

# 30 Good Minutes: Ports CEO Tom Eagar on recent NCIT controversy – Cape Fear Watchdog\$ - Wilmington Star News - Wilmington, NC - Archive

Here is a nearly full transcript of Watchdog\$ Thursday morning interview with Tom Eagar, chief executive officer of the N.C. State Ports Authority. The authority has said it was putting the proposed N.C. International Terminal project on hold as it evaluates other possibilities for a deepwater port in North Carolina.

**Q: Is the idea of developing a huge container terminal near Southport dead?**

**Eagar:** *No. From the standpoint of Southport, that needs to be assessed, but we're looking at all alternatives that would include other sites, other options (at) existing port facilities. Might even look at working with competing ports. We're basically going to look at everything and put everything on the table to give this desire, this need for a deepwater port a thorough vetting. The decision will ultimately be made between the (Ports Authority) board, the General Assembly, the governor based on the economic impact that a project like this would bring to the state of North Carolina.*

**Q: If the project might be revived at the Southport site, how do you plan to woo surrounding communities and interest groups that are on record against it?**

**Eagar:** *It's up to us to build a strong business case that will resonate with the community, with the state, with the region, with our elected officials. All along we have consistently stated that we share the same concerns as the community and recognize that those concerns need to be addressed if the project will be viable. That has not changed. The other piece of that is that we have consistently stated that the only way we will be able to address those concerns is through the U.S. Army Corps of Engineers feasibility study. That's where all issues regarding quality of life, environmental will be vetted. But again, just let me reinforce. We are looking at all options. We aren't focused exclusively on the existing site.*

**Q: Where else could a deepwater port go in North Carolina?**

**Eagar:** *We haven't gone there. We will have to do a coastal study. We will have to work with the U.S. Army Corps of Engineers. We'll have to work with other communities to determine if such a site is in fact available within the confines of North Carolina.*

**Q: Is Morehead City an option?**

**Eagar:** *I'm going to take a close look at Morehead City. We've had a couple of steamship lines visit and do their own assessment of Radio Island, for an example. And the concerns there are multiple. Number one, the site itself is too small. Secondly, its highway and rail infrastructure is limited. And really the other major point is proximity to market and the proximity to a competing port the size of the Virginia international port. These are all issues that weigh heavily on prospective users of Morehead City, the capability to grow and expand at that facility. With that being said, we have ample opportunity to move ahead with the expansion project that's been under way here at the Port of Wilmington. And we certainly will be doing that. Our focus now, and it has been, is to continue the rebuilding of Berth 8, the expansion of the turning channel, or turning basin, the deepening of the harbor bar to allow a larger-class vessel to navigate the existing channel. If we do that we can build our capacity here up towards about a half a million to 600,000 TEUs. So we still do have capacity.*

**Q: Is Wilmington an option? Why or why not?**

**Eagar:** *Long term, it won't work, from the standpoint of the trans-Pacific trade. And the reason it won't work is that with the expansion of the Panama Canal, you're going to see vessels much larger in size and requiring much deeper draft. We are more or less locked into a 42-foot draft here at the Port of Wilmington. You're not going to deepen this river. The same issues we have here with what we see happening at other river ports is the environmental issues associated with dredging. If we were to go any deeper this far upriver, you certainly run the risk of saltwater intrusion into the aquifer system. This is the same issue that Charleston is confronting. This is the same issue that Savannah is confronting. So there's nothing new there. The benefit of the property we had further south was that it certainly*

*minimized that risk. It certainly put us in the position to be able to access deep water certainly very quickly.*

**Q: How could the Ports Authority get around the fact that both U.S. Rep. Mike McIntyre and his Republican opponent in the November election, Ilario Pantano, have come out against the port?**

**Eagar:** *It comes back down to us having to build the business case and really do a full assessment of the need for a deepwater port in North Carolina and building that business case around that. Mike McIntyre is a friend of the ports. He's done a lot of good for us. Mike needs more information. I think he needs better information to be able to really reconsider his position. And it's my responsibility, our responsibility to provide him that information, then basically allow the process to work its way through.*

**Q: Is the Ports Authority still actively trying to secure funding for a feasibility study?**

**Eagar:** *No. The message was loud and clear. We would never basically turn our backs to a directive from the General Assembly. Again, it's up to us to work within the group, the General Assembly, its members, to build our business case. We have to basically build a business case that resonates. And we have failed to do that. And that's the task at hand.*

**Q: Was the recent gush of opposition a surprise?**

**Eagar:** *Not really. I expected that, although the timing was certainly fortuitous, well planned. I've got to give a lot of credit to the opposition, let's be honest about it. They were very effective. They had a message that certainly resonated. We weren't quick to respond, a lesson learned. We need to be better at our communications. We need to be more engaged. And I certainly have learned a lesson from that personally. We will certainly become more engaged with the community, the economic development community as well, the elected officials. And we're going to spend a lot of time with those stakeholders.*

**Q: In hindsight, do you regret the way you handled this situation in any way?**

**Eagar:** *I think we could have done better, again, in our communications. One of the problems I personally had is the lack of information. We had initial studies. We had initial concepts. The questions that were being asked, they were looking for better answers, answers that I couldn't provide without having moved ahead with the feasibility study at which time many of the issues, many of the concerns would have been thoroughly vetted by the corps. ...I still hold strongly that the feasibility study is really the only way that we'll be able to thoroughly vet a deepwater port in North Carolina. And I say that because every study the corps would undertake would be regional. It would also take into consideration competing ports, information that they are not necessarily available to me that could basically be evaluated to compare a deepwater port in North Carolina, the economic advantages that that would provide the nation. ...That's part of what they do. So this project that we are contemplating would basically have to stand up to that level of scrutiny.*

**Q: Do you think this setback has damaged your personal credibility or standing with the authority board?**

**Eagar:** *I don't think so. We've been very open. Communications are good. They understand the challenges that this project has. They are on board and understand the needs for the feasibility study. No, I don't think it has. If anything, it has strengthened our resolve to move forward.*

**Q: You are on the Governor's Logistics Task Force. Has or will that group discuss or pursue an international port in the future?**

**Eagar:** *I believe they will. I believe that is a subject that the governor would want to see vetted at that level. I think that would provide transparency and it certainly would provide for good public input statewide on the benefits or the need for a deepwater port in North Carolina. So yes, I see that as the vehicle and would certainly support that. ...I think it would be the right way to build.*

**Q: When, realistically, could ships start coming into a deepwater port in North Carolina?**

**Eagar:** *I can't even guess at this point. Again, we need to allow things to work their way through, process to take place, thorough vetting of the deepwater port need in North Carolina. That's really where we are. We're basically back in the planning stage again, reassessing everything that's out there and making some determination based on that information that's generated.*

**Q: What is the next step for the Ports Authority and your staff?**

**Eagar:** *My focus right now is on existing facilities. I need to ensure that we have the infrastructure here at the Port of Wilmington to continue to grow. We saw a 30 percent plus increase in container traffic this last year. And we see additional growth this coming year. As a matter of fact, International Container Line, our European carrier, has put us on notice that they're going to bring in larger vessels now to this trade. They've experienced good market penetration. They're very pleased with the decision they made to locate to the Port of Wilmington. So things are going well from the standpoint of the container operation, the container market. So our focus has to be on Wilmington. We need to grow and continue to grow in that market segment, the container market segment, eventually using that base of business as a bridge to a new port, wherever that might be.*

**Q: Anything else you'd like to add?**

**Eagar:** *Our focus is economic development. I'm certainly cognizant, as your readers are, regarding the recession, the impact the recession is having on our economy, the need for jobs, investment and growth in North Carolina, the continuing loss of industry and jobs to competing states for the lack of what I call a Class 1 port. These are all concerns that I share and I would hope that they would share with me. We need to look at this project from the viewpoint of the state economy, the future of North Carolina and whether or not a deepwater port fits into that picture.*

*From our standpoint, I continue to be frustrated as I see lost opportunities of major industries to competing states. I was just in Savannah here the last couple of days on business. I happened to pass through Charleston and I took note of the distribution centers. BMW and you know the impact that's had on South Carolina. Daimler-Chrysler and the jobs that they have brought in. We also have legacy industries here in North Carolina that could be at risk. We could see some of our legacy – or I think the governor calls them heritage industries – relocate from North Carolina to states where they have a competitive position from the standpoint of logistics costs. And logistics costs are driven by proximity to port, the ability to have their inventory supplied through multiple vessel arrivals on a daily basis in order to minimize carrying costs inland. It's very important that our readers become better versed on the importance of a port to a state.*

**Q: Is there a strong business case for a \$3 billion deepwater port today?**

**Eagar:** *That's the reason for the study. I hate to keep falling back on the feasibility study, but that's exactly what a feasibility study would answer. It's those types of questions.*

**Q: Some critics of the plan would say they want a more independent, non-government review. What do you say to them?**

**Eagar:** *I think they need to understand that that's really the only process that's available to us. That's a federally mandated process that has to abide by NEPA, the National Environmental Policy Act. ...The process, the feasibility study and the environmental impact statement inside of that has to be transparent. It has to basically provide for public input, and with that public input, any concerns need to be addressed and resolved before a decision can be made.*

**Q: Who made the final decision to put the project on hold?**

**Eagar:** *That was mine. Mine alone. With discussion with the board, and certainly I'll have further discussion with them. But it was my shot to call, and it was made.*