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MARITIME STRATEGY MEETING

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Thursday, December 15, 2011

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Crystal Coast Civic Center

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Morehead City, North Carolina

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6:01 P.M. to 6:39 P.M.

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APPEARANCES

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1 MARITIME STRATEGY MEETING

2 BY RACHEL VANDERBURG:

3 Good evening. Thank you all for coming out  
4 tonight. We appreciate you taking the time out of your  
5 evening to come and hear about the Maritime Strategy.

6 My name is Rachel Vanderburg, I'm with AECOM.  
7 I'm the project manager with the consultant team that  
8 has been hired by the state to conduct the study.  
9 AECOM has partnered with URS Corporation and with Eydo  
10 Public Outreach for this study.

11 So our meeting tonight is the third in a set of  
12 three meetings to present to the public and obtain your  
13 input on the work that has been done so far on the  
14 Maritime Strategy.

15 The study goal and outcome. The goal of the  
16 North Carolina Maritime Strategy is to examine the role  
17 that North Carolina ports play in the state economy and

18 see what focusing investments could strengthen that  
19 role and serve to enhance the states economy and build  
20 jobs. And the study outcome ultimately will comprise a  
21 menu of alternatives including benefits and costs and  
22 implications for the state to consider in making  
23 further investments.

24 The Maritime Strategy is really an outcome of the  
25 Governor's Logistic Task Force. It was a

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1 recommendation of the Task Force last year that a  
2 specific focus be made on ports and maritime trade  
3 because of their particular interests. So this effort  
4 is being done in close coordination with that Task  
5 Force as well as the 7 Portal Study that is underway to  
6 look at the seven economy regions of the state.

7 We are also integrating the directive with  
8 Executive Order 99 which provides port uses should not  
9 be incompatible with the economy drivers for the  
10 surrounding community.

11 The Maritime Study scope is to examine the  
12 state's position in global commerce and in the  
13 surrounding region. To take that information and  
14 incorporate a variety of interests in maritime trade  
15 and port development from the industry side and the

16 community side. And then to identify specific  
17 strategies that would enhance the port's benefits to  
18 the state or to enhance maritime trade in the state.

19 So our effort began with a kickoff in May of this  
20 year. We have been undertaking a series of tasks.  
21 Right now we're in the process of defining and  
22 evaluating alternatives. Our final recommendations  
23 will be developed over the next couple months with a  
24 report to the state in February of 2012.

25 So your role tonight is to take a look at the

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1 materials that we've prepared. You saw next door -- in  
2 the room next door and I presented to you tonight to  
3 ask questions and provide your input. We encourage you  
4 to make a verbal comment if you'd like or a written  
5 comment. They count in the same manner. So we really  
6 do encourage you to provide your thoughts to us.

7 So now let me tell you a little bit about what  
8 we've been doing over the last several months. Our  
9 real focus has been on data collection and analysis.  
10 There's a lot of information out there. We've reviewed  
11 more than a hundred documents and reports to make sure  
12 we're not starting from scratch or not taking advantage

13 of work that was already done. But we are taking a  
14 fresh look at this information. So if there's  
15 information that needs to be updated, we're doing our  
16 own analysis. If there's information that needs to be  
17 validated, we're going through that process as well.  
18 As part of that, we have obtained global economic  
19 forecasts. IHS Global Insight, a company that really  
20 focuses on that, that's their speciality. And they've  
21 done a focused work forecast for the southeastern  
22 United States region which along with historical data  
23 has been the basis of our analysis.

24 We've also been looking and evaluating various  
25 infrastructure from the water, road and rail side using

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1 GIS tools to really examine the needs of the state  
2 today and in the future. And we've also been using  
3 AECOM's internationally renowned port modeling tools to  
4 examine not only the capacity at North Carolina's port  
5 facilities, but also those port facilities in the  
6 region to see how shippers needs are being met.

7 We are looking at -- because of the importance of  
8 travel time and cost to shipper's decisions and their  
9 ability to make cost-effective choices in getting goods  
10 to the global market, we've developed an independent

11 cost model which really examines how specific targeting  
12 investments could reduce shipper cost and be a benefit  
13 to the state as a whole.

14 And finally, we've really taken this information  
15 and also listened to the stakeholders to bring that  
16 into the equation. A very extensive industry and  
17 stakeholder outreach has been undertaken over the last  
18 several months. This has included industry workshops  
19 with various groups as you see listed here as well as  
20 focussed discussions and interviews with a variety of  
21 stakeholders in the process. We are also conducting  
22 public workshops like the one tonight.

23 So let me give you an overview of the themes that  
24 we heard from many of the stakeholders. First and  
25 foremost, the need for jobs, economic growth, but also

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1 environmental protection were top concerns. We heard  
2 from the stakeholders, and it's been warranted by the  
3 data, that land side costs are an important driver,  
4 that making sure there are efficient truck routes and  
5 rail access are important to the shippers of North  
6 Carolina.

7 From the water side it's important also that the

8 state be able to have access to the ships that can call  
9 on North Carolina ports and can serve North Carolina  
10 shippers so that those carriers are available to those  
11 seeking access to the global market.

12 We also heard specific maritime trade  
13 opportunities that we have been considering as we  
14 evaluate alternatives including the need for  
15 refrigerated storage. The need for facilities to  
16 support roll-on/roll-off or oversized cargo. And,  
17 also, the need to expand on what is the strength of  
18 North Carolina ports, to handle bulk commodities such  
19 as wood pellets and grain.

20 One common theme is something that's really being  
21 integrated into the results of the study is that we  
22 take into consideration the coordinated needs and  
23 interests of not only the ports, but the state's  
24 transportation system as a whole, the commerce of the  
25 state, and, also, military which is an important

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1 economic driver in North Carolina.

2 So let me give you a brief overview of the ports  
3 based on the information that we've collected so far.  
4 We've done some analysis of the capacity and there is  
5 some room for expansion at existing facilities. But it

6 is limited and for different types of cargo. The North  
7 Carolina ports have a strength in non-containerized  
8 cargo. And, in fact, here in Morehead City that is all  
9 that is handled is bulk and breakbulk. The ports have  
10 very low costs and the shippers have noted that to us,  
11 but it can be offset by land side costs, by truck or by  
12 rail to get to those sites, or by distance to the  
13 ocean.

14 Here at Morehead City, the port is lucky to have  
15 only four miles to the ocean buoy. In Wilmington,  
16 however, there's a 26-mile run from the ocean to the  
17 Cape Fear River. Both Wilmington and Morehead City are  
18 strategic military ports. And that's important to the  
19 strategy also.

20 So let's take a quick look, even if you've had a  
21 chance to see this, this pie chart next door. The  
22 important data here is that phosphate and sulphur at  
23 Morehead City which represents more than 80 percent of  
24 the total tonnage coming through this port. That's an  
25 important customer and important commodity handled

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1 here. And as we develop our strategies on how the  
2 facilities could be used, we're keeping an eye on that

3 core business as well. At the Port of Wilmington, the  
4 mix of goods is a bit different with almost 80 percent  
5 of the commodities going through that port in terms of  
6 the non-containerized commodities being grains and wood  
7 products.

8 The Port of Wilmington also handles containerized  
9 goods. About 250,000 20-foot equivalent for just the  
10 standardized measure for containers handled through  
11 that port in 2010. And that's just a bit over half of  
12 the total capacity of that site. So looking at  
13 opportunities, the North Carolina ports of maritime  
14 trade in the state don't exist in isolation. So it's  
15 been important to think about the region as a whole and  
16 then step back or hone in and look at the state.

17 So for each commodity type, we've taken an effort  
18 to look at the forecasted trade growth which these have  
19 come from the IHS Global information and our analysis.  
20 Here you can see, for containerized trade, we have a  
21 three percent growth and a five percent growth. For  
22 each of these we have a high and low. And then we've  
23 looked at different regional capacities scenarios. So  
24 for containers, this bottom line includes North  
25 Carolina. The Port at Wilmington. The capacity to

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1 handle containers within the southeast region. Based  
2 on our look at the market, we have defined this region  
3 as extending all the way from Jacksonville, Florida, to  
4 the south, to Norfolk, Virginia, in the north.

5         There are two projects that are currently under  
6 development or construction. And these two lines  
7 represent the addition of those two projects which are  
8 the Hanjin Terminal in Jacksonville and the Charleston  
9 Navy Base in Charleston. On top of those are two more  
10 future or speculative projects which are the Craney  
11 Island terminal in Norfolk, and this green line at the  
12 Jasper Terminal which would be a collaborative between  
13 the states of South Carolina and Georgia. So depending  
14 on the growth curve you take, and the capacity line you  
15 take, you can see where the region will be shy of  
16 capacity in the future.

17         A similar look was taken of various other cargo  
18 types. Of these there's been some simplifications  
19 made. So we're going to have to delve into them a  
20 little bit further as analysis goes on. For bulk  
21 cargo, you can see the high and low of growth forecasts  
22 and the capacity line.

23         This excludes bulk commodities like coal and  
24 petroleum, so those are not things we're considering in  
25 our analysis at this time. And it also makes a

1 simplifying assumption by neglecting specialized needs  
2 of certain bulk products or the location of those  
3 products. And we have heard from shippers that there  
4 can be a disconnect between where the facilities are  
5 needed and where they are located. And, also, the  
6 types of bulk handling facilities that are available to  
7 them.

8           Here you see regional breakbulk demand capacity.  
9 Breakbulk terminals are, by their very nature, these  
10 are things you can pick up and move as individual  
11 items. By their very nature are adaptable to multiple  
12 types of cargo. So it's not surprising to see an  
13 overall abundance of capacity. Again, this doesn't  
14 consider the specialized needs of certain cargo.  
15 Specifically, cargo that needs roll-on/roll-off  
16 facilities or is heavy and needs specialized facilities  
17 to handle those.

18           We did a similar examination of Ro-Ro in  
19 particular. And here again you can see the relative  
20 forecast of regional demand versus capacity.

21           So looking at where the ports in North Carolina  
22 sit today, listening to the stakeholders, looking at  
23 the regional market, we have honed in on some areas  
24 that are of some particular interest we think for the

25 state. You see on these graphs some preliminary

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1 numbers, they give you a general idea of what kind of  
2 opportunities we believe there are for each commodity.  
3 Here you see grain and soybeans. In this graph the  
4 bottom blue line is the existing growth curve, just  
5 based on regional growth and the current position. We  
6 think if we found a way to be more efficient, you'd  
7 have a marginal increase. But if we can provide some  
8 specialized equipment to handle grain in North Carolina  
9 based on the market analysis and input from shippers,  
10 we believe there would be a tremendous growth  
11 opportunity that the shippers are telling us they could  
12 export more. They could do more business in the global  
13 economy if these facilities were provided.

14 So you see here are a couple of options where a  
15 grain facility might be located. On the left this is  
16 Radio Island, right across the bridge here. And the  
17 light gray would be a potential grain facility. The  
18 other option that we have laid out would be down in  
19 Wilmington. And in this case it's also the lighter  
20 color to the right.

21 We've taken a similar look at containerized  
22 goods. And this is particularly important not only to

23 bring commerce to the state, but it's important to have  
24 the carriers, the ocean carriers, import containers  
25 here so they are available to North Carolina shippers

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1 for export. So you see here the potential growth for  
2 containerized goods. And if there are cost savings,  
3 realize the magnitude of additional growth in  
4 containers that we see. The challenge for containers  
5 are some of the physical infrastructure including  
6 50-foot plus of water depth and certain land  
7 requirements.

8         So we started taking a look at -- in addition to  
9 this, before I get into the specifics of the container,  
10 a subset of the containerized goods is refrigerated  
11 container goods. This is a need that's been identified  
12 by our industry outreach. And, again, we think by  
13 providing these facilities, there is an opportunity for  
14 growth in this market and an advantage to North  
15 Carolina shippers.

16         In looking at the needs for the container market,  
17 we took a very -- we started with a very high level  
18 screening analysis to examine sites up and down the  
19 state that might be able to accommodate water access,

20 land side access and sufficient land area to  
21 accommodate a container port. From this analysis,  
22 we've honed in on a set of sites that we're now doing a  
23 comparative analysis, benefit-cost analysis to  
24 determine which site might be more cost effective, both  
25 from an operational standpoint and also the cost of

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1 dredging and providing adequate land side access. So  
2 this effort is currently underway. We're also going to  
3 be looking at the potential environmental footprint  
4 impacts of each of these sites.

5       So on this slide you see a layout, and this was  
6 next door as well, of four potential sites that are  
7 under evaluation right now. We have not yet determined  
8 that any of these sites should be developed as  
9 container ports, but are evaluating the options. The  
10 first here is on Radio Island. On this image here you  
11 see the existing Wilmington port, but there's an  
12 opportunity to expand container facilities there.  
13 Across the Cape Fear River in Brunswick County and  
14 along River Road South is another alternative site.  
15 And down near the mouth of the river in Southport there  
16 is a site that's being evaluated.

17       We've also looked -- identified wood products

18 which is really core to the industry and economy of  
19 North Carolina as a potential for growth. In this  
20 case, because of the location and the source of the  
21 wood products, we see that without investment there is  
22 a potential to lose some of this or divert some of this  
23 traffic to other ports.

24 In terms of Ro-Ro and oversized cargo, this is an  
25 area that is an important need and also driver for

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1 economic benefits to the state. Having manufacturers  
2 like Spirit Air and Caterpillar who have unique needs  
3 as they are manufacturers of equipment and materials  
4 and provide materials here in North Carolina to bring  
5 this large and oversized goods to the port. So by  
6 providing facilities that can accommodate this  
7 specialized equipment, you can attract those businesses  
8 to North Carolina.

9 And, also, as I mentioned with chemicals and  
10 phosphates, this is an important core business of North  
11 Carolina ports and we want to make sure we're  
12 considering this growth -- this baseline growth in our  
13 alternative evaluation.

14 Lastly, not a commercial driver for North

15 Carolina ports is military cargo. Although this will  
16 not drive the investments that are recommended, it's  
17 important to consider the needs of the military as we  
18 make our conclusions. Ro-Ro and oversized cargo in  
19 particular is very compatible with the needs of the  
20 military.

21 We're not just looking from the water side, but  
22 also inland. The Maritime Strategy is, after all, a  
23 statewide study and we're looking at road, rail and  
24 inland infrastructure in addition to the port needs.  
25 So we've been examining the locations and destinations

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1 of various goods and examining the access to these  
2 modes as we develop our recommendations.

3 And there are specific transportation challenges  
4 that we've been keeping an eye on as we do our  
5 analysis. Improving the water, road and rail access is  
6 an important part, but clearly state money is not  
7 limited. So these need to be prioritized. So we're  
8 looking at a highway infrastructure with a focus on the  
9 gaps in interstates or connections that can offer the  
10 greatest benefit. In terms of rail infrastructure,  
11 we're looking at options that could enhance volumes and  
12 attract and improve rail service to the benefit of

13 shippers. On the water side, we're also identifying  
14 and incorporating into our study specific constraints  
15 and physical needs of the waterways that provide access  
16 to North Carolina ports.

17         So the next step of the study will be to take  
18 this analysis, identification of infrastructure  
19 improvements and quantify those investments that could  
20 best reduce the cost to North Carolina shippers and  
21 determine and translate those shipper cost savings into  
22 economic benefits to the state.

23         We also will be aligning the overall strategy to  
24 identify with statewide policies and objectives that  
25 may be beyond our study, but are important input to it.

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1 And lastly, to develop evaluation measures that will be  
2 used by the state as they consider the options  
3 considered to them.

4         We've been making an effort to keep our  
5 presentations and information as it becomes available  
6 on our website so I do encourage you to visit it often.  
7 This presentation and copies of the boards that you saw  
8 next door will be posted on this site tomorrow. So the  
9 website address is [www.ncmaritimestudy.com](http://www.ncmaritimestudy.com). You can

10 also, if you choose not to make a comment tonight or if  
11 there's something you wish you said and didn't, please  
12 do go on that site and post your comment there. There  
13 is no deadline to do that.

14 So with that, I'm going to invite Garold up to  
15 open the public comment period and let you know how  
16 it's going to work.

17 BY GAROLD SMITH:

18 Good evening. As Rachel said, this is the formal  
19 public comment area of the meeting. And when you came  
20 in, you saw the green sheet. And if you would like to  
21 make a public comment we ask that you sign up. We  
22 normally will allow three minutes per speaker, but  
23 tonight we have two speakers signed up, so we're going  
24 to be a little bit more flexible. I think they've  
25 agreed they won't be 20 minutes. Anyway, if you would

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1 like to speak, we would ask that you would sign up  
2 ahead of time. However, once the two speakers are  
3 concluded I will open the floor for any additional  
4 comments. If you do have a question, feel free to ask  
5 that as part of your comment and Rachel or any of the  
6 technical staff will be happy to answer. But if it  
7 becomes more of a question leading to another question,

8 we just ask that you talk to one of the staff members  
9 afterwards.

10 So with that I'd like to ask Chris McCafferty to  
11 please come forward.

12 BY CHRIS McCAFFERTY:

13 I'm a commercial fisherman from right here in  
14 Morehead City. I grew up right here, love the area,  
15 love the heritage, the charm, the character of this  
16 area. Most of the people that have moved here from  
17 other areas love it for the same reasons. And I'd like  
18 to make sure that the way our port is expanded is  
19 compatible or not incompatible with the area.

20 As a commercial fisherman, I've seen most of the  
21 places, like our seafood, be lost in large part to  
22 mismanagement of our fisheries where they don't have a  
23 dependable supply of seafood. What we need to do is  
24 I'd like to see part of the board -- if you could go to  
25 the grain slide, I could point out exactly where I'd

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1 like to see the co-op fish house be put. And if we did  
2 that, it would be a very small footprint. Wouldn't  
3 cost a whole lot to build, and would be something  
4 beneficial to all of North Carolinians in that it would

5 preserve our access to our seafood here along the  
6 coast.

7 We could have NOAA be there, right there on  
8 Harkers Island. Green Lab likes to have seafood that  
9 we bring in. They could double as a museum to preserve  
10 the commercial fishing heritage of the area. Tourists  
11 could visit that museum and also watch as their seafood  
12 is unloaded, inspected and labeled as North Carolina  
13 wild caught seafood. Raleigh, Charlotte area, when you  
14 went to a restaurant or a seafood market, you knew that  
15 those were our public resources from North Carolina  
16 water, not from China or from someone else.

17 And, also, we could develop markets for some of  
18 the underutilized species like skates and rays that are  
19 eating most of our bait before we get a chance to  
20 harvest them and eat them. That would take a little  
21 bit of the pressure off the bay scallops, you could  
22 export some of that stuff. We had a great export  
23 market to England and that's where, you know, we may  
24 not want to eat everything we catch out of our waters,  
25 but somebody will. And I've ate skates and rays,

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1 they're not bad, but it's not my favorite thing to eat,  
2 but that is something we could cure the market for.

3 Also our bycatch that we have. Rather than discarding  
4 so much of what we catch, we could bring it in and  
5 process it into things like gourmet cat food, chum or  
6 even crab pot baits, stuff like that. So we need to  
7 get an account of what's coming out of our waters, use  
8 it wisely. We can do local processing that way. We  
9 can and really need to manage our resources wisely and  
10 make sure all North Carolinians and people outside of  
11 our area have access to these public resource.

12 So, you know, can't go back to that slide, when  
13 you go across the high rise bridge in Beaufort, it is  
14 on the right-hand side -- right there just this side of  
15 PCS Phosphate holding tanks. It could be compatible  
16 with almost anything that's going to be put there. So  
17 we need to, as citizens of Carteret County, support  
18 some of these things that would be compatible.

19 We can't say no to everything. We do need to  
20 expand the port and we need to support the industry  
21 that will be -- like commercial industries and industry  
22 that is historically compatible with the area. It's  
23 been here since the first settlers came. And it's not  
24 included anywhere. You go to agriculture, you go to a  
25 lot of things, but nothing to do with the fishing

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1 industry. So at least throw us a little bone. And  
2 give the people access to it, and then we can come  
3 together on some things that would be compatible. Not  
4 just what the fisheries can do, all people in Carteret  
5 County can accept and the tourists will accept as well.  
6 There's some things we do here they don't want to see.  
7 And some people don't want to see certain things, but  
8 there are some things we can have and we can agree to  
9 disagree on some things and work together on others  
10 where we can find common ground.

11 If you do support the idea of a co-op fish house  
12 or have any questions about it, please contact me.  
13 I'll hang out until the end. I'll be happy to talk to  
14 you, and what I've done in the past is made postcards  
15 supporting various fishery issues, and I also support  
16 the idea of a co-op fish house. If we stand together  
17 we can guide the way the port is going to be used. If  
18 it's just me saying it, it probably won't matter.  
19 Please consider it. And keep an open mind about it.  
20 Thank you for your time and Merry Christmas.

21 (APPLAUSE)

22 GAROLD SMITH: Our next speaker is Craig  
23 Hassler.

24 BY CRAIG HASSLER:

25 Good evening. My name is Craig Hassler. I moved

1 here in 2003 from the east end of Long Island where I  
2 grew shellfish for 13 years for the town of East  
3 Hampton. Moved here and went through the therapeutic  
4 massage program, won't get into that too much, but it's  
5 been interesting being able to be here.

6 One of the reasons I chose Morehead City to live  
7 was actually its great climate, great place to be able  
8 to get around by bicycle. And one of the things I'm  
9 noticing with a lot of the strategies that we have  
10 here, and, again, just my perspective but so much focus  
11 is on corporate interests and trying to facilitate the  
12 corporate, you know, good. And one concern I have with  
13 that is, you know, looking at basic economic theory.  
14 The reality is government should not be using its money  
15 to support private interests. And unfortunately, what  
16 I've been seeing with the port is, and this is my  
17 sentiment, that by supporting these industries that use  
18 the port with our tax dollars is it's going to benefit  
19 us locally. But personally, I'm not seeing that  
20 benefit. If anything, in the time that I've lived  
21 here, what I've seen unfortunately is a lot of  
22 businesses -- and granted there's a recession going on,  
23 and I think to sort of not look at the recession and  
24 what may be causing the recession, personally my

25 arguments are huge dependence on the use of fossil

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1 fuels and mine fuels.

2 And especially this country's economy is so  
3 heavily reliant on that that it strikes me that's why  
4 we're having such difficulties. And it seems to me to  
5 go forward thinking about how do we do things more  
6 locally. How are we growing things locally without  
7 using lots of mine products? How are we doing things,  
8 moving people around without using so much energy that  
9 is not renewable, that seems to me totally missing from  
10 this picture. Because when you're talking about a  
11 global strategy for moving things here and there, it  
12 seems that it's totally missing the point that that's  
13 heavily reliant on fuel which increasingly is very hard  
14 to get, it's very expensive to get. And that's the  
15 thing.

16 So much of the fuel that we use to subsidize by  
17 everybody that the true cost by fuel is not being paid,  
18 so then you're not getting that true cost. And it  
19 seems to me that in North Carolina, it's such a beacon  
20 to me for potential.

21 We've got an amazing climate here and diversity

22 of species in the water as well as on land. And to not  
23 be focusing on how we enhance those and sustainable  
24 economies with those, to me, really is foolish in terms  
25 of any planning. Because unless we're taking care of

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1 this environment, we're going to have more and more  
2 cancers, and we're going to have more and more waters  
3 being closed to shellfishing.

4 The fact that the Rachel Carson Nature Preserve  
5 is named the Rachel Carson Nature Preserve, yet all the  
6 waters around Beaufort are closed to shellfishing,  
7 that's just not acceptable especially in this community  
8 that touts our environment. And the same with Morehead  
9 City. The fact that Calico Creek up to 17th Street is  
10 closed year round to shellfishing, that's not  
11 acceptable. And then the worst part is when you put in  
12 a sewage treatment plant, spending 13 million dollars  
13 to upgrade a facility that all the taxpayers are paying  
14 for and then you come to find out that facility, that  
15 water will never be open to shellfishing again, then  
16 you have to wonder, what is the purpose of spending all  
17 this money for this infrastructure.

18 And I hate to say it, you drive up to Raleigh  
19 now, you see all this road work out in the fields, and

20 I'm thinking, how does that stimulate our economy?  
21 That does not get people back to work. People working  
22 means shovels, means growing things, seems to me  
23 unfortunately this is more of the same. Relying on  
24 that is all stuff we don't have.

25 And then the worst part is writing all these

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1 grants that support these businesses. I mean, I'm a  
2 small business. I came here. I went to the  
3 therapeutic massage program, the school here. Started  
4 a business, opened an office, became a corporation.

5 I have no business because the industry that  
6 North Carolina is so famous for is health care, which  
7 is not really health care. It's sick care. Because  
8 the only time you get a benefit is if you're sick.  
9 Same with life insurance and all these scams that are  
10 about trying to keep people from experiencing reality.

11 I don't mean to go off like that, but it's just  
12 very frustrating. I've been trying to create local  
13 initiatives here, here especially in Morehead City like  
14 an innovative restroom where you're catching water on  
15 the roof, using that for the sink and the shower.  
16 Composting toilets, use the compost, use gray water to

17 water plants. Then have our researchers here to test  
18 it to make sure there's no problem with it. Using  
19 locally available recycled materials to build as much  
20 of the facility as possible. Even allowing people to  
21 use solar or small wind or even bicycles to move water  
22 up to the stern and then when you need electric for the  
23 building, let that come by a little turbine that  
24 generates electric ability.

25 Because, again, if you were to actually figure

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1 out the true cost per kilowatt hour of energy, it's a  
2 lot more than what we pay because so much of it's  
3 subsidized. And it seems like that's something we need  
4 to deal with. And we have great researchers here that  
5 should be able to figure those questions out. So I  
6 apologize for the long digression. Thank you for the  
7 opportunity.

8 GAROLD SMITH: Was there anyone else who  
9 would like to make a public comment tonight?

10 AUDIENCE QUESTION: I have a question.  
11 Rachel, within your slide projection, you talk about  
12 military growth as far as cargos. Have you had a  
13 chance to talk with the Military Task Force that's  
14 getting together right now to figure out a way to

15 increase the ports? During the second Gulf War much  
16 of the cargo went out of Charleston, Jacksonville,  
17 Florida. And so I know the Military Growth Task  
18 Force is trying to come up with an option to try and  
19 get some of that and I just wondered if you had a  
20 chance to talk with them.

21 RACHEL VANDERBURG: We did. We have been  
22 working with the Military Growth Task Force. And I  
23 think they are finalizing their recommendations as  
24 well as far as we know. We've also sat down  
25 directly with members of the Task Force and members

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1 of each of the branches of the military except for  
2 the Air Force here in North Carolina to get their  
3 input in one of these workshops.

4 A few of the things we heard from them,  
5 the Ro-Ro facility is important to them here in  
6 Morehead City. They talked about some particular  
7 operational constraints they have here and asked us  
8 to identify those as issues. They mentioned that  
9 they do have a need for container services, but it's  
10 really driven by the location of the commercial  
11 container service. So to the extent possible, they

12 use commercial services for goods.

13           They talked a little bit about some of  
14 their needs in terms of clear areas for loading and  
15 unloading they'd like to maintain. And, also,  
16 stress that because these ports are strategic ports,  
17 it's important that they be exercised so they're  
18 ready for their use when needed.

19           Obviously the needs vary greatly. And we  
20 need to be ready for it, but can't count on a  
21 certain regular volume as perhaps or has been in the  
22 last ten years. So we have been trying to integrate  
23 that information into the study.

24           AUDIENCE QUESTION: Rachel, has anyone  
25 factored in -- I have a question what is the life

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1 expectancy of the production of phosphate and what  
2 do we do when that stops?

3           RACHEL VANDERBURG: I'm not sure I have  
4 the specific answer for you. We haven't -- based on  
5 the forecast we've seen, it isn't within the horizon  
6 of this study, but it's something which we're  
7 looking out to 2040 as our horizon year, that  
8 investments should be long-term investments. But  
9 it's certainly something that we will keep in mind

10 and make sure that for any of these market scenarios  
11 where there are influences that could really affect  
12 them on the upside or the downside, and also  
13 identifying those risks to build that in, provide  
14 that as information as the state makes these  
15 important decisions.

16 AUDIENCE QUESTION: So we don't have a  
17 day?

18 RACHEL VANDERBURG: I don't have a day,  
19 but we will make a point to look into that.

20 BY GAROLD SMITH:

21 Are there any other comments tonight?

22 Okay. With that I would like to close the formal  
23 public comment period and let you know that if you did  
24 not want to make an oral comment tonight that we do  
25 have an opportunity, as Rachel said, to go to the

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1 website and we have an e-mail address so you can  
2 provide comments that way. We also have the comment  
3 sheets at the front table. If you would like to fill  
4 one of those out, you can drop it in the comment box.  
5 And we have a hotline number that's available on the  
6 front of the brochure. So with that, I will close the

7 comment period, and thank you all for being here  
8 tonight.

9 (WHEREUPON THE MEETING WAS CONCLUDED AT  
10 6:39 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 I, Ashley E. Faller, a stenotype court reporter  
6 and notary public in and for Onslow County, North  
7 Carolina, do hereby certify that the foregoing 30 pages  
8 are an accurate transcript of the meeting of the North  
9 Carolina Maritime Strategy taken by me in machine  
10 shorthand and transcribed by me personally.

11

12 This the 1st day of January, 2012.

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Ashley E. Faller  
Notary Public# 200910400041

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