

Governor's Logistics Task Force Meeting
January 18, 2012
Raleigh, NC

Lt. Governor Walter Dalton, Chairman of the Logistics Task Force, called the meeting to order at 1:07 p.m. on Tuesday, January 18, 2012 in Raleigh with the following members present:

Al Delia, Gene Conti, Dee Freeman, Nelson Cole, Dan Danieleley, Earl Brinkley, David Congdon, Jeff Strader, John Atkins, Beth Austin, and David Willauer. Jed McMillan attended on behalf of Keith Crisco, Mike Evers attended on behalf of Paul Friday, and Jake Cashion attended on behalf of Lew Ebert.

Members absent were: Clark Jenkins, Michael Walters, Danny McComas, Dawn Clegg, Allen Joines, Buddy Shavender, Dee Blackwell, Terry Bellamy, Jerry Orr, Bob Morgan, Gary Teng, Paul Kauffmann, Larry Wooten, and Pat Long.

Chairman Dalton welcomed everyone to Raleigh and welcomed Jeff Strader, Chief Financial Officer of the NC State Ports Authority to the Task Force. Chairman Dalton commented that members have received three sections of the Task Force Draft Final Report, and that today they will receive draft sections for the Eastern Region, the Research Triangle Region, and the Charlotte Region.

Chairman Dalton introduced Dr. George List. Dr. List gave an update on the Seven Portals Study, which is near completion. He gave an overview of the findings on each of the seven economic regions and their respective attributes. Dr. List described a list of Major Thoughts of the study, including: Use of Public-Private Partnerships; Forge Other Partnerships; Think Teamwork; Focus on Sectors; Seek Synergies; Use Logistics Villages; Create International Portals; Emphasize Transportation and Distribution; Manage Land Use; Invest Where and When it Matters; Highways; Airports; Rail; Ports; and Information Technology. The task will involve pulling it all together and making governance decisions.

David Willauer asked how the Seven Portals Study and the Maritime Strategy Study will fit together with the work of the Task Force. Chairman Dalton answered that they will fit together in whatever manner the Task Force members want them to. Similarly, the Task Force Final Report will be what the Task Force members want it to be. David Congdon mentioned the importance of working in collaboration with NCDOT's transportation planning efforts.

Secretary Conti commented that the Governor created the Logistics Coordinating Council to continue the work of the Logistics Task Force, and that the private sector could be added at some point, also. Chairman Dalton commented that one option regarding governance could be that the state maintains the Board of Transportation, with advisory groups from the GTP, the Ports Authority, and NC Railroad. The DOT Board could also potentially serve as the state's Logistics Authority. Earl Brinkley commented that it will be important include people with real world experience when creating Boards and Authorities.

In discussing the Task Force Final Report's most recent draft, David Congdon offered a number of comments and suggestions. Particularly, the inventory on page 18 does not mention

trucking, and Mr. Congdon noted that 97% of consumer goods, and 70% of all goods are delivered by truck. Noting that the Triad is an example of an established distribution hub, the State must look where there is already economic activity, not necessarily where the State might want to push business. Mr. Congdon mentioned the strengths of the PTI Airport being that it is under-utilized, but surrounded by existing industry, excellent infrastructure, and transportation companies. The Global TransPark was recognized as an under-utilized asset with great potential, especially in the military, agriculture, and aerospace sectors. Mr. Evers noted that Secretary Freeman's Department of Environment and Natural Resources has been the catalyst for agricultural/military-beneficial land use planning. Mr. Congdon stated that he will re-submit information regarding the Center for Global Logistics to clarify the section in the Report regarding university relationships.

Roberto Canales noted that the studies underway will identify both logistics opportunities in the state and the infrastructure needed to pursue those opportunities. Also, NCDOT is heavily funding the Defense Logistics Initiative effort. Jed McMillan mentioned efforts already underway to pursue cold storage opportunities. Regarding military opportunities, Mr. Strader noted that both the Port of Wilmington and the Port of Morehead City have "Roll-on, Roll-off" capability, and they have been extremely engaged in deployment.

Chairman Dalton recognized Dr. Bob Clark and Dr. Ron Hughes to discuss the joint NC State University/Virginia Tech Crash Pattern Study. The study focused on fatal tractor-trailer crashes in North Carolina. 70% of the State's fatal accidents involve tractor-trailers. For fatal tractor-trailer involved crashes that occurred off Interstate highways, carriers were smaller, North Carolina-based, more private carriers (not for-hire), and close to home. Conversely, fatal tractor-trailer involved accidents on Interstate highways tended to involve companies with a bigger fleet size, for-hire carriers, and operators that were farther from home. 72% of fatal truck crashes were off Interstates, even though 49% of tractor-trailer miles were on Interstate highways. The crash rates were 2.5 times higher off of Interstates. The high level findings of the study were that to affect the high rate of off Interstate fatal crashes, extra outreach and safety training is needed for North Carolina domiciled small carriers.

Seth Palmer discussed the new Task Force Final Report draft, with more to come. Palmer reviewed the format of the report, additions and changes from the November draft, added maps, the State Transportation Asset Directory, an inventory of laws and regulations related to logistics, innovative funding opportunities, and topics under development such as the Defense Logistics Initiative, the Maritime Strategy Study, and the Seven Portals Study. Palmer also discussed a timeline and the solicitation of comments from the Economic Regions. Mr. Willauer suggested putting the rail map back in.

Mr. Congdon asked about the Port of Virginia using Norfolk Southern Railroad to connect to the Triad, and Secretary Conti responded that there have been some preliminary, exploratory discussions with the Port of Virginia on potential collaboration.

The meeting was adjourned at 3:15 p.m.