

GOVERNOR'S LOGISTICS TASK FORCE

Lieutenant Governor Walter Dalton
Chair, Governor's Logistics Task Force
Presentation to North Carolina Economic Development Board
April 15, 2011

Background

- Established via Executive Order 32 on December 7, 2009
- Task Force was established as recommended by the 2008 Statewide Logistics Plan which was developed at the direction of the Office of State Budget and Management by the North Carolina State University Institute for Transportation Research and Education (ITRE)



Task Force Mission and Goals

The mission of the Task Force is to strategically create jobs and recruit industry by developing an efficient and cost effective vision plan for the seamless movement of people, goods and information throughout the state of North Carolina



The Task Force is charged with the following tasks:



- Conduct a thorough inventory and evaluation of existing public and private transportation and commerce assets, including ports, inland ports, airports, highways, railroads, major distribution centers, and business and industrial parks.
- Report on the current system for moving goods and people, including the condition of the system, its overall performance, and its safety.
- Project future needs for the state's multi-modal transportation system and explore challenges and opportunities in meeting those needs.
- Identify relevant research and best practices in transportation and logistics from other states.
- Inventory current laws, rules, policies, processes, and organizational structures that affect the movement of people and goods across the state and make recommendations for changes to improve the efficiency and safety of our transportation system.
- Explore innovative ideas in transportation and economic development that can help support the state's logistics capacity, including public private partnerships.
- Make additional short-term and long-term recommendations to create an integrated logistics plan for North Carolina.

Task Force Membership

- ◎ The Task Force is made up of 30 members representing both the private and public sector
- ◎ They include:
 - Al Delia, Governor's Policy Advisor—Vice Chair
 - Secretary Gene Conti, NCDOT
 - Secretary Keith Crisco, NC Commerce
 - Secretary Dee Freeman, NCDENR
 - General Assembly members
 - Local Government Representatives
 - Logistics and Freight Business Leaders



Task Force Statewide Outreach

Task Force meetings have been held in Charlotte, Thomasville, Asheville, Cullowhee, Lenoir, Kinston, Fayetteville/Fort Bragg, Elizabeth City, Wilmington, and Rocky Mount



Future regional meetings will be held in Morehead City and Durham.

Task Force Subcommittees

- Commerce
 - Examining the state's largest exporters, determining where their products are going and by what method of transportation those products leave the state.
 - Investigating what can be done to help them move freight faster and more efficiently, what is currently working, and what steps are needed for improvement.
- Governance
 - Reviewing the current operational structure of North Carolina's freight logistics and other transportation assets, and will make recommendations as to potential improvements
- Best Practices
 - Studying what other states and/or countries have done successfully in regards to logistics that North Carolina might want to emulate.
- Regional Hub Design
 - Exploring the feasibility and design of regional transportation hubs to make sure the entire state of North Carolina is able to move goods efficiently.
 - Working closely with the multi-university "*Seven Portals Study*" research team, and will ultimately make recommendations on characteristics and proposed locations of inland ports and/or other multi-modal freight facilities.

Seven Portals Study



The Task Force approved the creation of an academic investigation into the types of inland ports or other multi-modal freight facilities that might best serve the state's respective regions. The vision for this research is to examine the feasibility of placing an inland port facility in each of the seven economic development regions.

Seven Portals Study

The Institute for Transportation Research and Education of North Carolina State University has served as the primary investigator for this study with individual region-specific research being handled by representatives from other UNC-system institutions. The Universities involved and their respective study region are as follows:

Region	University
Northeast	East Carolina University
East	UNC-Chapel Hill
Southeast	UNC-Greensboro
Research Triangle	NC State University
Piedmont Triad	NC A&T State University
Charlotte USA	UNC-Charlotte
Advantage West	NC State University (with review by Western Carolina University)



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Seven Portals Study

Idea:

- Assess possible locations for transport-driven logistics portals statewide
- Base them on the seven economic regions
- Examine modal connections, land availability, economic growth impact potential, feasibility, benefits, up-fit costs, governance, partnerships
- Do not reinvent the wheel

Themes:

- From our back yard to your doorstep, worldwide
- Easy and affordable access to transportation

Result:

- Feasibility assessment (economics, land use, modal connections, supporting commercial, educational and cultural activities)

Intended impact:

- Support the economy-based enterprises (jobs) of the region
- Enhanced logistics connectivity
- Improved, integrated, statewide transportation support



Seven Portals Study

What drives each region's economy?

- Agriculture
- Tourism
- Military
- Aerospace

Where are the customers?

- International
- National
- Regional

Is the region prepared and how much will it cost to prepare it?

- Rail
- Highways
- Air
- Maritime
- Utilities (Power / IT / Water-Sewer)

Who will govern it?

- Private
- Public
- Public / Public
- Private / Public



Task Force Recommendations



- Through Executive Order 32, the Task Force is required to report to the Governor every 6 months regarding its work
- Task Force was also directed to complete study by 2010 General Assembly (Senate Bill 900)
- The Task Force's February 2011 report to the Governor included 4 recommendations that the Task Force found through its work to make improvements to the governance structures of the various transportation entities of the state
- Some of these recommendations directly align with the work directed by Senate Bill 900

Senate Bill 900- “Studies Bill”

- Contained language originally introduced by Rep. Danny McComas
- Directed the Task Force to study the following issues:
 - Combine Operations & Governing Authority of the GTP, NCSPA and NCRR to create One Entity & Governing Board to Oversee Air, Rail and Sea Transportation
 - Examine the feasibility of establishing Class I Rail Service by more than one railroad to both port facilities & GTP

Task Force Recommendation #1

- The Task Force has determined that it is prudent for the General Assembly to consider the movement of the North Carolina State Ports Authority from under the Department of Commerce and placing it, along with the NC Global Transpark Authority under the Department of Transportation



****The Task Force's recommendation to move the North Carolina State Ports Authority from the Department of Commerce to the Department of Transportation was also included in the Governor's recent realignment plan (Executive Order 85 "Consolidation and Reorganization")**

Task Force Recommendations #2 and #3



- The Task Force does believe that the North Carolina Railroad should also report to the Department of Transportation. However, because of the organization's unique structure, further study regarding any reporting powers needs to be undertaken before any action commences.
- Upon initial review of the concept of establishing dual Class I rail access to the NC State Ports facilities and Global Transpark, the Task Force has determined that more research needs to be committed to this idea. Future expansion of rail coverage to these areas would need to be examined based on current right of way contracts between the respective carriers and the rail in question. Also, the feasibility of using shortline rail carriers to leverage rate competition between Class I carriers should be studied if expansion of service is not deemed practicable or feasible.

Task Force Recommendation #4



- Recommendation of further realignment to the North Carolina Board of Transportation to allow for representation generally from the respective seven economic development geographic boundaries, as well as to better address the current and future logistics needs of the citizens and businesses of this state.
- With actions being taken under the current appointment and term structure, it is proposed that the Board membership be realigned to allow for 2 members to come from each of the respective regional boundaries (a total of 14 members) and 5 members to be treated as “at-large members” in one of the following areas of interest:
 - Environment
 - Logistics/Multimodal Transport
 - Government & Finance
 - Rural Transportation
 - Urban Transportation.
- Regional boundaries are defined as the current and future counties which make up the seven economic development regions as defined by the North Carolina Department of Commerce.
- Proposal also retains the current Department Division structure at this time.

Maritime

- Through the Task Force's work, the importance of the maritime industry was recognized.
- With the expansion of both the Panama and Suez Canals, the market forces in the maritime industry are shifting towards bigger ships—drafts of 50 feet and greater
- As this issue is extremely broad and in need of much examination, it was determined that an outside study be completed. NCDOT was chosen to lead a study of the current state and future opportunities facing North Carolina's Commercial Maritime Industry.
- NCDOT has entered into contract with two outside engineering firms, AECOM and URS, to complete the study which will conclude work in roughly 12 months (completion= February 2012)



Maritime

- ◎ This study will examine questions including, but not limited to:
 - Does North Carolina need to be in the future maritime industry?
 - If so, where should our efforts be focused? Specific locations? Specific industry sub-groups (i.e. niche markets)?
 - What type of infrastructure, both water-side and land-side is needed to support this type of growth?
 - What type of investment is needed from the state to support such growth?



Questions?