

The Global TransPark: A Progress Report

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In November 1990, John D. Kasarda, Ph.D., director of the Kenan Institute of Private Enterprise at the University of North Carolina at Chapel Hill, presented the conceptual outline for a new type of infrastructure: a "Global Air Cargo-Industrial Complex for the State of North Carolina." This concept has developed into a very unique project. The North Carolina Global TransPark is more than an airport – it is a unique industrial and transportation complex.

By the turn of the century, the Global TransPark will be fully operational, with its initial core capabilities in place and industrial development under way. As it grows, cargo from factories and farms across North Carolina and the entire East Coast will be transported through the GTP, destined for countries in the Global TransPark Network and beyond. Components and parts from around the world will arrive at the GTP to be assembled and processed into finished goods. The GTP has been acknowledged as a national and international leader in this type of innovative infrastructure development.

The North Carolina Global TransPark is a transportation and industrial complex designed to meet the present and emerging needs of domestic and international commerce. Companies are adapting to just-in-time manufacturing and distribution practices to meet customer demand. Air cargo shipments are growing at a rate of five times faster than air passenger service, and reliable surface transportation services are being called upon to meet the demands of business. Initiatives such as the Global TransPark are helping businesses reduce inventory costs and shorten delivery times. The GTP will create and preserve jobs by allowing North Carolina and the United States to be stronger competitors in the global marketplace. As the project develops, it will provide benefits to companies across the state and in the Southeast U.S., as well as to on-site tenants.

Project Achievements

Environmental Matters

Since it was initiated as a state project in 1991, the North Carolina Global TransPark has been working to complete a series of environmental and planning requirements that had to be accomplished before construction could begin. With the conclusion of the federal Environmental Impact Statement September 17, 1997 and the July 1998 announcement that the U.S. Department of Transportation will provide \$17.5 million to pay a 50% share of the building costs for key runway and airfield improvements, the GTP is on the doorstep of construction. Only the U.S. Army Corps of Engineers' approval of a 404-permit remains to be accomplished.

Runway Improvements

The Global TransPark is already responsible for a much-improved airport capable of increased passenger and cargo service. The U.S. Department of Defense funded strengthening and lengthening of the runway, bringing it to its current status of 8,600 feet. The longer runway and safety improvements enable the Department of Defense to keep KC-135 crews closer to their base stations during training exercises. The resulting higher quality landing surface and a greater load-bearing capacity benefit all airport users. A number of carriers are expressing an interest in using the airport for cargo service and are awaiting the outcome of the EIS. The improved runway is now a viable base of operations for loaded DC-8 class cargo aircraft.

Education and Training Center

Construction is underway on the new \$6.3 million Education and Training Center on-site at the GTP with completion expected by early 1999. With instructional assistance from the State Community College System and the University of North Carolina, as well as private universities, the ETC will offer a full range of high-level business training in areas ranging from just-in-time logistics

practices to conventional worker skills training. Technology transfer programs will also be developed at the Center in conjunction with national laboratories and institutes. The 30,363 square foot Center will include classrooms, an auditorium, administrative offices, an innovative multi-use high-ceilinged laboratory and demonstration modules. These modules can be fitted with any type of equipment or process on which employees can then be trained. Applications for modules include materials handling, industrial robotics, computer integrated manufacturing, and other types of industrial automation.

Through a cooperative arrangement with the 11 community colleges in the Global TransPark Region, the center will work with companies to develop training programs for workers in a wide range of high-skill jobs. When opened, it will provide an invaluable asset to GTP tenants and will meet training needs throughout the region. In addition, it will be made available to the University of North Carolina systems for management education programs. The Center will utilize the latest technologies for telecommunications and data processing, distance learning and advanced logistics practices. The Center is scheduled to host its first major event when a large equipment exhibition comes to Kinston in October 1999.

Foreign Trade Zone Designation

In May, 1996, U.S. Secretary of Commerce Mickey Kantor reviewed the application from the Global TransPark Authority and awarded Foreign Trade Zone 214 to the GTP. Designation as a Foreign Trade Zone helps create and preserve U.S. jobs. It allows companies within the Global TransPark to defer, reduce or eliminate payment of some tariffs and duties. It also provides incentives for companies to maintain production facilities in the United States. Companies that are not located within the perimeter of the GTP are eligible to apply for subzone status, giving them the same trade advantages. In announcing the Foreign Trade Zone designation, Kantor said, "The Global TransPark is built on a foundation of public-private partnerships, one of the cornerstones of President

Clinton's economic vision to create high-paying jobs for Americans. The TransPark is the future of international trade. It will help generate economic activity in North Carolina and all along the Eastern Seaboard by increasing exports and helping to attract direct investment in the state's economy."

Mountain Air Cargo

Late in the summer of 1996, the Global TransPark's first tenant, Mountain Air Cargo/Mountain Aircraft Services occupied its new 66,000 square foot maintenance facility at the GTP and consolidated its repairs and parts distribution activities. One of the nation's largest small cargo carriers, Mountain Air Cargo operates cargo aircraft for Federal Express. Mountain Air Cargo currently employs 100 people and expects to expand the number of employees to 300 at its facility at the GTP.

Global TransPark Network/Customs Improvement Project

In the FY1998 Treasury Department Appropriations Act, the U.S. Congress provided \$500,000 to support the Global TransPark Network/Customs Improvement Project. This project, which will be managed and coordinated by the Foundation for Transportation, Trade and Commerce at the University of North Carolina at Chapel Hill, is designed to improve customs processes between the United States and Thailand and the Philippines. Working relationships with international projects will provide North Carolina manufacturers, farmers and agribusinesses unprecedented access to world markets. North Carolina has a positive balance of trade, exporting more than it imports. The network of the Global TransPark with other facilities will make it possible to further expand exports.

The Future of the GTP

When completed, the project will have two long-range parallel runways, a state-of-the-art central cargo processing area, a highway-to-rail intermodal terminal, a dedicated system for transporting cargo throughout the GTP, a high-speed road network, and upgraded connections to regional road and rail systems. The GTP will support its tenants and users with

comprehensive electronic commerce capabilities, including enhanced electronic data interchange technology linking different means of transportation, and advanced telecommunications. Expedited customs procedures will be utilized to facilitate import and export activities.

Wetlands Mitigation

The North Carolina Global TransPark will eventually encompass 15,300 acres of land in eastern North Carolina. With as many as 871-acres of wetlands potentially being affected by development within the 5,775-acres that will serve as the core of the GTP, a detailed mitigation plan has been prepared. This plan, which will restore, enhance, and preserve wetlands, including a conservation strategy designed to protect remaining natural resources, is a model for environmental protection. Most wetlands at the GTP have been degraded by previous and present land use practices: clear-cutting, removal of trees and shrubs along stream channels, dumping of abandoned cars and old fuel tanks, stream dredging, waste dumping, sedimentation and ditching. The existing conditions severely affect the ability of these wetlands to function.

The Global TransPark Authority will begin making environmental improvements under its mitigation plan once it has received the 404-permit to be issued by the U.S. Army Corps of Engineers. The 404-permit will allow the GTP to fill certain specific wetland areas, including those needed to complete the extension of the runway. The improved airfield will give the Global TransPark the international air cargo lift that is a key to the multimodal nature of the project. That global cargo capability will allow the project to make full use of some of the elements that have already taken shape such as the Foreign Trade Zone and the Education and Training Center.

Tenant Recruitment

The GTP Authority's Marketing has continued to supply information to companies that are expressing interest in the Global TransPark. A number of site visits have been made recently by companies selecting locations for a variety of requirements, and the GTP continues to be

under construction.

This year's competition for the new FedEx Mid-Atlantic Hub is producing a number of benefits to the GTP recruiting. Making the FedEx finalist list has drawn recognition from other companies and is opening the door for future opportunities. FedEx singled out the GTP for praise, although it did not meet their geographic and infrastructure requirements at this point. A FedEx official said the GTP will "merge air, rail, road and sea transportation capabilities into an ideal logistical setup for industrial and distribution tenants." He added that, "the GTP will distinguish the region as a hub for international trade and business."

Coming out of the FedEx site-selection process, it is more obvious than ever that infrastructural improvements hold the key to the GTP's success. Extending the existing runway to 10,600 feet and improving immediate road access by rapidly completing the Crescent Road Connector project are top priorities. Upgrades to regional highway access called for by the state Transportation Improvement Program, some of which are already underway, will greatly benefit the GTP project.

Postscript

On July 29, 1998, Rodney Slater, the U.S. Secretary of Transportation announced that the Federal Aviation Administration would provide \$17.5 million to help extend the existing runway at the North Carolina Global TransPark from 8,600 feet to 10,600 feet. This extension is a key to the vision of the project, allowing large cargo aircraft to land on and take off from the runways.