



US 70 Corridor Commission

DIRECTOR'S REPORT FOR MONTH OF SEPTEMBER, 2011 M. DURWOOD STEPHENSON, DIRECTOR

As reported in August, RPO's and MPO's continue to be very active in establishing project priorities. With encouragement from Eastern Region under the direction of John Chaffee assisted by Mark Sutherland of Military Growth Task Force, the Eastern RPO's and MPO's are promoting the regional connectivity concept with special emphasis on projects of interest and benefit to our military friends.

It is incumbent upon all of us promoting Eastern North Carolina transportation to remain united and committed. The U.S. 70 Corridor Commission continues to promote the major assets of Eastern North Carolina; the military, the GTP, agriculture, tourism, rail and the port at Morehead City. These assets can best be expanded with a safe, mobile freeway Corridor for U.S. 70, connectivity to arterial roadways and improving U.S. 17.

On September 1, John Rouse and I reviewed the approved Purpose and Need document for Kinston Bypass. As reported in August report, we must adhere to arguments that are in accordance with Purpose and Need.

Corridor Commission Chairman, Chuck Allen, Commission Subcommittee Chairman, Jack Best, Lenoir County Commission and Transportation Chairman, Mac Daughety and I met on August 31, with NCRR President Scott Saylor and their economic development consultant, Richard Wiley. A summary of the discussions at this meeting were reported in August report.

NCRR President Scott Saylor followed up the August 31 meeting on September 2 by suggesting a review of the 2006 rail re-route study. Scott also suggested our organization and NCDOT take a careful look of possible rail alignments northward to Cherry Point if the port is going to pursue and develop high volume rail (not truck) container business.

During the past several months there have been numerous and frequent conversations about rail reconnection between Wallace and Castle Hayne citing its importance to military operations. I do not believe this is a priority of CSX or Norfolk Southern, but if it is a high priority with military, we should commence discussions with these major Class I rail carriers for further consideration to partner with NCRR for this extension. On September 1, I contacted

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BOT Member and DOT Intergovernmental Chairman, Hugh Overholt and asked that he solicit comments from area military leaders to determine their passion for this connection.

Commission Chairman, Chuck Allen requested that Marcia add GTP leadership to mailing list for Director's Report. Later in the month, Charlie Diehl asked to be included on all Corridor informational emails. GTP President Jim Fain and Darlene Waddell will also be added to list for future correspondence.

On September 2 Scott Saylor provided a summary of 1996 NC Railroad study to determine the feasibility of relocating the existing 17-mile rail line between the port of Morehead City and Havelock. At that time NCRRC agreed to commit more than \$ 50 million to improve freight service east of Raleigh to the Port of Morehead City. The study was initiated to determine the economic potential of the proposed project. The study was coordinated with NCDOT feasibility study for the Northern Carteret Bypass to consider possibility of sharing a common corridor. Corridor sharing could minimize environmental impacts and fragmentation of the National Forest. Those discussions are still on-going.

The NCRRC continues to be very pro-active in planning for the future in Eastern North Carolina and the role of rail in the region. Safety, efficiency and economic opportunity are guiding principles in rail planning. Town Manager Randy Martin acknowledged relocating railroad from out of downtown may be worthy of consideration while reminding that undertaking will be very expensive and will take decades to accomplish.

On September 6, I followed up with Representative Norman Sanderson on earlier conversations for establishing Legislative Coalition of Eastern N.C. legislators. We will continue to pursue this goal in order to promote unity and full support for Eastern intermodal transportation and maximizing our many invaluable assets.

I invited Corridor Commission Subcommittee chaired by Jack Best and his membership to attend BOT Intergovernmental Committee, chaired by Hugh Overholt and BOT Corridor Commission Committee chaired by Leigh H. McNairy scheduled for September 7 at Highway Building in Raleigh. General Overholt focused on military friendly transportation issues in Eastern North Carolina. Leigh H. McNairy is focused on U.S. 70 Corridor projects with special emphasis on Kinston Bypass. Rob Hanson and his staff gave a status update on all major corridor projects with favorable reports on escalating Kinston Bypass.

Leigh H. McNairy and I conducted some research on past studies and articles on freeway transportation for Eastern North Carolina. As we are aware I-40 represents the only Interstate/Freeway serving the East between I-95 and our coast. There was considerable debate among political leaders and various communities in the debate on locating I-40. A large number of communities along the U.S. 70 Corridor argued for developing an Interstate/Freeway along the U.S. 70 Corridor. Those community leaders were assured the U.S. 70 Corridor route would be improved upon completion of I-40. Unfortunately that has not happened. In an article written by David Bailey entitled THE ROAD LESS TRAVELED and published in BUSINESS NORTH CAROLINA, Mr. Bailey concludes that I-40 did not and has not dramatically enhanced

commerce in Eastern North Carolina as suggested and promised. Mr. Bailey summarized his opinions with this statement: "I-40 accelerated growth around Raleigh and Wilmington, but in between it's running on empty." Western Johnston County has proven to be the exception to this premise.

On September 6, Charlie Diehl advised that Logistics Task Force, chaired by Lt. Governor Dalton would meet at Highway Building on September 20. Several of us that have had an opportunity to review preliminary draft of Seven Portals Study had discussions with Charlie and expressed concerns that U.S. 70 Corridor objectives were not a major focus. Charlie, being familiar with U.S. 70 Corridor Commission and our objectives and an official member of the Logistics studies contacted Seth Palmer requesting we be provided an opportunity to make a presentation to full committee promoting Corridor objectives.

Charlie also suggested we provide a brief narrative to include in Logistics Study promoting U.S. 70 Corridor objectives. A copy of my narrative is attached to this report. Mac Daughety and Leigh H. McNairy provided a more detailed report recommending a Northern route for Kinston Bypass. A copy of their report is also attached to this report and represents the feelings of a local BOT member and a Lenoir County Commissioner and Transportation Committee Chairman. As of this date the U.S. 70 Corridor Commission has not formally endorsed a specific bypass route, but do find considerable merit in the arguments presented by these knowledgeable, local transportation leaders.

Also on September 6, Tom Steepy of Carteret County requested NCDOT consider study of congestion problems at Hwy. 101 and Hwy. 70 in Beaufort. We were unable to schedule a meeting for this discussion at BOT meeting on September 7, but will ask Neil Lassiter to consider further review of this issue.

On September 7, Governor Perdue and Commerce Secretary Keith Crisco joined area business leaders in Guilford County to speak at Piedmont Triad Transportation Summit. The Governor discussed NCDOT's transportation initiatives and resources. She committed State resources to expedite Loop projects. The governor will utilize GARVEE bonds to accelerate large loop projects in Asheville, Fayetteville, Greensboro, Greenville, Wilmington and Winston Salem and Interstate 26 in Asheville. John Chaffee, Eastern Region Director, suggested to Marc Finlayson, U.S. 17 Executive Director, business leaders and me on behalf of U.S. 70 Corridor Commission that we encourage the Governor to join us for a similar summit in Eastern North Carolina. I have already contacted the Governor to make that request. A meeting of Eastern area RPO's & MPO's and transportation leaders is scheduled for October 7. It appears that schedule may not be timely for the Governor. She is scheduled to depart for China and Japan on a jobs (trade mission) on October 15. We will continue to pursue this request together.

As reported earlier in this report and August report our RPO and MPO leaders are diligently promoting key Eastern projects. On September 7, Alex Rickard advised he, Patrick and Rob are currently reviewing SPOT projects. Identifying and evaluating Quantitative Data for all SPOT projects in North Carolina will assist their efforts to provide point allocation scenarios

for consideration. This process will occur between October 3 and November 30. I encourage attendance at RPO/MPO meeting scheduled for October 7 in Kinston at 2:00 PM.

Division 4 Engineer, John Rouse visited with me at my office on September 8 to discuss several key projects on the Corridor Commission agenda. Together we reviewed and discussed Leigh and Mac's narrative promoting Northern route for Kinston Bypass as it relates to GTP. I shared our conversation with Leigh on September 9. John and I are planning follow-up with Leigh, Mac, Jim Fain and Neil Lassiter.

In response to a request from Charlie Diehl, I submitted a narrative supporting U.S. 70 Corridor Freeway projects for inclusion in Seven Portals Study. We are hopeful Charlie will be able to add this language to final Seven Portals Study.

On September 12, a conference call originated from our office including Leigh and Mac. We decided to request that my narrative as submitted to Charlie be incorporated into Seven Portals Study with Leigh and Mac's Northern Bypass route narrative to be submitted to Jim Fain and Roberto Canales for Maritime and Logistics studies.

Carron Day, Project Manager for PlanIt East requested a letter of support for North Carolina Eastern Region's application to HUD for a Sustainable Communities Initiative Grant. The request was received on September 13 with a September 23 deadline. The grant, if received, will be administered by Mark Sutherland, Military Growth Task Force. Time did not permit convening Corridor Commission membership for a vote and I felt the recommendation letter should be approved by membership. After consulting with Commission Chairman, Chuck Allen, we decided to email letter and approval request to membership. I deeply appreciate your quick response. We received enough email approvals for a quorum vote. A letter was then submitted to Ms. Day from Chuck Allen and a separate letter from me. Special thanks to Marcia for getting out the message timely and effectively. We are hopeful this application will be successful.

On September 15, Daniel VanLiere, Transportation Planner, Upper Coastal Plain RPO provided list of their projects to be included in SPOT/TIP rankings for this year: Four in Edgecombe County, Ten in Johnston County, Four in Nash County, Fifteen in Wilson County. A total of 33 projects from this RPO.

I submitted the narrative being submitted for Seven Portals & Logistics Study to Michael Rutkowski to be posted on Corridor website.

I was contacted by Alex Rickard on September 16 to discuss scheduling regional RPO/MPO meeting. He and Daryl Vreeland of Greenville MPO suggested meeting in Kinston on October 7. It appears all of the Eastern RPO's & MPO's have agreed to participate.

On September 16, the U.S. Senate approved a bill passed earlier by the U.S. House to extend the current highway program through March, 2012. The Senate vote had been held

hostage by Senator Coburn of Oklahoma who objected to a provision in the legislation that requires states to spend funds on projects identified as enhancement projects such as bike paths and walking trails. Senator Coburn withdrew his objections when other Senate leaders agreed to include a provision in upcoming highway reauthorization legislation that gives states more flexibility on how transportation funds are spent. This is the eighth temporary extension of the program and sets the stage for continuing the long-time struggle to get a multi-year transportation bill enacted.

Bobby Lewis and I discussed RPO/MPO summit planned for October 7. Bobby was very supportive of agenda and suggested either Don Voelker or Ray McIntyre or someone from their office attend meeting.

I attended Governor's Logistics Task Force, chaired by Lt. Governor, Walter Dalton on September 20. It is my belief and understanding the agenda and mission of the U.S. 70 Corridor Commission has been well documented. Therefore, I elected to focus my presentation on the realities, function and feasibility of an inland port at GTP by demonstrating the benefits of a refrigerated unit at GTP. The floral industry of Holland and the world food distribution model are excellent examples of the opportunities offered by an inland port with refrigeration capacity at GTP. It is also an excellent opportunity to maximize agricultural exports. This project has been discussed, planned and considered for nearly 20 years. It is time to initiate a plan of action in keeping with logistics model.

On September 20, a public information meeting was held at Kinston High School to provide an opportunity for local citizens to discuss and ask questions about possible route for Kinston Bypass. The comments and response from the public was perceived as high energy with strong support for a bypass. Environmental issues, costs and connectivity are key components in deciding appropriate route for this bypass. Mac and Leigh have provided good arguments for a Northern Route. However, we understand the process and must continue to adhere to Purpose and Need as defined by merger process. By definition U.S. 70 is a strategic corridor and must by policy be planned and developed as a freeway.

A second public information forum was held on September 22 in Kinston. According to reports, this forum saw an increase in attendance which probably indicates local interest is escalating.

Lee Smith had an opportunity to speak to Governor's military forum on September 26. Lee emphasized the importance of U.S. 70 as it relates to military. The military is a very important piece of our agenda and enjoys wide-spread support in the region and the State. Thanks to Lee for the "plug" and building of support for U.S. 70 Freeway.

Mac Daughety continues to build support for 11/241 road improvements. I do not believe the Corridor Commission has taken an official position on this non-project, but encourage each of you to consider learning more and consider an official position at October meeting. Mac will be making a presentation at that time and can answer questions.

General Trogdon confirmed he will be attending RPO/MPO meeting on October 7. I asked Alex to put him on agenda.

I remain hopeful we will be able to schedule a Governor's Transportation summit for Eastern North Carolina prior to November 30. John Chaffee and our BOT members; Leigh, Hugh, Gus and Mike are also promoting the idea.

Momentum continues to build for transportation improvements in Eastern North Carolina as support for the total Corridor Commission agenda escalates. We are becoming a region and beginning to understand and embrace the freeway connectivity concept. Randall Tyndall of Duplin County has advised Duplin and Pender County officials are joining to support the 11/241 Project (4 lanes of existing Hwy. 11 from GTP – from Pink Hill to the proposed Northern By-Pass of Beulaville). This project is beneficial to our military and will be invaluable to the development of a refrigeration facility at GTP benefitting our farmers as described earlier in this report.

Keep working, keep talking and continue to believe. We have seen great progress in moving projects forward and together we will continue to see our future as better.

Thank you for all that so many of you do every day in your local communities to disprove Rob Christen's prophetic announcement that "Eastern North Carolina has given up on themselves." Nothing could be further from the truth.

Please advise me if there are ideas or suggestions that merit inclusion in my monthly report or if further clarification or explanation is needed for any specific project or concept. Your input is always welcome and encouraged.



US 70 Corridor Commission

September 14, 2011

Mr. Mark Sutherland, Executive Director
Military Growth Task Force
656 West Corbett Avenue
P.O. Box 814
Swansboro, NC 28584

RE: SUSTAINABLE COMMUNITIES PLANNING GRANT AND
NORTH CAROLINAS EASTERN REGION MILITARY GROWTH TASK FORCE PARTNERSHIP

Dear Mr. Sutherland:

On behalf of the Highway 70 Corridor Commission we support the preparation of a successful SCI Planning Grant application and completion of the work funded under the SCI Planning Grant program. Our membership has enthusiastically endorsed this effort and initiative. It is our strong belief a coordinated, collaborative regional effort to prepare and lead a successful sustainable Communities Initiative (SCI) work program will enhance the lives and communities of our military personnel.

As the Highway 70 Corridor Commission, consisting of six counties, we are strong advocates of supporting the MGTF as it relates to military transportation, particularly issues and projects on US Highway 70.

The regional plan document developed under the SCI grant will support these Livability Principles and should, to the greatest extent possible and where appropriate, be built upon the foundation of work that has been accomplished and undertaken in the region where existing plans, partnerships, and processes enhance regional planning, coordination and efficiency, reduce unnecessary duplication of effort and responsibilities, and add clarity and accountability to implementation processes.

We pledge our support and acknowledge we will work cooperatively on the grant application with the MGTF. This letter of support is neither a fiscal nor a funds obligation document. We, as a commission, wholeheartedly support the Military Growth Task Force on this project and its general mission to assist military operations in our region.

Sincerely,

Chuck Allen, Chairman
Highway 70 Corridor Commission

M. Durwood Stephenson

Director

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US 70 Corridor Commission

September 14, 2011

Mr. Mark Sutherland, Vice President
North Carolina's Eastern Region
PlanIt EAST
656 West Corbett Avenue
P.O. Box 814
Swansboro, NC 28584

RE: HUD Sustainable Communities Planning Grant Application - PlanIt EAST

Dear Mr. Sutherland:

Please accept this letter of continued support on behalf of the U.S. 70 Corridor Commission. We recognize the need for a coordinated, collaborative regional effort to prepare and carry out a successful Sustainable Communities Initiative grant application and work program for PlanIt EAST and we support the on-going work of North Carolina's Eastern Region and the Military Growth Task Force.

We agree that North Carolina's Eastern Region will be the lead member of the consortium for the purposes of this grant application and subsequent award. Further, we understand that North Carolina's Eastern Region will act in the representative capacity with HUD on behalf of all members of the PlanIt EAST Consortium and assume administrative responsibility for ensuring that the Consortium's program is carried out in compliance with all HUD requirements.

This letter of support is neither a fiscal nor a funds obligation document. The U.S. 70 Corridor Commission, consisting of six Counties (Johnston, Wayne, Lenoir, Craven, Jones & Carteret) are committed to the mission and purpose of the Military Growth Task Force. The future of our region and U.S. 70 Corridor commission goals and objectives are linked to the future of the military bases along U.S. 70. It is our hope and plan to make every effort to enhance the communities serving our military personnel.

Sincerely,

M. Durwood Stephenson
Executive Director

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Director

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This is how a Northern Highway 70 Bypass of Kinston benefits The State of North Carolina, Eastern North Carolina, the assets of the Port at Morehead, the Military and Agri-Business communities, and the Global Transpark. The project benefits all of the above by providing the badly needed connectivity that ties all of the regions assets and strengths together and allows the economies that drive North Carolina and Eastern North Carolina to thrive and grow to their potential.

If this project would start at Little Baltimore, running north of the projected second runway of the Global Transpark, continuing eastward connecting with existing Highway 70 in the Dover, N.C. vicinity it would have huge beneficial impact on this region. This project would benefit Nash, Edgecombe, Wayne, Pitt, Lenoir, Wilson, Greene, Jones, Carteret, and Craven County by connecting all these counties by freeway with both the Global Transpark and the Port at Morehead City. It would give mobility for goods and services in the area to a potential Logistics Village at the Global Transpark which could include a Military Logistics Center, Inland Port, and Industrial Agriculture Refrigeration Facility to store imported and exported produce and livestock prevalent in this rural area. It would give Nash, Edgecombe, Wilson County, Greene and Pitt County a freeway access to the beaches and Port of Morehead City for the first time benefitting the Tourism Industry. It would give the military connectivity. Seymour Johnson would have a direct freeway

route to the GTP APOE and a freeway route to move its troops to the Port of Morehead. The project would give Cherry Point, Havelock, New Bern, Morehead City, and Camp Lejeune expedited freeway access to not only the Global Transpark APOE, but to Interstate 95 via 11/264. This project also would give Lenoir, Jones, Craven, and Carteret County a greater expressway/freeway Hurricane Evacuation Route to Interstate 95. This project would create free flowing connectivity throughout the region to and from the Ports and the GTP. The connectivity plus the assets of the Global Transpark and the Ports would be a major boost to mobility for the military, agri-business, industry, and tourism allowing the region to flourish and grow.

The Northern Highway 70 Kinston Bypass project provides the connectivity needed for the The State of North Carolina's assets in Eastern North Carolina. It benefits the largest industries in North Carolina and Eastern North Carolina, The Military, Agri-Business, and Tourism. With the potential BRAC impact coming in 2014/2015 these projects is vital to retain and grow the military. Lenoir County because of its strategic location is a pass through for roads accessing four military bases, as well as connecting those bases to the GTP which is an APOE .When one considers the expansion of the Panama Canal in 2014 to allow Super Container Cargo ships access to the East Coast for the first time ever and the potential need for an inland port for

both Morehead City and Wilmington Ports these projects are vital for our future success. When one considers the potential of a Logistics Village at the Global Transpark consisting of Industrial sites, a Military Logistics Center, Industrial Refrigeration Complex, all resulting in the need for an Inland Port, then you understand the tremendous impact this project will have not on just a region but the entire State. These projects will tie the Ports of North Carolina and the Global Transpark together allowing them to be marketed by the State of North Carolina globally as one dynamic logistics vehicle.

A Northern Highway 70 Kinston Bypass would provide the Global Transpark with a much needed back door to Interstate 95. When Fred Smith the CEO of FedEx speaks with Tom Bradshaw he always asks has the GTP completed its back door to I-95 yet? Fred, according to Tom told him it was critical to the GTP's success and had the back door been there FedEx might have chosen that location instead of Greensboro. A Northern Highway 70 Kinston Bypass combined with the completion of the Southern Bypass of Goldsboro (completion scheduled for 2015-16), and Part A of Harvey Parkway (completion scheduled 2015) would give the Global Transpark an expressway/freeway loop connecting it to Interstate 95 via Highways 11/264 from the back door, and via Highways 70/795 from the front door. This would connect Wilson, Wayne, Nash, Edgecombe, Greene, and Pitt Counties

directly to the Global Transpark via expressway/freeway resulting in greater growth opportunities for these counties and the Transpark. This expressway/freeway loop would give manufacturer's greater access and mobility to ship and receive goods and services from Interstate 95. This expressway/freeway loop would allow Tull Hill farms greater mobility they have asked for the 1000 trailer loads of agriculture (sweet potatoes, lettuce, etc.) they ship each year. It would allow Seymour Johnson Air Force base greater accessibility to the Global Transpark as an APOE and its runways. This project has the endorsement of the Eastern RPO, the Greene County Commissioners, the Lenoir County Commissioners, the Duplin County Transportation Committee, and the Lenoir County Transportation Committee.

In summation, if you choose a Northern Route for the Highway 70 Kinston Bypass, you will alter the economic face of Eastern North Carolina forever. This route for the Kinston Bypass will set the template for economic growth like this region has never seen. We have a chance to alter the economic balance of North Carolina and maximize the State of North Carolina's assets with this project combined with the changes being implemented on Highway 17 and 70. We will have an opportunity to show impressive evidence that North Carolina is military friendly as we head into another potential BRAC. North Carolina can't afford to wait until 2015 when BRAC occurs to itemize what we

can do for the military, moving these projects forward will give the military standing evidence as to what has been done to support them in North Carolina. We will be able to provide greater market access and flexibility for our Agri-Business community for exports in combination with a projected Industrial Refrigerant Unit at the Global Transpark.

J. Mac Daughety
Leigh H. McNairy

Unlike the global warming argument, an issue that divides the populace, there is no disagreement that all economic activity is global in scope, development and utilization. In order to compete in the new global economy North Carolina must provide the logistical infrastructures and support services that is a necessity for business in this global environment.

The traditional stand alone manufacturing facility that developed product from raw goods to final product distribution is our past. The new global model is supply chains that are dependent on efficient and timely movement of goods, services and people. This structural shift in the economy poses new challenges for North Carolina's rural counties which have been dependent on agriculture and traditional manufacturing that is now in decline.

The U.S. 70 Corridor is a vital transportation corridor to the State of N.C., stretching statewide from the Pisgah National Forest in Madison County to the Atlantic Coast. U.S. Highway 70 between Raleigh and Morehead City is a major arterial link in the state's transportation system and has been designated as a Strategic Highway Corridor. This 135 mile strategic corridor is the main street for commerce in Eastern NC. U.S. 70 and its arterial system of roadways are the vital link between communities serving as the essential corridor for commerce, trade and tourism transporting people, goods and services. Farm to market roads supports the \$ 70 billion dollars agriculture industry and U.S. 70 is the main thoroughfare for Eastern N.C.'s second major economy engine supplying access to three major military bases. It is also a major travel route for the booming tourism trade that sustains our coastal region.

Improving the U.S. 70 Corridor to move traffic more efficiently and with greater safety is consistent with the most recent BRAC goals. It is also compatible with Strategic Corridor strategies to convert the 135 mile corridor into a freeway. At the present only 48 miles of the 135 mile route has freeway status. With a 135 mile freeway corridor servicing our Eastern region, it will logistically connect Global Transpark, anchor site for North Carolina's emerging aerospace cluster and home of Spirit Aerosystems; support efficient movement of troops, equipment and supplies; move agriculture products from farm to market; provide a safe and mobile roadway for visitors to our coast; expand the outreach of the port at Morehead City; and increase safety and mobility to ECU Trauma Center.

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