

**Logistics Task Force Meeting
October 18, 2010
Elizabeth City, NC**

Lt. Governor Walter Dalton, Chairman of the Logistics Task Force, called the meeting to order at 11:00 a.m. on Monday, October 18, 2010 at Elizabeth City State University with the following members present:

Gene Conti, Dan Danieleley, David Willauer, Joe Stephens, John Goodman on behalf of Lew Ebert, and Jed McMillan on behalf of Keith Crisco.

Paul Friday, Tom Eagar and Danny McComas participated via phone.

The following members were absent: Al Delia, Dee Freeman, Nelson Cole, Clark Jenkins, Dawn Clegg, Rick Sholtes, Allen Joines, Patricia Long, Earl Brinkley, Guy Shavender, Dee Blackwell, Terry Bellamy, John Atkins, Jerry Orr, Bob Morgan, Gary Teng, Paul Kauffmann, Larry Wooten, Beth Austin, David Congdon, and Michael Walters.

Correction to minutes from the September 21, 2010 meeting in Wilmington. The minutes reflected a comment from Mr. Mike Rice incorrectly. The sentence should have read "Mr. Rice stated this project has been advanced by the ports authority from the top down and this is not the way to do it. It has to be done from the bottom up."

After the correction to the September 21, 2010 minutes, the minutes of the August 25, 2010 and the September 21, 2010 meetings were unanimously approved upon a motion by Dan Danieleley and were seconded by Gene Conti.

Chairman Dalton introduced Dr. Willie Gilchrist, Chancellor, Elizabeth City State University. Chancellor Gilchrist welcomed everyone and thanked the Task Force for visiting ECSU.

The Chairman thanked Chancellor Gilchrist and also recognized and thanked Representative Bill Owens and Board of Transportation Member Stan White for attending the meeting. Chairman Dalton introduced Mr. Roger McLean, Mayor of Elizabeth City. Mayor McLean stated how happy he was to have the Logistics Task Force in Elizabeth City.

Mr. Eddie Lynch, Chairman, North Carolina's Northeast Commission was introduced by Chairman Dalton. Mr. Lynch thanked the Task Force for being in Northeast North Carolina. He stated that small business is critical in this area and it is so important that we all work together. He looks forward to working with the Task Force.

Chairman Dalton introduced Mr. Vann Rogerson, President & CEO, North Carolina's Northeast Commission. Mr. Rogerson presented the Task Force with information regarding Statewide Consistency, Regional Flexibility. He stated that each region must

have the flexibility and local awareness to meet the special needs of our local constituents. A statewide policy (or focus) does not fit all. The Northeastern long term strategy consists of development of clusters focusing on new wealth and new jobs, development of economic niches that are globally competitive, new technologies and product commercialization and a link of cluster development to education and research. He stated the emphasis should be on Aviation/Aerospace, Plant Ag Biotechnology, Automotive R&D, Marine, Alternative Energy, Food and Food Products and Defense R&D. He discussed the needs of the Northeastern region as being a Virginia Port strategy for NENC, an innovative investment by North Carolina, and NC and VA exploring mutually beneficial options. A copy of Mr. Rogerson's presentation is made a part of the minutes as Addendum #1.

Chairman Dalton introduced Mr. Johnny Jacobs, Shipping Manager of Nucor. Nucor is located in Charlotte with 20,000 team members. Mr. Jacobs talked with the Task Force regarding education and the impact it has on the Logistics arena. Transportation is the process of getting goods in and out of the area. Nucor has prided its self in what they have been able to accomplish in this area. Today there are 430 team members in the Northampton area. Mr. Jacobs stated the importance of the highways in the area. He is also looking forward to growth in this area. He mentioned another key mode of transportation in this area is the rail sector. At this time, CSX services the northeastern area. This area also has the NC/VA railroad. Mr. Jacobs stated that waterways are also very important due to the use of barges in the Chowan River. Dredging and maintenance of the waterways is also very important. Nucor appreciates the focus of the Task Force. Mr. Jacobs feels this region is on the verge of greatness.

Dr. David Bejou, Dean of ECSU School of Business and Economics was introduced by Chairman Dalton. Dr. Bejou presented information to the Task Force regarding ECSU's Economic Impact on Northeastern NC. In 2003 Smith-Moore conducted a study showing the direct and indirect economic impact on the region economy more than \$100 million. Over the next decade, ECSU's impact on northeastern NC will exceed any other single business or institution. Nearly 1500 regional workers depend on ECSU for employment. Dr. Bejou also shared the economic development impact of the Aviation Science Program. ECSU has been and will continue to be a resource, partner and a major driving force in the economic development of Northeastern North Carolina. A copy of Dr. Bejou's presentation is made a part of the minutes as Addendum #2.

Chairman Dalton introduced Mr. Gregory Edwards, Director of External Affairs, Virginia Port Authority. Mr. Edwards shared information with the Task Force regarding the relationship between eastern NC and the Virginia Port. A few of the top trading partners for export and imports are China, Germany, Netherlands, Belgium, and Indonesia. The nearly 1.8 million TEUs moving over the Port of Virginia in 2009 were transported by: 4% barge, 30% Rail and 66% Trucks. A copy of Mr. Edwards's presentation is made a part of the minutes as Addendum #3.

Captain Werner Winz, Commanding Officer, US Coast Guard Aviation Logistics Center was introduced by Chairman Dalton. Capt. Winz presented information to the Task

Force regarding the Aviations Logistics Center. The ALC is the hub for the Coast Guard aviation support, which included the missions of aviation depot level maintenance, structural engineering, spare parts warehousing, and information services needs. ALC is the central point for all aircraft repairs. Capt. Winz stated that ALC manages the shipment, component repair, and warehousing of all aviation spare parts. The center serves as the central warehouse for a \$1.2 billion spare parts inventory.

Chairman Dalton introduced Dr. Anthony Sharp, Director, ECSU Aviation Science Program. Dr. Sharp thanked everyone for visiting ECSU. He stated that ECSU is the only 4-year college or university in North Carolina that offers a degree in aviation education. In the fall of 1986 ECSU began aviation studies. In the fall 2010 ESCU has 92 students enrolled in the program.

Chairman Dalton introduced Mr. Simon Rich, General Manager, Stevens Towing Company. Mr. Rich shared information regard Stevens Towing Company stating they were founded to move grain and produce. Mr. Rich started the North Carolina site in 1999. Some of the North Carolina customers are NUCOR Steel, Progress Energy, MiTek, US Military, and J.W. Jones Lumber. Mr. Rich stated the need to preserve and improve North Carolina's water trade routes and infrastructure such as the Atlantic Intracoastal Waterway. Also, the need to preserve North Carolina's existing commercial docks and rural ports for loading cargo to connect with cities and major ports for increased trade and create waterside industrial development sites for new companies that depend on water freight. A copy of Mr. Rich's presentation is made a part of the minutes as Addendum #7.

Mr. Jerry Jennings, NCDOT Division Engineer, was introduced by Chairman Dalton. Mr. Jennings informed the Task Force that Division 1 is the largest division geographically within NCDOT. Counties are: Bertie, Camden, Chowan, Currituck, Dare, Gates, Hertford, Hyde, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington. There are 5, 142 road miles, and 571 bridges. Some of the longest bridges in the state are located in this area. Highway 12 is located in Currituck County. This highway has a lot of problems with over wash during storms. Division 1 also has two river ferries. Parkers Ferry and the San Suzy Ferry are cable guided. Mr. Jennings shared the designated corridors in the area with the Task Force. A copy of Mr. Jennings presentation is made a part of the minutes as Addendum #4.

Chairman Dalton introduced Mr. Joseph Freddoso, President & CEO, MCNC. Mr. Freddoso presented information to the Task Force regarding broadband build out in North Carolina. He stated how important it is for everyone to have access to broadband. This area has good access to roads and we need to keep it that way. Now we need to work on the broadband. There is a need to build public/private partnerships to reach areas like Avery/Tyrrell/Hyde/Washington Counties. MCNC will have the fiber assets to help but we need to be part of a plan, not the entire solutions. They save millions of dollars a year by providing this service. A copy of Mr. Freddoso's presentation is made a part of the minutes as Addendum #5.

Chairman Dalton introduced Dr. George List, Professor, NCSU. Dr. List updated the Task Force on the progress of the Seven Portals Study. Activity since last update showed the subcontract placement had been completed. Team assignments had been adjusted and finalized. There has been a visit to Hampton Roads and Chicago. The Regional investigations have begun. They have attended Regional Hub Design Subcommittee meetings and presented a briefing for the Commerce Subcommittee. The rail assessment has also been conducted. Dr. List will provide future presentation at the November, December, February and March LTF meetings. A copy of Dr. List's presentation is made a part of the minutes as Addendum #6.

Chairman Dalton opened the floor to public comment.

Mayor Roger McLean, Elizabeth City thanked the Lt. Governor for what he is doing as Chairman of the Logistics Task Force. In Elizabeth City they have specific needs. It is one of the poorest congressional districts in North Carolina. The utility rate has increased at a rate of 65%. Mayor McLean expressed his willingness to work with the Task Force to improve the area.

Chairman Dalton thanked ECSU for hosting the meeting. He announced the next meeting of the Logistics Task Force will be Thursday, November 18, 2010 at the North Carolina Global TransPark Spirit AeroSystems Composite Center of Excellence in Kinston beginning at 12:15 p.m.

The meeting was adjourned at 3:29 p.m.