

**Minutes
Advisory Committee on International Trade
Virginia Economic Development Partnership
April 5, 2022**

**901 E. Cary Street
9th Floor Board Room
Richmond, Virginia 23219**

Call to Order

The meeting was called to order at 10:01 a.m. by Mike Ligon, Chairman of the VEDP Advisory Committee on International Trade.

Members Present: Bob Feeser
 Mike Ligon
 Secretary Lohr
 Stuart Malawer
 David White

Members Absent: Tag Greason
 Ned Masee
 John Milliken
 James Xu

Staff Present: Stephanie Agee
 Lindsey Bertozzi
 Jamie Canup
 Christy Morton
 Julie Richmond
 Mary Wood
 Lee Sanderson

Guest Speaker: Nicole Bivens Collinson, President, International Trade & Government Relations, Sandler Travis & Rosenberg

Welcome

Chairman Mike Ligon welcomed everyone to the meeting at 10:01 a.m. He extended his welcome to Secretary Matthew Lohr and Nicole Bivens Collinson, President, International Trade & Government Relations, Sandler Travis & Rosenberg. Chairman Ligon thanked everyone for their continued efforts and progress since February.

Public Comments

Chairman Ligon solicited for public comments. There were none.

Review and Approval of February 3, 2022 Meeting Minutes

After a review of the February 3, 2022 minutes, Chairman Ligon asked for a motion to approve the minutes. A motion was made by David White to approve the minutes. The motion was seconded by Bob Feeser and was unanimously approved by all Committee members present.

Trade Policy – An Update from Washington

Nicole Bivens Collinson provided remarks on trade-related deliberations and decisions being made at the federal level in Washington, D.C. and what the impact will be for Virginia. She first discussed the impact of the war in Ukraine on supplies and prices of fertilizer. Nicole stated critical minerals used in fertilizer production come from Russia and Ukraine. Ms. Collinson stated, “with the lack of fertilizer, crops will not be tended to correctly and food shortages will occur.” Secretary Lohr commented that farmers will be severely impacted.

Ms. Collinson talked about tariffs and the perception that President Biden is continuing trade policies pursued by former President Trump. She referred to a number of tariffs including Section 301 tariffs on most Chinese imports, as well as Section 232 tariffs on steel and aluminum and their impact on production of products such as solar panels. Ms. Collinson commented that the United States is not producing enough steel to meet demand domestically and that tariffs are not helping that situation. She said that these actions seem to be akin to implementing a U.S. industrial policy, picking winners and losers and determining what should be made and where.

Ms. Collinson discussed progress on and provisions within the US Innovation and Competition Act (USICA) and the COMPETES Act, which include funding to incentivize U.S. computer chip production and for scientific research and education. David White mentioned that the Ocean Shipping Reform Act (OSRA), which is included in the COMPETES Act, aims to address some ongoing shipping challenges that are impacting exporters, and particularly exporters of U.S. agricultural products. He described how ocean carriers make more profit on imports and would rather send empty containers back to China and other destinations quickly, rather than wait to be loaded with agricultural products. Mr. White also mentioned the expensive fees both importers and exporters are paying for containers that are stuck in ports due to congestion and ships not being able to load and unload on time. Mr. White and Ms. Collinson discussed how OSRA would give the Federal Maritime Commission the authority to investigate situations like this and limit detention and demurrage fees charged by ocean carriers. Ms. Collinson noted that the United States Customs Modernization Bill includes some provisions to correct some of these issues and protect exporters but that it will not likely be passed or implemented for another two years.

Secretary Lohr asked what the attitude is on trade for the Biden Administration and Ms. Collinson responded it is not on the agenda, that they are focused on domestic issues. In discussing various free trade agreements and partnerships, Ms. Collinson recommended that all free trade agreements in the Western Hemisphere be linked together to form a large trading block, such as the Regional Comprehensive Economic Partnership (RCEP) formed earlier this year by members in the Asia-Pacific region.

Chairman Ligon asked if Ms. Collinson could identify funding opportunities and inquired what the advisory committee could do to look into those further. She suggested looking at where the funding from the U.S. infrastructure bill is directed and mentioned that there is a lot of money in solar energy. The Chairman extended thanks to Ms. Collinson for all her efforts and for attending the meeting.

Closed Meeting – VEDP International Trade Plan Discussion

Chairman Ligon requested that the Committee move into a closed meeting at 11:05 a.m. A motion was made by David White and seconded by Bob Feeser to move into a closed meeting. Jamie Canup, Assistant General Counsel, voiced the following motion for adoption by the Committee to enter into a closed meeting. The following motion was unanimously adopted by all Committee members present.

I MOVE THAT THE ADVISORY COMMITTEE ON INTERNATIONAL TRADE OF THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY CONVENE A CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711(A)(50) TO ENGAGE IN A DISCUSSION OR CONSIDERATION OF THOSE PORTIONS OF VEDP'S STRATEGIC PLAN, MARKETING PLAN OR OPERATIONAL PLAN, THAT MAY RELATE TO TARGET COMPANIES, SPECIFIC ALLOCATION OF RESOURCES AND STAFF FOR MARKETING ACTIVITIES, AND SPECIFIC MARKETING ACTIVITIES THAT WOULD REVEAL TO THE COMMONWEALTH'S COMPETITORS FOR ECONOMIC DEVELOPMENT PROJECTS THE STRATEGIES INTENDED TO BE DEPLOYED BY THE COMMONWEALTH, THEREBY ADVERSELY AFFECTING THE FINANCIAL INTEREST OF THE COMMONWEALTH.

Upon the return to the open meeting, the Committee members considered the following certification:

WHEREAS, THE ADVISORY COMMITTEE ON INTERNATIONAL TRADE OF THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY HAS CONVENEED A CLOSED MEETING ON THIS DATE PURSUANT TO AN AFFIRMATIVE RECORDED VOTE AND IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT; AND

WHEREAS, THE ACT REQUIRES A CERTIFICATION BY THIS COMMITTEE THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT;

NOW, THEREFORE, BE IT RESOLVED, THAT THE COMMITTEE CERTIFIES THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, (I) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE ACT WERE DISCUSSED IN THE CLOSED MEETING TO WHICH THIS CERTIFICATION RESOLUTION APPLIES, AND (II) ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENEED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE COMMITTEE.

The Committee approved the foregoing certification by roll call vote, bringing the Committee out of the closed meeting.

Yeas: Bob Feeser, Mike Ligon, Secretary Lohr, Stuart Malawer, David White

Nays: None

Legislative Update

Christy Morton, VEDP Vice President, External Affairs provided an update on the 2022 General Assembly session as well as the special session called by Governor Youngkin on April 4. She said VEDP is still in a good position regarding its budget proposal, although it has been revised during session. Christy expressed her gratitude to the ACIT members for their assistance with connecting with General Assembly members to garner support for VEDP's budget proposals.

Chairman Ligon asked Christy how many jobs would be generated with a fully-funded Talent Accelerator program and she responded that it would be 3,000-5,000 new jobs. Chairman Ligon noted that the Virginia International Trade Plan, if fully funded, would also generate a significant number of jobs. David White noted that, if the budget passes as it currently stands, new funding at VEDP would assist Governor Youngkin in creating the 400,000 jobs his administration has committed to.

VEDP International Trade Update

Stephanie Agee first shared the full year 2021 Virginia export and import data. Exports were up 23% in Virginia compared to 2020, which was in line with overall U.S. export performance. Imports increased by 20%, a bit lower than the total U.S. increase.

Ms. Agee reported that all of VEDP International Trade's spring trade missions are sold out. She noted that the spring Valet Program meeting is coming up, as well as a two-part webinar series for companies in the Supply Chain Optimization program. Participants in that program will be hosted by the Port of Virginia for their May meeting and will take a tour of the Port while there.

Stuart Malawer inquired about the expansion of the Valet Program. Stephanie Agee responded that proposals are in place to obtain new money to expand the program.

Secretary Lohr stated that exports are a big part of the Governor's agenda and he personally looks forward to a great relationship with VEDP and the ACIT.

Chairman's Update

Chairman Ligon posed several questions for the committee members to consider:

- What more can be studied on International Trade - data, federal or state issues
- Is it more important to understand where we are today as a Commonwealth or where we need to be in the future?
- What do you want to spend time on as a committee?

Chairman Ligon said he would send the list of questions out to the committee and would ask them to provide their feedback.

Adjournment

There being no further business for the committee to consider, Chairman Ligon adjourned the meeting at 12:11 p.m.