

Logistics Task Force Meeting
May 17, 2010
Asheville, NC

Lt. Governor Walter Dalton, Chairman of the Logistics Task Force, called the meeting to order at 1:03 p.m. on Monday, May 17, at the Asheville Civic Center with the following members present:

David Willauer, Gary Teng, Dee Blackwell, Thomas Eager, John Atkins, Dee Freeman, Al Delia, Terry Bellamy, Gene Conti, Patricia Long, Dan Danieley and Earl Brinkley.

David Hauser attended the meeting on behalf of Task Force Member David Congdon.

Member Colonel Beth Austin participated via conference call.

Members absent were: Keith Crisco, Nelson Cole, Clark Jenkins, Dawn Clegg, Rick Sholtes, Allen Joines, Buddy Shavender, Jerry Orr, Bob Morgan, Paul Kauffmann, Larry Wooten, John Goodman and Joe Stephens.

Chairman Dalton welcomed everyone to Asheville and thanked Terry Bellamy, Mayor of Asheville, for hosting the meeting. Mayor Bellamy welcomed everyone to Asheville and shared information from the Asheville Area Chamber of Commerce. A few of the issues the Chamber would like for the Task Force to consider are: Support the development of alternate routes for I-40 and I-26 to ensure redundancy and available ingress/egress following catastrophes such as the recent rockslide; Support the improvement of rail lines and service; Support the availability of alternative fuels for regional freight carriers; Support the establishment of permanent, statewide supply chain advisory body providing comprehensive input to regional and state level infrastructure planning and decision making; Support the establishment of community freight consolidation, cross-dock facilities as recommended in the Inland Port Study commissioned by Western Carolina University (2009); and, Support better coordination and cooperation between State of North Carolina and neighboring states in the development of consistent, user-friendly logistics laws and regulations that facilitate intra-state movement of goods as well as the continues enhancement of the reputation of the Southeast as a manufacturing and distribution friendly region.

Vice Chairman Al Delia thanked everyone on behalf of the Governor for giving their time to serve on the Task Force. Mr. Delia introduced Julie Sitton with the Governor's Western office. Mr. Fred Harrill, western representative for Senator Kay Hagen's office, was also introduced.

Chairman Dalton introduced Dr. John Bardo, President of Western Carolina University. Dr. Bardo presented the Task Force with information regarding economic growth and how globalization has changed the playing field. He stated there are two economic processes underway simultaneously. They are globalization and regionalization. The world economy is refocusing into 40 "super regions". Our "super region" is referred to

as “Charlanta”. If “Charlanta” were a country, before the downturn, its GDP would have been larger than India. A copy of Dr. Bardo’s presentation is made a part of the minutes as Addendum Item 1.

Chairman Dalton introduced Scott Hamilton, President and CEO of Advantage West Economic Development Group. Mr. Hamilton shared some regional facts regarding the western portion of North Carolina. There are 23 counties that cover 9,629 square miles. There are 1,320 manufacturing firms in the region. Western North Carolina is the home to 11 community colleges; 3 universities, and 6 private colleges. AdvantageGreen, which is an AdvantageWest job creation initiative, will develop and structure the foundation for future business development in the green economy in the region. The region is served by I-26 & I-40 with direct interstate access to I-85, I-77 and I-81. A copy of Mr. Hamilton’s presentation is made a part of the minutes as Addendum Item 2.

Ms. Marla Tambellini was introduced by Chairman Dalton. Ms. Tambellini represented Asheville CVB/Asheville Chamber of Commerce/Buncombe County TDA. She stated that Asheville is the tourism hub for the mountains as well as a showcase destination loved by the media. Tourism dollars impact the residents in Buncombe County a great deal. Without tourism revenues, each Buncombe County house hold would pay an additional \$300 or more in taxes each year. There are more than 25,000 jobs that are supported through the hospitality industry in Buncombe County. The I-40 Rock Slide had a tremendous impact on WNC businesses. However, the recent presidential visit created higher profile for the mountain region. A copy of Ms. Tambellini’s presentation is made a part of the minutes as Addendum Item 3.

Chairman Dalton introduced Dr. Michael Smith, Associate Professor of Global Management and Strategy at Western Carolina University. Dr. Smith shared with the Task Force how trade is critical to the vital economy. He reminded everyone that we need to preserve manufacturing key trade and economic vitality and the need to link local networks to the global economy. The top concerns of North Carolina Infrastructure are Roads and Bridges. 27% of North Carolina’s major roads are in poor or mediocre condition. 31% of North Carolina’s bridges are structurally deficient or functionally obsolete. Dr. Smith stated that meeting the regional needs will mean connecting to the national economy (ADHS) and connecting to the global economy (intermodal, connections to sea ports, etc.). A copy of Dr. Smith’s presentation is made a part of the minutes as Addendum Item 4.

Mr. Dan Smith, Transportation Director for Ingles, was introduced by Chairman Dalton. Ingles distribution Center is strategically located adjacent to Interstate 40 and in close proximity of Interstate 26. This location is within 275 miles of each one of Ingles’ 200+ stores. The 868,000 sq. ft. facility houses both grocery and perishable operations. Mr. Smith stated that Ingles owns and operates a fleet of 106 tractors and 500 trailers. They also employ 165 truck drivers. The backhaul program operated by Ingles allows them to broaden the spectrum of product movement and increase the opportunity of revenue potential. The fleet of Ingles’ trucks travels 12, 695,000 miles per year. Schedules are made to avoid traffic congestion if at all possible. Their drivers schedule early AM and

late PM deliveries to avoid rush hour traffic. They also make weekend deliveries. A copy of Mr. Smith's presentation is made a part of the minutes as Addendum Item 5.

Chairman Dalton introduced Pat Simmons, Director of the NCDOT Rail Division. Mr. Simmons shared information with the Task Force regarding the fact that passenger service is built on freight lines. NCDOT Rail is continuing to bask in the funding that was recently received. This funding will assist in closing three dozen crossings by building bridges. One of the projects is the Charlotte Railroad Improvement and Safety Program (CRISP). CRISP Phase I will build a bridge where CSX Transportation crosses Norfolk Southern in Charlotte. The project also will require re-location of the Archer Daniels Midland flour mill. The mill is the largest in the South and the home of all Lance and Krispy Kreme products. Mr. Simmons also informed the Task Force that NCDOT Rail will be submitting an application to FHWA to receive an \$8.3M grant. The results are expected in the fall.

Jay Swain, NCDOT Division Engineer, was introduced by Chairman Dalton. Mr. Swain represents Division 13 which includes Buncombe, Burke, Madison, McDowell, Mitchell, Rutherford and Yancey counties. He stated that the Asheville area has been logistically challenged due to the I-40 rock slide and the past winter being the third snowiest winter for the area. Mr. Swain also shared several projects of interest in his division.

Chairman Dalton informed the Task Force that the Inland Port Study is being worked on. Task Force Member Tom Eager asked how we are defining an Inland Port. Chairman Dalton asked that Mr. Eager's committee research and work on this.

Task Force Member David Willauer stated that it was helpful to see both presentations from CSX and NS in past meetings. He is interested in having the opportunity to hear from short line railroads. Chairman Dalton stated the Task Force would have presentations on short line railroads in future meetings.

Chairman Dalton asked the Chairs of the subcommittees to please try to plan their meetings on the same day as the full Task Force meeting to help eliminate travel and make it easier for everyone to attend.

A motion was made by Task Force Member Dee Freeman and seconded by Task Force Member Gary Teng to approve the minutes for the April 22, 2010 meeting.

Chairman Dalton announced the next meeting of the Logistics Task Force will be Thursday, June 24, 2010 in Cullowhee.

The meeting was adjourned at 4:00 p.m.