



REPORT OF INTERVIEW

DATE: February 4, 2019

TIME: 2:00-4:30 PM

LOCATION: Carolina Gateway Partnership

427 Falls Rd

Rocky Mount, NC

PARTICIPANTS: E. Norris Tolson, President & CEO

Tom Beers, EIS Investigator

Kevin Greene, EIS Investigator

On the above date and time, Eagle Intel Services Investigators Tom Beers and Kevin Greene conducted an interview of Norris Tolson, President and CEO of the Carolina Gateway Partnership, at the offices of the Carolina Gateway Partnership, at the above address. This interview was previously arranged after contact was with Tolson by Investigator Greene. The following information was provided by Tolson unless otherwise indicated:

Tolson currently serves as President and CEO of the Carolina Gateway Partnership (CGP). In this position, through the CGP, he tries to bring new businesses and industry into Nash and Edgecombe counties. He explained that those two counties represent some of the highest unemployment rates in the state, and thus the need for more businesses and manufacturing facilities. The area does have numerous manufacturing facilities that include: Cummings Diesel, Pfizer, Babington Technology, and the Cheesecake Factory Bakery. It is an area that is also big in agriculture, producing cotton, sweet potatoes, corn, hogs and chickens.

Through his position, Tolson is continually trying to recruit new business and manufacturing in the area. One of the primary issues that large manufacturing facilities require is natural gas. Tolson believes that there is not enough natural gas in the area and therefore was advocating that the ACP be built and made accessible to industry. He stated that the area lost a major plate glass manufacturing facility because of the lack of available natural gas and that there were not enough "tap offs" on the ACP project. That was one of the reasons he began to speak with ACP partners in an effort to seek funding for economic development along the pipeline route.

Tolson partnered with Durwood Stephenson, out of Smithfield, NC and Larry Wooten, President of the North Carolina Farm Bureau Federation in Raleigh. All three men agreed that the ACP should be able to foster economic development in eastern, NC.

According to Tolson the three of them met with, then Duke Energy President David Fountain on a couple of occasions. The meetings usually took place over lunch, because of the busy schedules each maintained. In addition to Fountain, Frank Yoho, who was previously President of Piedmont Natural Gas, but had recently merged with Duke Energy, also attended. Tolson,



Stephenson and Wooten's primary objective was to proliferate the availability of natural gas in an effort to promote economic development along the ACP route in eastern North Carolina.

It was their understanding that approximately 8% of the pipeline gas would be available for rural commitments. The discussions with Fountain centered around the number of "tap offs" and the ACP partners willingness to fund access to the natural gas to support the economic development in the areas around the pipeline. Tolson understood that there were only three "tap offs" in North Carolina along the pipeline route. The closest one for his area was on the books as being in Red Oak. He negotiated for a "tap off" or access point in Rocky Mount. It is believed that each "tap off" costs the ACP about \$300,000.00 during construction; but can go up significantly once the pipeline is complete. Tolson also believed that it would cost \$1 million per mile to run gas pipe from the "tap offs." For these reasons he, Stephenson and Wooten asked Fountain for the ACP partners to provide a \$100 million fund that could pay for pipeline access to manufacturing facilities an agricultural.

Tolson envisioned the fund to be similar to the North Carolina Clean Water Revolving Fund. Which means a fund would be set up by the ACP partners and the state and/or counties could provide matching funds or a revolving fund to replenish the fund when used for economic development.

After Tolson had suggested the \$100 million, Fountain came back with a counter offer in the \$50 million range. Tolson felt that Fountain took the request to Lynn Good, CEO of Duke Energy, prior to coming back with the \$50 million offer.

Tolson does not know how the Governor's Office became involved in the negotiations of the fund. He personally, didn't discuss it with Governor Cooper or his staff. He assumed that the ACP partners approached the governor's staff about the fund, since he also believed that the money had to go through the state. He said it was his logical assumption that the oversight of the fund would be through the North Carolina Department of Commerce. Tolson stated that Secretary of Commerce Copeland was aware of the negotiations that were taking place, on behalf of Tolson, Stephenson and Wooten. Secretary Copeland did not attend any meetings, in their presence, to discuss the fund.

Tolson did meet with DEQ Secretary Regan on one occasion to discuss the pipeline. This meeting took place shortly after Secretary Regan took office. The purpose was to advocate the pipeline's ability to spur economic development. Tolson described Secretary Regan as being non-committal regarding the pipeline. Tolson stated that he understood that everything had to be cleared and approved through DEQ and was not there to interfere with the process.

Tolson still has hope that the ACP will be completed and believes it can help eastern North Carolina. He feels that their efforts to have a fund created for economic development should come to fruition and not be used exclusively for school funding. He has not seen any of the drafts or finalized Memorandum of Understanding regarding the fund.