

**Comments for Global Zero Congressional Briefing, 6/28/22**  
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My contribution to today's briefing is not about ICBMs or the sponge states where ICBMs exist. My story is about the lack of transparency and opportunity for citizen engagement in the local economic development process in the region where I live - Western North Carolina, specifically Asheville. It is about how difficult it is to do something different when a defense contractor comes knocking at the door. Our specific case is about how a new jet engine airfoil factory, proposed by Pratt & Whitney, a subsidiary of the 2nd largest defense contractor, Raytheon Technologies, could get approval for its project and tax incentives without public knowledge or the means for citizens to fully understand and participate in the process. It is also the story of a coalition of citizens who have taken it upon themselves to publicly oppose the building of the plant by using all means possible, to ferret out how the economic development process actually works in our region and state, and to keep our fellow citizens abreast of the implications and consequences of bringing a major defense contractor to the region, a region known for its natural beauty, immense biodiversity, unique cultural heritage, entrepreneurial spirit, and spiritual foundations.

We first learned about the proposed building of the new 1.2 million sq. ft. Pratt & Whitney jet engine parts factory through an article in the local newspaper at the end of October 2020. The article was full of fanfare and excitement about the 800 jobs and \$650M in capital investment the company would bring. Asheville was landing a Fortune 50 company that would bring other companies to build an aerospace center in WNC.

As citizens we could only wonder how such a deal could come about so quickly without our knowledge or input and without apparent regard for the myriad of current human and infrastructure needs.

We had only 3 weeks to learn as much as we could about Pratt & Whitney in preparation for the public comment period at the November meeting of the county commissioners where the commissioners would decide on a \$27M tax incentive deal. At the meeting, 22 people offered comment, 21 of whom voiced disapproval. Immediately after the comment period, the commissioners had "discussion" in which each of them only voiced their reasons for support and then they voted unanimously to approve the tax deal. Their minds were obviously already made up. In fact, we learned later in a meeting with two of the commissioners that they had

made up their minds and they held the public comment period because it is required by law. So much for public input, so much for public deliberation.

Our local coalition, Reject Raytheon Asheville, was formed from the 21 opposing voices. We immediately organized and began raising our voices: in public demonstrations and civil disobedience actions, letters to the editor and op ed pieces, a series of webinars, a citizen petition drive, visits to our local economic development coalition and meetings with our legislators. I will focus on what we have learned and are still learning after 18 months about the complete lack of transparency and possibility for citizen engagement in the economic development and industry recruitment process.

Here's what we have learned:

1. **You Gotta Be Smarter Than the Average Bear.** Finding out information about the processes and procedures for approval of such a factory is time-consuming and difficult. There are many agencies, professionals and governmental bodies whose proceedings you must first learn about and then study. First, you have to know where to look. Prior to the public announcement, the P&W factory project had an alias, Project Ranger. Thanks to the NC Department of Environmental Quality, we were able to find that name and access the database to find the environment review documents. These are really the only documents that provided any detail about the proposed plant. But even the environmental specialists, specifically US Fish and Wildlife biologists, couldn't really do their jobs because they didn't know what the business was.
2. **Economic Development is a Private Enterprise.** This is true in 2 ways: First, even through most of the proceedings of county government committees and commissions are public, the economic development process is the one area that remains shrouded. Our county commission, a body that prides itself in fostering transparency after some years of financial malfeasance, had been learning about the pending deal with Pratt & Whitney for 15 months prior to the public announcement. They all signed Non-Disclosure Agreements prior to the Pratt & Whitney deal-making. They claim they didn't know what the specific aerospace company was until the public announcement. However, Pratt & Whitney was courted for North Carolina at an international air show in the spring of 2019. Local and State Chambers of Commerce members and staff attended the show. Who knew what, when? We don't really know. The second way that economic development is private focuses on the role of private entities in industry recruitment and economic development

activities. As per NC state law, economic development initiatives in the county and city of Asheville are overseen by a public-private Economic Development Coalition or EDC. The EDC and its Board is closely linked with the Chamber of Commerce. In fact, the Coalition's website is part of the Chamber's website and Chamber staff serve the Coalition. The EDC Board meetings, while public, mostly include networking and Chamber staff reporting. After these public activities, the Board goes into closed session. No agenda and no minutes are made public prior to or after the meetings. The public-private nature of the EDC Board is also lop-sided. At the meetings I have attended only one out of six elected officials or governmental employees on the Board has attended.

3. **Business Yes! Citizens, No!** The lack of disclosure of business deals helps businesses, but it doesn't help citizens. There was no public deliberation by the commissioners about the nature of the business they were agreeing to support. They talked only about the proposed jobs and the investment the plant would bring and how that investment might help fund other county needs. There was no public deliberation about how the building of an immense factory or the nature of Pratt & Whitney's business would impact what the county would become. The Commissioners didn't deliberate publicly about how the new plant would affect the culture, people, climate, and land of the region. Nor did they consider publicly that they were bringing another defense contractor to the region and whether that was a good decision.
4. **You'd Better Be a Lawyer.** Pratt & Whitney had to get approval to build the factory from the county's Board of Adjustment, a quasi-judicial entity. To present at the hearing, one must have standing (expertise) and provide evidence. Without an environmental lawyer, we were ill-equipped to engage in that process. We were up against P&W's lawyer, architect, civil engineer, and a transportation analyst. We would have had to either do our own investigation or have one contracted. This Planning Board meeting was in January, three short months after the public announcement.
5. **Things are Not As They Seem.** The specifics of the economic development deal were not as they are initially reported and more demands emerged over time. At the time of the announcement, we knew that the P&W project would get:
  - \$27M in county tax incentives over a 10-period, BUT the county outlined no stipulations (e.g. environmental requirements or hiring standards) and P&W had every

opportunity to to pause the agreement. The agreement clearly favored the company, not the county or people in the county.

- The 800 jobs proclaimed as such a boon for the region are actually spread over 10 years. The first year they are expected to add 250 jobs and then only 50-100 each year thereafter, for 10 years. Once the tax incentive agreement expires, P&W is required to maintain only 525 jobs.
- Job salaries were touted as averaging \$68,000, but as most of the jobs are at the lower end of the salary scale, the median salary is actually \$55,000 with starting salaries likely closer to \$40K, as reported by a local workforce expert.
- The new bridge, apparently the final requirement by the company, was in part paid for by a grant from the Golden Leaf Foundation, an entity created with tobacco settlement money to aid the conversion from tobacco to another agricultural crop or alternative business. While the Foundation would normally distribute grant money to several rural projects, in 2002 only one \$12M grant was awarded: the funds to build the 5-land bridge over the French Broad River. Biltmore Farms, the development corporation that owns the land where P&W is being built, footed the rest of the bill.
- Biltmore Farms also gifted P&W 100 acres to build its plant, Why give a multi-billion dollar company land?
- As months unfolded we learned:
  - The state gave P&W a \$15.5M jobs creation grant;
  - The NC legislature and county each allocated \$5M for the building of a community college training center at the P&W factory site.
- More recently, a year later, we learned:
  - that a new interchange off the adjacent I-26 interstate and opposite the new bridge would be needed by P&W for easy access to the plant. Cost to taxpayers: \$30-35M
  - Biltmore Farms has opened 1000 more acres adjacent to P&W plant for development. The infrastructure needs claimed as P&W requirements may have really been for Biltmore Farms' future development.

This is perhaps how business works, but it is not the basis for any kind of democratic process or engagement. In our 18 months of activism, we have continued to be surprised that many area citizens don't yet know about the building of the plant, or if they do, they have been swayed by the narrative of jobs. Our presence has been important for informing people about the nature of P&W's business, about the implications and consequences of bringing a defense contractor to the area, and about how such development diverts our attention away from the

needs of the people of the region. Certainly, in a region where low-paying jobs is an issue, landing high paying jobs is important. But we have known for many decades that more jobs are created in other sectors than defense and we need to focus on advance technology jobs that will solve our most urgent problems.

Community and civic engagement is about so much more than voting or attending local governmental meetings. It is knowing about all of the processes, laws, procedures and informal influences on decisions, such as those used in economic development or industry recruitment decisions. As we have learned, that knowledge and therefore the influence you can have, does not come easily. In fact, the opaqueness of the processes hinders any collective grassroots initiative to solve the major issues we face.