

Governor's Logistics Task Force Meeting
March 19, 2012
Raleigh, NC

Lt. Governor Walter Dalton, Chairman of the Logistics Task Force, called the meeting to order at 1:06 p.m. on Monday, March 19, 2012 in Raleigh with the following members present:

Gene Conti, Nelson Cole, Dan Danieleley, Earl Brinkley, Beth Austin, David Willauer, Lew Ebert, and Pat Long. Manny Wilder attended on behalf of Dee Freeman, and Jed McMillan attended on behalf of Keith Crisco. Gary Teng participated by telephone.

Members absent were: Clark Jenkins, Michael Walters, Danny McComas, Dawn Clegg, Allen Joines, Buddy Shavender, Dee Blackwell, Terry Bellamy, Jerry Orr, Bob Morgan, David Congdon, Paul Kauffmann, Larry Wooten, and John Atkins.

Chairman Dalton welcomed everyone to Raleigh, and stated the purpose of today's meeting is to work on the Final Report. We will be putting finishing touches on the Report, subject to last minutes tweaks from the members as we continue after today, either by email or conference call, if needed. Dalton thanked the staff for their hard work in this effort, particularly Seth Palmer, who has done a great deal of the drafting. He added that members should bear in mind that the Task Force's entire body of work (minutes, testimony, presentations, etc.) collectively makes up the full Report. The Final Report is meant as an encapsulation of all of that material. Dalton Recognized Seth Palmer to go through the Final Report to-date, and explain section-by-section changes.

Mr. Palmer reported that the changes and recommendations that have been submitted are incorporated in this version, which each attendee had before them. The Regional sections have been distributed to the respective Regional Partnerships for review and comment. The first three sections (Table of Contents, Acknowledgements, and Executive Summary) are blank templates, to be completed after the body of the Report. Palmer went through each of the sections of the Report, explaining what had been added or changed. Appendices will be added to include maps, Task Force and subcommittee minutes. The Seven Portals Study and the Maritime Study will stand alone, rather than including those voluminous documents in this Report.

The subcommittee section includes membership and a highlighted version in each subcommittee's recommendation reports. The full recommendation reports will be included as appendices. Palmer added that an asset inventory will be included, as well a report on trucking market access at the recommendation of David Congdon.

Palmer opened the floor to questions and comments. Nelson Cole noted that Interstate 73/74 is already completed in some sections to interstate standards, as is I-785. Palmer replied that it does not show up on state maps yet, but it will be added. Lt. Governor Dalton asked about traffic counts and congestion on North/South Interstate routes (I-95, I-85, and I-77). Palmer stated that there is information available that can be included in the report.

David Willauer stated that he was pleased with the inclusion of comprehensive information on short line railroads. Richard Wiley of the North Carolina Railroad Company that the information regarding Norfolk Southern's contract with the NCRR should clarify that the agreement is really a 45-year deal, with Norfolk Southern holding the option to renew every 15 years. The next option year is 2014.

Discussion the Aviation section, Palmer stated that there are currently 21 airports in North Carolina with a 6,000-foot runway, with was the base criteria considered in the Seven Portals Study. Dan Danieleley added that there will be a 22nd very soon. Palmer stated that the Report will be incorporating some of the information (including charts) from the Maritime Strategy Study.

Palmer reported that Jeff Strader of the NC State Ports Authority was not able to attend today due to a conflict with a national ports meeting. Lt. Governor Dalton mentioned that Larry Wooten of NC Farm Bureau was unable to attend due to a family illness.

Palmer discussed that North Carolina has over 300 miles of Intracostal Waterway, and that special asset could possibly be better utilized for barging of freight. Marine Highway development, such as the M-95 corridor, represents an opportunity to reduce highway congestion. Deputy Secretary Wilder commented that our state currently faces shallow inlet dredging funding problems. The Report will include barging information and also ferry transportation information.

As requested, a Foreign Trade Zone section has been included in the Report. The Military section includes the new direct commercial air connection between Fayetteville and Washington Reagan Airport, as had been requested by the US Army. The Military section also now includes the rail projects that had been cited as needed by the Army, including the Pembroke Turn and the Castle Hayne-Wallace connector.

David Willauer and Lt. Governor Dalton recommended that language be added to the report discussing airspace corridors and complimentary agricultural land use protections, and potential legislation to require notification to avoid encroachments. Willauer also recommended recognition of Military Ocean Terminal – Sunny Point. Lt. Governor Dalton recommended that discussion be added to the report regarding staging of Wind Power equipment at the Port of Morehead City.

Palmer reported that a great deal more will be added to the section on Agriculture. Lt. Governor Dalton said to be sure and explore the connection to the Port of Morehead

City. Mr. Willauer mentioned that supply chain security (not just in the context of food) is an emerging topic. Mr. Palmer will be sending out a proposed Agriculture section to the members for comments/approval.

Lt. Governor Dalton recognized Earl Brinkley to describe and display the framed Logistics print intended as a gift for Governor Perdue in recognition of her establishment of this Task Force. Brinkley was thanked, and attendees applauded.

After a brief break, Mr. Palmer reviewed the subcommittee recommendations and the Regional analysis sections. In the Northeastern NC Region, Vann Rogerson had provided some updated information on NCCAR and some general statistics. Palmer was asked to also include information on Nucor's barge traffic needs.

For the Eastern Region, information was added relating to Port of Morehead City, the NC Global TransPark, and the Defense Logistics Initiative. Information regarding the importance of the US 70 Corridor to the economic viability of the state and region was included, taken virtually *verbatim* from the testimony provided by Durwood Stephenson of the 70 Corridor Commission. At the recommendation of Pat Long and Lt. Governor Dalton, language on highway redundancy will be added to the section on Infrastructure. References to Highway 17 also will be added to all three of the regions through which it passes.

The Southeastern section includes information on the encroachment threat to military operations, and the need for land-use protections. This section also includes discussion on a potential inland port in the Laurinburg/Maxton area. David Willauer asked a question regarding CSX, which does not itself actually go on-port in Wilmington. Palmer reported that he will modify page 59 to address that issue.

The Research Triangle Region section is still being reviewed by the regional partnership. It discusses how RTP was developed and the importance of road access. Lt. Governor Dalton recommended changing the first sentence of the last paragraph. Pat Long stated that she will see that additional comments from the region are submitted in the next two days.

The Piedmont Triad Region highlights that area's abundant transportation assets, and the section could benefit from additional information and clarification on issues such as the changes going forward with the NC Center for Global Logistics, the region's logistics programs, the aerotropolis concept. Nelson Cole pointed out that Burlington is an MPO in the region, the potential of the Virginia megapark to the region, and that the I-785 mention should be included.

The Charlotte region includes information on significant opportunities in the region encompassing parts of two states, the importance of being the state's largest city, the Norfolk Southern rail project at Charlotte-Douglas Airport, and Union County's Legacy Park development potential.

The Advantage West Region section has been reviewed and comments have been received from the regional partnership. They wanted to be sure that attention is given to the regions manufacturing base, as well as its tourism industry. ARC and Corridor K information has been added, as well. The importance of redundancy will be highlighted more, in light of the threat of rockslides. Reference will also be made to the presence of high-tech data centers in the region.

Regarding subcommittee recommendations to the full Task Force, the highlights are listed on page 4 of the current handout. They include: Governance issues; One Stop Shop concept; NC Board of Transportation/NC Railroad; Regional Ports/Villages; Competitive Rail Access; Foreign Trade Zones; and Interstate Partnerships.

New recommendations involve dual rail access to both ports, as has been proposed legislatively and in NCDOT's comments to the Surface Transportation Board on rail competitiveness. Possible Foreign Trade Zone proposals could involve statewide coverage, and cross-border coverage through interstate partnerships.

Additional topics for potential new comments could involve the Seven Portals Study, the Maritime Strategy Study, Military Infrastructure and the Defense Logistics Initiative, and the Agriculture section.

The Summary and Conclusions section as well the Glossary section will have to be put together once all of the content of the Report is established.

Members were asked to please provide all comments to Seth Palmer by email at wspalmer@ncdot.gov no later than 5PM on March 26th in order for them to be reflected in the Final Report.

Lt. Governor Dalton thanked the "core group" that has worked so hard on this Task Force, and asked that they stay involved and accessible. Tom Bradshaw added that he and his group will be developing a Strategic Plan for Logistics, access to Task Force members' expertise will be needed and appreciated.

Earl Brinkley made a motion to approve the Final Report, subject to edits and changes made by Seth Palmer encompassing the recommendations discussed today, to be sent to the members for their approval. The motion was seconded by David Willauer, and passed by a unanimous vote.

Secretary Conti commented that this journey started for him about three years ago when a discussion about logistics with Governor Perdue resulted in her enthusiastic support for this concept and the creation of the Governor's Logistics Task Force. He joined the Lt. Governor and Mr. Bradshaw in thanking all the members for their participation and contribution of thoughts and energy. Conti stated that this is one of the

most gratifying things he has been involved with. Conti agreed with Lt. Governor Dalton that this work will help North Carolina move forward.

In closing, Lt. Governor Dalton thanked Pat and Duane Long for hosting the event where the Governor's Logistics Task Force was first announced.

The meeting adjourned at 3:02 p.m.