



US 70 Corridor Commission

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

The holiday season is approaching and for many of us time has become a more precious commodity. Although transportation is a lengthy process, it requires daily diligence to maintain projected schedules. Despite the constant demands for our time, we have a large team of advocates that are in constant pursuit of the Corridor agenda. Thanks to our large team, we are continuing to maintain, and in some instances, escalate projected project schedules.

During the next few weeks and months, several studies are scheduled for completion: Seven Portals Study; Logistics Task Force Report; Maritime Strategy Study; and N.C. Department of Commerce Economic Analysis of Gallant's Channel Bridge. We continue to be disappointed with Eastern Region analysis contained in Seven Portals Study. In hindsight I must share the blame for the lack of promotion of Corridor agenda in Eastern Region narrative in Seven Portals Study. Apparently, I unwisely utilized my time in my appearance before the Task Force to promote a refrigerant unit at Global TransPark. I did so with the assumption the Corridor agenda centered on a freeway corridor for U.S. 70 and the rationale for the freeway concept had been defined and accepted. Apparently the basic premise of the Corridor agenda for a U.S. 70 Freeway has not been accepted in some areas outside Eastern North Carolina. We must and will continue to press for our agenda and attempt to better educate the public on the invaluable assets of Eastern North Carolina that are a benefit to Eastern North Carolina and to our entire State.

On November 2, BOT members Leigh H. McNairy, Hugh Overholt and Mike Alford were joined by Chief of Staff, Bobby Lewis; Division 4 Engineer, John Rouse and me for general discussions with Rob Hanson. Rob provided an update on U.S. 70 Corridor projects. We also reviewed 2.0 SPOT scoring. 241/11 S. of Kinston was discussed. Rob advised no Feasibility Study has been performed on this project, but it may be omitted if project ranks high on RPO/MPO priority list. Other discussions ensued and are summarized below:

- Project priorities must be scored and submitted in December with final project selections being finalized by January, 2012.
- The planned schedule for the 20.2 mile Goldsboro Bypass is on schedule with Design-Build award for last section in June, 2012. A December, 2015 completion remains feasible and hopeful.

¹
M. Durwood Stephenson
Director

PO Box 1187 | Smithfield, NC 27577 | (919) 934-1249 | durwoodus70@gmail.com

- NCDOT has begun process for SPOT 3.0 and is seeking citizen input for improving the process. We may advocate for additional priority points for military related projects.
- Wilson's Mills safety/mobility project is funded with C-MAC dollars. May need additional funds in order to construct best and favored alternative.

As reported last month the EIS for Havelock Bypass has been completed. SELC Senior Attorney, David Farren has submitted comments on the report and a Public Hearing is scheduled on December 6.

The \$ 160,000,000.00, 10 mile, four-lane divided median highway is scheduled for right of way acquisition to begin in 2013 with construction planned to begin in 2015.

On November 4, the North Carolina Logistics Task Force, chaired by Lieutenant Walter Dalton, released its Final Report. However, the Eastern Region report was not included because it is incomplete. Therefore, this report designated as Final cannot be described as Final. In addition to the Eastern Region, the Research Triangle Region and the Charlotte Region are also incomplete. As stated in the Logistics Task Force Report, 'one of the primary drivers behind the growth' in N.C. is the 'State's agrarian economy.' The Eastern Region is the heart of the agricultural region and should, therefore, be a focus of the Eastern Region report.

As the General Assembly made plans to reconvene, the gas tax cap debate reignited with passage in the House anticipated. The Senate does not appear ready to enact a cap on gas tax. Proponents of a gas tax cap argue that North Carolina has a higher tax on gas than our neighboring sister states. Although this is an accurate assessment, it is not a fair assessment. As reported in North Carolina Logistics Task Force report, North Carolina maintains over 80,000 miles of paved roads with state tax dollars, more than any other State. Georgia, a state larger than North Carolina, maintains only 18,000 miles. Georgia relies on local taxes and local jurisdiction, to maintain their road system. Assigning road and bridge maintenance responsibilities to local jurisdictions is not a viable option and would be strongly opposed by local taxing authorities. It would, however, reduce gas tax demand.

Gas taxes are the primary source of revenue for road construction and maintenance in North Carolina. As we are all aware, the current revenue from gas taxes are insufficient to maintain and build new transportation infrastructure. The capping of gas tax at the current 35 cents rate will dramatically impact transportation including cost to resurfacing, bridge repairs, loop construction and Powell Bill disbursements. It is estimated the current work plan would be out of cash by 2014. With a possible reduction of Federal Transportation dollars of approximately 35% as has been suggested, the cash flow may be depleted by October, 2012. This is a serious issue and should be carefully evaluated and discussed with your local representatives.

On November 7, Chief Operating Officer, Jim Trogdon issued a letter in response to our request outlining the Prioritization 2.0 SPOT scoring and process to donate points. A copy of that letter is attached for your review and information.

The U.S. Senate has proposed a two year transportation reauthorization bill with funding levels at approximately the same level as presently funded. In a marked change the legislation will guarantee each State a minimum of 95% of "pay-in." The bill also allows more flexibility to States and locals in funding projects. This is only a start as negotiations begin. A caveat is a \$ 12 billion hole to be filled by Senate Finance Committee.

A coalition of RPO's and MPO's in the Eastern Region has been formed in order to promote highway projects that are regional in scope, provide connectivity and are perceived to score well in State-wide funding competition. In an unprecedented action, the seven (7) RPO's and MPO's of Eastern North Carolina have agreed on project priorities and each has passed a Resolution of Support for these projects.

In order to assure local input during the Merger Process, the Corridor Commission, in response to discussions with RPO's leadership, has submitted a Resolution to NCBOT recommending full signatory status for RPO's in the Merger Process. Several others have joined the Corridor Commission in passing support resolutions including the Carteret County Chamber of Commerce. Although the issue was raised and addressed in our region, the remedy will apply statewide.

On November 9, Norris Tolson, Charlie Diehl and I met with NCSU Professor Dr. George List, Director of Seven Portals Study Professor Dr. Steve Appold of Kenan Institute, Author of Eastern Region Report and Dr. Larry Goode, co-author of Seven Portals Study. We requested the meeting to express our disappointment with the Eastern Region narrative in preliminary draft of Seven Portals Study. In our opinion the narrative did not acknowledge the significance of U.S. 70 as a Strategic Highway Corridor or its potential for enhancing economic opportunity in Eastern North Carolina. Even more disappointing and surprising was the failure to cite the economic impact of agriculture and the potential for growth of this industry as an export commodity. Despite recent significant growth of employment, the Global TransPark was also notably ignored.

Following approximately three hours of discussion, Charlie and I wrote a few paragraphs with a request to Dr. List to incorporate our remarks or a summary of the message into the final draft of Eastern Region section of the Seven Portals Study. We will continue to promote our region and pursue our agenda despite the apparent disassociation of some less familiar with our abundance of assets with great potential for growing our economy.

In pursuit of signature status for all RPO's, Mike Bruff and Debbie Barbour met with the Merger Management Team. Debbie and Mike reported the Merger Team is supportive of the RPO's becoming a partnering agency (same as MPO's) with the following concerns noted:

1. For projects that involve multiple MPO/RPOs, the MPO/RPO will only have one signature. This is consistent with other agencies (like DENR), where there are multiple divisions, but only one person can sign.
2. It's important for the MPO/RPO to fully understand their roles and responsibilities as far as the merger teams go. Any MPO/RPO that wishes to participate should be required to go through the Merger training. Many RPO's have had this training, and it will be scheduled for those who have not.
3. The MOU establishing the RPO is between the Department and the member counties. Municipalities were allowed to join the RPO through municipal statements of adoption. In some cases, all municipalities are not members of an RPO. For MPO's, Federal legislation requires that the MPO speak for all local governments within an MPO area, regardless of whether they are members of the MPO. In RPO's, if a municipality is not a member of the RPO, then the RPO may not necessarily represent their interests. Also, the RPO voting structure tends to exclude the municipal interests as a whole. While each county has one vote, in almost all cases, only one vote is allowed for all the municipalities in a county.
4. While the MPO's have been participating agencies in the merger process for some time, due to interest or expertise, not all MPO's participate in the merger process. It should also be noted that the merger process only covers around 30% of the projects in the TIP. For the other projects, there is an existing process for coordinating with local government officials.
5. The final concern is the impact on project delivery. Members have the authority to sign for their participating agencies either at the meeting or shortly thereafter. Failure of the RPO to be fully engaged or to not sign the concurrence form could lead to project delays.

On November 17 the Merger process meeting for Kinston Bypass assembled with Debbie and Rob representing NCDOT's interest. Both were well prepared and represented the project favorably. It should also be noted COO General Trogdon and Chief of Staff, Bobby Lewis also attended the meeting. I believe the active participation by NCDOT COO at this level in merger process is probably unprecedented. We are grateful for his extra special effort on behalf of this long overdue project.

Julie White, Director of N.C. Metropolitan Mayor Association, with the co-operation and assistance of her active membership has worked diligently to discourage the cap or reduction of the gas tax. We applaud their efforts and will assist when and where possible.

On November 18, President Obama signed legislation to provide funding for USDOT for fiscal year 2012. This legislation reduces highway funding by nearly \$ 2 billion. Although the reduction in funding levels is disappointing, there are some positives to be found: States are permitted greater discretion in spending options and every State is assured a 95% return which would be an improvement for our State.

In my October report, I reported a visit Leigh H. McNairy and I had with Southern Environmental Law Center Senior Attorneys, David Farran and Chandra Taylor. As reported, they raised some concerns about recently released EIS for Havelock Bypass. On November 21, Mr. Farran, Ms. Taylor and Geoff Gisler provided written comments on behalf of North Carolina Wildlife Federation, the Cypress Group of the North Carolina Chapter of the Sierra Club, the North Carolina Coastal Federation and the Southern-Environmental Law Center. The written comments are generally in concert with the verbal comments conveyed to Mrs. McNairy and myself in October. The written report revealed no new issues.

Also on November 21, John Chaffee and I continued our dialogue on planning a Transportation Summit for Eastern North Carolina in early 2012. Planning and discussions will continue and hopefully more specific details for this summit will be finalized during the next two or three months.

During the past year, many of us have engaged our legislators representing Eastern region. The effort has been sporadic and unorganized; primarily one-on-one individual conversations. We have found common agreement generally with the legislators supporting the agenda of the U.S. 70 corridor Commission and the U.S. 17 Commission. The common goal that binds us all is our hope for a revitalized Eastern North Carolina and an improved economic vitality.

With the assistance of Corridor Commission Subcommittee Chair Jack Best and his committee, we have initiated a plan to form a coalition of Eastern legislators to assist and promote the needs and opportunities of Eastern North Carolina.

As anticipated, the House with a 96 to 23 vote on Monday evening, November 28 voted to block a January, 2012 scheduled increase in gas tax. Under this legislation, the current rate of 35 cents a gallon would remain until July, 2012. Time constraints kept the legislation from being addressed by the Senate. We should continue our dialogue with our Senate representatives to assure a sustainable revenue source for transportation needs in North Carolina. Many of the Senate leadership have expressed interest in protecting funding for transportation.

The U.S. 70 Corridor Commission Subcommittee under the direction of Jack Best met with General Trogdon and Bobby Lewis to present formal resolution of support from Seven RPO's and MPO's. In an unprecedented action, all agreed on five project priorities.

Later in the day, the BOT Corridor Committee met with Rob Hanson and his staff for updates on U.S. 70 Corridor major projects. Project Director, Mark Pierce, provided a detailed analysis of status and issues confronting Havelock Bypass. Mark addressed many of the issues raised by SELC. It is obvious NCDOT is well prepared to address concerns.

On November 30, Don Voelker issued Solicitation of Candidate Mobility Fund Projects. The funding for projects selected by NCDOT is outside of equity formula. Mobility funding will be for statewide projects of regional significance that relieve congestion and enhance mobility across all modes of transportation. Projects must be submitted for consideration by February 29.

As this report acknowledged in the first paragraph, the holiday season is upon us, but there is much to be done. We cannot relax or lose focus. During the next 60 to 90 days, we must:

- Continue to pursue Commission agenda
- Continue to promote 2.0. SPOT priorities
- Continue efforts to establish Legislative coalition
- Plan Transportation Summit
- Evaluate possible projects for submittal for mobility funding
- Expand coalition of RPO's & MPO's to include all RPO's & MPO's in whole Eastern North Carolina

I deeply appreciate the hard work and determined enthusiasm each of you continue to display. Please continue to provide thoughts and ideas to fulfill our objectives and expand opportunity for Eastern North Carolina and our many assets.

Since Christmas will have come and gone before the December report is finalized, I wish you all a very Merry Christmas.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

EUGENE A. CONTI, JR.
SECRETARY

November 7, 2011

Mr. Durwood Stephenson
Director, US 70 Corridor Commission
Post Office Box 1187
Smithfield, North Carolina 27577

Subject: Second Round - Strategic Prioritization Process

Dear Mr. Stephenson:

The North Carolina Department of Transportation (NCDOT) is currently conducting its second round of a strategic prioritization process which is commonly referred to as Prioritization 2.0 or P2.0. Transportation projects across the state are being prioritized. In particular, highway projects are prioritized for the years 2018 and beyond in advance of the Draft State Transportation Improvement Program (Spring 2012). There are approximately 1200 highway projects in the database to be scored/ranked. Scoring is done for these highway projects via three major components:

Quantitative Data/Points – Scoring is based on congestion, crash rates, pavement conditions, economic competitiveness, benefit-cost, lane width, and shoulder width. These data-driven scores account for 70 percent of the total scoring for projects on the Statewide Tier, 50 percent of total scoring on the Regional Tier, and 30 percent of total scoring on the Subregional Tier.

Local Input/Assigning Points – Scoring is based on how Metropolitan Planning Organizations (MPOs), Rural Planning Organizations (RPOs) and Division Engineers (DEs) identify and rank their top priority highway projects. These scores account for 30 percent of the total scoring for projects on the Statewide Tier, 50 percent for projects on the Regional Tier, and 70 percent for projects on the Subregional Tier. Only the 17 MPOs, the 20 RPOs, and the 14 DEs may provide local input/assign points for scoring. Each of these entities has been provided up to 1300 points to allocate on their projects based on their discretion. A maximum of 100 points can be allocated to any one project. MPO's and RPO's are legislatively designated to assist the Department in providing a comprehensive, coordinated and continuous planning process and thus are the key planning partners of the Department. Other local, state, or industry organizations are expected to work with the MPOs and RPOs to help identify the top priority projects.

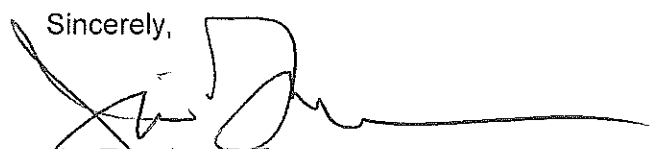
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- As part of the Local Input process, one organization can donate points to a neighbor organization in order to raise the overall score of that highway project. For example, if MPO "X" only allocates 80 points (of their 1300) to a project, RPO "Y" can donate the remaining 20 points to raise the total points to 100 for the project. In P2.0, the total number of points cannot exceed 100 for any project. The arrangement to donate points between neighbors must occur in writing (via an email or memo) to the Strategic Planning Office (SPOT) before December 16. The points sharing will then be tabulated as part of the final scores for each project (expected to be released January 2012).

Multi-Modal Bonus Points – Scoring is based on whether the project improves connections to transportation terminals, military bases, rail terminals, seaports, and thus improves the overall efficiency of the transportation system. These bonus points are added after the Quantitative plus Local Input points are calculated.

This information is a summary of the overall Strategic Prioritization Process scoring. If you need additional information, please contact the Strategic Planning Office of Transportation at 919-715-0951.

Sincerely,



Jim Trogdon, P.E.
Chief Operating Officer

JT/agp

cc: Bobby Lewis, PE, Chief of Staff
Susan Coward, Deputy Secretary – Intergovernmental Affairs
Don Voelker, Director – Strategic Planning Office
Alpesh Patel, Strategic Planning Office
David Wasserman, PE, Strategic Planning Office