

Port project adrift: Poor communication has made the NCIT difficult to support

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By Alison Lee Satake

From Brunswick County municipalities to state representatives and even the region's U.S. Congressman, a wave of criticism of the ports authority's lack of communication about the proposed North Carolina International Terminal has made for rough sailing for the project. Now, funding and support for the multi-billion-dollar port is left adrift.

"I think the ports authority should have gotten the people from the area, the leaders from the various towns involved very early and gotten their participation," said N.C. Rep. Frank Iler of Brunswick County. His other criticism of the ports authority's lack of transparency, led him to present the amendment to the state budget that blocked the state from spending any money on the NCIT this coming year. The amendment passed and the governor signed the budget on June 30.

"I think eventually [the ports authority] will have to communicate better with the General Assembly if they want to appropriate funds. I think they need to be more forthcoming about how much it's going to cost over so many years, not put a zero line item in the budget," Iler said.

Ports authority spokesperson Shannon Moody said that CEO Tom Eagar met with Southport officials in February and has communicated with Southport Mayor Robert Howard about another meeting.

Gov. Bev Perdue did a tour of the port this winter. Moody said Eagar does not have any meetings scheduled with the governor.

"I don't know if the project is dead forever. It seems like the timing and the way it was handled left a lot of question marks," Iler said.

In January 2006 the North Carolina State Ports Authority purchased about 600 acres of property on the Cape Fear River in Brunswick County for \$30 million to build a deep water terminal. "By building a container terminal on this site, North Carolina can join Georgia,

South Carolina, Virginia and New York/New Jersey as the major container entry and processing points on the East Coast,” wrote Tom Eagar, North Carolina State Ports Authority CEO in its January 2006 newsletter.

But since then the ports authority has garnered little public support for the project. Iler said that the authority presented the project in Boiling Spring Lakes about four years ago. But a year later meetings with the ports authority stopped. “The communication died at that point and [the local communities] didn’t get involved,” Iler said. That was when the opposition began, he said.

Opponents including local activist group, No Port Southport, have gained significant traction lately. Most recently, U.S. Congressman Mike McIntyre has spoken out against the proposed deep water terminal. “What led me to the conclusion was one, clearly the local communities were not in support,” McIntyre said in a phone interview. The communities opposing the port include Southport, Bald Head Island, Caswell Beach, Boiling Spring Lakes and Saint James.

“Second, state funding was clearly not available,” he said.

But funding from the federal government is a stretch as well. “The next step in the process was a \$10 million feasibility study that would have been a serious challenge of ever being met given the state of the federal budget deficit,” McIntyre said.

Even if the studies were funded, how the ports authority is going to pay for the proposed \$2 billion to \$3 billion project was another concern McIntyre raised.

North Carolina State Ports Authority CEO, Tom Eager said in a November 2009 interview that the state organization is not actively looking for financing the NCIT yet, but it has received calls from interested capital investors. “They are seeing this project as a significant viability,” he said. “This project probably has less risk compared to other projects.”

Prior to joining the Brunswick County Economic Development Commission, director Jim Bradshaw worked in Virginia while the third-largest container terminal in the U.S. was being developed. The APM Terminals Virginia met similar opposition and concerns that the NCIT faces, he said. But the project developers used a different tactic. “The APM terminal sat down with the adjacent subdivisions and heard their concerns and addressed them,” he said. The result was the Virginia General Assembly and the governor supported the terminal. “The state and congressmen funded the road and rail to the port,” he said. That terminal, which was also built on about 600 acres of land, received recognition from the Environmental Protection Agency, he said.

Bradshaw has one slide on the North Carolina International Terminal in his entire presentation to potential investors for the region.

When he is asked further about the project he refers them to the ports authority, which has told him that they want to handle all of the public relations efforts and marketing of the NCIT, he

said.

But the ports authority does not have a marketing budget for the proposed NCIT, according to Shannon Moody, spokeswoman for the ports authority in an email.

Communication with the ports authority has been challenging for some. Business Journal requests to speak to the ports authority CEO have not yet been granted.

Republican Congressional candidate Ilario Pantano voiced concerns about the lack of communication from the N.C. State Ports Authority. Pantano, who is running for McIntyre's congressional seat in November, said he was surprised that his communication requests to the state ports authority were not returned. He said there is an overall lack of information, especially as budget estimates of the project continue to rise.

Job growth

In the small, coastal town of Southport, industry and tourism are the two main economies, said Ken Campbell, chairman of the Southport-Oak Island Chamber of Commerce's port study committee.

"Tourism to me seems to provide a little lower paying job opportunities. The port idea, if it could be feasible, could provide some better opportunities," Campbell said.

In 2007, his group issued a resolution in support of the proposed international terminal if it could meet certain environmental and transportation infrastructure concerns. However, he does not remember who received the resolution or if anything was ever done with it.

The local International Long-shoremen's Association sees the job opportunities the NCIT could bring.

"Because of the economy, shipping is down. Cargo is not moving like it was," said Henry Rose, president of the local ILA. He said that the number of hours of work available for them is down by 25 percent. His organization has about 330 members and about 60 percent of them have employment, he said.

McIntyre's concerns

McIntyre's other concerns beyond the cost of the project are its potential environmental impact and threat to national security. He also said he is not convinced the county can support the infrastructure improvements that would need to happen to support the new port.

The N.C. State Ports Authority sent a press release acknowledging McIntyre's and the General Assembly's concerns. "The Authority shares many of their concerns and questions surrounding the proposed terminal project. The only way to move forward and address these issues is through the U.S. Army Corps of Engineer's Feasibility Study process," the release read.

Brunswick County Economic Development Commission director Jim Bradshaw agrees. “My concern is if the feasibility study had been funded those issues would have been addressed. The public would have known,” he said. “Now we’ll never know.”

Meanwhile, the ports authority has said it will conduct an internal re-evaluation of the project, but the details have yet to be determined, a ports authority spokeswoman said.