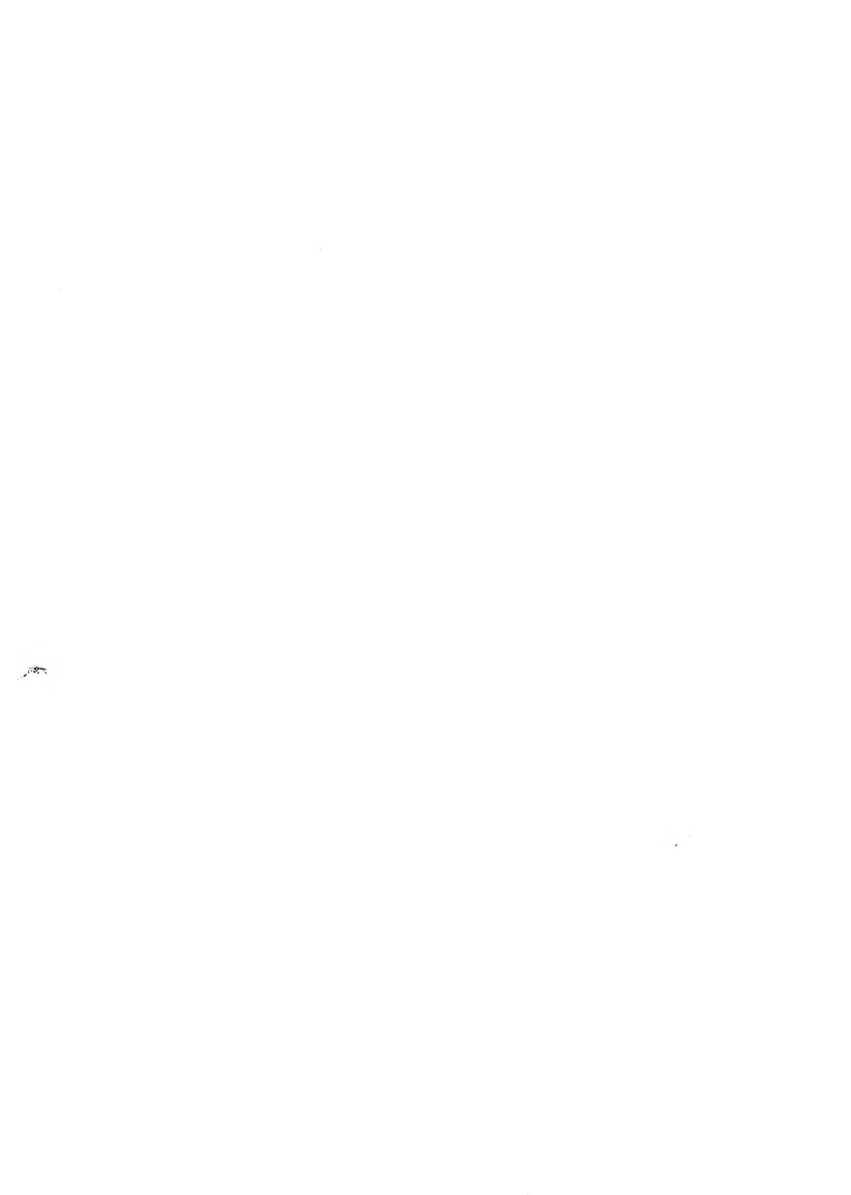


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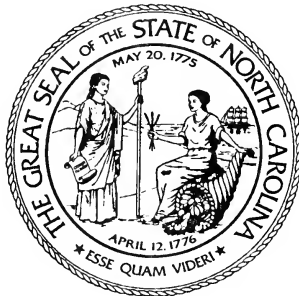
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**LEGISLATIVE
RESEARCH COMMISSION**

**STATE PORTS AUTHORITY AND
INTERNATIONAL TRADE**



**REPORT TO THE
1989 GENERAL ASSEMBLY
OF NORTH CAROLINA
1989 SESSION**

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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



December 14, 1988

TO THE MEMBERS OF THE 1989 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on the State Ports Authority and international trade. The report was prepared by the Legislative Research Commission's Committee on State Ports Authority and International Trade pursuant to Subchapter A, Section 1.1(2) of Chapter 1100 of the 1987 Session Laws.

Respectfully submitted,


Liston B. Ramsey


J. J. (Monk) Harrington

Cochairmen
Legislative Research Commission

1987-1988

LEGISLATIVE RESEARCH COMMISSION MEMBERSHIP

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Representatives
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Rep. Bruce Ethridge

Rep. Aaron Fussell

Rep. Vernon James

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Senator A. D. Guy

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Senator James Richardson

Senator Lura Tally

PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1987 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Co-chairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Co-chairs from each house of the General Assembly were designated for each committee.

The study of the North Carolina State Ports Authority and international trade was authorized by Subchapter A, Section 1.1(2) of Chapter 1100 of the 1987 Session Laws (1988 Session). That act states that the Commission may consider House Bill 2640, which originally proposed the study, "in determining the nature, scope and aspects of the study."

House Bill 2640 proposed the creation of the North Carolina State Ports Authority Study Commission. The bill cited 1987 statistics showing that the North Carolina State Ports Authority handled 47.2% of the export shipments within its sphere of influence, but only 31.2% of the import shipments within that same sphere of influence. It

directed the study commission to "identify the types and volume of trade and business handled by the State's ports (inland ports and harbors), the users of the port facilities, and ... [to] consider possible reasons for the difference in the volume of export and import business handled by the North Carolina State Ports Authority."

House Bill 2640 also proposed the creation of the International Trade Study Commission. The bill directed the Commission to "conduct a study to determine what steps need to be taken by the Legislative and Executive branches of the State Government to enhance the benefits to the State of international trade."

The relevant portions of Chapter 1100 and House Bill 2640 are included in Appendix A. The Legislative Research Commission grouped this study in its Revenue Laws area under the direction of Representative Josephus L. Mavretic. The Committee was chaired by Representative Alexander M. Hall, Senator Franklin L. Block, and Senator William H. Barker. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

COMMITTEE PROCEEDINGS

The State Ports Authority and International Trade Study Committee was authorized by the 1987 General Assembly during the 1988 Regular Session. Because of its limited budget and the brief time allotted for the study, the Committee was only able to schedule two substantive meetings; a third meeting was used to approve the Committee's report. However, the members worked diligently to gain an understanding of the problems facing the State Ports Authority, and to formulate recommendations for solving those problems. Speakers representing the Ports Authority and private groups addressed the Committee on the ways in which the General Assembly might assist the Authority in becoming more competitive with the ports of South Carolina, Georgia, and Virginia. The Committee also provided a forum for members of the public to express their concerns about the problems facing the Ports Authority.

A discussion of each committee meeting follows.

The Committee's first meeting was held on Friday, October 14, 1988, in Wilmington, and was directed at gaining an understanding of the operation of the Ports Authority and the reasons it has had difficulty competing with surrounding states in attracting new business. Representatives from the Ports Authority and private business discussed the Authority's principal activities and the obstacles which certain organizational and procedural requirements have created to the realization of its present goals.

In his opening remarks, Representative Alexander M. Hall outlined the issues he hoped the Committee would explore in the course of its study:

1) the question of which governmental entities should properly exercise control over the Authority, and to what extent;

2) the need for more flexibility in the procedural requirements which the Authority is subject to;

3) the proper funding policy with respect to the Authority, including the questions of whether or not the Authority should be self-sustaining, whether further appropriations are necessary, and whether the Authority's primary function is to make money or to increase trade in the State;

4) the pros and cons of the Authority remaining a member of the South Atlantic Marine Terminal Rate Conference;

5) ways in which the General Assembly can stimulate international trade in the State.

Mr. Noel Painchaud, the present Executive Director of the North Carolina State Ports Authority then gave a slide presentation which provided the members with a better understanding of the goals and activities of the Authority. Mr. Painchaud described the Authority as a "\$25 million business employing over 400 people, with an annual payroll of \$10 million, serving hundreds and hundreds of industries and businesses in North Carolina by moving over 8 million tons of cargo from its ports on an annual basis." He immediately addressed the fact that much had been appearing in the media across the state about the \$116,000 "loss" which the Authority had recently experienced. Mr. Painchaud explained, however, that the Authority's ratio of assets to liabilities was 6:1, and that the "loss" was largely due to state auditing procedures with regard to the depreciation of assets.

Mr. Painchaud next noted that, though North Carolina is 11th in the nation in manufacturing, it is first in the Southeast in exporting. Some of the principal products which pass through the North Carolina ports are tobacco, DMT (a synthetic material

manufactured by Cape Industries in Wilmington), machinery, scrap, wood pulp, and paper products. In 1952, there were only 16 vessel calls at the Wilmington port; in 1987, there were 700. The Morehead City port presently receives 200-300 vessel calls per year.

The Executive Director next discussed the intermodal ports at Charlotte and Greensboro. These are inland terminals which operate in concert with the CSX railroad to provide shipping lines with service to the Wilmington port. The intermodal ports would become the topic of greater discussion at the second meeting.

Mr. Painchaud also discussed the five-year Master Plan which the staff of the Authority had developed for presentation to the General Assembly in 1986, which set the guidelines and framework for 84 capital projects. In response to this Plan, the 1985-86 General Assembly appropriated \$36.6 million to the North Carolina State Ports Authority, the largest appropriation in the history of the Authority.

The Executive Director next turned to an explanation of the three major types of cargo which move through port facilities, and the financial impact upon a port which deals in too little or too great a percentage of certain types of cargo. Bulk cargo has a value to the ports of \$1.60 per ton; breakbulk and container cargoes are valued at \$8.60 per ton. Therefore, the total tonnage moving through a port has little meaning. What is important is the percentage of the more lucrative cargoes of the breakbulk and container varieties. Eighty percent of the products imported and exported in this country move by container. While the North Carolina ports move over 561,000 tons of container cargo each year, we are well behind Charleston, S.C., for instance, which handles 4.9 million tons of container cargo per year. Mr. Painchaud stressed the need to increase the amount of breakbulk cargo at the Morehead port, which does not have a container crane and has become primarily a bulk cargo port.

Mr. Painchaud then discussed his view of the ports' economic impact upon the State of North Carolina. First of all, they provide what he considers "cheap" distribution and transportation rates to their customers, allowing them to be more competitive in their respective industries. They also furnish wages (by providing over 50,000 jobs), increase tax revenues to the State, and increase the sales and services available to the State.

In concluding, Mr. Painchaud emphasized the three primary goals of the Authority at the present time, and indicated that they are all areas in which the Authority would welcome any assistance which the General Assembly could provide. Those goals are:

1) to locate additional liner services to the trade routes where the Authority already has liner services;

2) to attract liner services to trade routes where the Authority presently does not have liner services;

3) to continue injecting capital funds into improvements to the ports (as opposed to expansion, which is not a current goal).

Mr. Painchaud stressed that one problem which the Authority most definitely does not have is overutilization; there is no lack of room and no waiting for berths or cargo.

The next speaker was Mr. Bill Edwards, former Executive Director of the State Ports Authority, who had resigned several months prior to the meeting to go into private business with Carolina Atlantic Transport. As Representative Hall explained in introducing him, Mr. Edwards was in the unique position of being able to reflect on his experience with the Ports Authority and give objective opinions without being concerned about the possible consequences the voicing of those opinions might have upon his employment.

Mr. Edwards began his presentation by noting that one immediately apparent reason that the North Carolina ports are at a competitive disadvantage with the

surrounding ports is that the ports of South Carolina and Virginia have been building and expanding their facilities at four times the rate of the North Carolina ports. However, he endeavored to address some of the less obvious reasons why our ports "too often lose to South Carolina, Georgia, and Virginia."

The first reason he gave was the statutory requirement that the Ports Authority follow the purchasing and contracting procedures set forth in Chapter 143 of the General Statutes whenever it wishes to purchase supplies, material, or equipment and that it follow the provisions set forth in the same Chapter relating to public building contracts whenever it undertakes a construction project. Because the Ports Authority acts as a business, and competes with the surrounding ports authorities, it needs greater flexibility in its operations than most state agencies do. Therefore, he recommended that the General Assembly take action to exempt the Ports Authority from the requirements of Chapter 143 with regard to purchasing and contracting. Currently, other ports can respond to customers' requests much more quickly, because they are not burdened with these types of requirements.

Representative H.M. Michaux expressed concern that, if the Authority were exempted from these procedural requirements, some measures would have to be taken to ensure accountability; the Authority should not be made totally autonomous. Mr. Edwards noted that G.S. 143B-464 makes the Authority subject to the oversight of the State Auditor; he further suggested that, if it were necessary, the General Assembly might consider "loaning" funds to the Authority rather than appropriating them. Senator Franklin Block also suggested that the Committee draw a distinction between "operational autonomy" and "accountability autonomy."

Mr. Edwards was also of the opinion that the Ports Authority should be "removed" from the Department of Commerce. He explained that there is currently a sort of dual line of authority to which the Ports Authority must answer. Pursuant to

G.S. 143B-454(5), the Secretary of Commerce is empowered to appoint the Executive Director of the Authority; however, that same statute gives the General Assembly the power to fix his salary. The Secretary of Commerce also has the power to "appoint, employ, dismiss and . . . fix the compensation" of other employees. As a result of this arrangement, the Executive Director answers to the Board of the Authority with respect to all business matters except for the important area of employment, in which he answers to the Commerce Department. Mr. Edwards, in his fourteen years of experience with the Ports Authority, had found this to be a troublesome arrangement and recommended that it be rectified by having the Ports Authority answerable only to its own Board of Directors.

A Committee discussion followed Mr. Edwards presentation, in the course of which the Committee requested that the Ports Authority provide it with three items for the record of this Committee: 1) a listing of the total revenues of the Authority for the past five years; 2) a breakdown of the Authority's preliminary request for \$47,942,000 in appropriations; 3) a list of the women and minorities in administrative positions with the Authority. Those materials can be found in Appendices F, G, and H, respectively.

The final portion of the meeting served as a forum for members of the public to express their concerns to the Committee. Representatives of Wilmington Shipping and Cape Industries voiced their agreement with Mr. Edwards' suggestions, and also stressed the need to encourage North Carolina companies to take pride in and make greater use of the North Carolina ports.

The second meeting was held on November 2, 1988, at the Maritime Building at the Morehead City port. Mr. Donald McMahan, the director of the Morehead City port, and Mr. Bud Dixon, Mayor of Morehead City, welcomed the Committee.

Mr. Paul Jenkins, Chairman of the Morehead City Ports Committee, spoke to the Committee. The Ports Committee consists of industries and individuals concerned with ensuring the continual operation of the Morehead City port. Mr. Jenkins emphasized the need to get the highway improvements currently underway completed, so that the ports could be better served by the highway system. He also discussed the fact that only one railroad, Norfolk Southern, serves the Morehead City port, and that the port therefore has no flexibility in either service or rates. He noted that the lease with the railroad expires in 1994.

Mr. Jenkins stated that the "loss" which the Ports Authority had recently experienced was not of great concern to his group. It feels that the overall benefits that the ports provide to the State more than offset any such loss. However, he noted that an increase in business to the ports would "get this loss figure out of the way."

Mr. Jenkins also announced that the Ports Authority had just entered a contract for a comprehensive ports facilities development study for the Morehead City port with Temple, Barker and Sloan, Inc. of Lexington, Mass., and the LPA Group of Raleigh, N.C. The purpose of the study is "to identify potential cargo where Morehead City is in a competitive position and to develop schematics and facilities and equipment needed to serve this market." Mr. Jenkins expressed his hope that the study would assist his group in serving and encouraging North Carolina shippers and receivers to use their port. He offered his help and support to the Study Committee.

In response to questions, Mr. Jenkins expressed his belief that greater steps need to be taken to educate the manufacturers and shippers and receivers of North Carolina to use their ports. He also felt that it takes the Ports Authority far too long to go through the necessary steps to get funding authorized for construction projects and major purchases, and that any necessary measures which could be taken to reduce the time it takes for the approval of such projects would be of great benefit to the ports. He

noted that it took quite a while to get funding authorized for the comprehensive study he had just announced. He agreed in concept with the suggestions made by Mr. Edwards at the first meeting, and stated his belief that the membership of the Board of the Ports Authority should no longer be restricted to individuals outside the Wilmington and Morehead areas.

A lengthy Committee discussion followed. The first issue raised was the economic impact of the ports on North Carolina. Mr. Noel Painchaud was called upon to address the question, and noted that in 1983 the Research Triangle Institute had done a study of the impact of the State's investment in the ports upon the citizens of North Carolina. However, that study is now outdated, and the Ports Authority is close to entering an agreement with UNC-Wilmington for the production of a current economic impact analysis of both of the state ports. Mr. Painchaud announced his confidence that such a study would show that state ports activities generates "no less than" \$250 million in economic impact; he expressed his belief that the actual figure would be closer to \$500 million. Roy Stevens of the Morehead City Ports Committee stated that his group made calculations by extrapolating from the 1983 study, and calculated that in 1987-88, the Morehead City port alone had generated \$228 million in economic benefits to North Carolina. The Study Committee requested that such fiscal documentation be made part of the record of this Study. It is found in Appendix I.

A discussion ensued of the length of time that had been required to get authorization for the comprehensive development study of the Morehead City port just announced. The consensus was that a year and a half had passed between the time the need for a study was recognized and the entering of the contract for the performance of the study. Mr. Dennis Myers, Assistant Attorney General, was present, and stated his opinion that, although a year and a half was longer than the typical time required to approve a consultant contract, six months would not be an unusual timetable under the

purchasing and contracting procedures which the Authority is currently subject to. The Committee requested a copy of the chronology of the steps that had been involved in getting that study approved. That chronology is contained in Appendix J.

Senator Block next requested the details regarding a disabled gantry crane at the Wilmington port which has been idle for a year and a half. Mr. Maurice Cannady, an engineer with the Ports Authority, briefly described the procedures which the Authority had gone through to get the crane repaired. He provided the Committee with a copy of that chronology, and it is found in Appendix K. When asked how long it would have taken to accomplish the same thing without having to follow state purchasing and contracting requirements, Mr. Cannady was of the opinion that the job could have been accomplished in about half the time.

The Committee next asked Mr. Myers for his opinions on restructuring the law to do away with the current purchasing and contracting requirements and still provide for accountability. Mr. Myers responded that he thought it was possible to reach some "middle ground" between the maximum control which the state now exercises over the Authority and complete freedom from restrictions; he suggested the development of some type of in-house rules. The Committee adopted a motion for staff to confer with the Attorney General's office and the State Auditor's office in the adoption of a proposal that would eliminate the purchasing and contracting requirement that the ports now have to go through and develop some method of accountability for their actions when having to take steps for hiring consultants, purchasing equipment, and entering construction contracts.

Senator William Barker next made a motion that the number one recommendation of this Committee be that this Study be continued for another two years; the motion was adopted. The Committee recognized that the problems presented to it are too large to investigate and make specific recommendations for the next session of the General

Assembly, and that the comprehensive study of the Morehead port will not be available until May or June, 1989.

The next discussion concerned the language in G.S. 143B-452 in which the "General Assembly suggests and recommends that no person be appointed to the Authority who is domiciled in the district of the North Carolina House of Representatives or the North Carolina Senate in which a State port is located." The Committee recognized that the reason for this provision was to prevent competition between the ports, but that circumstances had changed to the point that such a provision was no longer needed, and that indeed it might be wise to require such representation at this time. A motion was made to eliminate the provision, but it was withdrawn pending input from the Ports Authority at a later meeting.

After a break, the Committee returned to discuss the problem of the dual lines of authority which result from the power given by the General Statutes to the Secretary of Commerce to appoint the Executive Director of the Ports Authority and "to appoint, employ, dismiss and . . . fix the compensation" of other employees of the Authority. The Committee entertained and carried a motion to include a proposed bill in the Committee's report which would eliminate that power, subject to an official response from the Commerce Department regarding such a proposal. The Committee also requested that the Secretary of Commerce comment officially on the possibility of transferring the Ports Authority from the Commerce Department and making it a semi-autonomous body. The proposed bill, along with the response of the Secretary of Commerce, is found in Appendix E. Staff was later instructed to provide a diagram of these dual lines of Authority for illustrative purposes; that diagram appears in Appendix D.

Mr. David Stover, Assistant Secretary of Commerce, was present at the meeting, and commented that the current policy of the Commerce Department was to hire

professionals and to let them run the ports with little or no interference from the Commerce Department. Mr. Fred Aikens, from the Fiscal Research Division of Legislative Services, commented that he saw the present attitude of the General Assembly as one of tightening up on controls over agencies which receive large sums of money from the state; he suggested that the present proposal might be seen as moving in an opposite direction from that.

Senator William Barker next requested that the Committee be presented with documentation of the rates charged by the ports, in order to get an idea of what our ports look like from a shipper's standpoint. The Ports Authority agreed to provide such a "rate sheet." Representative Bruce Ethridge commented that the rate question is tied to the larger issue of whether the North Carolina ports should remain members of the South Atlantic Marine Terminal Rate Conference. The Charleston port has dropped out of that pact, and this Committee will need to investigate the pros and cons of doing the same.

Representative Bruce Ethridge next expressed his desire to investigate the possibility of acquiring rail service by Norfolk Southern from the intermodal port at Greensboro to the Wilmington and Morehead City ports. Since the Greensboro facility is not adjacent to the railroad in Greensboro, there is an additional cost to transport cargo from the intermodal port to the railroad facility. The Committee plans to explore this issue further, and requested that the Ports Authority provide information on any feasibility studies which may have been conducted prior to the establishment of the intermodal facilities.

The Committee then requested that the Ports Authority respond at a later meeting with a report on the present state of the intermodal ports at both Charlotte and Greensboro and the amount of business they are bringing to the ports. Staff was instructed to confer with the Attorney General's office on the question of whether there

are any legal impediments to the purchase of land in other states for the establishment of intermodal ports in those states, and the Ports Authority was requested to comment at a later meeting upon the feasibility of such a proposal.

Finally, the Committee adopted a motion to recommend to the State that, before it renegotiates its lease with the railroads in the next decade, it should consult with the State Ports Authority as to its needs.

The third meeting was held on November 22, 1988 in Raleigh. At that meeting the Committee reviewed this report and, after discussion and several amendments, approved it for submission to the Legislative Research Commission. The Committee adopted for inclusion in the report a proposal to exempt the Ports Authority from purchasing and contracting requirements of Chapter 143, which staff had prepared after consulting with Mr. Dennis Myers, Assistant Attorney General, and Mr. Tim Underhill, Audit Manager in the Department of the State Auditor. The proposed bill is found in Appendix C.

After examining the response by the Secretary of Commerce to the Committee's recommendation that the Board of the Ports Authority appoint its own director and that the director make employment decisions for the Authority, the Committee authorized the cochairmen to meet with the Secretary and make any changes in the proposed bill which might lessen the Secretary's opposition to the recommendation. Finally, the Committee agreed that the two proposed bills, as well as the joint resolution recommending the extension of this Study, would be introduced by the cochairmen in their respective houses.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION ONE: That the General Assembly adopt the bill found in Appendix C, which exempts the State Ports Authority from the purchasing and contracting requirements of Chapter 143 of the General Statutes, and authorizes the Ports Authority to develop its own rules and procedures for accomplishing the purchase of supplies, material, and equipment, and the negotiation of building and other contracts. The proposed legislation ensures that the Ports Authority will remain accountable to the State and continue to honor the State policy behind the requirements of Chapter 143. That bill is contained in Appendix C.

The Committee finds that the State Ports Authority is greatly hampered by the requirement that it follow the purchasing procedures set forth in Chapter 143 of the General Statutes whenever it wishes to purchase supplies, material, or equipment, and the requirement that it follow the provisions set forth in the same Chapter whenever it undertakes a construction project. The Committee finds that the Ports Authority needs greater flexibility in its operations than most state agencies, because it is in essence a business which is in competition with the ports authorities of other states. Finally, the Committee notes that those ports authorities with which North Carolina is in direct competition with are not burdened by these types of requirements.

RECOMMENDATION TWO: That the General Assembly adopt the bill found in Appendix E, which gives the Board of the State Ports Authority the power to appoint the Executive Director of the Ports Authority and gives the Executive Director the power to appoint, employ, dismiss and fix the compensation of other Ports Authority employees. Those powers currently rest with the Secretary of Commerce.

The Committee finds that the State Ports Authority is subject to dual lines of Authority. The Secretary of Commerce is empowered by G.S. 143B-454(5) to "appoint, employ, dismiss and . . . fix the compensation" of other employees. Therefore, the Executive Director answers to the Board of the Authority with respect to all business matters except for the important area of employment, in which he must answer to the Commerce Department. A diagram illustrating the administrative structure of the Ports Authority is contained in Appendix D.

RECOMMENDATION THREE: That the State, when it renegotiates its lease with Norfolk Southern Railroad in the next decade, should consult with the State Ports Authority to determine what terms might be included in that new lease to address the needs of the state ports. The Committee feels that it is imperative that the Ports Authority obtain land adjacent to the intermodal facility at Greensboro in order to take advantage of rail service to the Morehead City port.

The Committee finds that there is no rail service from the intermodal port facility in Greensboro to either the Morehead port or the Wilmington port. Though Norfolk Southern has a line running through Greensboro, the port facility was not established adjacent to it, and there is an additional cost to transfer cargo from the intermodal port to the railroad facility.

RECOMMENDATION FOUR: That the General Assembly extend this Study Committee on the State Ports Authority and International Trade for another two years, in order to allow this Committee to fully examine all of the issues presented and to make thoughtful, well-reasoned recommendations for improving the operations of the State Ports Authority and for enhancing the benefits of international trade to this State.

The Committee finds that the problems faced by the State Ports Authority, and the exploration of the potential solutions to those problems, presents too complex a study for the Committee to complete in the time allowed by the present legislation. Further, because the Committee felt the issues regarding the Ports Authority were of a very pressing nature, it devoted its limited time to that portion of its charge, and was not able to explore the topic of international trade in its meetings. A more detailed list of reasons for extending this Study is contained in Appendix L.

APPENDIX A

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION
RATIFIED BILL

CHAPTER 1100
SENATE BILL 257

AN ACT TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS AND TO MAKE CHANGES IN THE BUDGET OPERATIONS OF THE STATE.

The General Assembly of North Carolina enacts:

SUBCHAPTER A
STUDY COMMISSIONS AND COMMITTEES

PART I-----LEGISLATIVE RESEARCH COMMISSION STUDIES

Sec. 1.1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the bill or resolution from the 1987 General Assembly that originally proposed the issue or study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (1) Open Beer Containers in Motor Vehicles (H.B. 734 -Privette)
- (2) State Ports Authority (H.B. 2640 - Hall)
- (3) International Trade (H.B. 2640 - Hall)
- (4) Equity in the Delivery of Educational Services (S.B. 1692 - Martin, W.)
- (5) Emergency Evacuations Forced by Hurricanes (S.B. 1851 - Basnight).

Sec. 1.2. Growth Management System. The Legislative Research Commission may study the feasibility of establishing a Growth Trends Development Issues Legislative Commission and may seek the assistance of the North Carolina League of Municipalities and the North Carolina Association of County Commissioners in its study. The study may include consideration of the following issues:

- (1) The need for a growth management system in North Carolina;
- (2) The need for an official set of planning data across the State;
- (3) The funding options for long-term support of growth;
- (4) A review of State and local programs affecting growth;
- (5) A review and analysis of environmental protection legislation;
- (6) The need for encouraging regional strategies for growth;
- (7) The alternatives for developing action plans, including appropriate incentives and funding mechanisms;
- (8) The need for close coordination with city and county governments;
- (9) The need for involvement of local citizens in the planning process; and

- (10) A review of statewide growth management strategies developed in other states and an analysis of whether any of those systems would work in North Carolina.

Sec. 1.3. Migrant Housing. The Legislative Research Commission may study the issue of consolidation of migrant housing regulations, including the elimination of overlapping, duplicative and conflicting regulations.

Sec. 1.4. Guardian Ad Litem Program Costs. The Legislative Research Commission may study the long-term costs of Guardian Ad Litem Program authorized by Chapter 1090 of the 1987 Session Laws (Regular Session, 1988).

Sec. 1.5. The Legislative Research Commission may report its findings and recommendations to the 1989 General Assembly.

Sec. 1.6. From the funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Legislative Research Commission.

---EFFECTIVE DATE

Sec. 49. Except as otherwise provided, this act shall become effective July 1, 1988.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1987

H

I

HOUSE BILL 2640

Short Title: N.C. Ports/Corps./Trade Studies.

(Public)

Sponsors: Representatives Hall, Payne, Redwine, Tyndall, Bruce Ethridge;
Bowman.

Referred to: Appropriations.

June 21, 1988

A BILL TO BE ENTITLED

1
2 AN ACT TO CREATE THE NORTH CAROLINA STATE PORTS
3 AUTHORITY STUDY COMMISSION, TO RECREATE THE
4 CORPORATE LAW STUDY COMMISSION, AND TO CREATE THE
5 INTERNATIONAL TRADE COMMISSION.

6 Whereas, approximately sixty percent (60%) to seventy percent
7 (70%) of North Carolina generated export and import tonnage are handled by
8 ports that are not in North Carolina; and

9 Whereas, port activity is vital to the economy of North Carolina;
10 and

11 Whereas, a 1978 study (Carter, UNC-Wilmington) indicates that
12 one out of every four jobs in Region O, Council of Governments, and one out
13 of approximately 16 jobs statewide are related to trade activity; and

14 Whereas, for every ton of cargo that crosses the State port of
15 Wilmington approximately sixty-four dollars (\$64.00) of income is generated;
16 and

17 Whereas, a further study (Economic Impact of U.S. Customs Five
18 Year Plan, NCWTA, 1985) reveals that restrictive trade action affecting some

1 twenty-four percent (24%) of North Carolina trade activity would result in the
2 loss of approximately 70,000 jobs; six hundred thirty-three million dollars
3 (\$633,000,000) in wages and benefits; and eighty million four hundred
4 thousand dollars (\$80,400,000) in tax revenues; and

5 Whereas, 1987 statistics show that the North Carolina State Ports
6 Authority handles forty-seven and two-tenths percent (47.2%) of the export
7 shipments within its sphere of influence, but only thirty-one and two-tenths
8 percent (31.2%) of the import shipments within its sphere of influence; and

9 Whereas, the discrepancy in those figures is significant, indicating
10 that a large percentage of import business that could flow through North
11 Carolina ports is not, but is flowing through the ports of other states; and

12 Whereas, the impact on North Carolina's economy of trade activity
13 flowing through the State's ports requires careful study and consideration of
14 ways to better utilize these resources; Now, therefore,

15 The General Assembly of North Carolina enacts:

16 Section 1. The North Carolina State Ports Authority Study
17 Commission is created. The Commission shall consist of 12 members: four
18 Senators appointed by the President of the Senate; four Representatives
19 appointed by the Speaker of the House; and four representatives of the ports
20 and shipping industry, two appointed by the President of the Senate and two
21 appointed by the Speaker of the House. All initial appointments shall be made
22 by August 1, 1988. Vacancies on the Commission shall be filled in the same
23 manner as initial appointments.

24 Sec. 2. The President shall designate one Senator as cochairman
25 and the Speaker shall designate one Representative as cochairman. The
26 cochairmen shall call the initial meeting of the Commission.

27 Sec. 3. The Commission shall study the business and trade
28 currently passing through the North Carolina State Ports Authority and shall
29 identify the types and volume of trade and business handled by the State's
30 ports (inland ports and harbors), the users of the port facilities, and shall
31 consider possible reasons for the difference in the volume of export and import
32 business handled by the North Carolina State Ports Authority.

33 The Commission shall also study ways and methods to encourage
34 more international trade to flow through North Carolina's ports and any other
35 items relevant to this study.

1 Sec. 4. The Commission shall submit a final report of its findings
2 and recommendations to the General Assembly on or before the first day of the
3 1989 Session of the General Assembly by filing the report with the President
4 of the Senate and the Speaker of the House of Representatives. Upon filing its
5 final report, the Commission shall terminate.

6 Sec. 5. Upon the approval of the Legislative Services Commission,
7 the Legislative Services Officer shall assign professional staff to assist in the
8 work of the Commission. Clerical staff shall be furnished to the Commission
9 through the offices of House and Senate Supervisors of Clerks. The expenses
10 of employment of the clerical staff shall be borne by the Commission. The
11 Commission may meet in the Legislative Building or the Legislative Office
12 Building.

13 Sec. 6. Members of the Commission shall be paid subsistence and
14 travel allowances as follows:

15 (1) Committee members who are also General Assembly members
16 at the rate established in G.S. 120-3.1;

17 (2) Committee members who are also officials or employees of
18 the State at the rate established in G.S. 138-6;

19 (3) All other Committee members at the rate established in G.S.
20 138-5.

21 Sec. 7. There is appropriated from the General Fund to the
22 Legislative Services Commission the sum of twenty-five thousand dollars
23 (\$25,000) for the 1988-89 fiscal year to fund the Commission.

24 Sec. 8. The Commission to Revise the Business Corporation Act,
25 created by Part XIII A of Chapter 873 of the 1987 Session Laws, is hereby
26 recreated and reenacted with the same membership as originally appointed.

27 Sec. 9. Section 13A.6 of Chapter 873 of the 1987 Session Laws
28 reads as rewritten:

29 "Sec. 13A.6. The Commission shall review the Business Corporation Act
30 and recommend such rewrite or recodification as is necessary to modernize that
31 act, and shall report its findings to the General Assembly on or before June 1,
32 1988, and report to the 1989 General Assembly upon its convening. The
33 Commission shall terminate upon the filing of the report adjournment sine die
34 of the 1989 General Assembly."

1 Sec. 10. Section 13A.7 of Chapter 873 of the 1987 Session Laws
2 reads as rewritten:

3 "Sec. 13A.7. There is appropriated from the General Fund to the
4 Legislative Services Commission for fiscal year 1988-89 the sum of fifteen
5 thousand dollars (\$15,000) for the use of the Commission to Revise the
6 Business Corporation Act, and these funds shall not revert until the termination
7 of the Commission as provided in Section 13A.6 of this act."

8 Sec 11. There is established the International Trade Study
9 Commission. The Commission shall be composed of 12 members, as follows:

- 10 (1) Four members of the House of Representatives appointed by
11 the Speaker of the House of Representatives;
12 (2) Four members of the Senate appointed by the President of the
13 Senate; and
14 (3) Four individuals appointed by the Governor.

15 Sec. 12. A cochairman of the Commission shall be named from
16 among its membership by the Speaker of the House of Representatives and a
17 cochairman of the Commission shall be named from among its membership by
18 the President of the Senate.

19 Sec. 13. Upon the approval of the Legislative Services
20 Commission, the Commission may meet in the Legislative Building and the
21 Legislative Office Building. The Legislative Services Commission shall provide
22 professional and clerical staff to the Commission.

23 Sec. 14. The initial meeting shall be called by the cochairman.

24 Sec. 15. Members of the Commission who are members of the
25 General Assembly shall receive subsistence and travel allowances as provided
26 by G.S. 120-3.1. Members who are State officers or employees shall receive
27 subsistence and travel allowances as provided by G.S. 138-6. All other
28 members shall receive per diem, subsistence, and travel allowances as provided
29 by G.S. 138-5.

30 Sec. 16. The Commission shall conduct a study to determine what
31 steps need to be taken by the Legislative and Executive Branches of the State
32 Government in order to enhance the benefits to the State of international trade.
33 The Commission shall report its findings and recommendations, including draft
34 legislation to implement any recommended legislative action, in a final report
35 to the 1990 Session of the 1989 General Assembly on or before the first day of

1 the 1990 Session. The Commission may also make an interim report to the
2 1989 Session of the 1989 General Assembly. The Commission shall terminate
3 upon the filing of its final report.

4 Sec. 17. There is appropriated from the General Fund to the
5 Legislative Services Commission for the 1988-89 fiscal year the sum of twenty-
6 five thousand dollars (\$25,000) for the International Trade Study Commission
7 to implement the provisions of this act.

8 Sec. 18. This act shall become effective July 1, 1988.

APPENDIX B

MEMBERSHIP OF LRC COMMITTEE ON THE STATE PORTS AUTHORITY AND
INTERNATIONAL TRADE

Pres. Pro Tem's Appointments

Sen. Franklin L. Block
Cochair, International Trade
520 Princess Street
Wilmington, NC 28401
(919) 763-3463

Sen. William H. Barker
Cochair, State Ports
Post Office Box 1339
New Bern, NC 28560
(919) 638-1901

Sen. Ted Kaplan
Post Office Box 729
Lewisville, NC 27023
(919) 766-7374

Sen. R. L. Martin
Post Office Box 387
Bethel, NC 27812
(919) 825-4361

Sen. J. K. Sherron, Jr.
4208 Six Forks Road, Suite 302
Raleigh, NC 27609
(919) 781-8721

Staff: Mr. Sean Dail
Legislative Services Office
(919) 733-6660

Clerk: Ms. Jackie Hamby
(919) 733-5855 (O)
(919) 876-0255 (H)

LRC Member: Rep. Josephus L. Mavretic

Speaker's Appointments

Rep. Alexander M. Hall, Cochair
2715 Columbia Drive
Wilmington, NC 28403
(919) 343-8433

Rep. Bruce Ethridge
115 Ann Street
Beaufort, NC 28516
(919) 728-5526

Mr. Sneed High
116 N. Cool Spring
Fayetteville, NC 28303

Rep. Albert S. Lineberry, Sr.
Post Office Box 630
Greensboro, NC 27402
(919) 272-5157

Rep. H. M. Michaux, Jr.
Post Office Box 2152
Durham, NC 27702
(919) 596-8181

APPENDIX C

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

D

89-LL-003

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Exempt Ports Authority.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT THE STATE PORTS AUTHORITY FROM THE PURCHASING
3 AND CONTRACTING AND PUBLIC BUILDING PROVISIONS OF CHAPTER 143.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 143B-465 reads as rewritten:
6 "§ 143B-465. Purchase of supplies, material and equipment and
7 building contracts.
8 ~~All of the provisions of Article 3 of Chapter 143 of the~~
9 ~~General Statutes relating to the purchase of supplies, material~~
10 ~~and equipment by the State government are hereby made applicable~~
11 ~~to the North Carolina State Ports Authority. All of the~~
12 ~~provisions of Chapter 143 of the General Statutes relating to~~
13 ~~public building contracts are hereby made applicable to the North~~
14 ~~Carolina State Ports Authority for those construction projects~~
15 ~~which may be funded, in whole or in part, by appropriations from~~
16 ~~the General Assembly.~~
17 (a) The Authority may purchase supplies, material, and
18 equipment, and negotiate building and other contracts, for the
19 purposes set forth in this Article, without meeting the

1 requirements of Chapter 143 of the General Statutes relating to
2 those activities, except as hereafter noted, whether or not those
3 activities are funded by appropriations from the General
4 Assembly.

5 (b) The Authority shall develop rules and procedures for the
6 purchase of supplies, material, and equipment, and the
7 negotiation of building and other contracts deemed necessary by
8 the Authority to accomplish the purposes of this Article. These
9 rules shall be submitted for approval and filing pursuant to the
10 Administrative Procedure Act, Chapter 150B.

11 (c) With respect to purchases and contracts, the Authority
12 shall comply with the State policy of encouraging and promoting
13 the use of small, minority, physically handicapped, and women
14 contractors in the effective and economical acquisition,
15 management, and disposition of goods and services, as set forth
16 in G.S. 143-48. The Authority may use any of the procedures set
17 forth in Chapter 143 of the General Statutes for its purchases
18 and contracts when it determines that it would be more economical
19 or otherwise advantageous to do so.

20 (d) With respect to public building contracts, the Authority
21 shall comply with the State policy of encouraging and promoting
22 the use of small, minority, physically handicapped, and women
23 contractors in the effective and economical construction of
24 public buildings, as set forth in G.S. 143-135.5. The Authority
25 may use the single prime contract system, and may prequalify
26 bidders, provided that all bidders identify on their bid the
27 electrical, plumbing, and mechanical contractors they have
28 selected. Each bidder shall include minority business
29 subcontractors in an amount not less than ten percent (10%) of
30 the prospective prime contractor's total bid, or shall explain
31 why that bidder was unable to secure qualified minority
32 contractors in such an amount. The Authority shall also consider
33 the public policy of this State regarding the procurement of
34 architectural and engineering services, as set forth in G.S.
35 143-64.31, in the case of any project where an estimated

1 professional fee is in the amount of thirty thousand dollars
2 (\$30,000) or more. The Authority may use any of the procedures
3 set out in Chapter 143 of the General Statutes with respect to
4 public building contracts when it determines that it would be
5 more economical or otherwise advantageous to do so.
6 (e) Every sixty (60) days, beginning September 1, 1989, the
7 Authority shall submit to the Secretary of the North Carolina
8 Department of Administration a report as to all purchases and
9 contracts (including building contracts, but excluding operating
10 agreements and leases with port customers) which shall have been
11 made or entered into by the Authority during the preceeding sixty
12 (60) days. If the Secretary of the Department of Administration
13 determines that the Authority has acted contrary to its rules or
14 to the State policies referred to in subsections (c) and (d)
15 above with respect to any of the matters reported to him, he
16 shall promptly notify the Governor and the State Auditor in
17 writing, identifying the particular transaction and the manner in
18 which the Authority has failed to act according to its rules or
19 those State policies. A copy of this notice shall also be
20 provided to the Authority, and it shall take corrective action
21 within thirty (30) days of receipt of that notice.

22 Sec. 2. This act shall become effective July 1, 1989.

EXPLANATION OF LEGISLATION

This bill exempts the State Ports Authority from the purchasing and contracting provisions of Chapter 143 of the General Statutes by deleting the old language of G.S. 143B-465, which expressly made applicable to the Ports Authority the provisions of that Chapter relating to the purchase of supplies, material, and equipment, and to public building contracts. The bill expressly allows the Ports Authority to engage in those activities without being subject to the provisions of Chapter 143, "except as hereafter noted." The Authority is responsible for developing its own rules and procedures for accomplishing those activities internally, and for submitting those rules for approval and filing them pursuant to the Administrative Procedure Act.

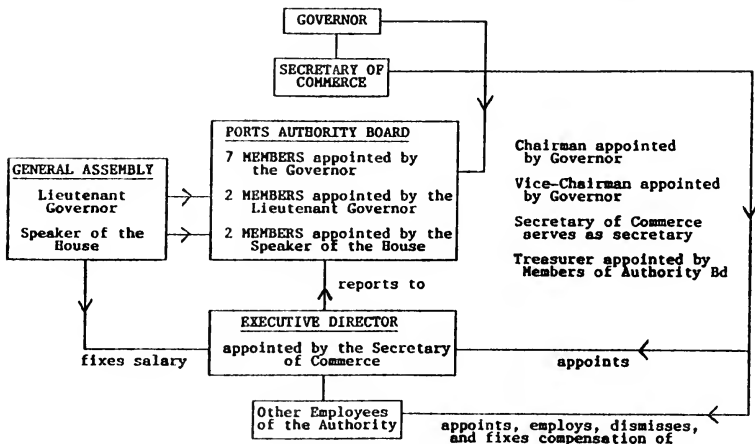
The bill expressly states that the Ports Authority, in developing its own purchasing and contracting procedures, must comply with the State policy behind Chapter 143, which is to encourage and promote the use of small, minority, physically handicapped, and women contractors in the effective and economical acquisition, management, and disposition of goods and services, and in the effective and economical construction of public buildings. With respect to construction, the bill allows the use of the single prime contract system, provided the bidders identify the subcontractors selected and include minority business subcontractors in an amount not less than ten percent of the total bid. The Authority must also consider the State policy regarding the procurement of architectural and engineering services in the case of any project where the estimated fee is \$30,000 or more.

The bill also provides a reporting requirement under which the Authority must submit a list of all purchases made and contracts entered in the last 60 days to the Secretary of the Department of Administration. If the Secretary finds that the Authority has acted contrary to its established rules or to the State policies which it remains

subject to, he shall notify the Governor and the State Auditor in writing. The Authority is directed to take prompt action to rectify any such contrary action.

APPENDIX D

ADMINISTRATIVE STRUCTURE OF NORTH CAROLINA STATE PORTS AUTHORITY



APPENDIX E

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1989

H

D

89-LL-002

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Ports Authority Appoint Director. (Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

2 AN ACT TO AUTHORIZE THE BOARD OF THE STATE PORTS AUTHORITY TO
3 APPOINT THE EXECUTIVE DIRECTOR OF THE AUTHORITY AND TO
4 AUTHORIZE THE EXECUTIVE DIRECTOR TO APPOINT, EMPLOY, DISMISS
5 AND FIX THE COMPENSATION OF OTHER PORTS AUTHORITY EMPLOYEES.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 143B-454 reads as rewritten:

8 "§ 143B-454. Powers of Authority.

9 In order to enable it to carry out the purposes of this Part,
10 the said Authority shall:

11 (1) Have the powers of a body corporate, including the power to
12 sue and be sued, to make contracts, and to adopt and use a common
13 seal and to alter the same as may be deemed expedient;

14 (2) Have the authority to make all necessary contracts and
15 arrangements with other port authorities of this and other states
16 for the interchange of business, and for such other purposes as
17 will facilitate and increase the business of the North Carolina
18 State Ports Authority;

1 (3) Be authorized and empowered to rent, lease, buy, own,
2 acquire, mortgage, otherwise encumber, and dispose of such
3 property, real or person, as said Authority may deem proper to
4 carry out the purposes and provisions of this Part, all or any of
5 them;

6 (4) Be authorized and empowered to acquire, construct,
7 maintain, equip and operate any wharves, docks, piers, quays,
8 elevators, compresses, refrigeration storage plants, warehouses
9 and other structures, and any and all facilities needful for the
10 convenient use of the same in the aid of commerce, including the
11 dredging of approaches thereto, and the construction of belt-line
12 roads and highways and bridges and causeways thereon, and other
13 bridges and causeways necessary or useful in connection
14 therewith, and shipyards, shipping facilities, and transportation
15 facilities incident thereto and useful or convenient for the use
16 thereof, excluding terminal railroads;

17 ~~(5) The Secretary of Commerce with the approval of the~~
18 Authority shall appoint an Executive Director, whose salary shall
19 be fixed by the General Assembly in the Current Operations
20 Appropriations Act, to serve at ~~his~~ its pleasure. The ~~Secretary~~
21 ~~of Commerce~~ Executive Director or his designee shall appoint,
22 employ, dismiss and, within the limits of available funding, fix
23 the compensation of such other employees as he deems necessary to
24 carry out the purposes of this Part. There shall be an executive
25 committee consisting of the chairman of the Authority and two
26 other members elected annually by the Authority. The executive
27 committee shall be vested with authority to do all acts which are
28 authorized by the bylaws of the Authority. Members of the
29 executive committee shall serve until their successors are
30 elected;

31 (6) Establish an office for the transaction of its business at
32 such place or places as, in the opinion of the Authority, shall
33 be advisable or necessary in carrying out the purposes of this
34 Part;

1 (7) Be authorized and empowered to create and operate such
2 agencies and departments as said board may deem necessary or
3 useful for the furtherance of any of the purposes of this Part;

4 (8) Be authorized and empowered to pay all necessary costs and
5 expenses involved in and incident to the formation and
6 organization of said Authority, and incident to the
7 administration and operation thereof, and to pay all other costs
8 and expenses reasonably necessary or expedient in carrying out
9 and accomplishing the purposes of this Part;

10 (9) Be authorized and empowered to apply for and accept loans
11 and grants of money from any federal agency or the State of North
12 Carolina or any political subdivision thereof or from any public
13 or private sources available for any and all of the purposes
14 authorized in this Article, and to expend the same in accordance
15 with the directions and requirements attached thereto, or imposed
16 thereon by any such federal agency, the State of North Carolina,
17 or any political subdivision thereof, or any public or private
18 lender or donor, and to give such evidences of indebtedness as
19 shall be required, provided, however, that no indebtedness of any
20 kind incurred or created by the Authority shall constitute an
21 indebtedness of the State of North Carolina, or any political
22 subdivision thereof, and no such indebtedness shall involve or be
23 secured by the faith, credit or taxing power of the State of
24 North Carolina, or any political subdivision thereof.

25 (10) Be authorized and empowered to act as agent for the United
26 States of America, or any agency, department, corporation, or
27 instrumentality thereof, in any matter coming within the purposes
28 or powers of the Authority;

29 (11) Have power to adopt, alter or repeal its own bylaws, rules
30 and regulations governing the manner in which its business may be
31 transacted and in which the power granted to it may be enjoyed,
32 and may provide for the appointment of such committees, and the
33 functions thereof, as the Authority may deem necessary or
34 expedient in facilitating its business;

1 (12) Be authorized and empowered to do any and all other acts
2 and things in this Part authorized or required to be done,
3 whether or not included in the general powers in this section
4 mentioned; and

5 (13) Be authorized and empowered to do any and all things
6 necessary to accomplish the purposes of this Part: Provided, that
7 said Authority shall not engage in shipbuilding.

8 The property of the Authority shall not be subject to any taxes
9 or assessments thereon.

10 Prior to taking any action under this subsection, the Authority
11 may consult with the Advisory Budget Commission."

12 Sec. 2. This act shall become effective July 1, 1989.

EXPLANATION OF LEGISLATION

This bill authorizes the Board of the State Ports Authority to appoint its own Executive Director. That power currently rests with the Secretary of Commerce. The bill also authorizes the Executive Director of the Ports Authority to appoint, employ, dismiss and fix the compensation of the other employees of the Ports Authority. That power is also currently vested in the Secretary of Commerce.



North Carolina Department of Commerce
430 North Salisbury Street • Raleigh, North Carolina 27611

James G. Martin, Governor

Claude E. Pope, Secretary

November 10, 1988

Representative Alexander Hall
Co-Chair
2715 Columbia Drive
Wilmington, North Carolina 28403

Dear Representative Hall:

On November 2, 1988 your committee met in Morehead City and recommended changing the statutes governing the State Ports Authority. You have asked me to comment on the proposal to change language in GS-143B-454 which gives the Secretary of Commerce the authority to appoint the Executive Director and other management personnel. The changes that you are proposing would vest that authority with the State Ports Authority Board.

Although the Secretary of Commerce has the hiring authority for top management, I have always involved the Chairman of the State Ports Authority Board in the interviewing and hiring process. The Executive Director and his professional staff have the responsibility and authority for employing and dismissing all other staff members. As Secretary, my bottom-line consideration has been to ensure that the SPA is led by the best possible professional group of management that can lead our ports in an increasingly competitive environment.

Another concern I have about the proposed statutory changes is the relationship between the State Ports and the economic development future of North Carolina. The Department of Commerce is the state's lead agency in the field of economic development and the State Ports are a critical part of our infrastructure and a great sales tool in promoting the state. Commerce's International Division has worked with the SPA in promoting the export of North Carolina products. This has been done many ways, including joint foreign missions and joint use of foreign agents and/or employees. Additionally, Ports and the Business/Industry Division of Commerce have worked together on numerous reverse investment projects. This type of cooperation and joint missions have positively impacted the state and its business development.

November 10, 1988

Page 2

You have also asked me to comment on the proposal to make the State Ports Authority a semi-autonomous body. It is fairly difficult for me to comment on this because a semi-autonomous body is a fairly nebulous description. As the SPA now exists, it would seem to be semi-autonomous. If you sever the Secretary's authority, then it would seem to be more autonomous, although the Council of State would continue to have final control over real estate matters and the Department of Administration would have control over Purchase and Contract functions. As a taxpayer, I would be concerned about having adequate oversight responsibility for such a large and important agency. It seems to me that it would be advisable to have the SPA housed within a department of the Executive Branch to ensure that its ideas and concerns are "championed."

Finally, if the SPA is structured as a semi-autonomous agency, will it have Department status? If so, then there may be some constitutional questions to address because the North Carolina Constitution limits the number of Departments in state government to twenty-five. You may want to seek legal advice on this point.

I would encourage you to proceed with caution and circumspection as you entertain making changes in the State Ports Authority statutes. I am told that there was an effort during the tenure of Secretary Lauch Faircloth to cut the ties between Commerce and the State Ports. It was determined to be an ill-advised action then and I believe it would be detrimental today. I will be glad to meet with you to discuss this issue.

Since these Ports questions have been reported by the press, the Chairman of the State Ports has contacted me to express his concern. I have suggested to Mr. Pat Thomas that it would be appropriate for him to contact you directly to express his reservations concerning your proposed actions.

Thank you.

Sincerely,

Claude E. Pope

CEP:kml

cc: Mr. Shawn Dail
David Stover, Assistant Secretary

APPENDIX F

REVENUE FOR FY 1984 - 1988

FROM CONSOLIDATED STATEMENT

	<u>SUMMARY</u>	<u>MOREHEAD CITY</u>	<u>WILMINGTON</u>	<u>SOUTHPORT</u>
1984	\$ 19,003,438	\$ 7,137,738	\$ 11,850,700	\$ 15,000
1985	21,341,973	7,005,265	14,321,708	15,000
1986	24,020,699	8,051,023	15,910,933	58,743
1987	25,093,079	9,115,864	15,930,582	46,633
1988	23,960,516	9,056,509	14,823,970	80,037

APPENDIX G

SUMMARY OF CAPITAL IMPROVEMENT PLAN (CORRECTED) *
(STATE APPROPRIATION REQUEST)

NORTH CAROLINA STATE PORTS AUTHORITY

1990-1991 BIENNIUM

Fiscal Year 1990

Wilmington	18 Projects	\$	22,984,350
Morehead City	7 Projects		10,076,050
		FY 1990 Total: \$	33,060,400
New Construction:		\$	16,427,200
Renovation/Rehabilitation:			10,378,400
Equipment:			6,254,800
		\$	33,060,400

Fiscal Year 1991

Wilmington	7 Projects	\$	7,971,900
Morehead City	4 Projects		6,910,500
		FY 1991 Total: \$	14,882,400
New Construction		\$	12,267,700
Renovation/Rehabilitation:			2,614,700
		\$	14,882,400

1990-1991 BIENNIUM TOTAL: \$ 47,942,800

* NOTE: SUBJECT TO APPROVAL OF THE MASTER DEVELOPMENT PLAN (1990-1993)
BY THE NORTH CAROLINA STATE PORTS AUTHORITY BOARD OF DIRECTORS

CAPITAL IMPROVEMENT PLAN (CORRECTED)
(STATE APPROPRIATION REQUEST)

NORTH CAROLINA STATE PORTS AUTHORITY

1990-1991 BIENNIUM

Fiscal Year 1990

Wilmington

. Provide Supplemental Funds for Container Cranes for Berth 9	\$ 2,000,000
. Construct Cold Storage Facility	5,000,400
. Rehabilitate Fendering System At Berths 6, 7 and 8	897,200
. Purchase Cargo Handling Equipment	515,000
. Purchase New 115-Ton Capacity Gantry Crane	2,224,800
. Renovate Building C1 - Phase 1	2,303,800
. Construct New Transit Shed	3,002,600
. Replace Crane Rails at Berths A & B	344,600
. Replace Wheels on Gantry Crane No. 4	270,400
. Reroof Transit Shed No. 4	533,200
. Install Cross Connection Control for Water Supply System	97,900
. Renovate Transit Sheds No. 1 and No. 2	3,597,500
. Construct New Office Facility for Operations and Other Personnel	123,500
. Renovate Maritime Building	601,100
. Make Improvements to Sprinkler Systems	121,650
. Construct Container Storage Hardstand at Site of Former Building C2	300,700
. Conduct Study to Relocate Electrical Distribution System to Underground	50,000
. Purchase 200 Chassis for Container Chassis Pool	1,000,000

POW SUB-TOTAL: \$ 22,984,350

Morehead City

. Establish Reserve for Unspecified Capital Improvements As Result of the Comprehensive Facilities Development Study	\$ 8,000,000
. Purchase Cargo Handling Equipment	515,000
. Reroof Transit Shed No. 1	492,000
. Reroof Storage Warehouse No. 6	543,500
. Make Improvements to Sprinkler Systems	121,650
. Reroof Warehouse No. 8	353,500
. Reroof Portion of Transit Shed No. 3	50,400

MHC Sub-Total: \$ 10,076,050

FY 1990 TOTAL: \$ 33,060,400

Fiscal Year 1991

Wilmington

. Rehabilitate Backup Hardstand Behind Berths A and B	\$ 619,800
. Improve Lighting in Transit Shed 3	170,000
. Rehabilitate Fendering System at Berths 1 and 2	282,700
. Construct Crane Turnout at Berth 5	525,600
. Install Additional Rail Track in Intermodal Yard	283,300
. Renovate Building C1 - Phase 2	1,206,600
. Construct a Combined Container Freight Station/Export Packing Facility/U. S. Customs Cargo Examination Facility	4,883,900

POW Sub-Total: \$ 7,971,900

Morehead City

. Establish Reserve for Unspecified Capital Improvements As Result of the Comprehensive Facilities Development Study	\$ 6,500,000
. Reroof Equipment Garages	113,100
. Construct Storage Building for Gantry Cranes Parts and Equipment	74,900
. Rehabilitate Gantry Crane Rail at Berths 6 and 7	222,500

MHC Sub-Total: \$ 6,910,500

FY 1991 TOTAL: \$ 14,882,400

1990-1991 BIENNIUM TOTAL: \$ 47,942,800

ATTACHMENT
RESERVE FOR CAPITAL IMPROVEMENTS
MOREHEAD CITY PORT

The SPA is currently completing procurement procedures leading to the engagement of a maritime industry consulting firm to perform a Comprehensive Port Facilities Development Study for the Port of Morehead City. The study will identify market potentials and recommend facilities development alternatives for the Morehead City port terminal and Radio Island.

Although the specific facilities development alternatives for the Morehead City port terminal and Radio Island will not be known until the study has been completed in June 1989, it is envisaged that they could include, but might not necessarily be limited to, a new deep draft berth, cranes, warehouse and storage buildings, hardstand areas and, possibly, grain storage and handling facilities for a new Radio Island facility.

The SPA desires to be able to implement the recommendations of the Comprehensive Port Facilities Development Study without delay when those recommendations become known, thus it believes it is prudent to request the sum of \$14.5M from the 1989 General Assembly to apply to capital improvement needs identified by the study. The sum of \$8M is requested for Fiscal Year 1989-90, and \$6.5M for Fiscal Year 1990-91. Additional requests may be necessary in later legislative sessions to fully implement the study recommendations to transform the Morehead City general terminal and Radio Island into a modern, full service and viable port terminal facility.

The SPA believes the submission of an OC-25 form is inappropriate for an unspecified reserve for future capital improvements.

SIGNED:



Noel C. Painchaud
Executive Director

APPENDIX H

MINORITIES IN ADMINISTRATIVE POSITIONSGENERAL ADMINISTRATION

<u>JOB TITLE</u>	<u>SEX</u>	<u>RACE</u>	<u>NUMBER OF EMPLOYEES</u>	<u>DEPARTMENT</u>
Supervisor, Office Services	F	W	1	Administration & Finance
Administrative Assistant	F	W	2	Administration & Finance
Accountant	F	W	1	Administration & Finance
Coordinator, Computer Systems	F	W	1	Administration & Finance
Coordinator, Computer Systems	F	W	1	Management Information Systems
Analyst/Programmer	F	W	2	Management Information Systems
Editor Assistant	F	W	1	Public Relations
Regional Marketing Manager	F	W	1	Marketing
Customer Service/FTZ Coordinator	F	W	1	Marketing
Administrative Assistant	F	W	1	Marketing
Draftsperson	F	W	2	Engineering
Administrative Assistant	F	W	1	Engineering
Engineering Technician	F	W	1	Engineering
Purchasing Officer	F	W	1	Purchasing
Property Officer	F	W	1	Administration & Finance
Personnel Assistant	F	W	1	Personnel

MINORITIES IN ADMINISTRATIVE POSITIONS

PORT OF WILMINGTON

<u>JOB TITLE</u>	<u>SEX</u>	<u>RACE</u>	<u>NUMBER OF EMPLOYEES</u>	<u>DEPARTMENT</u>
Cargo Master	M	B	1	Cargo Handling
Supervisor, Cargo/Facility	F	B	1	Port Data Control
Assistant Supervisor	F	W	2	Port Data Control
Supervisor, Container Data	F	B	1	Port Data Control
Manager	F	W	1	Port Data Control
Supervisor, Administration	F	B	2	Container Admin.
Assistant Manager	M	B	1	Container Admin.
Procurement Officer	M	B	1	Inventory

MOREHEAD CITY

Administrative Assistant	F	W	1	Cargo Handling
Assistant Superintendent, Shipping & Receiving	F	W	1	Cargo Handling
Police Officer	F	W	1	Police

APPENDIX I

ESTIMATED ECONOMIC BENEFITS

GENERATED

BY

MOREHEAD CITY STATE PORT & HARBOR

C A R T E R E T C O U N T Y

Estimated Carteret County Economic Benefits are calculated on an Annual Basis based on the number and type ships in the harbor..

YEAR	TOTAL NUMBER SHIPS	ESTIMATED ECONOMIC BENEFITS
1979	340	\$ 30,243,000.00
1980	305	25,415,000.00
1981	291	25,212,000.00
1982	268	19,512,000.00
1983	259	14,779,000.00
1984	220	10,342,000.00
1985	242	16,394,000.00
1986	271	18,673,000.00
1987	312	22,390,000.00

N O R T H C A R O L I N A

Estimates of the Economic Benefits for North Carolina from the Operation of the North Carolina State Ports Facility at Morehead City are based on a formula developed by the Research Triangle Institute utilizing the Import and Export Tonnage at the North Carolina State Ports Authority Facility ONLY. The estimates are made on a Fiscal year Basis.

<u>FISCAL YEAR</u>	<u>TOTAL IMPORT & EXPORT TONNAGES</u>	<u>ESTIMATED ECONOMIC BENEFITS</u>
1980/81	1,402,219.88	\$ 116,384,250.00
1981/82	1,647,048.77	136,705,048.00
1982/83	1,530,747.14	127,052,013.00
1983/84	2,357,200.78	195,647,665.00
1984/85	2,065,209.75	171,412,409.00
1985/86	2,088,215.76	173,321,908.00
1986/87	2,597,663.23	215,606,048.00

MOREHEAD CITY HARBOR

1979 - 1987

SHIP TRAFFIC COMPARISON

NORTH CAROLINA STATE PORTS AUTHORITY FACILITY RADIO ISLAND

YEAR	MOREHEAD										U. S. NAVY	U. S. NAVY	TOTAL	AVIATION FUEL TERMINAL	TOTAL	GRAND TOTAL
	GENERAL	U. S. NAVY	COLONIAL OIL INDUSTRIES	TRUMBULL ASPHALT	TEXASGULF CHEMICALS	CITY EXPORT TERMINAL	TOTAL	U. S. NAVY	AVIATION FUEL TERMINAL	TOTAL						
1979	151	29	5	19	41						245	73	22	95	340	
1980	112	31	5	23	34						205	67	33	100	305	
1981	121	33	6	16	26	17					219	57	15	72	291	
1982	84	47	1	11	32	7					182	49	37	86	258	
1983	77	41	2	15	41	2					178	51	30	81	259	
1984	58	36	3	15	52	2					166	25	29	54	220	
1985	62	58	3	15	51	3					192	23	27	50	242	
1986	62	54	2	19	54	6					197	45	29	74	271	
1987	78	66	2	15	80	6					247	45	20	65	312	

MOREHEAD CITY PORTS COMMITTEE

ESTIMATED
NORTH CAROLINA ECONOMIC BENEFITS

GENERATED
BY

NORTH CAROLINA STATE PORTS AUTHORITY FACILITY
MOREHEAD CITY, N. C.

1980/81 - 1987/88

YEAR	TONNAGES		TOTAL	ESTIMATED ECONOMIC BENEFITS		TOTAL
	IMPORT	EXPORT		IMPORT	EXPORT	
1980/81	260,546.47	1,141,673.41	1,402,219.88	\$ 21,625,357	\$ 94,758,893	\$ 116,384,250
1981/82	119,023.29	1,528,025.48	1,647,048.77	9,878,933	126,826,114	136,705,047
1982/83	217,661.96	1,313,085.18	1,530,747.14	18,065,942	108,986,070	127,052,012
1983/84	276,407.94	2,080,792.84	2,357,200.78	22,941,859	172,705,805	196,647,664
1984/85	311,832.32	1,753,377.43	2,065,209.75	25,882,082	145,530,326	171,412,409
1985/86	337,908.80	1,750,306.96	2,088,215.76	28,046,430	145,275,477	173,321,907
1986/87	391,713.38	2,205,949.85	2,597,663.23	32,512,210	183,093,837	215,606,047
1987/88	500,470.65	2,252,053.91	2,752,524.56	41,539,064	186,920,474	228,459,538

NORTH CAROLINA STATE PORTS AUTHORITY

MOREHEAD CITY, N. C.

FOREIGN IMPORT & EXPORT SHIPMENTS

<u>YEAR</u>	<u>IMPORT TONNAGES</u>	<u>EXPORT TONNAGES</u>	<u>TOTAL TONNAGES</u>
1980/81	260,546.47	1,141,673.41	1,402,219.88
1981/82	119,023.29	1,528,025.48	1,647,048.77
1982/83	217,661.96	1,313,085.18	1,530,747.14
1983/84	276,407.94	2,080,792.84	2,357,200.78
1984/85	311,832.32	1,753,377.43	2,065,209.75
1985/86	337,908.80	1,750,306.96	2,088,215.76
1986/87	391,713.38	2,205,949.85	2,597,663.23
1987/88	500,470.65	2,252,053.91	2,752,524.56

NORTH CAROLINA STATE PORTS AUTHORITY

MOREHEAD CITY, N. C.

COASTWISE DOMESTIC SHIPMENTS

<u>YEAR</u>	<u>RECEIPTS</u>	<u>SHIPMENTS</u>	<u>TOTAL TONNAGES</u>
1980/81	743,591.24	84,465.65	828,056.89
1981/82	576,096.60	69,585.69	645,682.29
1982/83	973,075.66	54,259.33	1,027,334.99
1983/84	1,367,451.04	55,464.85	1,422,915.89
1984/85	1,291,334.07	31,021.66	1,322,355.73
1985/86	1,208,964.58	13,687.17	1,222,651.75
1986/87	1,905,095.61	9,405.32	1,914,500.93
1987/88	1,997,144.23	25,399.79	2,022,544.02

NORTH CAROLINA STATE PORTS AUTHORITY

MOREHEAD CITY, N. C.

FOREIGN & DOMESTIC TONNAGE

<u>YEAR</u>	<u>FOREIGN TONNAGE</u>	<u>DOMESTIC TONNAGE</u>	<u>TOTAL TONNAGE</u>
1980/81	1,402,219.88	828,056.89	2,230,276.77
1981/82	1,647,048.77	645,682.29	2,292,731.06
1982/83	1,530,747.14	1,027,334.99	2,558,082.13
1983/84	2,357,200.78	1,422,915.89	3,780,116.67
1984/85	2,065,209.75	1,322,355.73	3,387,565.48
1985/86	2,088,215.76	1,222,651.75	3,310,867.51
1986/87	2,597,663.23	1,914,500.93	4,512,164.16
1987/88	2,752,524.56	2,022,544.02	4,775,068.58

APPENDIX J

CHRONOLOGY OF THE PROCESS FOLLOWED BY THE NORTH CAROLINA STATE PORTS AUTHORITY TO OBTAIN APPROVAL TO AWARD A CONTRACT FOR CONSULTANT SERVICES TO CONDUCT A COMPREHENSIVE PORT FACILITIES DEVELOPMENT STUDY FOR THE PORT OF MOREHEAD CITY.

<u>(1988)</u> <u>DATE</u>	<u>EVENT</u>	<u>ELAPSED</u> <u>TIME</u> <u>BETWEEN</u> <u>EVENTS</u>	<u>CUMULATIVE</u> <u>TIME</u>
Jun 22	Completed assessment of jurisdiction of Division of Purchase and Contract (P&C) concerning the MHC study. Determined that P&C, Secretary of Administration and Office of the Governor must approve the study and use of consultant services.	N/A	N/A
Jul 1	Submitted the required Justification Memorandum for Requested Consultant Services for approval of P&C, Secretary of Administration and Office of the Governor.	1 week	1 week
Jul 14	Received approval of the Office of the Governor, Secretary of Administration and P&C to conduct the MHC study and use consultant services, with instructions to submit a draft Request for Proposal (RFP) to P&C for approval.	2 weeks	3 weeks
Jul 29	Submitted a draft RFP to P&C for approval.	2 weeks	5 weeks
Aug 5	Received approval of draft RFP from P&C with instructions to issue RFP to 49 consultant services firms. Names of 38 firms provided by P&C, 11 by NCSPA. Issued RFP to 49 firms.	1 week	6 weeks

<u>(1988)</u> <u>DATE</u>	<u>EVENT</u>	<u>ELAPSED</u> <u>TIME</u> <u>BETWEEN</u> <u>EVENTS</u>	<u>CUMULATIVE</u> <u>TIME</u>
Sep 2	Received technical and cost proposals from 9 of 49 firms.	4 weeks	10 weeks
Sep 22	Completed evaluation of 9 technical and cost proposals and 3 formal presentations by selected finalists. Selected one firm to be recommended to conduct the MHC study.	3 weeks	13 weeks
Oct 4	Submitted the required Selection Memorandum for Consultant Services for approval of P&C, Secretary of Administration and Office of the Governor.	2 weeks	15 weeks
Oct 12	Received approval of the Office of the Governor, Secretary of Administration and P&C to award a contract to the approved consultant services firm.	1 week	16 weeks
TOTAL CUMULATIVE TIME:			16 WEEKS

* * *

APPENDIX K

CHRONOLOGY OF EVENTS
ELECTRICAL RETROFIT, CRANE #4
WILMINGTON PORT

- Nov. 85 Crane 4 becomes inoperative, Winter '85/86. Fixed in April 1986 for \$43,000. Head, Supply Department made first inquiry of GE, Winter 85/86.
- 02/27/86 GE provides a proposal = \$525,000 with delivery time of 5 mo, downtime of 3 1/2 mo. = 8 1/2 months.
- Apr. 86 Crane operable again.
- 03/31/87 Supply Officer receives another proposal using new GE equipment, \$340,000 with downtime of 2 1/2 months.
- 04/15/87 Crane goes down again.
- 04/23/87 Crane Master memo to Assistant Port Manager recommending complete electrical retrofit.
- 04/27/87 Port Manager memo to Executive Director recommending Engineering Department take project over.
- 04/28/87 Deputy Executive Director memo to Director, Engineering directing emergency rework of crane 4.
- 5/5-7/87 Three recognized crane consultants visit.
- 05/07/87 RFP issued by engineering to 3 consultants, copies to Bill Giles (Purchase and Contract) deadline of 5/29/
- 06/05/87 Transmit proposals and recommendations to Bill Giles
- 06/15/87 Bill Giles approves award of contract to Custom Technologies Inc.
- 06/23/87 Contract sent to CTI.
- 07/09/87 Contract executed. Contract requires specs to be ready for advertisement during October.
- 07/24/87 MFC, EJ, and John Bandy of CTI meet with Ralph Edelberg. Specs should be ready for P&C within 8 wks. Stressed emergency nature of project. P&C cooperation assured.
- * 08/21/87 Preliminary specs submitted to P&C & SPA for review.
- 09/01/87 Letter of review from P&C
- 09/04/87 SPA transmits its comments and P&C's back to CTI.
- 09/08/87 Receive final spec for review (6 wks)
- 09/16/87 SPA transmits its comments & P&C's back to CTI.
- 09/21/87 CTI sends final bid package to P&C for advertisement.
- 10/09/87 Bid No. 711517 sent out by P&C.
- * 10/24/87 Bids received in Raleigh. ASEA low; GE 2nd - difference of \$53,000
200 days, delivery (6 1/2 mo).
- 10/30/87 Sent proposals off to CTI for evaluation. Evaluation reveals all 3 bidders took numerous exceptions to the specs.
- * 11/04/87 MFC/Fishero call on Ralph Edelberg to express concern over time (EMERGENCY).
- 11/13/87 P&C cancels bid 7/15/87. P&C must consult with all bidders and SPA to come up with revised spec they can all live with, and negotiate new proposals.
- 12/10/87 SPA submits a few technical changes to the spec to P&C, but agrees to accept ASEA's warranty and limits of liability as written. Request P&C to pursue the project without delay. (P&C would not accept ASEA's warranty and limit of liability).
- 12/28/87 P&C issues negotiation letter to all bidders. Negotiated bids due Jan. 13. Vendors call Edelberg and say they will not accept State's terms and conditions regarding "limits to liability" clause.
- * 1/12/88 P&C extends letter of negotiation from Jan. 13 to "indefinite" (to be notified later - 2 wks. est.)

02/02/88 Edberg sick.
02/09/88 Addendum #2 sent out with bid date of March 15, 1988.
*03/17/88 SPA received proposals from P&C.
03/28/88 SPA returned proposals to P&C recommending ABB Industrials Systems award.
03/31/88 P&C sent contract certification to SPA.
*04/06/88 SPA sent out purchase order #5110 to Mr. Stave Payne with ABB.
*11/01/88 Delivery expected.

→ 7 month delivery time
(30 weeks)

After delivery, we must take competitive bids for INSTALLATION.

Expect crane to be operational before MARCH 1, 1988.

Total time lapse since Engineering involvement will be 18-20 months, 13 of which was lost to procedure & delivery.

We were instructed by the Exec. Dir. not to deviate from State procedures

APPENDIX L

JUSTIFICATIONS FOR EXTENDING THIS STUDY

As stated in Recommendation Four above, the State Ports Authority and International Trade Study Committee requests that the General Assembly extend its Study for another two years, so that it may thoroughly explore all the issues raised and present the General Assembly with thoughtful, well-reasoned recommendations beyond those contained in this report. The following is a more detailed description of the Committee's goals and intentions in the event that this Study is continued.

- 1) The Committee intends to monitor the results of any action the General Assembly takes upon the recommendations contained in this report, and to determine whether such action has the desired effect of increasing the efficiency and competitiveness of the State Ports Authority.
- 2) The Committee wishes to review and make recommendations in response to a comprehensive ports development study of the Morehead City port, which the Ports Authority has recently contracted for. That study will not be completed until sometime in 1989.
- 3) The Committee wishes to review and make recommendations in response to a current economic impact analysis of both ports, which the Ports Authority plans on obtaining from researchers at UNC-Wilmington. That report also will not be available until sometime in 1989 or 1990.
- 4) The Committee intends to explore the feasibility of placing intermodal port facilities in neighboring states as a means of stimulating business for the North Carolina ports.
- 5) At its last meeting, the Committee obtained copies of the rates and tariffs charged by the North Carolina ports, as well as those charged by the ports in Virginia, South Carolina, and Georgia. The Committee wishes to evaluate these documents and make possible recommendations as to ways in which the North Carolina ports might make changes in their rates and tariffs in order to become more competitive with those surrounding ports. This would include an examination of the pros and cons of the

Authority remaining a member of the South Atlantic Marine Terminal Rate Conference, from which the port of Charleston has recently withdrawn.

6) The Committee wishes to investigate the possibility of deleting the second sentence of G.S. 143B-452, which reads: "The General Assembly suggests and recommends that no person be appointed to the Authority who is domiciled in the district of the North Carolina house of Representatives or the North Carolina Senate in which a State port is located." The Committee may also explore the possibility of recommending a requirement that provides for certain minimum representation on the Board of the State Ports Authority for the State House and State Senate districts where the State ports are located.

7) The Committee intends to address that part of its charge relating to the stimulation of international trade through the ports of North Carolina, which it was unable to examine due to time constraints.

APPENDIX M

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

D

HOUSE JOINT RESOLUTION 89-LL-004
(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Sponsors: .

Referred to:

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH
2 COMMISSION TO CONTINUE TO STUDY THE STATE PORTS AUTHORITY AND
3 INTERNATIONAL TRADE.

4 Whereas, the Legislative Research Commission has been
5 authorized by the 1987 General Assembly to conduct a study of the
6 State Ports Authority and international trade in North Carolina;
7 and

8 Whereas, the committee appointed by the Legislative
9 Research Commission to study the State Ports Authority and
10 international trade has recommended changes in the General
11 Statutes in order to improve the operation of the State Ports
12 Authority; and

13 Whereas, the State Ports Authority and International
14 Trade Study Committee found that the problems faced by the State
15 Ports Authority presented too complex a study for the Committee
16 to complete its work in the time allowed; and

17 Whereas, the Committee devoted all its time to the
18 portion of its charge relating to the State Ports Authority, and
19 was therefore not able to explore the topic of international
20 trade in its meetings to date;

1 Now, therefore, be it resolved by the House of Representatives,
2 the Senate concurring:

3 Section 1. The Legislative Research Commission is
4 authorized to study the State Ports Authority and international
5 trade. The Commission shall continue to study the business and
6 trade currently passing through the North Carolina State Ports
7 Authority and shall identify the types and volume of trade and
8 business handled by the State's ports (inland ports and harbors),
9 the users of the ports facilities, and shall consider possible
10 reasons for the difference in the volume of export and import
11 business handled by the North Carolina State Ports Authority. The
12 Commission shall also study ways and methods to encourage more
13 international trade to flow through North Carolina's ports and
14 any other items relevant to this Study.

15 Sec. 2. The Commission shall make a final report of its
16 recommendations to the General Assembly on or before the first
17 day of the 1991 Session.

18 Sec. 3. This resolution is effective upon ratification.

HECKMAN
BINDERY INC.



MAY 89

