

# LOCKE LETTER

## BATTLEGROUND NORTH CAROLINA:

MORE UNION ACTIVISM  
TO COME? **PAGE 6**



**LOCKE LETTER**  
IN THIS ISSUE

**3** Exerting influence through op-eds and public letters on pressing issues

**8** Driving Sound Transportation Funding Strategy

**4** Removing barriers and government interference through sound research

**10** Binging On Freedom and Free Markets

**5** *Carolina Journal* Wins N.C. Press Association Awards

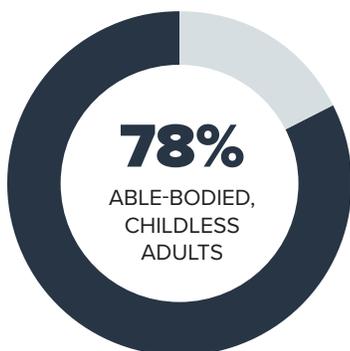
**12** Settling Into Our New Midtown Raleigh Home

**6** Union Activists Zero In On North Carolina

# FLASHPOINTS

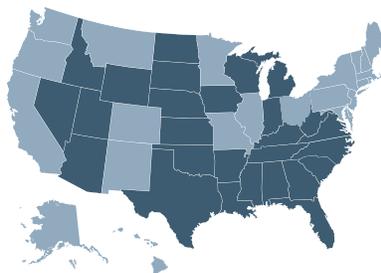
## IN OUR FIGHT FOR FREEDOM

### Medicaid Expansion Population



**We're fighting against** Medicaid expansion and supporting actions that expand access to affordable health care.

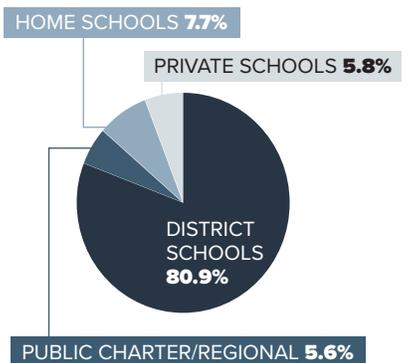
### Right-to-Work States



■ Right to Work State  
■ Forced Unionism State

**We're working** to protect North Carolina's right-to-work status from union organizers who are targeting our state.

### K-12 Student Enrollment Market Shares, 2017-18



**We're fighting** to empower parents, inspire students, and ensure maximum opportunity through expanded school choice.

# YOUR INVESTMENT DELIVERS STATE AND NATIONAL INFLUENCE

**RealClear** Education

**Teacher Walkout  
Ignores North  
Carolina's Crisis of  
Student Achievement**

By **Terry Stoops**

**THE DAILY SIGNAL**

**North Carolina Leaders Are Embracing a Flawed  
Medicaid Financing Scheme. It's Time to End It.**

Joseph Coletti / @JoeColetti / Jordan Roberts / @jordanrobertsnc



**Independent<sup>®</sup>  
Women's Forum**

**In Opposition to a New Payroll Tax  
and Paid Leave Entitlement Program**

Becki Gray

**INVESTOR'S BUSINESS DAILY<sup>®</sup>**

**New York Should Be Happy Amazon  
Has Changed Its Mind**

ROY CORDATO

**NEWS & RECORD**

**Terry L. Stoops: Addressing school  
facilities needs requires fresh ideas**

By Terry Stoops

**AEA**  
AMERICAN  
ENERGY ALLIANCE

We, the undersigned organizations, write to object to any effort to expand the current electric vehicle tax credit.

Kory Swanson

**TRIANGLE  
BUSINESS JOURNAL**

**Guest Opinion: Unintended risks  
for state retirees**

By Donald van der Vaart

**The News & Observer**

**Hog farmers comply with rules but  
still get sued**

BY DONALD VAN DER VAART

**RealClear** Education

**Facing Competition,  
N.C. Public School  
Advocates Target  
Choice**

By **Terry Stoops**



Senior Vice President Becki Gray

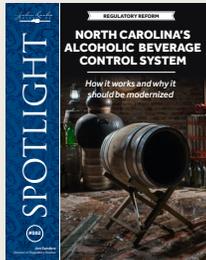
**Washington Examiner**

**Overpromise, underdeliver: The  
cautionary tale of North Carolina's  
internet sales tax**

by Joseph Coletti and Andrew Wilford

# THE RIGHT APPROACH

## RESEARCH PROPELS POLICY FORWARD



**NORTH CAROLINA'S ALCOHOLIC BEVERAGE CONTROL SYSTEM: HOW IT WORKS AND WHY IT SHOULD BE MODERNIZED**

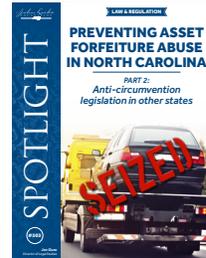
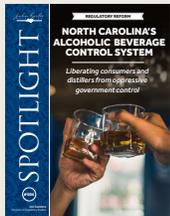
BY JON SANDERS, DIRECTOR OF REGULATORY STUDIES

It's been eight decades since our state's alcoholic beverage control system was devised. JLF's Jon Sanders provides history on its creation, details on how it works, and why it's time to bring competition into the market for liquor.

**NORTH CAROLINA'S ALCOHOLIC BEVERAGE CONTROL SYSTEM: LIBERATING CONSUMERS AND DISTILLERS FROM OPPRESSIVE GOVERNMENT CONTROL**

BY JON SANDERS, DIRECTOR OF REGULATORY STUDIES

North Carolina's state constitution favors free enterprise and opposes monopolies, making it well past time to end the government monopoly on liquor, writes JLF's Jon Sanders. He looks at lessons learned from other states and offers a path forward for addressing concerns.



**PREVENTING ASSET FORFEITURE ABUSE IN NORTH CAROLINA: ANTI-CIRCUMVENTION LEGISLATION IN OTHER STATES**

BY JON GUZE, DIRECTOR OF LEGAL STUDIES

Depriving criminals of their ill-gotten gains is a desirable goal. The challenge, writes JLF's Jon Guze, is to do it in a way that protects the rights of innocent property owners and discourages abuse by law enforcement officials.

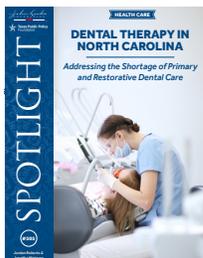
**KEYS TO SUSTAINABLE BUDGETS**



**7 KEYS TO SUSTAINABLE BUDGETS**

BY JOE COLETTI, SENIOR FELLOW

North Carolina has reduced tax rates in four of the last six years while building its savings to the highest level in history. JLF's Joe Coletti offers seven guiding traditions, institutions, and processes to ensure that North Carolina continues its success and continues to serve as a model for other states.



**DENTAL THERAPY IN NORTH CAROLINA: ADDRESSING THE SHORTAGE OF PRIMARY AND RESTORATIVE DENTAL CARE**

BY JORDAN ROBERTS, HEALTH CARE POLICY ANALYST

A new professional pathway is emerging in the dental field, and it has the potential to address North Carolina's shortage of dentists and limited access to primary and restorative dental care services. In a report he co-authored with the Texas Public Policy Foundation, JLF's Jordan Roberts looks at the impact dental therapists could have on access to care, particularly in rural areas and among vulnerable populations.

**2 YEARS IN A ROW!**

# **CAROLINA JOURNAL WINS N.C. PRESS ASSOCIATION AWARDS**

Thanks to your investment, *Carolina Journal* continues to produce award-winning, rigorous journalism. This year, the North Carolina Press Association honored three *Carolina Journal* writers for 2018 work published at [carolinajournal.com](http://carolinajournal.com), with Kari Travis snagging two awards.



**JOHN TRUMP  
MANAGING EDITOR**

**SERIOUS COLUMNS**



3rd Place, Online Division  
Alcohol policy, disaster relief,  
and more

**KARI TRAVIS  
ASSOCIATE EDITOR**

**INVESTIGATIVE REPORTING**



2nd Place, Online Division  
Problems in the N.C. prison  
system

**RICK HENDERSON  
EDITOR-IN-CHIEF**

**EDITORIALS**



1st Place, Online Division  
Various public policy issues



**BEAT NEWS REPORTING**

3rd Place  
UNC System and Silent Sam

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**KARI TRAVIS HONORED BY THE FUND FOR AMERICAN STUDIES**

Not only is *Carolina Journal's* Kari Travis a multiple N.C. Press Association award-winner, she has also been named one of two outstanding young alumna by The Fund for American Studies, a Washington, D.C.-based free-market educational nonprofit. The group gives the award to an alumnus/a who "has shown great promise in his or her professional field and embodies the values, ideals and potential of an alumnus/a of TFAS programs."



**CAROLINA  
JOURNAL**

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# UNION ACTIVISTS ZERO IN ON NORTH CAROLINA



North Carolina is in the crosshairs of national and state union activists intent on upending our right-to-work status and enacting collective bargaining. We've seen it for two years in a row, courtesy of the NEA and the NCAE. The union strategy is clever: make emotional appeals for unionizing based on 'helping the children.' Make no mistake: public education is only the first battlefield. The May 1 teacher union walkout and protest showed us the power of union resources to create a media spectacle at odds with facts and grounded in advancing progressive politics.

**DEADLINE TO FUEL OUR WORKPLACE  
FREEDOM INITIATIVE:**

**SEPTEMBER 30th**

## **We stand for freedom and against forced unionization**

Help us stand toe-to-toe with union resources. Make a tax-deductible donation today. Use the enclosed envelope or our secure online portal at [www.johnlocke.org/donate](http://www.johnlocke.org/donate). You can also donate over the phone. Call 866-JLF-INFO weekdays between 9 a.m. and 5 p.m.



"I am proud to stand shoulder to shoulder with my brothers and sisters this morning in support of repealing General Statute 95-98, North Carolina's Jim Crow-era ban on collectively negotiated contracts for public employees."

**Mark Jewell**, North Carolina Association of Educators (NCAE)  
*April 24, 2019 news conference.*

## **A UNION VICTORY IN NORTH CAROLINA WOULD REPRESENT A SUBSTANTIAL LOSS FOR WORKPLACE FREEDOM AND A DRAIN ON TAX DOLLARS**

### **COST OF MAY 1 NCAE UNION MARCH DEMANDS**

**\$1.693 BILLION**

TOTAL TAXPAYER BURDEN FOR FY 2019-20

**\$1.904 BILLION**

TOTAL TAXPAYER BURDEN FOR FY 2020-21

**\$2.5 BILLION**

UNFUNDED LIABILITY



# DRIVING SOUND TRANSPORTATION FUNDING STRATEGY

BY JOE COLETTI, SENIOR FELLOW

Our reputation for sound, nonpartisan research and recommendations led to an invitation to Senior Fellow Joe Coletti from the N.C. Board of Transportation FAST Committee. This is an edited summary of the testimony Coletti delivered in April.

## A MULTI-FACETED CHALLENGE

### THE NEED

North Carolina has \$600 million less than needed for maintenance of roads and bridges each year, meaning the state needs to spend 46 percent more on maintenance, even before adding any new construction. And new construction is needed. The Strategic Transportation Improvement Plan showed \$53 billion in projects by 2027, but only \$9 billion in funds. Build NC added \$3 billion, which still leaves a \$41 billion hole.

### FUEL ECONOMY

After real-world fuel economy for new-model-year cars bottomed out in 2004 at slightly less than 20 miles per gallon, it climbed more or less steadily over the next 13 years to reach 24.9 miles per gallon in 2017. This may be more impressive if you consider that means the average car can cover 100 miles with 4 gallons of gas instead of 5 gallons. If a person drives 15,000 miles a year, that makes an annual fuel savings of 150 gallons or 10 fill-ups per year. This means \$57 less in gas taxes per new car per year.

### ELECTRICS AND HYBRIDS

LMC Automotive projects electric vehicles will be just 5 percent of new vehicles by 2025. If you include hybrids, the share climbs to 22 percent. The bigger concern with electrics is not their effect on total gas tax revenues, but their potential to make the gas tax regressive as wealthier people choose electrics.

## THE ROAD AHEAD

### IDENTIFY THE CORE NEEDS

The unmet maintenance needs of our transportation system mean we have to consider the possibility that we may have built more roads than we need or can maintain. Don't forget that transportation must compete with other priorities for taxpayers' overstretched dollars. Once we know the needs and not just the wish list, the question remains how to pay for it in a sustainable manner.

### MAKE THE USER PAY

Talking about road pricing inevitably raises equity concerns. It may surprise you that people with low incomes often support toll lanes. You may be able to work from home or the coffee shop or show up late, but the person on the production line or in the kitchen must be at a set place of work at a set time every day. How do we make road access price-responsive without making it a luxury good, or worse, making the poor subsidize access for the rich?

### SUBSIDIZE THE PERSON, NOT THE SYSTEM

Tolls can be a burden, even if they're better than the alternatives of sitting in traffic, or paying

a gas tax that does not apply to Tesla owners. Individual subsidies can take the form of a combined allowance for housing and transportation, or they could mean discounts for high-occupancy vehicles to encourage shared rides, just as people find roommates to offset the cost of housing. We can find a useful example in higher education. Elite colleges and universities can cost \$75,000 a year, but many offer generous aid or promise admitted students they will be able to complete their degree debt-free. No one should be priced off the roads.

## CONSIDERATIONS WHEN DEVELOPING MODERNIZED FUNDING STREAMS

- The gas tax is an imperfect proxy for the wear-and-tear a vehicle imposes on the road, which is a function of miles traveled and vehicle weight, but hybrid SUVs can get the same mileage as lighter traditional sedans even though they weigh more. Heavy-duty trucks go through weigh stations to address the second question directly. Vehicle weight could be measured as Gross Vehicle Weight, like commercial trucks. Mileage could be done with a simple odometer check with a vehicle's

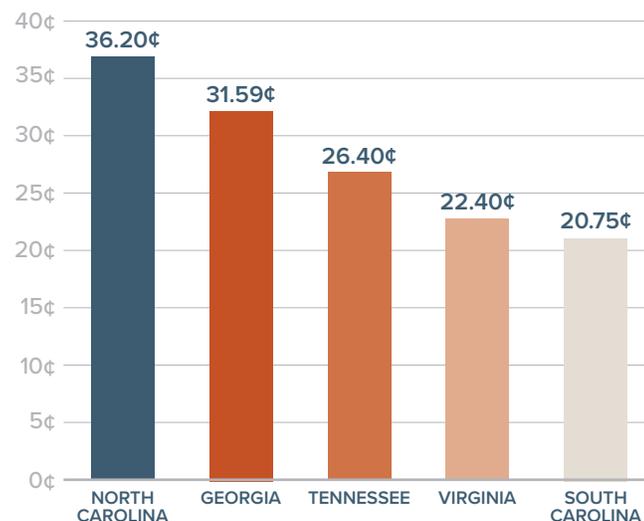
annual inspection before a vehicle can be registered.

- High occupancy/tolling with dedicated lanes or roads, and congestion pricing, are ways to make payment incremental and help ensure the quality of heavily traveled roads. Additional tolling capacity is relatively inexpensive with current technologies. The drawback, as we have seen with I-77 and NC540, is that tolling is unpopular. The state has put a priority on incorporating limited-access roads into the federal Interstate system for obvious short-term advantages. Federal restrictions on tolling, however, mean that only the southern and western portions of the Triangle's 540 loop in the Triangle are tolled, leaving residents in those areas to feel they are paying for something others received for free. If tolling can only apply to newly constructed lanes or roads, it may no longer be a cost-effective solution.

- Spread the costs of road construction and future maintenance to include those who benefit from proximity to the road, not just those who travel along it. Land developers and their eventual tenants or buyers are as much users and beneficiaries of transportation as the drivers, haulers, and passengers themselves.

## NORTH CAROLINA'S GAS TAX

HOW NORTH CAROLINA'S GAS TAX COMPARES



Current State Tax:

**36.2¢**/per gallon

### How State Tax Is Determined:

Each January 1, the motor fuels tax rate is set for the year at a flat rate of 34 cents per gallon multiplied by a percentage equal to one-fourth of the percent change in energy prices, plus three-fourths of the percent change in state population.

**FORGET NI**

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- » **State Treasurer Dale Folwell on Promises to Retirees**
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- » **Reason's Aaron Smith on Education Spending**

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- » **Sen. Tillis Picks up a GOP Challenger**
- » **Was the May Teacher Walkout Effective?**
- » **Activists Target N.C. Hog Farmers**

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## What about Shaftesbury Society events?

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