

North Carolina Transportation Corridor K, A-9 Project Assessment of the Potential for Interagency Collaboration

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The Federal Highway Administration, North Carolina Division
and North Carolina Department of Transportation

Conducted By:

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Assessment of the Potential for Interagency Collaboration on North Carolina Transportation Project Corridor K

Executive Summary

Introduction

The North Carolina Division of the Federal Highway Administration (FHWA) requested an assessment of the potential for successful interagency collaboration to resolve an expected interagency impasse on proposed portions of the Corridor K, N.C. Route 74 relocation project in western North Carolina. The U.S. Institute for Environmental Conflict Resolution (the Institute), a federal agency with a mission of neutrally assisting other federal agencies to use collaborative strategies to address environmental controversies, was asked to conduct this assessment.

In preparation for the assessment, the Institute worked with the FHWA and North Carolina Department of Transportation (NCDOT) to develop a list of interviewees composed of federal, state and local officials involved in the project, as well as tribal leaders, legislators, and regional planning body staff. During February and March 2011, Institute staff, with assistance from a North Carolina mediator, interviewed 58 individuals in 33 separate calls and meetings. The list of interviewees and the interview questions are included as Attachments 1 and 2.

This report summarizes the findings of these interviews and outlines some proposed next steps that will increase the likelihood of a successful collaborative process.

Project Background and Current Situation

Corridor K is part of the Appalachian Development Highway System (ADHS) proposed in the 1960s to support economic development in a thirteen-state portion of the eastern United States. History and status reports about the Corridor K project can be viewed at <http://www.ncdot.gov/projects/US74Relocation/>.

The development of Corridor K was broken into four parts: Sections A, B, C, and D. Section D was designed and built in the last decade. The environmental impact analysis under the National Environmental Policy Act (NEPA) for Sections B and C (the section from Stecoah to Robbinsville) has been ongoing for some time. A decision was made in the 1990s to analyze Sections B and C separately from Section A. Section A constitutes the final piece of the project, and completion of all four sections would result in the relocation of NC Route 74. The current Route 74 is a two-lane road along a river that is heavily used for access by rafting and kayaking groups, and it is also the major north-south route for local traffic.

Progress on the evaluation of the environmental impacts, and the resulting interagency concurrence on a preferred alternative, has been stalled by controversy over the design, location, benefits and environmental impacts of the proposed road. Several alternatives have been evaluated, including multiple designs for a four-lane highway and a design evaluation for improvement to existing roads. A four-lane road with a tunnel under the Appalachian Trail is currently the alternative preferred by NCDOT. Other federal and state agencies have not signed on to the proposed alternative for reasons outlined below.

Summary of Assessment Findings

After extensive study of multiple alternatives, the agencies responsible for implementing the Corridor K, A-9 project are not in agreement about next steps for the project. There are significant questions from some agencies about the real extent of the cumulative environmental effects, what economic benefits from the project are realistic, and whether the project could withstand a lawsuit by opposition groups, should that occur. Some agency interviewees expressed the view that just doing more studies may not resolve this impasse, and so they suggest taking stock of the situation in open and frank discussions among the agencies involved and others interested in and affected by the project.

The assessment identified the following areas of agreement, which are summarized as follows:

- There is a desire by all governmental entities to see the current impasse resolved and an interagency collaborative process to address the barriers.
- This is a good point to take a read on the feasibility of the current plans for the project.
- The project will seriously impact very valuable natural areas which are important to the economy and ecology of the local area.
- NC Route 74 through Nantahala Gorge is a bottleneck with safety and traffic congestion issues, especially during tourist season from March to October.
- Graham and Cherokee counties need economic development. Local officials are mostly supportive of the road, with a few exceptions which are based in differing assumptions about the expectations of economic benefits.

The primary areas of disagreement identified in the assessment include the following points:

- There are different perspectives on whether the recognized environmental impacts are acceptable, particularly given the fact that there are many questions about whether the expectations of economic benefits from the road are realistic and whether other, non-transportation-related, economic benefits are available.
- There are disagreements among the agencies about whether the project is really needed or is driven by the availability of Appalachian Development Highway System funding, whether the stated Purpose and Need is still applicable, and whether the current preferred alternative will meet the requirements of the Purpose and Need of the Draft Supplemental Final Environmental Impact Statement.

- There is disagreement about the feasibility of and plans for mitigating the environmental impacts, especially related to the disposal of acidic rock and acidic rock impacts on streams.
- The feasibility, cost and desirability of the tunnel is a concern.
- There are several disagreements about separating Segment B-C from A, rather than looking at A and B-C together. The disagreements involve the following questions and concerns:
 - Whether Section A will be built at all and if B-C are built, whether there is a forgone conclusion that A will be built;
 - Whether A *should* be built;
 - The availability of an accurate estimation of the real cumulative effects for all three sections;
 - Whether building Section B-C without Section A will fulfill the Purpose and Need for a connected highway system.
- Some local officials accept the environmental impacts that will occur as section B-C is constructed. Others feel those impacts will damage what they see as their fastest growing business: eco-tourism.

Willingness of the Key Parties to Participate in a Collaborative Interagency Process to Address the Status of the Project

All interviewees are supportive of a collaborative approach to address the questions about the project and increase understanding of the interagency perspectives. Many agency interviewees expressed the desire to have forthright conversations about the Section A issues, the recent reports about incidental and cumulative effects of the proposed actions, the evaluation of the option of improving existing roads, and the implications of the original Purpose and Need statement. Several agency interviewees are not interested in a collaborative process if it will only “rehash” previous conversations and alternatives, and if will not consider options beyond a four-lane road.

Factors for a Successful Collaborative Process to Address Impasse on the Project

The Institute uses several factors to evaluate the potential for successful collaboration:

- There is support from key decision-makers for good-faith collaboration and for using the results of the collaborative effort.
- Information is available to adequately inform discussions.
- All affected parties are willing to participate.
- Important aspects of the project are negotiable.
- Incentives exist for all participants to agree.
- Adequate time is available for a collaborative effort.

The Corridor K situation meets several but not all of these factors. Specifically, additional information is needed about cumulative environmental effects and about the realities of economic development in Graham and Cherokee Counties. Also, the degree of negotiability and flexibility with regards to the important aspects of the project is not clear to everyone. This needs to be evaluated by the leadership of transportation and natural resource agencies as well as by the merger team members.

Recommendations

Taking the findings regarding agreement, disagreements, willingness of the parties and factors outlined above into consideration, the Institute suggests the following next steps:

1. First, the leadership and staff of each of the transportation agency should meet internally, and then the transportation agencies should meet together, to ensure continuity of perspectives regarding the degree of flexibility they want to bring to the broader discussions and their willingness to re-examine earlier decisions.
2. If the transportation agencies are willing to re-examine earlier decisions and other topics identified in this report, FHWA and NCDOT should convene a series of meeting of the agency leaders and merger team members to address agency concerns about the proposed preferred alternatives, have forthright discussions of the reasons behind current agency positions, and explore other topics. For at least one of these meetings there should be an educational component that includes presentations and discussions with the Appalachian Regional Commission and those working on the similar project in Tennessee. These discussions should reexamine the goals and needs of the project, the drivers for it, the future of Section A, potential options for addressing concerns about environmental impacts, possibilities for integrating transportation, environmental and economic planning in western North Carolina, and whether proceeding with the project is feasible at this time. The interagency meetings would benefit from clear agendas, background information shared in advance, and facilitation. Congressman Schuler's office has asked to participate at this and other points in the process.
3. The lead agencies should convene a meeting of local and regional officials with state and federal officials to discuss the outcome of the federal-state agency discussions about flexibility and to share ideas about the next steps on the project. Possible goal of this effort: explore how to integrate economic development and environmental protection goals on a regional basis and address how the transportation options can support those goals. These meetings should be facilitated and they should occur in western North Carolina.
4. Dialogue with opposition groups and local business leaders should take place after the federal, state and local agencies have clarified for themselves and each other what options for moving forward are viable and are ready for discussion with non-governmental groups. These meetings should be designed to be openly constructive and trustworthy. The meetings could be structured in a roundtable format with all groups attending or they could be a series of individual meetings with various stakeholder groups. They should be designed to be collaborative in nature, with facilitation assistance in the planning and moderating of the meetings.

Assessment of the Potential for Interagency Collaboration on North Carolina Transportation Project Corridor K

I. Overview of Assessment

Introduction

The North Carolina Division of the Federal Highway Administration (FHWA) requested an assessment of the potential for successful interagency collaboration to resolve an expected interagency impasse on proposed portions of the Corridor K, N.C. Route 74 relocation project in western North Carolina. The U.S. Institute for Environmental Conflict Resolution (the Institute), a federal agency with a mission of neutrally assisting other federal agencies to use collaborative strategies to address environmental controversies, was asked to conduct this assessment. Information about the Institute can be found at www.ecr.gov.

In preparation for the assessment, the Institute worked with FHWA and N.C. Department of Transportation (NCDOT) to develop a list of interviewees composed of federal, state and local officials involved in the project, as well as tribal leaders, legislators, and regional planning body staff. During February and March 2011, Institute staff, with assistance from a North Carolina mediator, interviewed 58 individuals in 33 separate calls and meetings. Interviewees were asked about their views of the major agreements and disagreements regarding the project and what they think might be accomplished by a collaborative effort among governmental officials to address the disagreements. The list of interviewees and the questions posed in the interviews are attached to this reports as Attachments 1 and 2.

This report summarizes the findings of these interviews and outlines some proposed next steps that will increase the likelihood of a successful collaborative process.

Project Background and Current Situation

Corridor K is part of the Appalachian Development Highway System (ADHS) proposed in the 1960s to support economic development in a thirteen-state portion of the eastern United States. Funding for the ADHS is appropriated by Congress through the Appalachian Regional Commission (ARC), a national entity that focuses on implementing the ADHS plan for improving the economic health of the Appalachian Region. History, status reports, and other details about the Corridor K project can be viewed at <http://www.ncdot.gov/projects/US74Relocation/>.

The development of Corridor K was separated into four parts, Sections A, B, C, and D. Section D was designed and built in the last decade. The environmental impact analysis under the National Environmental Policy Act (NEPA) for Sections B and C (the section from Stecoah to Robbinsville) has been ongoing for some time. A decision was made in the 1990s to analyze Sections B and C separately from Section A. Section A constitutes the final piece of the project, and completion of all four sections

would result in the relocation of N.C. Route 74. The current Route 74 is a two-lane road along a river that is heavily used for access by rafting and kayaking groups, and it is also the major north-south route for local traffic.

Progress on the evaluation of the environmental impacts, and the resulting interagency concurrence on a preferred alternative, has been stalled by controversy over the design, location, benefits, and environmental impacts of the proposed road. Several alternatives have been evaluated, including multiple designs for a four-lane highway and a design evaluation for improvement to existing roads. A four-lane road with a tunnel under the Appalachian Trail is currently the alternative preferred by NCDOT. Recently, a study of the possible widening of N.C. 28 and N.C. 143 was performed based on a request from the U.S. Army Corps of Engineers (ACOE) and the N.C. Department of Environment & Natural Resources, Division of Water Quality (NCDENR). In addition, in November 2010 a report with additional information about the incidental and cumulative effects of the project was completed.

In accordance with North Carolina's transportation project development process (the "merger process") for development of transportation projects, including analysis of the environmental impacts, ACOE's and NCDENR's concurrence is particularly important. Without concurrence from both these agencies, the permits necessary to implementing the project will not be forthcoming. In addition, the U.S. Environmental Protection Agency, which has reviewing authority under the National Environmental Policy Act, has provided extensive comments in letters reflecting environmental concerns and data gaps. Other federal and state agencies have not signed on to the proposed alternative for reasons outlined below.

The assessment identified many reasons for the current impasse, some of which are listed here.

- Several merger team agencies have indicated a number of concerns that prevent them from agreeing to the current preferred alternative identified by NCDOT. The wetland permits for the Corridor K project as proposed may not be granted at this time because the permitting agencies have indicated that the environmental impacts for Section A are critical to the evaluation of the cumulative impacts of the project and have not yet been studied.
- Several agencies have also indicated that without Section A, the Purpose and Need for the project will not be met because the relocation of N.C. Route 74 out of the Nantahala Gorge will not be accomplished by constructing Sections B and C only.
- Several agencies expressed the view that the environmental impacts that will result from building a four-lane highway with a half-mile tunnel through the mountains are severe and that the expectations of economic benefits that would result from the new road are not sufficiently supported by specific analysis or projections to justify the environmental impacts.
- A number of interviewees indicated there is a possibility of further delay of the project from opposition of environmental and community interest groups if the current alternative four-lane highway is formally proposed in a Record of Decision. If a lawsuit was initiated, it would result in significant additional delays for the project.

II. Areas of Agreement Identified in Interviews

The interviews identified several areas of agreement with regards to the collaborative process. There is general agreement that the current impasse needs to be resolved, that this is a good point to “take a read on where we are,” and that it is a good idea to seek a collaborative process to address the barriers to moving forward. There are some agreements on the project itself, including that the project will seriously impact very valuable natural areas and, if it proceeds, the project needs to be built in an environmentally sensitive way. There is also agreement that the Appalachian Trail needs to be protected, and that the natural environment creates economic benefits that need to be preserved and enhanced where possible. Most seem to agree that the Nantahala Gorge is a bottleneck with safety and traffic congestion concerns, especially from March to October. Finally, all agree that Graham and Cherokee counties are at economic risk and are in need of economic development, including employment opportunities. Graham County in particular needs improved access to jobs and medical facilities.

III. Disagreements Identified in Interviews

The interviews identified many areas of disagreement about the proposed project.

- There are different perspectives among the agencies as to whether the recognized environmental impacts are worth the environmental costs, especially given uncertainty about the expectations of economic benefit from the road. Several merger team agencies do not agree that the current preferred alternative for Section B-C is the Least Environmental Damaging Practicable Alternative (as required by the ACOE) and the current preferred alternative for Section B-C is not acceptable to many merger team agencies.
- There are disagreements among the agencies about whether the project is really needed. “The availability of ADHS funding creates a want without a substantiated need”; “The project is driven by a ‘Build it and they will come’ approach.”
- The fact that the Purpose and Need was developed in the 1980s raises questions for some about whether it is still applicable and relevant. The Purpose and Need is not well understood by many. Further, there are disagreements and questions about whether the current preferred alternative will meet the Purpose and Need, given the fact that the preferred alternative does not complete the project.
- While several agencies want to reexamine the alternatives, and look for new ones, to address concerns about a four-lane roadway, others want to keep moving forward with the current alternative.
- There is disagreement about the extent of indirect and cumulative effects of the preferred alternative and the feasibility of, and plans for, mitigating environmental impacts, especially those related to the disposal of acidic rock and acidic rock impacts on streams.
- The feasibility, cost, and desirability of the tunnel are a concern.

- Some local officials accept the environmental impacts that will occur as Sections B-C are constructed. Others feel those impacts will damage what they see as their fastest growing business: eco-tourism.
- There are several areas of disagreement regarding local economic development. Local and regional economic development approaches are in varied states of development. The interviews uncovered many local and regional efforts to address economic needs in Graham and Cherokee Counties which are outlined in Attachment 2.
- Some local officials expressed the view that attracting manufacturing is possible and others do not agree that is probable.
- Some local officials expressed the view that eco-tourism is the most realistic and sustainable industry, and others do not agree.
- There are different assumptions about how these industries will benefit from the road and by how much.
- Many agencies see the data on economic development as not definitive, specific, and/or persuasive.
The Incidental and Cumulative Effects report is not optimistic about local economic development; there is a request for a full discussion about the report from some members of the merger team.

There are many uncertainties regarding local economic development, including the following:

- Whether there will be actual economic benefit from the current preferred alternative;
- What economic benefit could be realized from other alternatives;
- Whether and what other, non-transportation-related, measures there are to assist with economic development and how to bring them in to a complete economic development picture.

Finally, there are several disagreements about separating Segment B-C from A, rather than looking at A and B-C together. These disagreements create uncertainty about the following:

- Whether Section A will be built at all, and if B-C are built, whether there is a forgone conclusion that A will be built;
- Whether A *should* be built;
- The availability of an accurate estimation of the real cumulative effects for all three sections;
- Whether building Section B-C without Section A will fulfill the Purpose and Need for a connected highway system.

IV. Factors Affecting Disagreements and Resolution

- Initial decisions were made in the past, before the merger process, when the cost/benefit analysis was calculated differently. The decisions were made without all agencies involved or by staff no longer involved. "A lot of history is getting in the way."

- The merger process has not provided enough opportunities for honest, open, and respectful dialogue and mutual decision-making.
- There are varying degrees of knowledge about the details of the environmental impacts. Some parties have focused on them and have reviewed them in detail. Others have not.
- There is a general lack of understanding of:
 - The role of the Appalachian Regional Commission (ARC), as well as the ARC's requirements for the design of the road, the resources it has to offer, and its perspective on the current alternative. For example, the ARC official interviewed noted that the ARC code requires continuity throughout the system and an average speed of 50 mph between termini (end points), not necessarily a four-lane highway. These guidelines need to be discussed in some detail if the current preferred alternative is re-examined and/or additional alternatives will be developed.
 - The conclusions of the NCDOT about alternatives with fewer environmental impacts and NCDOT conclusions about what design features are do-able. Many are not clear about why the option of improving existing routes is not a viable alternative.
- Many interviewees stated the belief that the Southern Environmental Law Center will likely file suit to block implementation if current preferred alternative YX or X is included in the Record of Decision.

V. Willingness of the Key Parties to Participate in a Collaborative Process to Address Current Impasse

All interviewees think the collaborative approach is needed and desirable to address questions and increase understanding of interagency perspectives. Many agency interviewees expressed the desire to have forthright conversations about the Section A issues, the recent reports about incidental and cumulative effects, the evaluation of the option of improving existing roads, and the implications for the project of the original Purpose and Need statement. The local officials interviewed understand that federal and state agencies may need to have preparatory meetings before a full discussion with them. Congressman Schuler's office and local representatives want to be included in the collaborative approach. Several interviewees suggested facilitation and careful scoping and agenda planning for meetings.

However, some individual agency interviewees noted specific caveats to their willingness to participate, stating that the process will only be successful if:

- Everyone will really listen with an open mind to get the complete picture;
- Everyone will be open and honest about what is driving their interests and perspectives;
- The discussion includes the full range of options for addressing local economic problems, not just the road;
- The options go beyond building a four-lane road;

- The discussion includes key decision-makers and staff with working knowledge of the project;
- If Congressman Schuler’s office and some representatives of local interests are included;
- Any comprehensive economic plan that leads to cumulative effects analysis clearly defines the area of study, what the study will be used for, methodology, and data, so the study will be meaningful and agencies will be committed to using it for decision-making;
- Some believe collaboration would be more fruitful with full stakeholder involvement in a broader collaborative process (e.g. with environmental non-governmental organizations and business groups).

VI. Topics Suggested for Discussion and Clarification

- What does a “success” look like for the corridor K project?
- How to integrate environmental, economic, and transportation planning and problem-solving.
- History of the project and why concurrence is problematic at this time.
- Extent of need for connection between Asheville and Chattanooga and implications of the Tennessee project redesign on the North Carolina project.
- The role of and requirements of the Appalachian Regional Commission regarding highway specifications and economic development assistance.
- Revisit the Purpose and Need for the project, at least at a conceptual level.
- Further discussion of the study of improvements to existing roads.
- Further discussion of the Incidental and Cumulative Effects (ICE)report in detail
- Historic preservation issues.
- Expectations for the local economic development plans that are underway and the impacts of Corridor K on the implementation of those plans.
- Balancing eco-tourism with other economic development options.
- Likelihood of the Corridor K, A-9 project producing economic development in Graham County and Cherokee County.
 - Realistic potential for eco-tourism;
 - Positive and negative impacts of Corridor K on eco-tourism.
- Additional alternatives and openness of agencies to creating them.
- Additional alternatives, including:
 - Options for improving Robbinsville’s access to medical and employment resources if the proposed road is not built;
 - Combining new road construction and improvements to existing roads, including for Section A;
 - Other alternatives that may be proposed by local, county, regional and state interest groups.

VII. Options Suggested by Interviewees for Moving beyond the Current Impasse

Interviewees made several suggestions for how the agencies can move beyond the current impasse. Included in those suggestions were the following ideas:

- Revisit, clarify, reconfirm, or revise the Purpose and Need to arrive at a Purpose and Need that all agencies support.
- Review the November 2010 Indirect and Cumulative Effects document as a group.
- Look to what Tennessee has done to deal with similar issues.
- Move other ready projects into the ADHS so ARC funding could be spent there or allow money to be spent on other ready projects.
- Build remaining sections in a way that is environmentally sustainable and allows the road to enhance the environment, including excellent construction management, links to trails and additional access points for eco-tourists at turn-offs, and environmental enhancement to wetlands and other natural areas.
- Invest the ARC funding in routes that provide low-impact public access to natural areas instead of building a four-lane road.

Interviewees suggested several options regarding Section A:

- Reconsider the decision to separate Section A from B-C for analysis.
- Reveal/confirm commitment to build Section A or not.
- Create a financial plan/assurance that would show how A can be completed.
- Analyze Sections A, B-C together, or if A will not be built, analyze B-C based on that assumption.

Interviewees suggested several options regarding economic benefits:

- Quantify the economic benefits more specifically and connect them more clearly to the project.
- Understand ARC's ability to provide for other (non-transportation) economic benefits. Work with ARC to meet economic goals with less impactful road.
- Explore all opportunities for economic development. Understand if and how a road fits into a broader economic development plan and create a plan to tie all aspects together so can do a comprehensive cumulative effects analysis.

Interviewees suggested several options regarding Alternatives:

- Look for new alternatives, including combination of pieces of existing plans.
- Revisit the relocation segment that was eliminated due to impacts to the Appalachian Trail, and consider using a unique landscaped pedestrian crossing.

- Create a new alternative with some new road and some upgraded road, e.g. Sections B-C and improved Route 129 to replace Section A.

VIII. The Likelihood of Success of a Collaborative Process

The U.S. Institute for Environmental Conflict Resolution uses several criteria to evaluate whether a collaborative process is likely to be successful or not. Collaborative forums require time and effort that should only be expended if there is a good likelihood of a successful outcome. Analysis of these factors in the Corridor K situation shows some promise for successful collaboration, as outlined below.

- 1) *There is support from key decision makers for good-faith collaboration and for using the results of the collaborative effort.*

Leadership at both the Federal Highway Administration and the North Carolina Department of Transportation have expressed support for taking stock through a collaborative interagency process and are open to consultation about options with local officials. Other key agencies, including the U.S. Environmental Protection Agency, who reviews all NEPA documents, and Army Corps of Engineers and the North Carolina Department of Energy and Natural Resources, who issue permits, have also expressed willingness to work with others to identify an outcome that is mutually acceptable.

- 2) *Information is available to adequately inform discussions.*

The Environmental Impact Statement process has provided extensive analysis of various options and alternatives, so there is a substantial information base. On the other hand, several questions have been raised for which there is not yet information persuasive to everyone, especially specific data/studies concerning the project's economic benefits for Graham and Cherokee Counties. Other informational needs include: the fate of Section A, clarifying the cumulative environmental effects from the project, details of the mitigation for construction impacts, and the flexibility of the resources available from ARC for economic development and transportation projects.

- 3) *All affected parties are willing to participate.*

All interviewees are willing to participate in a collaborative process, but several expressed concerns about not rehashing old arguments and debates. The most common caveats about participating mentioned by interviewees were the need to discuss the Purpose and Need to determine exactly what it might require and the need to truly take a fresh look at the alternatives.

- 4) *Important aspects of the project are negotiable.*

Agency leads have expressed openness to looking for outcomes that work for all, as have local officials, the ARC, and other federal and state agencies. However, the degree of negotiability and flexibility about the important aspects of the project is not clear to everyone, and needs to be evaluated by the leadership of transportation agencies and through discussions with natural resource agency managers as well as with the merger team members.

5) *Incentives exist for all participants to agree.*

One important barrier that arises in conflicts like the one involving Corridor K is the situation in which someone is better off if the project does not go forward. A group who is better off with no agreement or no progress would not have an incentive to participate in a collaborative effort focused on finding mutually-acceptable solutions or to be flexible. In the Corridor K situation, the public entities all desire to get past the stalemate that exists now. While this assessment did not encompass research on the views of the environmental groups concerned about the project, past experience leads to the conclusion that if a collaborative process involving outside groups goes forward, further assessment of the incentives and views of those groups should be undertaken.

6) *Adequate time is available for a collaborative effort.*

The interviews did not identify any pending deadlines or other urgencies that would prohibit taking the time to work together collaboratively to get past the current impasse.

IX. Recommendations for Next Steps

Taking the findings regarding agreement, disagreements, willingness of the parties and factors outlined above into consideration, the Institute suggests the following next steps:

1. First, the leadership and staff of each of the transportation agency should meet internally, and then the transportation agencies should meet together, to ensure continuity of perspectives regarding the degree of flexibility they want to bring to the broader discussions and their willingness to re-examine earlier decisions.
2. If the transportation agencies are willing to re-examine earlier decisions and other topics identified in this report, FHWA and NCDOT should convene a series of meeting of the agency leaders and merger team members to address agency concerns about the proposed preferred alternatives, have forthright discussions of the reasons behind current agency positions, and explore other topics. For at least one of these meetings there should be an educational component that includes presentations and discussions with the Appalachian Regional Commission and those working on the similar project in Tennessee. These discussions should reexamine the goals and needs of the project, the drivers for it, the future of Section A, potential options for addressing concerns about environmental impacts, possibilities for integrating transportation, environmental and economic planning in western North Carolina, and whether proceeding with the project is feasible at this time. The interagency meetings would benefit from clear agendas, background information shared in advance, and facilitation. Congressman Schuler's office has asked to participate at this and other points in the process.
3. The lead agencies should convene a meeting of local and regional officials with state and federal officials to discuss the outcome of the federal-state agency discussions about flexibility and to share ideas about the next steps on the project. Possible goal of this effort: explore how to integrate economic development and environmental protection goals on a regional basis and address how the

transportation options can support those goals. These meetings should be facilitated and they should occur in western North Carolina.

4. Dialogue with opposition groups and local business leaders should take place after the federal, state and local agencies have clarified for themselves and each other what options for moving forward are viable and are ready for discussion with non-governmental groups. These meetings should be designed to be openly constructive and trustworthy. The meetings could be structured in a roundtable format with all groups attending or they could be a series of individual meetings with various stakeholder groups. They should be designed to be collaborative in nature, with facilitation assistance in the planning and moderating of the meetings.

X. Recommendations for the Design of a Collaborative Process

In order to initiate and lead a collaborative process, the FHWA and NCDOT will need to address several factors in a constructive way:

- There is a need to rebuild the cooperative approach that the interagency merger team requires. Facilitation and cooperative planning of the process will be important for a successful outcome.
- Leadership and agency staff within some agencies are not on the same page. Agency leaders and team members need to prepare together for the discussions that will be held. However, leadership and staff roles will need to be determined to address the fact that lengthy collaborative process meetings are often not practical for agency leaders.
- Much information needs to be developed and shared among agencies, including the reasons behind their current perspectives. A list of information needs should be developed collaboratively among all agencies, and there should be a discussion of how the information will be developed and disseminated prior to the meeting.
- An atmosphere of exploration will need to be created in the interagency meetings so that preliminary ideas can be expressed freely without fear of publication or dissemination of those ideas. Ground rules for these discussions should be developed collaboratively and agreed upon.
- Specific options will be needed for local discussions so that local officials can react to proposals and help shape any new ideas.
- Local government leaders have asked for careful scoping, planning, and facilitation of collaboration meetings with them.
- When there is something of significance to report regarding next steps, meetings with local officials should be convened. These meetings should take place in western North Carolina and multiple officials from specific towns and counties will need to be involved. County Commissioners, mayors, and town managers should be involved in the discussions, along with regional planning commission representatives.
- Federal outreach to the Eastern Band of the Cherokee Nation should be undertaken on a Federal to Tribal level. Principal Chief Michel Hicks should be contacted by the FHWA for a true government-to-government consultation to occur.

Attachment 1: List of Interviewees

FEDERAL AGENCIES/ENTITIES

Federal Highway Administration

John Sullivan, Division Administrator

Donnie Brew, Preconstruction and Environmental Engineer

Clarence Coleman, Director of Preconstruction and Environment

US Army Corps of Engineers

Ken Jolly, Chief, Regulatory Division

Scott Jones, Chief, Asheville, Field Office

Scott McLendon, Assistant Chief, Regulatory Division and DOT Team Leader

Lori Beckwith, Project Manager, Asheville Field Office

US Environmental Protection Agency - Region 4

Heinz Mueller, Chief, NEPA Office

Christopher Militscher, NEPA Program, Raleigh Office

US Fish & Wildlife Service

Brian Cole, Field Supervisor

Marella Buncick, Staff Biologist and Project Lead

Jason Mays, Staff Biologist

US Forest Service

Marisue Hilliard, Forest Supervisor, National Forest in NC

Karen Compton, Biological Scientist/DOT Coordinator

Steve Lohr, Ranger for the Tusquitee

Lauren Stull, Deputy District Ranger for Cheoah Ranger District

National Park Service and Appalachian Trail Conservancy

Pamela Underhill, Park Manager, Appalachian National Scenic Trail

Morgan Sommerville, Regional Director for GA, NC, and TN Appalachian Trail Conservancy

US Congress, 11th District

Ryan Fitzpatrick, Legislative Assistant to Congressman Heath Shuler, Transportation

Appalachian Regional Commission

Kenneth Wester, ADHS Program Manager

Olivia Collier, Program Manager

TRIBE

Eastern Band of Cherokee Indians

Diamond Brown, Tribal Council Member, Robbinsville

STATE AGENCIES

NC Department of Transportation

Terry Gibson, State Highway Administrator

Debbie Barbour, PE, Director of Preconstruction

Joel Setzer, Division 14 Engineer

Susan Howard, Federal Programs Coordinator in NC Governor's Office, Washington, DC

NC Department of Transportation, A-9 Project Team

Stacy Oberhausen, A-9 Project Manager

Greg Thorpe, Manager, Project Development & Environmental Analysis

Teresa Hart, Unit Head

Marshall Edwards, Project Planning Engineer

James Speer, PE, Roadway Design/Project Engineering

Paul Koch, Engineering Consultant, Stantec Consulting

Keith Lewis, Engineering Consultant, Martin/Alexiou/Bryson, P.C.

NC Department of Cultural Resources

Dr. Jeff Crow, Deputy Secretary, Archives and History

Steve Clang

Renee Gledhill-Earley

NC Department of Environment & Natural Resources

Manly Wilder, Chief Deputy Secretary

Amy Simes, Transportation Coordinator

Brian Wrenn, Division of Water Quality

NC Wildlife Resources Commission

Bob Curry, Division Chief

Mallory Martin, Chief Deputy Director

David Cox, Technical Guidance Supervisor

Shannon Deaton, Habitat Conservation Program Manager

TN Department of Transportation

David Griffin, Project Manager, Tennessee Corridor K EIS (Contractor to TN DOT)

JonnaLeigh Stack, TN DOT NEPA Project Manager

LOCAL OFFICIALS**Mayors**

Bill Hughes, Mayor, Murphy

Brad Walker, Mayor, Bryson City

County Commissioners

Ronnie Beale, Macon County Commissioner, Chair SW Commission Transportation Advisory Bd

Phil Carson, Chairman of Swain County Commissioners, Bryson City

Micky Duvall, County Manager, Graham County

David Wood, Commission Chair, Cherokee County Commission, Murphy, NC

State Legislators

Ray Rapp, Representative for District 118, Haywood, Madison, Yancey

Philip Haire, Representative District 119, Haywood, Jackson, Macon, Swain

John Snow, delegated for Representative Roger West, District 120, and Senator Jim Davis, District 50

Town of Robbinsville, NC

Jackie Ayers, Alderman, Robbinsville

SW Commission

Vicki Greene, Assistant Director of Planning

Ryan Sherby, Transportation Planner

Town of Andrews, NC

Bill Green, Town Manager

Bryson City

Lawrence Callicut, Town Manager

Attachment 2: Assessment Interview Questions

1. What is your involvement in the project A-9 situation? What role has your organization played to date?
2. What is your understanding of the current status of the project?
3. What would your organization like to see happen with the project from this point on?
4. What challenges do you see facing your organization in this project as it goes forward?
5. What do you see as: areas of agreement and disagreement; possible options for resolution of issues?
6. Our interviews are focusing on what might be accomplished if all the governmental entities involved in the project participated in discussions about the next steps for the project. Do you think these discussions would be useful? Why or why not? Would you participate?
7. If inter-governmental discussions are convened, what topics do you suggest for the most productive discussion? Are there issues that haven't come up before that could benefit from discussion?
8. Who needs to participate to have effective discussions?
9. What else do we need to know about this situation in order to inform ourselves about the potential for fruitful intergovernmental dialogue?
10. Who else should we talk to about this?

Attachment 3
Supplemental Information Regarding Status of Local Economic Development Efforts
(Summary from Interviews)

Key economic development components in western N.C. are:

- Asheville-Chattanooga transportation link
- The Harrah's Casino in Cherokee, and a proposed second casino in Cherokee County
- Eco-tourism, including fishing, rafting, kayaking, hiking, camping, bicycling, ATV trails
- Motorcycle tourism for winding roads, including the Tail of the Dragon in Graham County
- Scenic railroad route

Resources for local and county regional development in western NC:

- Southwest Commission (regional planning body) has developed
 - An award-winning Mountain Initiative tool kit, with suggestions for land use and infrastructure development. Also provided some funds for implementation of the tool kit at the county level
 - A regional transportation management committee involving representatives from all western NC counties
 - Golden Leaf Foundation grant program that provided Graham County with a \$1 million loan for economic development
- Graham County has hired a country manager with experience in economic development and has developed or is developing
 - An Economic Development Commission
 - Proposals for ATV trails and a possible ski area
 - A process for mapping current and future land uses
 - A travel and tourism board, with tribal representation
 - Funding from Southwest Commission to provide a loan to its major employer, Stanley Industries, which employs 30% of the employable persons in Graham County
 - Funding for a new waste-water treatment plant and sewer lines
- Cherokee County and the towns of Andrews and Murphy has developed
 - Priorities for road improvements to routes used by hikers and motorcyclists
 - And Economic Development Commission to deal with water and sewer issues and court manufacturing industries
 - A tourism promotion group
 - Some initial plans for alternative energy development, including wind and solar
- Tribes have developed:
 - Harrah's Casino in Cherokee county. The casino employs 2000 individuals
 - A golf course
 - Initial plans for a second casino near Murphy and Andrews.
- The second home market is not currently growing, but potential exists for it to grow in the future.
- High-speed internet is available region wide through the recently developed "Balsam Loop."