The town of Oak Island is a tourist-based
16 economy. I believe the path to the future is to
17 implement the strategies outlined in a sustainable
18 tourism report. The port at Southport is a direct
19 variance to the study and will harm the interests of
20 our residents and our visitors. Thank you for your
21 consideration. Betty W. Wallace, Mayor, Town of Oak
22 Island.

23 (APPLAUSE)

24 If I have just a few more minutes, I'd like to
25 ask a question. How many members of the North

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1 Carolina Department of Transportation are present
2 here this evening? Please raise your hands. Thank
3 you. How many members of the North Carolina
4 Department of Agriculture are here this evening?
5 Thank you.

6 (APPLAUSE)

7 GAROLD SMITH: Frank Kelly will be
8 followed by Roger Kerr.

9 BY FRANK KELLY

10 I'm Frank Kelly. I live in a little place in
11 Southport called River Mist. It's been my life's

12 dream. I'm a retired Philadelphia police officer
13 and I lived in New Jersey for 20 years. When my
14 wife and I both retired, we looked around and we
15 think we found a little bit of heaven in Southport.

16 Now, I've been up to Philadelphia, to New
17 York, New Jersey, and I know what it's like up
18 there. There's more pollution, there's more
19 railroads, there's more highways that you can't
20 travel on unless you put a quarter or two dollars in
21 the meter. And that's what's going to happen around
22 here if all these places are passed. This one
23 little section, Site 6, spend 30 million dollars on
24 it, and it's only supposed to be a strategy. It's
25 not a strategy, they have something planned for it

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1 whether you like it or not.

2 So all -- I don't have any dogs in this fight.
3 I don't belong to any group. It's my own dog that
4 I'm trying to feed. My wife and I are happy here,
5 all our friends are happy here. Why ruin a good
6 thing? You want it to become another New Jersey?

7 (APPLAUSE)

8 GAROLD SMITH: Roger Kerr followed by

9 Rhodes Messick.

10 BY ROGER KERR:

11 Hi, my name is Roger Kerr. I live at 3314
12 East Midland Court here in Southport. I've attended
13 several of these meetings and I still want to drive
14 home the fact, what is the driving force behind this
15 mission. Driving force is our governor in Raleigh
16 has made a huge, embarrassing 30-million-dollar
17 mistake when they purchased 600 acres in Southport
18 without doing its due diligence.

19 (APPLAUSE)

20 Due diligence in this case is performing the
21 necessary and environmental index studies, request
22 public opinion, investigate transportation
23 infrastructure, and last but not least, total
24 estimated cost of the project. If the governor had
25 spent the monies we're spending now by this

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1 organization, we probably wouldn't be having this
2 conversation because, number one, it probably would
3 have been satisfied that this is not a good
4 location. And if it is directed it is a good
5 location, we've got to have something to back it up.
6 Right now all we've got is proverbial BS.

7 Raleigh has become -- this has become a
8 pushing contest with Raleigh. How many commercial
9 lending institutions do you know that would allow a
10 private sector member borrow 30 million dollars to
11 purchase land between a huge munitions depot, a
12 nuclear power plant and build a perfect dirty bomb
13 overseas shipping terminal? I respectfully ask that
14 this committee stop this fiasco right now.

15 (APPLAUSE)

16 GAROLD SMITH: Rhodes Messick will be
17 followed by Susan Toth.

18 BY RHODES MESSICK:

19 Thank you, all. Thank you for coming. You
20 obviously care. This is impressive to get this kind
21 of turnout. I'm the founder of No Port/Southport.
22 And I founded it because of one thing. I couldn't
23 think of this thought of having this built next to a
24 nuclear power plant and that's what I want to
25 address, safety and security. Bill Johnson, CEO of

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1 Progress Energies, submitted the following letter to
2 the Corps of Engineers and the State Ports Authority
3 during a reconnoissance study in September of '09.

4 And at the same time, Progress Energy also provided
5 the Nuclear Regulatory Commission with a specific
6 list. Lists that I must guess are -- sorry.

7 Okay. I'd like to quote from part of this
8 because Progress Energy has not taken the position
9 on the proposed NCIT and not doing so until all the
10 risks, all are identified and resolved. This letter
11 goes on to say that the proposed NCIT raises
12 significant operational security issues that must be
13 addressed and resolved to ensure the continuous
14 safety and uninterrupted operations of a nuclear
15 power plant. Because of the limit of the time given
16 to me, I will only cover a few things.

17 One, nuclear security is one of the concerns.
18 Nuclear security will be challenged by major
19 construction projects, shipping and core operations
20 adjacent to the two nuclear power plants. By the
21 way, the nuclear power plants are 2,500 feet away
22 from the Ports Authority property. That's how close
23 they are.

24 Number two, the most direct route for the road
25 and rail site is by crossing Progress Energy's

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1 property and the cooling water canal which pumps 1

2 million gallons of water per minute. Now, you know
3 we know what happens if we don't give water, it
4 melts down. So you can't close that off.

5 I strongly request that this letter from
6 Progress Energy be heard in the final report by the
7 Maritime Strategy. On behalf of the taxpayers of
8 North Carolina, if NCIT is chosen, then all of the
9 concerns stated in the Progress Energy letter, any
10 additional ones submitted to NCR will need to be
11 satisfied and resolved before Progress Energy and
12 North Carolina pays.

13 (APPLAUSE)

14 GAROLD SMITH: Susan Toth followed by
15 Woody Wilson.

16 BY SUSAN TOTH:

17 Hi, I'm Susan Toth. I live in Southport.
18 I've been coming -- living here for over 20 years.
19 So I love this place obviously. It's an established
20 fact that less than two percent of all containers
21 entering U.S. ports are inspected. That's two out
22 of every 100 containers. So that means that the
23 other 98 containers are not inspected, they could
24 contain just about anything, including known
25 hazardous materials.

1 Now, couple that with the proposed
2 construction of an international container port as
3 Rhodes said, just a mere 2,500 feet, half a mile
4 from a nuclear power plant and the largest munitions
5 terminal in the western hemisphere. And that's
6 taken straight from Sunny Point's website.

7 In June 2010 our congressman, Representative
8 Mike McIntyre stated publicly and I quote, "As vice
9 chairman of the Armed Services Subcommittee on
10 Terrorism, I am concerned that the location of the
11 proposed port is between two facilities that pose a
12 tempting target of terrorist attack or would be a
13 catastrophic risk in case of an accident."

14 The site for the proposed international port is
15 near Progress Energy's Brunswick Nuclear Power Plant
16 and the Military Ocean Terminal at Sunny Point. I
17 have not been convinced that security at a port of
18 the size of the proposed project would be adequate
19 enough for the safety and security of the nuclear
20 plant and Sunny Point.

21 More than 90 percent of the ammunitions used
22 by our men and women fighting overseas flows through
23 Sunny Point. Doing anything that might pose a risk
24 to that facility would be putting both our soldiers
25 and our national security at risk.

1 In addition, the Brunswick Nuclear Plant is
2 also by the proposed port. Much like Sunny Point,
3 it is not wise or prudent to locate a facility
4 nearby that might pose a risk to the plant. That
5 was from June of 2010.

6 Is the greed of the trucking companies like
7 MCO Transport owned by Representative Dan McComas of
8 Wilmington who also happens to also serve on the
9 advisory committee to this group, the greed of the
10 Corps of Engineers, the greed of most of the other
11 advisory committee members for this study, the
12 shipping companies, the railroads, the greed of so
13 many elected officials, is that greed so great that
14 they're willing to accept responsibility for the
15 possibility of a catastrophic accident due to human
16 or mechanical error? Or even worse, a terrorist
17 attack at the proposed 600-acre site. Are you
18 willing to take that risk?

19 (APPLAUSE)

20 BY WOODY WILSON:

21 Good evening. I'm Woody Wilson. I live in
22 Southport. I've resided in the area for about 16
23 years now. I'm a charter member of the No

24 Port/Southport steering committee and naturally I
25 oppose the concept of the deep-water port of the

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1 state of North Carolina and specifically oppose the
2 location of a port in the vicinity of Southport.

3 I was president of the North Carolina State
4 Ports Authority Board of Directors Meeting in
5 December of 2005 when the Authority first publically
6 initiated the purchase process for the 30-million,
7 600 acres of land that is currently valued at 12
8 million. I was also president at the Council of
9 State meetings in 2006 when former Governor Easley
10 strong-armed the acquisition of the land to the
11 Council of State with minimal discussion of the
12 questions from the voting members.

13 Carl Stewart, Chairman of the North Carolina
14 State Ports Authority Board of Directors, and Tom
15 Maynard, North Carolina State Ports Authority
16 Executive Director, have consistently lobbied and
17 attempted to push the concept of the megaport at
18 Southport without much interest in reasonable public
19 comment or discussion. They deemed along with
20 self-serving politicians and transportation leaders

21 prompting owners with vested interest and state
22 agency officials that North Carolina should be in
23 the deep-water port business regardless of the facts
24 presented by the public. This is the same mentality
25 that brought us a global transpark albatross

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1 starting in 1993 to present. Taxpayers continue to
2 foot the initial tax burden to support a fallen plan
3 that has yet to turn a profit or provide employment.
4 We do not need to reinvent that wheel just to prove
5 that it can be done with a deep-water port. We need
6 to eliminate this deep-water port effort of
7 attempting to make a square peg fit into a round
8 hole. There's plenty of information out there to
9 make a decision about a 10-million-dollar
10 feasibility study. Go to the No Port/Southport's
11 website. Go to Save the Cape's website. Look at
12 the information that's available. Listen to the CEO
13 of the Panama Canal who just recently said there's
14 so much overcapacity on the ports of the east coast
15 that only two ports are going to gain anything from
16 the new Panamax ships coming through, and one in the
17 gulf.

18 Bottom line is North Carolina is 50 years too

19 late in their efforts to develop a deep-water port.
20 The North Carolina Maritime Strategy Study team
21 should recommend to the NCDOT and the governor that
22 this new water port concept be terminated
23 immediately. Stop additional expenditure of funds.
24 Accept the fact that North Carolina is not a viable
25 deep-water port option, concentrate on developing

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1 our two as niche ports for the 42-foot container
2 vessels. Make our two ports competitive in the
3 global market. Thank you.

4 (APPLAUSE)

5 GAROLD SMITH: Margaret Connaughton and
6 Chris Raven.

7 BY MARGARET CONNAUGHTON:

8 I'm an old lady. I don't need this thing.
9 I'm 95 years old. I've been in North Carolina for
10 the last 40 years. My brother traded at Fort
11 Caswell in 1917, but I had never been to Southport
12 until my husband retired from military intelligence
13 and he wanted a small town that had a Catholic
14 church, a hospital, a library, a newspaper and a
15 liquor store.

16 (APPLAUSE)

17 I do not speak for the city of Southport. I
18 speak for myself and my family and our concerns.
19 First of all -- I have to refer to this. Those of
20 you who do know a loaded ship only comes in on the
21 high tide. And it creates a wave. What's going to
22 happen to Southport? It's going to be ruined. Our
23 waterfront is going to be ruined. Our beautiful
24 little Southport. What will this land and sea
25 traffic do to our quiet area? Even now they're

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1 going through so much development that our water and
2 sewer situations are becoming very seriously
3 overworked.

4 Now, here are a few questions that I'd like to
5 ask you. How many locals will be hired at the port?
6 How is security going to be paid for to protect the
7 nuclear plant? And how about Sunny Point which is
8 one of the largest ammunition depots in the world.
9 They have new ammunition and all that ammunition
10 coming in constantly. How is Southport prepared to
11 deal with the traffic from the trucks? How is
12 Southport prepared to handle the pollution from the
13 trucks and the ships? How is Southport going to

14 support our local fishermen after the fishing areas
15 are so polluted that we can no longer fish in our
16 waters? How will the area deal with the loss of
17 tourist business and recreational activities in our
18 local waters?

19 Let me -- just a minute to finish up. One of
20 the worst things is the traffic. How do we want our
21 young people to go to school driving on a bus in all
22 of the traffic that's going to happen when -- if
23 this port is finished. I'm sorry. I can't read my
24 notes. Anyway, over the years, caring citizens,
25 like that young lady just spoke a while ago, her

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1 father was on the same committee. We stopped a
2 mining place, an auto refinery, and lots of things
3 that would affect the city of Southport and our
4 area.

5 So one thing I want to say, where are our
6 young people? Where are they? Are they concerned?
7 Better tell them to be.

8 (APPLAUSE)

9 Every citizen needs to oppose this port. God
10 bless you and thank you for coming.

11 (APPLAUSE)

12 GAROLD SMITH: Chris Rebien. Chris
13 Rebien will be followed by Toby Bronstein.

14 BY CHRIS REBIEN:

15 You're wondering where all the young people
16 are.

17 (APPLAUSE)

18 My name is Chris Rebien. I'm a current
19 student in the marine technology program in
20 Wilmington. I'm also a scuba diver so I see what
21 we've got under there. It's amazing, it really is.

22 I'm intending on pursuing marine technology
23 for my career for the rest of my life. So,
24 honestly, I've got a stake in this. The future
25 generation has a stake in this. But I've been doing

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1 research. Just like every modern industry, there's
2 going to be feedback, not only after this port is
3 built, but during the mere construction of it.

4 For instance, I've done some research on
5 certain contaminants that are going to be the
6 byproduct just by the creation of this port. It's
7 going to include asbestos, formaldehyde, benzoic,
8 arsenic, chromium and other heavy metals. The heavy

9 metals by themselves are going to probably remain in
10 our water for about 10 years to 12 years after that
11 port is going to be built. I don't know about you,
12 but I know for a fact that's definitely going to
13 influence and afflict the marine life. Not just
14 close to the site, not near the land, but that's
15 going to affect the water quality 5, 10, 15 miles
16 out.

17 I personally love it whenever I go to a
18 restaurant and I see, you know, quality, locally
19 caught seafood. I love it. Who else here does?
20 Anyone?

21 (APPLAUSE)

22 Now, what about if -- now, how about if that
23 was contaminated? Who's going to eat that? I know
24 I won't. Also, it's a fact that fish kills occur
25 far more often around ports or cities with larger

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1 ports such as what we might have. Now, as a marine
2 technician, I've been trained to deal with that
3 stuff, but I don't know about you, the smell from a
4 fish kill, it's really not that great. And while
5 I've been trained to deal with it, I'm not sure if

6 you guys want that wafting in on our shores.

7 Overall, I'm just here to ask you, is it worth
8 it? Really? Is it worth it to destroy what made
9 this town originally? Fishing. Good, honest
10 fishing. It will also affect our tourist industry.
11 Is it worth it to ruin the land for my generation?
12 For the generations to come? Personally, I don't
13 think so. I don't.

14 (APPLAUSE)

15 GAROLD SMITH: Toby Bronstein followed by
16 Michael Rice.

17 BY TOBY BRONSTEIN:

18 Hi, my name is Toby Bronstein. And I'm a
19 cofounder of Save the Cape. Mark Twain said, get
20 your facts first, then you can distort them as you
21 please.

22 The facts on the megaport in Southport here,
23 even the North Carolina Maritime Study recognizes
24 that 80 percent of North Carolina business chooses
25 to go to ports in neighboring states. They

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1 acknowledge the Port of Wilmington operates at below
2 50 percent of its 600,000 TEU capacity and won't
3 reach its capacity until 2030, assuming a 4.8

4 percent growth rate.

5 We know our ports offer the lowest rates on
6 the eastern seaboard, offer generous tax credits to
7 North Carolina businesses that use our ports, and
8 deliver superior service. And yet, our ports are
9 heavily subsidized with millions year after year.
10 We also know that long-term job opportunities at the
11 ports will be in the hundreds, not the tens of
12 thousands as trumpeted by our panicked political
13 class.

14 Everyone is entitled to his own opinion, but
15 not his own facts. There are many players
16 distorting the facts on the ports to justify the 48
17 million dollars already spent. The governor's
18 office, the Department of Transportation, Brunswick
19 County Economic Development and the North Carolina
20 State Ports Authority communicate in irrational
21 exuberance about the market potential and job
22 creation. Short-term gain versus long-term vision.

23 It's true that construction jobs will flourish
24 during build out, and our politicians can pump
25 themselves up and pat themselves on the back for the

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1 short-term gain temporary job creation. But what
2 happens once the build out is complete? Those jobs
3 go away forever. And we will be left with a fully
4 automated port facility that will employ fewer than
5 200 people at a cost of 4.4 billion. Billion. And
6 will have forever changed the nature and character
7 of Southport and its beach communities, sacrificing
8 long-term vision for short-term gain. And still the
9 ships won't come. They'll continue to go to ports
10 within trucking distance of major population centers
11 where they can move goods efficiently. That's what
12 business does when it's not subsidized. Facts are
13 stubborn things as Ronald Reagan said.

14 According to the Department of Commerce,
15 Brunswick County is the tenth most visited county in
16 the state. Domestic tourism in the county generated
17 an economic impact of 395 million dollars in 2010.
18 And more than 4,600 jobs in the county were directly
19 attributed to travel and tourism. And what attracts
20 these tourists and their dollars? Southport and the
21 surrounding beaches. Try to find Port Elizabeth,
22 New Jersey, on anyone's top 100 list for tourist
23 destinations.

24 (APPLAUSE)

25 GAROLD SMITH: Mike Rice will be followed

1 by Ted Stephens.

2 BY MICHAEL RICE:

3 Thank you. I'm Michael Rice. I live in
4 Southport, almost. Ms. Vanderburg, Mr. Palmer,
5 Mr. McMillan, on behalf of Save the Cape, I'd like
6 to be able to welcome you to our area, but I find it
7 very difficult. You're the vanguard of an invading
8 force. A force that promises environmental
9 calamity, devastation of our natural resources, a
10 cloud of diesel fumes, sulphur. Hoards of trucks
11 crowding the roads. Birds, fish and wildlife will
12 be driven off. And we may be driven off, too. And
13 for what? Asian imports? State vanity?

14 It goes without saying that such an invasion
15 is unwelcome. But we shall say and we have said in
16 2008 when this project was presented, the town
17 council of Caswell Beach immediately said no.
18 Everyone from Caswell Beach who says no, please
19 stand up. Then the city of Southport said no.
20 Everyone from Southport who says no, please stand
21 up. And the town of Bald Head Island said no.
22 Everyone from Bald Head who says no, please stand
23 up. And the town of St. James said no. Everyone
24 from St. James who says no, please stand up. City
25 of Boiling Spring Lakes said no. Everyone from

1 Boiling Spring Lakes who says no, stand up. The
2 town of Oak Island, most of our neighbors on the
3 island are at an important town council meeting, so
4 they can't be here. But those of you from the
5 island who say no, please stand up. Rick, is that
6 you? And from the unincorporated areas, that's me,
7 please stand up.

8 Congressman Mike McIntyre says no. The Bald
9 Head Conservancy says no. Coastal Water Watch, Cape
10 Fear River Watch, Audubon Society say no. Even the
11 North Carolina Baptist Convention says no.

12 Mr. Palmer, Mr. McMillan, representatives of
13 the state, these people have spoken. Are you
14 listening? Are you taking the message back? We
15 vote, take note, kill this port.

16 (APPLAUSE)

17 BY TED STEPHENS:

18 Thank you. My name is Ted Stephens. My wife
19 and I moved here about seven and a half years ago
20 after vacationing here for about 12 years. That's
21 why we moved here, because we loved the area. I'd
22 also like to take a quick moment to say thank you,

23 but Representative Iler was here this evening and I
24 believe he was passing out some good information
25 about opposition of the port.

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1 A few years ago the headlines were megaport in
2 Southport is dead. We the residents of Southport
3 and surrounding towns celebrated with the news that
4 this would not become a huge industrial site filled
5 with many types of pollution at tremendous expense
6 to all of us taxpayers here in North Carolina. You
7 are hearing many of those reasons tonight.

8 A few months ago Governor Perdue is on record
9 as saying she will not allow any development to take
10 place when it is not in the best interest of those
11 that live in the community affected. Since then it
12 appears that the state has decided to try to
13 convince themselves and we the citizens that a
14 megaport in Southport is a good idea. So here we
15 are again.

16 I've been in sales for all of my career.
17 Sometimes in sales one of our jobs is to make
18 something appear very positive when, in fact, it may
19 not be so. For instance, a project may be a
20 terrible idea, but people with the money to make the

21 decision to tell us to dress it up and make it look
22 like a good deal and that's what we do. I've got to
23 say we've got some beautiful pictures and
24 information here tonight. You're to be commended.
25 The reality is, trying to dress up a pig to

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1 make it look like something else doesn't work.
2 Reality is, it's still a pig. Do we look that
3 stupid? I get the feeling that something is going
4 on underground. Someone else just mentioned that a
5 minute ago within our state government if we move
6 this project forward, contrary to what the governor
7 has stated. To all our elected officials as Mike
8 said, we vote, we are not in favor of anyone turning
9 Southport into a pig.

10 Governor Perdue, please come out and denounce
11 this madness before another dime is spent on a pig
12 called a megaport in Southport. We just proved this
13 -- at this time I would ask to prove my point. I
14 would ask that if you are in favor and oppose
15 spending more on this pig, if you would raise your
16 hand. I rest my case. Thank you.
17 (APPLAUSE)

18 GAROLD SMITH: Paul Stephens.
19 Mr. Stephens will be yielding some of his time to
20 Jon Rothke.

21 BY PAUL STEPHENS:

22 I'll be short and quick here. I moved down
23 here about seven years ago -- seven months ago, I'm
24 sorry, from Iowa. And this port which will probably
25 affect the majority of the people in here for 15,

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1 20, 30 years, will affect me the rest of my life.
2 Sixty years from now what am I going to be looking
3 at? I don't want to look at that. I know you guys
4 don't want to look at that. So let's do everything
5 we can here in the next few years to stop this
6 madness and save our town, save our cities, and save
7 our coastal areas. Thank you.

8 (APPLAUSE)

9 BY JON ROTHKE:

10 Paul, thank you for yielding your time to me.
11 My name is Jon Rothke. I've lived here with my wife
12 since 2000 after retiring as director of risk
13 management with Sea-Land Service. Sea-Land is the
14 largest container operator in the world until about
15 1998, 1999, when it was purchased by Maersk Lines,

16 which is now the largest container operator in the
17 world.

18 During that time working with Sea-Land my work
19 took me to many terminals. We had about 70, 80
20 terminals throughout the domestic United States and
21 globally. I was able to go to dozens and dozens of
22 those. And almost every one that I visited, I saw
23 visions of things I would not ever want to be near
24 myself except in the business environment. It was
25 just bad news.

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1 One of the -- I have several reasons I'm
2 against the proposed port, but I'm only going to
3 mention a few of them. I don't think you're going
4 to need your stop sign. I don't see any economic
5 sense in our state spending upwards of four and a
6 half billion dollars and most of that is estimates.
7 When was the last time you heard the government
8 estimate that didn't go up? 1.2 million of that is
9 the estimated cost of dredging alone. But I don't
10 see any reason for our state spending that money to
11 develop a port in a terminal when the existing
12 competitive ports in Charleston, Savannah and

13 Norfolk are already serving the transportation and
14 maritime needs of our state.

15 My business experience in traveling to the
16 ports and terminals around the world, as I said,
17 gave me some firsthand insight into some of the
18 negative impacts on our environment and the safety
19 and the security of people living in the area of the
20 ports. And most of the ports that I visited -- I
21 didn't realize I was at three minutes already.
22 Thank you very much. This is very, very important.
23 It's vital. So please support the opposition to
24 this governmental proposal. Thank you.
25 (APPLAUSE)

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1 GAROLD SMITH: Jim Miller followed by
2 John Laver.
3 BY JIM MILLER:
4 Good evening. I'm Jim Miller, a resident of
5 St. James, also on the steering committee of No
6 Port/Southport. The discussions concerning
7 formation of the vital strategy for North Carolina's
8 ports is a critical first step in improving our
9 competitive stance vis-à-vis neighboring states.
10 However, one of the discussions includes

11 consideration of the creation of a new deep-water
12 port. We appear to be like a runner in the Olympics
13 who hopes to win the 100 meter dash, even when the
14 other runners have a 50-meter head start. The
15 impossibility of winning that race is the same as
16 the impossibility of North Carolina becoming
17 competitive in world trade by building a deep-water
18 port.

19 All the data available to date, including data
20 that your commission has found, shows that several
21 factors are in place to ensure failure for a new
22 deep-water port. First, data shows there is and
23 will be for many years, overcapacity for handling
24 containers on the east coast.

25 Second, experts from the Panama Canal and

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1 railroads such as Norfolk Southern have affirmed
2 that there will not be significant and additional
3 shipping to the east coast through the expanded
4 Panama Canal.

5 Third, several other ports on the east coast
6 are either already able to handle the ships or are
7 far down the path of becoming ready. Facing these

8 hurdles, a new port is doomed to failure.
9 Therefore, why not focus our efforts on enhancing
10 what we now have.

11 That's like Lee Iacocca when he took over
12 Chrysler. He knew Chrysler could not take on Ford
13 or GM head-on so he looked for a weakness. Some
14 opening to exploit that the major competitors were
15 ignoring. The creation of the minivan saved
16 Chrysler and made it competitive without trying to
17 beat the majors playing at their game. He found a
18 niche to exploit. Here in North Carolina we can do
19 the same. Let's find a niche that Hampton Roads,
20 Charleston and Savannah are overlooking.

21 I expect the area of breakbulk is one that
22 might be exploited. Let's build up our current
23 ports infrastructure, add refrigeration to the ports
24 and specialty cargo. Expand the existing rail
25 service and largely expand roads to and from

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1 Wilmington and Morehead City, and improve the
2 efficiency of handling North Carolina agricultural,
3 chemical, furniture and textile products.

4 It's a disgrace for products made at the heart
5 of North Carolina to be shipped to Hampton Roads for

6 export. With improved infrastructure we can take
7 that business back, create jobs and enhance the
8 economy of the entire state all without building a
9 new port. Until we have made an effort to improve
10 what we now have, and define those areas of trade in
11 which we can compete effectively against regional
12 competitors, it's folly to consider wasting precious
13 resources on considering a new port.

14 I urge the commission to recommend in your
15 report that a policy of improving existing ports be
16 our main strategy for the foreseeable future.

17 (APPLAUSE)

18 GAROLD SMITH: John Laver will be
19 followed by -- sorry, I can't read this -- Chris
20 Rebien. Mr. Rebien's already spoke, so it would be
21 Bill Hurcomb.

22 BY JOHN LAVER:

23 Good evening. My name is John Laver and I
24 live in Southport. Some of you may recognize my
25 name because I continually write letters and have

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1 done so for the past three years after looking at
2 the devastating effects of what a port can do to us

3 in a health standpoint.

4 My comments tonight and questions tonight
5 really relate to the public health aspects of
6 building a major port in North Carolina. New and
7 extended port may be of some benefits to the state,
8 but the cost of uninsured health care, in the
9 incidence of premature death need to be part of the
10 information package before it's given to the state
11 leadership and must be given to the public.

12 Premature death, it sounds kind of ominous,
13 and it is. The issue of premature death relating to
14 worldwide ports is not disputed in the industry.
15 Worldwide the number of premature deaths directly
16 related to port operations are 64,000. This was
17 just presented in the Global Goods Company in
18 Philadelphia this past September 23rd and the study
19 was done by the University of Delaware.

20 In southern California, the home of the two
21 ports, both Long Beach and Los Angeles, the number
22 of annual deaths from the two major ports in that
23 area are 3,700. I know there's a brochure given out
24 today that said that number is 120. This
25 information was done by the Coalition for Clean Air.

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1 The 120, I'm not sure what that institution was that
2 created it, but say it is 120. It's about a third
3 of this room that would die prematurely from the
4 port. Doesn't sound good whatever the number is.

5 In Newark, New Jersey, studies have determined
6 that the number of 3,100 premature deaths for the
7 year just 2010. You can dispute the numbers, but
8 the fact is people do die prematurely from the
9 effects of toxins from our nation's ports and we
10 need to ensure that the governor of North Carolina
11 understands that the loss of life that will occur if
12 it's built in North Carolina.

13 Health care costs. This is for the uninsured.
14 The other major cost of the port is the health care
15 provided in the area surrounding the ports for those
16 without health care. For most major ports, the
17 surrounding communities are low income. The
18 communities have very little political or economic
19 assets to fight back. The ports were already there
20 when they moved in, and they had no choice in the
21 location.

22 The state of California spent 4 billion
23 dollars in 2010 annually for health care for the
24 uninsured to cover the cost of premature death,
25 asthma, increased cancer risk and other diseases.

1 That information is available on any website you go
2 to. There's been studies done on this for years.
3 New Jersey and New York have an annual of 4.8
4 billion dollars all due to the same illness of the
5 uninsured. Seems kind of crazy. We have a port in
6 Charleston. Just announced in the Charleston
7 newspaper recently that a study showed that the cost
8 of health care exceeded the revenue of the port by a
9 factor of two. We have a port in Charleston that
10 cost them to buy health care for people that live
11 near the port that are uninsured, cost them twice as
12 much as the revenue.

13 Now, clearly we don't have a population of
14 southern California with that 3,700. The numbers I
15 did extrapolate them out and are about 59. So
16 that's just in Southport. Thank you.

17 (APPLAUSE)

18 GAROLD SMITH: Bill Hurcomb will be
19 followed by Ron Renkley.

20 BY BILL HURCOMB:

21 Good evening, ladies and gentlemen. I'm here
22 on behalf of the birds. They have no one to stand
23 up. No one to speak. Especially Battery Island and
24 the little islands around it.

25 I gleaned this information from the Audubon

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1 Society. This is not an original, not mine, I will
2 read it.

3 (READING) Battery Island is a well-known
4 aviary landmark in southeastern North Carolina. For
5 many years the 100-acre Audubon Sanctuary has been
6 the site of North Carolina's largest gathering of
7 breeding rare wading birds. Egrets, herons, ibises
8 flock to the island by the thousands each spring.

9 And we all see them. And we wait for them to
10 come, and we follow them in the morning and the
11 evening as they go home.

12 (READING) Since 1982 the island has been
13 guarded and protected by the National Audubon
14 Society. Each year between 9,000 and 15,000
15 breeding pairs -- if I read that correctly, that's a
16 pair -- 18,000 to 30,000 birds -- of white ibises,
17 nearly all that nest in the state, as well as
18 hundreds of breeding pairs of herons and egrets sit
19 on the sanctuary to nest and raise their young.

20 The island has always been vital in North
21 Carolina's wading bird population, and recently was
22 designated as globally important for the great

23 number of white ibises that nest on the island every
24 year. Approximately 12 percent of the global white
25 ibis population nest at Battery Island -- 12 percent

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1 of global, not just local. Battery Island is posted
2 and patrolled throughout the year and is off limits
3 to visitors. Protecting the island, the nesting
4 birds and their habitats is essential for serving
5 wading birds in North Carolina.

6 With that sentence, I rest my case.

7 (APPLAUSE)

8 GAROLD SMITH: Ron Renkley followed by Ed
9 Leck.

10 BY RON RENKLEY:

11 I'm Ron Renkley. I live in St. James with my
12 wife. We've been here seven years. Other than
13 that, we were in southern California for 18 years,
14 about 30 miles south of Long Beach. As a result of
15 that, periodically we see a lot of news coverage
16 both media and print. And the majority of this was
17 very negative news specifically about crime and
18 about pollution of the port of Long Beach. A quote
19 from our reporter Jill Stewart at the port of Long

20 Beach, crime teams using regional leaders, fencers,
21 lumbers and drivers hijacking entire big rigs.
22 Powerful commissions and the politicians don't want
23 the public to know the ports leak like sieves, and
24 that in this post-9/11 era, security is about as
25 tight as a Los Angeles city manhole cover.

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1 Steven Taylor, and I'm quoting now, who is
2 director of New Jersey's criminal justice division
3 states we pursue the mob wherever they may be. But
4 it just so happens that the port is ripe with
5 organized crime. There is always the potential when
6 you have a criminal element in the area that it may
7 at some point become a security breach and a
8 significant security issue. To this point, the
9 Department of Homeland Security in the year of 2004
10 commissioned the RAND Commission, which is a think
11 tank, to propose a scenario to assume a terrorist
12 plot to drop a nuclear bomb and hide it in a
13 container at Long Beach. The RAND Commission came
14 up with 60,000 people killed immediately, 150,000
15 subjected to severe radiation and the catastrophic
16 cost would be ten times greater than the 9/11
17 tragedy.

18 The other aspect is pollution has been alluded
19 to twice before. Breed (phonetic) L.A. is working
20 closely with the children of Long Beach County,
21 specifically living within a three-mile radius of
22 the port of Long Beach where the children have a
23 21.9 percent incidence of asthma. This is due to
24 the diesel soot and the high elevated asthma, cancer
25 and heart disease rates in these communities

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1 surround the two ports. Homes, cars, yards, and
2 other picnic areas and things like that that are
3 going to be covered in diesel fuel.

4 Long Beach also has some of the most terrible
5 water and air pollution on the west coast. And this
6 is also attributable certainly to the ships coming
7 in, the short-haul traffic trailers, the trucks at
8 the ports and getting the merchandise to the
9 warehouses and to the train terminals.

10 My only question is what part of this is going
11 to benefit Southport. Thank you.

12 (APPLAUSE)

13 GAROLD SMITH: Ben Leck. And I have a
14 sign-up for Gary Eberling with Betty Wallace in

15 parentheses. So Ben Leck will be followed by Ron
16 Hoffman. Is Mr. Leck in the room tonight? We'll
17 move on to Ron Hoffman who will be followed by Bill
18 Davis.

19 BY RON HOFFMAN:

20 Thank you. My name is Ron Hoffman. I live
21 here in St. James with my wife. We moved here four
22 and a half years ago. Before we moved here and
23 retired, most of my career has been in worldwide
24 supply chain and logistics. So similar to one of
25 the speakers over there, I've been to many, many

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1 ports throughout the world, in Asia, in Europe and
2 probably every port in the United States. And
3 although my information I'm going to give you is not
4 as specific as some of the other speakers, it's more
5 of just an observation.

6 For the most part what you see in these ports
7 is consistent throughout the world and throughout
8 the United States is that you see rapid
9 deterioration of the surrounding residential area.
10 You see dirt. You see very high congestion. You
11 see areas turning into very strong industrial areas.
12 You see people not wanting to live or commute

13 anywhere in those areas. They don't want to shop in
14 those areas. They certainly don't want to visit
15 those areas. What they want to do is get out of
16 those areas.

17 Most recently, let's say three years ago,
18 there was a strike by the longshoremen against the
19 Long Beach Port, and that was driven by the attempts
20 in shippers by the port to be more automated and
21 therefore reduce jobs. So what you see in all these
22 projections of great jobs and high-paying jobs
23 happening everywhere, if we're building a port here
24 over the next X number of years, it's not likely to
25 be manpower intensive. It's likely to be as

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1 automated as possible. The number of jobs that
2 you'll see developed that will benefit people in
3 this southeastern North Carolina will be relatively
4 minimal. And the jobs that would happen elsewhere
5 in the state would still exist without this port
6 because goods have to move, truck drivers who live
7 in this area or throughout the state, we'd still
8 have to move goods either to a port or away from a
9 port, those would still occur.

10 So the real issue of jobs is what's going to
11 happen right here. And I'm guessing that that
12 effect will be negative job growth because the few
13 that get jobs will be offset by all the people that
14 visit this area as tourists and won't visit here
15 anymore because there is no need to visit here
16 anymore because it's not a desirable area because of
17 all the degradation of the environment and the
18 surrounding residential and commercial areas if this
19 port is ever built. So I, for one, am strongly
20 opposed to this. I think everybody should be
21 opposed to this. I think it's a huge mistake to
22 create a port in this area of North Carolina. Thank
23 you.

24 (APPLAUSE)

25 GAROLD SMITH: Bill Davis followed by

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1 Camilla Herlevich.

2 BY BILL DAVIS:

3 My name is Bill Davis. I live in Boiling
4 Spring Lakes. I've lived there for 20 years. I'm a
5 former member of No Port/Southport and a current
6 affiliate with Save the Cape. Save the Cape meaning
7 Mike Rice and Toby Bronstein.

8 I'm going to edit my remarks because many of
9 my points have already been made. But I want to
10 bring your attention to one fact that the State
11 Ports Authority of North Carolina has stated
12 publicly. They need a private partner in order to
13 make the port feasible. Well, I'm here to tell you
14 they've had over five years to find one, and they
15 have not located one. I believe I know the reason
16 for that. My belief is this is a case for the port,
17 the state will be flawed. The demand is overstated.
18 I saw charts presented here today that showed demand
19 being oversupply. I do not believe that. There's
20 plenty of data to support that fact that it's not.
21 And that leads me to my number one objection to the
22 port. Well, how I choose to state that would be why
23 should we spend 4.4 billion dollars of taxpayers'
24 money to undermine our economy.

25 Every container that comes into the port, the

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1 jobs are offshore. Every container -- to add insult
2 to injury -- every container that comes into the
3 port, the profits draw short. Does that take the
4 question why should the benefactors -- if the port

5 is required to pay for it, who are the benefactors?
6 Asia. There's been analysis performed on U.S. ports
7 and the following impacts within the immediate
8 vicinity of port operations are: Property values go
9 down, major health problems are created due to
10 diesel fumes, unemployment goes up, crime goes up,
11 average income levels go down. Why would we want
12 this port in Southport? Thank you.

13 (APPLAUSE)

14 GAROLD SMITH: Captain Joe Boland will be
15 next.

16 BY CAMILLA HERLEVICH:

17 Hi. My name is Camilla Herlevich. I'm the
18 founder and executive director of the North Carolina
19 Coastal Land Trust. We're a regional land
20 conservation organization with offices in
21 Wilmington, New Bern and Edenton. We don't usually
22 get involved in advocacy issues at all. I'm here
23 tonight because of the 50,000 acres that the North
24 Carolina Coastal Land Trust has protected since its
25 founding. 10,000 acres are right here in Brunswick

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1 County. And the reason for that is that Brunswick
2 County is a national ecological gem. It's not just

3 the birds. It's a nationally significant site.
4 It's marshes, it's wetlands with its rare species,
5 with its beautiful, beautiful marshes and hardwood
6 streams. And Brunswick County is where two of these
7 sites, not just the one in Southport, but now the
8 northern one, are located. The North Carolina
9 Heritage Program states that Brunswick County has
10 not only some of the most biologically significant
11 areas of North Carolina, but the entire U.S.
12 Atlantic coast. The priorities are coastal wetlands
13 and are designated as an exceptional functionality.
14 The Cape Fear Arch Conservation Collaboration was
15 established five years ago, has 19 agencies that are
16 currently signatories to coordinate and protect this
17 area We'd like to see more coordination here.

18 Coastal Land Trust has also made significant
19 conservation investments in this region in the last
20 ten years especially. We have raised more than 15
21 million dollars in state and federal money and
22 brought it here. The protection of lands in
23 Brunswick County along the lower Cape Fear River and
24 10,000 acres have been protected.

25 (APPLAUSE)

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1 And that includes the tracts of land
2 immediately to the south of the northern front site.
3 I did hear tonight that one of the tracts being
4 protected, Pleasant Oaks Plantation, which was
5 bought conservation easements with 5 million dollars
6 in federal/state land was removed from the area that
7 was designated. And we are appreciative of that if
8 that turns out to be the case, but what we're
9 concerned about is not only the first priority,
10 which is to avoid any location or port facility on
11 area preserve, but we're also interested in the
12 future negative impacts that might result in the
13 location of the tract of the port facilities in
14 either tract, secondary impact roads, ports, train,
15 secondary impacts. So those are what our concerns
16 are. We appreciate the opportunity to be here. We
17 are a quiet conservation organization. Occasionally
18 when our interests are directly impacted, we feel
19 the need to stand up and take a position, and this
20 is one of those moments. We want to express our
21 concerns. We're interested in learning more and we
22 hope that you will be a supporter of organizations
23 like Audubon and the North Carolina Coastal Land
24 Trust. Thank you.
25 (APPLAUSE)

1 GAROLD SMITH: Captain Boland will be
2 followed by Al Willis.

3 BY CAPTAIN JIM BOLAND:

4 Good evening. I'm Captain Jim Boland. I live
5 here in St. James. Just touch on a couple of
6 topics. The first, as a boat captain from 2002 to
7 2008, I visited the port of Wilmington about twice a
8 week. And I was totally amazed at the total
9 underutilization of that facility. I visit the port
10 now about twice a month and things really haven't
11 changed that much. Too much of our taxpayers' money
12 are being wasted. The North Carolina Ports
13 Authority lost 3.5 million dollars last year, 6
14 million dollars the year before, 4.3 million dollars
15 in the fiscal year 2008. Most of this revenue
16 increase was from bald cargo and not containers.
17 Future cost of the port, you heard earlier, 4.4
18 billion and 1.2 billion was for dredging alone.

19 Other ports are years ahead in infrastructure
20 and in a more favorable location. The international
21 port was put on hold, as you heard earlier, in June
22 of 2010. The Ports Authority responsibility was
23 changed to the DOT in July of 2011. I guess my
24 question is, if the port plans are on hold, why

25 isn't the money in construction and progress which

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1 is 10.2 million dollars not returned to the state
2 general fund or DOT highway fund so that could be
3 utilized in improvements of our highways in this
4 area.

5 The third area would be recreational boating.
6 In addition to all the environmental and financial
7 issues with the building of this port, it will have
8 a major impact on recreational boating we have
9 experienced today. Major dredging, relocation of
10 channels, continuous barge and work boats plowing
11 the Southport waters while a port is being built
12 will disturb the boating experience for years. An
13 example would be the required turning basin off of
14 Southport which would be a mile in distance across.
15 And a new channel that would be dredged. Both
16 crossing the Battery Island and other nesting
17 islands along the Cape Fear River.

18 Why subsidize Asian imports? China. We need
19 to invest in U.S. manufacturing. Stop the imports
20 from China. Not assisting lowering China's cost
21 structure for delivered goods. Just who will

22 benefit from this international port? Thank you.

23 (APPLAUSE)

24 GAROLD SMITH: Al Willis will be followed
25 by Ron Madden.

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1 BY AL WILLIS:

2 Hi. I'm from Southport and a member of No
3 Port/Southport. Most of my points have already been
4 covered. I was going to read a letter from Mr.
5 Herring of Boiling Springs Lake, but his points have
6 already been covered. So I'm just going to relate
7 one story -- not a story, it's the truth.

8 Woody Wilson and I happened to run into the
9 officer in charge of immigrations and custom
10 enforcement for the Port of Charleston. And when we
11 told him about this port, he was aghast. Here's
12 what he said: You're in for organized crime,
13 prostitution, theft. The crime will never stop. So
14 take it from him, that's what we're in for. Thank
15 you.

16 (APPLAUSE)

17 GAROLD SMITH: Ron Madden will be
18 followed by Ellen Messick.

19 BY RON MADDEN:

20 My name is Ron Madden. I live in Winding
21 Creek and lived there for about nine years. And the
22 first day I got here, I just said this is paradise
23 and every day is another day in paradise, and then
24 we look at what's going on with this port situation
25 and we wonder what in the world is going on. Who is

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1 coming up with all this stuff.

2 My past employment was with BellSouth. I was
3 a corporate real estate manager and I found a lot of
4 real estate people live over here in Southport
5 because they know it's a great place to live. One
6 of my jobs was conducting long-range study plans.
7 We went out to 20 years, we typically look at
8 payback for five years. If we didn't have payback
9 in five years, we scrapped the plan.

10 I retired from BellSouth about 15 years ago
11 and started my own business. If I didn't payback in
12 one year, I scrapped it. So here we go looking at
13 studies that have no payback. We have a situation
14 where we're looking at the growth pattern that's
15 being quoted here of supply and demand. The supply
16 is so far above the demand right now they're not

17 going to get there. The Wilmington Port is now only
18 handling 1.5 percent of all shipping and
19 containerized shipping from any type of the coast,
20 Atlantic coast. They are looking at spending
21 millions of dollars here on a port down here in
22 Southport that can't even possibly get close to
23 helping the situation. There's been three or four
24 studies that have been done. One was done by a
25 Professor Davis out of Charleston, he's a professor

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1 at the Citadel. And he came up with a study that
2 showed all these GE units coming in and supplying,
3 the curve was nothing like we're seeing here. We're
4 seeing it catching up. It doesn't catch up. With
5 the data that I saw, without North Carolina we're
6 going to be over 123 percent of what we need for
7 TEUs on the east coast. With North Carolina we go
8 up to 152 percent. So where is the payback? Is
9 there any business sense here? Along with polluting
10 and all the other comments we hear about this
11 paradise we live in. Come on, get real.

12 (APPLAUSE)

13 GAROLD SMITH: Ellen Messick followed by
14 Arlene Hubner.

15 BY ELLEN MESSICK:

16 Good evening, you all. We moved to Southport
17 from New York State and many of the points that I
18 was going to make tonight have been already
19 mentioned. One thing that has not been mentioned is
20 the future for North Carolina and that is kind of
21 I've -- I was contacted a couple of months ago by
22 friends, school chums of ours from Syracuse, New
23 York, who were very interested in moving to a warmer
24 climate and they had visited this area and were
25 interested in what was available.

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1 They gave me a rundown of what they were
2 looking for. This was two separate couples that
3 were looking to relocate. I referred them our No
4 Port/Southport website, and they relocated
5 elsewhere. They wanted nothing to do with this
6 area. So there's an intangible that also should be
7 a concern to the future of this area.

8 I will touch on a couple more points. How
9 can North Carolina be a player in the east coast
10 port sweepstakes based on the following statements
11 and positions? Alberto Aleman, CEO of the Panama

12 Canal, speaks to the Panama locks will bring enough
13 container traffic to the east coast to use just two
14 ports, not 13 that are racing to be ready for those
15 Panamax ships.

16 Executives are uncertain about whether the
17 opening of the expanding Panama Canal in three years
18 will bring a big shift of Asian cargo to east coast
19 ports. Wick Moorman, chairman, president and CEO of
20 Norfolk Southern Railroad states people we talked to
21 don't think a forecast of radical shift will happen
22 to the east coast. L.A. and Long Beach will
23 continue to be the dominant port in the country for
24 a long time.

25 I think it's already been mentioned that more

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1 than 60 percent of all foreign imports destined for
2 North Carolina arrive through the ports in other
3 states. Also, North Carolina accounts for only two
4 percent of the total east coast container business
5 even though North Carolina businesses get a tax
6 credit to ship through North Carolina ports. With
7 no infrastructure, road and rail, to handle the
8 projected volume of containers, how can any of the
9 six port sites now present to be contenders?

10 Last question is, how can the Maritime
11 Strategy Study dismiss statements from those in the
12 actual field of container shipping?

13 (APPLAUSE)

14 GAROLD SMITH: Arlene Hubner followed by
15 George Swain.

16 BY ARLENE HUBNER:

17 Hi. I believe that if the port is built here,
18 it's like painting a red target on our rumps in
19 terms of security, and I'm very concerned about
20 that. But something else that hasn't been mentioned
21 much in terms of ecology is what happens as a result
22 of the dredging. Our aquifer supplies Brunswick
23 County and Wilmington is right under the river. And
24 if you look at some of the statistics, the dredging
25 needs to go below the top of the aquifer. If it

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1 does that, what it means is we don't have drinking
2 water because the saltwater will infuse the whole
3 aquifer. Where are we going to get our drinking
4 water?

5 But another piece is, we've all heard day late
6 and dollar short. There was an article in the paper

7 recently about the Research Triangle Park and how it
8 came to be and how long it took to get it. I would
9 say that we are in a day-late-dollar-short period
10 right now.

11 This should have been thought about 10, 15, 20
12 years ago. Trying to do it now and play catchup
13 makes absolutely no sense at all. We should be
14 spending this money on things that will bring
15 business into our state and help us both
16 economically and job wise. Thank you.

17 (APPLAUSE)

18 GAROLD SMITH: George Swain followed by
19 Steve Cherry.

20 BY GEORGE SWAIN:

21 Yes, I'm different than most of you. I've got
22 groups here, born and bred here. History wise, 60
23 years ago it was said that the first port was coming
24 to Southport. It never happened. Politicians moved
25 it up the river. Now, one observation I want this

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1 meeting to take tonight since I've been here
2 occurred to me. A high percentage of you are not
3 looking for jobs. You're retired. The other side
4 of the coin, the jobs coin is not being supported

5 here. That's just observation. Well, you've got to
6 look around at the color of the hair, and I'm in
7 that class.

8 Now, I worked for 30 years for the Corps of
9 Engineers. There are no angles. Why do you think
10 that river is 26 miles to the port when it could
11 have been at Southport five or six miles inside?
12 Jobs. My belief. I joined them in '67. And I
13 surveyed all of the rivers and most of the projects
14 in North Carolina.

15 Now, the fact is North Carolina does not have
16 no deep water for ships that they talking about, 50
17 feet and more. That's a fact. The only two chances
18 is Morehead City and Wilmington. And I worked on
19 that ever since they were deepening it the first
20 time in the '70s; it went to 38 feet. And I'm going
21 to tell you statistics on the amount of water that
22 was there. I want to hear from them what it's going
23 to cost.

24 Now, you see all of this over here about cargo
25 and the ships in the ocean, how you going to get the

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1 two together and what's it going to cost. That's

2 the thing. You build a railroad, it sits there, it
3 will work. The cement docks will hold up, but while
4 you sleep that river is filling in. It's always
5 continuous dredging. The Corps doesn't have enough
6 money to go around and do what they got to do.
7 That's the bottom line.

8 Now, you know what the depth of the channel is
9 from the ocean up to the dock in front of Southport,
10 then it steps up, it's 44 feet. That's deeper than
11 it was when I left the job with the Corps 14 years
12 ago. It's deeper than it was then.

13 Now, you go up there where they got it. Let
14 me tell you about Sunny Point. It's an ammunition
15 depot dedicated about '55. And what's the project
16 depth there? It's 38 feet. They've got three docks
17 and they can't give up the upper one. You see
18 you're on the side of the river. You wouldn't know
19 the channel, like somebody said, I know for a
20 fact -- but that's just a little bit of the history.
21 And the 38 it starts 42 feet from the Southport on
22 up to past Sunny Point. Thank you.

23 (APPLAUSE)

24 GAROLD SMITH: Steve Cherry followed by
25 Janet Eberling.

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1 BY STEVE CHERRY:

2 Hi, my name is Steve Cherry, I'm against
3 building a deep-water port in Brunswick County and I
4 always will be. You might ask why. I visited this
5 area with my family since the early 1970s. My
6 family has been vacationing dozens of times since
7 then. My wife and I became property owners in St.
8 James shortly after visiting here in 1995. And
9 we've been full-time residents since August 2005. I
10 wasn't born here, but I got here as quick as I
11 could.

12 You've heard this day from a lot of people who
13 want the port for a variety of reasons, whether it's
14 political, environmental, public safety, water
15 supply, cost, more cheap import products, air
16 pollution, its negative impacts on tourism and on.
17 The podium tonight has had many speakers thus far,
18 couple more will come after me. We were asked to
19 come speak our mind and we are.

20 Here's the choice on soliciting voluntary.
21 Has anyone here asked the animals, the birds, the
22 fish and the turtles to provide details on how a
23 deep-water port might affect them? How do they feel
24 about it? Before you begin laughing or chuckling, I
25 know some of you are thinking about it. The Bible

1 tells us that God let us take and let them have
2 dominion over the fish in the sea and birds in the
3 air or the livestock over the earth and over all
4 such creatures that move along the ground. Does
5 such dominion, such rule include demolishing their
6 homes? It is okay for us to make the salt marshes
7 unfit for survival? Do you feel okay about creating
8 smog-like conditions that choke and threaten certain
9 kinds of birds?

10 In our state there are 430 species of birds.
11 Has anyone thought about what happens to them when
12 something this monstrous comes along? There are
13 dozens of kinds of freshwater fish in these parts,
14 and even more saltwater species. They get their
15 starts in the marshlands, they get their life, their
16 early start in the estuaries. Build a port, and you
17 destroy their habitat, their nursery, their
18 homeland.

19 One of my college professors said it best when
20 he told our class one day that man is the only
21 animal ever good enough to destroy the very
22 environment on which he intends to live. We are
23 arrogant enough to destroy that very environment.

24 Just say no to the port. Thank you.

25 (APPLAUSE)

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1 GAROLD SMITH: Janet Eberling.

2 BY JANET EBERLING:

3 Hi. My name is Janet Eberling. I live in St.
4 James and I yield my time to Gary Eberling.

5 BY GARY EBERLING:

6 Thank you. I spoke earlier on behalf of Betty
7 Wallace, and now I'd like to make my own comments.
8 Growing up I used to earn a little money shoveling
9 snow, mowing lawns. My parents always had two
10 pieces of advice for me, probably yours had the
11 same. Don't let money burn a hole in your pocket
12 and save some money for a rainy day. Well, I think
13 it's good advice even for our government today.
14 Let's not throw money at an ill-conceived project
15 just because we've got the money to spend. We live
16 in a hurricane-prone area, let's save that money for
17 a rainy day and a time when we need it. Thank you.

18 (APPLAUSE)

19 GAROLD SMITH: Frank Bausch followed by
20 Susan Maynard.

21 BY FRANK BAUSCH:

22 You heard from us what Congressman McIntyre
23 thinks about the safety of the megaport at
24 Southport. We've talked to this issue and
25 government officials said well, we have all these

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1 great high tech sensors. Well, there is a
2 government program called the Taper Security
3 Initiative that we would do in cooperation with
4 foreign countries. This is the answer the
5 government gives you about having a container coming
6 into this country with a dirty bomb. When I say
7 dirty bomb, lethal, biological, chemical. And yet,
8 recent congressional research shows states that
9 container's still most likely way a weapon of mass
10 destruction will get into the U.S. And port
11 operators have testified before Congress they
12 believe, and I quote, "It is just a question of time
13 before a terrorist with dirty bombs successfully
14 attack a U.S. port this way."

15 Why is this the case if we have CSI? Well,
16 all these containers have foreign factories, foreign
17 warehouses carried around in their country by
18 foreign truck drivers. I want to know if you think

19 you want to trust a Yeman truck driver to bring a
20 container with known al-Qaeda terrorist roaming the
21 country freely. That's what we need to have come
22 into Southport container.

23 In closing I have two points. The first is
24 the threat is not to Raleigh or Charlotte, but to
25 wherever you put the megaport. Second, the U.S.

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1 intelligence community knew about Osama bin Laden
2 and al-Qaeda ten years before 9/11. Knowing about
3 the threat does nothing to prevent four airliners
4 from being simultaneously hijacked. So I would ask
5 the study group to rigorously obsess with the
6 container security provisions, both domestic and
7 internationally, before they finish their report.
8 As a standard, I believe something like the risk of
9 one in ten million chances, one in ten million -- I
10 want to say that again, one in ten million that a
11 dirty bomb could get into the bay. By the way, ten
12 million is the number of containers that will come
13 in in three and a half years.

14 (APPLAUSE)

15 GAROLD SMITH: Susan Maynard will be
16 followed by, I apologize, I can't read this last

17 name. First name is David Sepseninol.

18 BY SUSAN MAYNARD:

19 Hi. I'm Susan Maynard and I live in Brunswick
20 County. I want you to know that at one time I
21 worked for the American Cancer Society and for many
22 years I worked in health care in New York. I
23 understand the next step in your study is a
24 benefit-cost analysis of port alternatives including
25 a megaport in Southport. Ms. Vanderburg, in that

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1 analysis, will you be considering the loss of other
2 economic opportunities if this Cheech and Chong port
3 that occupies the 600 acres owned by the taxpayers
4 of our state? For example, No Port/Southport
5 conducted a study for alternative uses of the site
6 acquired by the State Port Authority for the
7 megaport. The entries were imaginative and
8 consistent. They urged recreation, biotechnology
9 and other kinds of industry that thrive in a clean
10 environment. All would enhance the area in bringing
11 quality job opportunities. My own entry is for a
12 main pump produced in the state park, a premier
13 go-to spot for boaters, tourists and residents. The

14 park would include a full-service marina,
15 restaurants, rides, water activities, entertainment
16 and educational programs. There's about 150 local
17 jobs right there.

18 The winning contest was a renewable energy
19 demonstration facility. A combination of showcase
20 and laboratory. The next was an oceanographic
21 institute. A better use of waterfront of the salt
22 marsh and shallow water than concrete docks and
23 floating smoke stacks. I will make these contest
24 entries available to you.

25 Ms. Vanderburg, I have seen the ports at

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1 Newark and Elizabeth, New Jersey, and Long Beach,
2 California. There are no trees, birds or fish. And
3 no one lives for miles around in New Jersey. It
4 looks like a nuclear wasteland.

5 I just buried a friend of 42 years who died
6 from cancer. It's a terrible way to die. Nowhere
7 in our Constitution does it say that some citizens
8 and their children can be poisoned by the state and
9 die in order to provide a job for someone else.
10 According to the state of California, the shipping
11 industry there was responsible for 2,400 deaths.

12 This information will not be found on the Maritime
13 website. A lot of important information is missing.
14 All of the comments we've heard tonight is missing.
15 They've heard them before.

16 According to a study done by Western Carolina
17 University, only 20 percent of North Carolina
18 businesses who export use one of the two state
19 ports. There is no reason to believe that this will
20 change by adding a third staggeringly expensive 4.4
21 billion cancer producing port to our beautiful
22 coastline. Why not encourage North Carolina
23 businesses to do their business in their own state
24 instead?

25 Why do we get all the risk in Brunswick

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1 County? We have not seen -- we have a nuclear
2 reactor. And I feel if people in Raleigh want to
3 improve the economy of the state, they should look
4 in their own backyards. Let other parts of the
5 state develop their own resources. We have
6 developed ours and that is tourism.

7 (APPLAUSE)

8 GAROLD SMITH: Edith Koren will be next.

9 BY DAVID SEPSENINOL:

10 My name is David Sepseninol and you know right
11 there that I've never ran for office. All of the
12 points that I was going to make, have already been
13 made. And God bless you all. It's heartening to
14 see so many of us show up for the right reason, to
15 talk about our objections to the wrong things.

16 I have one thing to say to you. Margaret
17 Mead, a well-known anthropologist, wise in the ways
18 of the world said, wrote, a small group of committed
19 citizens can change the world. Indeed, she
20 continues, it is the only thing that has. Let's
21 stick together. This is going to be a long fight.

22 (APPLAUSE)

23 GAROLD SMITH: Edith Koren followed by
24 Walt Lester.

25 BY EDITH KOREN:

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1 Hi. My name is Edith Koren and I'm a resident
2 of St. James. I'm totally against the port. In
3 fact, when I found out about it, I was -- my heart
4 fell out. What I'd like to mention is my concern
5 with this report is that I consistently hear about
6 the downside risks from the environment, on the way

7 of life, impact on infrastructure, et cetera, is
8 going to be addressed at the 30,000-foot level. And
9 a report such as that, when it hits Raleigh, is not
10 going to give the true impact of what this port or
11 any port in Brunswick will do to Brunswick County
12 and the area.

13 So I really appeal to you to please be upfront
14 and honest. If government and those decision-makers
15 actually care about the real truths, they will take
16 Southport off the list. But if not, we're -- like
17 you say, we're going to be in for a long, long
18 fight.

19 BY WALT LESTER:

20 Actually, everything I had to say has already
21 been said. So I don't see any reason why we keep
22 spending money pursuing this if nobody wants it.
23 Doesn't seem to be any reason for this port. That's
24 it.

25 (APPLAUSE)

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1 GAROLD SMITH: Bert Felton followed by J.
2 Murray.

3 BY BERT FELTON:

4 Thank you very much. I work in the river, I
5 earn my living there. I spend time in the river.
6 Who are we talking to tonight? Is it you folks? I
7 know the choir is out here, but who are we
8 addressing? You two gentlemen? The consultants?
9 Would the consultants please stand up, please. I
10 just want to know who I'm talking to. I'm serious.
11 Will the consultants stand up, please? And I assume
12 some of the other folks are here. I want to know
13 one thing. This comes out of the Corps of Engineer
14 study. This was done back in '96, it was re-printed
15 in 2008. It just underlines some of the facts
16 that's been made about the dredging which is a
17 significant problem that we have for a project like
18 this.

19 Dredging first started back in 1800s. I'd
20 encourage you to read this entire chapter in the
21 book that I hold in front of me starting with Page
22 269. Up around 1890 they tried to establish a
23 20-foot depth in the river. Average depth of the
24 river was probably 18 to 20 feet depending on where
25 you took your measurement during that time.

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1 1909 goes to 24 feet in depth. Just after the

2 turn of 1900, 26 feet. By 1930 we were at 30 feet.
3 By 1946 we were up to 32 feet. You understood this
4 is a slot. Just like a trench right down the middle
5 of your bathtub, everything keeps falling so ships
6 can come in. We like the idea of shipping that
7 makes sense because of the river. 1950, 35 feet.
8 1970 as mentioned earlier, we're up to 38 feet. And
9 the '70s we're up to 40 feet.

10 We basically work with a channel today that is
11 at 42 feet. We know what the proposal is to go to.
12 We think of the millions of dollars. Not just to
13 get the slot in the river, but to keep it there.
14 And now we want to go to 52 feet. That 52 feet
15 would have to begin way out in the ocean somewhere
16 past the sea point now because we've got to have an
17 approach for that ship to come into the area and be
18 able to work in here. We think it might take 54 or
19 55 feet to keep that working depth of 52 feet in
20 there. So think of the billions of dollars. The
21 billions of dollars. Not just to get it in there,
22 but to keep it in there over time. This is a bad
23 plan. And we want the consultants to know these are
24 people in this room who have read this plan. It is
25 a bad business plan. Thank you.

1 (APPLAUSE)

2 GAROLD SMITH: J. Murray. First initial
3 J, last name Murray. We'll move onto Bill Rudeseal.
4 And then our last speaker for the night will be
5 Nancy Haskey.

6 BY BILL RUDESEAL:

7 My name is Bill Rudeseal. I live in Oak
8 Island. My wife and I moved there about six years
9 ago. I spent about 30 years working in the
10 international business. I lived in North Carolina
11 that whole time because I refused to move to Detroit
12 or New York because I can travel around. Helped put
13 a plant in North Carolina 30 years ago, 35 years
14 ago, and tried to get them to put some plants in
15 succeeding years, and they wouldn't do it. Moved to
16 a lot of other places. And unfortunately some of
17 them included China.

18 The bottom line is, a lot of politicians and
19 bureaucrats in the state are trying to gather more
20 business as everybody has explained here that
21 doesn't exist. If you want to get more business in
22 this place, spend it doing something other than
23 trying to build a port. There are a lot of things
24 you can do to bring business in other than building
25 a port. We came here because we wanted to be in

1 this area. All the people that I saw in Brunswick
2 County, which is supposed to be one of the fastest
3 growing counties in the country, people who are
4 coming here aren't coming here looking for a job. I
5 think the study will quickly show you they came here
6 because they want to retire. They want to get into
7 the environment here that's nice. They didn't come
8 here so they could sit out and watch a port being
9 built and a bunch of highways and railroads. They
10 bring their friends and their relatives and
11 grandkids in to enjoy this area.

12 Find some ways to get some business in here
13 other than digging a big hole. I got one thing to
14 say about digging that hole trying to keep that sand
15 from falling in. Reminds me of when I was growing
16 up, old boys who had the truck bought a hundred
17 watermelons for a hundred dollars, went to town and
18 sold them a dollar apiece. Then they said, we're
19 not making any money at this. We've got to do
20 something. The answer was, we're going to get a
21 bigger truck, haul more watermelons. That's the
22 whole idea of the state.

23 (APPLAUSE)

24 GAROLD SMITH: Our final speaker for
25 tonight will be Nancy Haskey.

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1 BY NANCY HASKEY:

2 Thank you for assessing a port system in North
3 Carolina. Balancing the scales of public need while
4 working to improve our economy and creating jobs are
5 goals which we can all relate to. Having visited
6 the international port in Wilmington, I was amazed
7 by the logistics of managing ship arrivals while
8 holding freight and subsequent placement and
9 storage. Many trucks need the security of the
10 arrived (inaudible) they await for further
11 instructions. And noise and congestion and
12 collection of containers was commerce. And
13 certainly nothing that would enhance our beautiful
14 shore.

15 To imagine this operation on the Cape Fear
16 River with even larger ships coming into port makes
17 me shudder. One lesson that I learned from boating
18 is don't rock the boat. We welcome trade, but we
19 must be aware of the problem of large containerhips
20 as opposed to our beautiful shoreline and nearby

21 islands. We need to be aware of the delicate
22 balance of nature. Our marine habitat sustains us.
23 Clean water nourishes us. Ibis breeding ground
24 enthralls us. And we need to protect these natural
25 resources. Let's not rock the boat. We are not

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1 looking for jobs in the clean up of the hazardous
2 waste district. Education and technical job
3 training should be paramount objectives as far as
4 employers here with our innovation, beautiful waters
5 and long-range planning. Thank you.

6 (APPLAUSE)

7 BY GAROLD SMITH:

8 Ladies and gentlemen, that concludes our
9 public comment period. I want to thank you all for
10 being here tonight. The consultant team will be
11 available for just a little bit longer to answer any
12 questions, but we don't have the facility for much
13 longer so unfortunately we won't be able to spend a
14 whole lot of extra time. You can submit any
15 questions online at ncmaritimestudy.com. We also
16 have comment sheets in the back. Thank you.

17 (WHEREUPON THE MEETING WAS CONCLUDED AT

18 8:31 P.M.)

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1 C E R T I F I C A T E

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3 STATE OF NORTH CAROLINA)
4 COUNTY OF ONSLOW)

5

6 I, Ashley E. Faller, a stenotype court
7 reporter and notary public in and for Onslow County,
8 North Carolina, do hereby certify that the foregoing
9 101 pages are an accurate transcript of the meeting
10 of the North Carolina Maritime Strategy taken by me
11 in machine shorthand and transcribed by me
12 personally.

13

14 This the 1st day of January, 2012.

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Ashley E. Faller
Notary Public# 200910400041

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