

**Minutes**  
**Advisory Committee on International Trade**  
**Virginia Economic Development Partnership**  
**October 6, 2020**  
**Electronic Meeting via Teams Meeting Platform**  
**Richmond, VA 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  
                              Nick Jiannas  
                              Mike Ligon  
                              Stuart Malawer  
                              Ned Masee  
                              John Milliken  
                              David White  
                              James Xu

Members Absent:    Secretary Bettina Ring  
                              Tag Greason

Staff Present:        Stephanie Agee  
                              Lindsey Bertozzi  
                              James Canup  
                              Jason El Koubi  
                              John Elink-Schuurman  
                              Carolyn Elliott  
                              Sandi McNinch  
                              Richard Miller  
                              Stephen Moret  
                              Mary Wood

Guests Present:     Tim Kaine  
                              Paul LaPointe  
                              Heidi Hertz

**Welcome**

Chairman Ligon welcomed everyone to the electronic meeting of VEDP's Advisory Committee on International Trade. He said that due to the Governor's declared state of emergency in March regarding COVID-19, it is unsafe for the Committee to assemble in a single location. Because an in-person meeting is unsafe and we wish to discharge our lawful purposes, duties and responsibilities, Chairman Ligon explained that the Committee is permitted by the Virginia Freedom of Information Act, as amended by the State Budget, to meet by electronic means without a quorum of the members being physically assembled at one location.

Chairman Ligon noted that the Committee members were gathered in a Teams environment that was open to the public. The agenda suggests that the Committee will enter into a closed meeting for a portion of the meeting. When the Committee is ready to enter into a closed meeting, the Committee members and VEDP support staff necessary to support the closed meeting will leave the public Teams environment and gather in a separate Teams environment. When the closed meeting is concluded, the Committee members will rejoin the public Teams environment and the public portions of the meeting will continue. Should anyone from the public get disconnected from the public Teams environment and be unable to re-engage, he or she should call (804) 393-0290 and speak to Lindsey Bertozzi. Chairman Ligon said that they will do their best to re-engage and will halt the public portion of the meeting until the connection can be re-established.

The Chairman then shared a reminder of a few things that will be different than the in-person meetings:

- Everything on the public Teams environment will be recorded and the recording will be posted on VEDP's website.
- All votes will be taken by roll call.
- Use the mute function, unless you are speaking—and remember to unmute at the appropriate time.
- During the public comment period, any member of the public wishing to make a comment may simply unmute and speak at that time or use the Chat function and ask to be given an opportunity to speak.
- Likewise, during the meeting, Committee members may simply unmute themselves to speak or use the Chat function.

### **Public Comments**

Chairman Ligon solicited for public comments. There were none.

Before moving into a closed session, Chairman Ligon reminded everyone that guest speaker, Senator Tim Kaine, would be joining the meeting at 11:00 a.m. in the open session.

### **Closed Meeting – VEDP International Trade Plan Discussion**

Chairman Ligon requested that the Committee move into a closed meeting for discussion about the International Trade Plan. A motion was made by Ned Massee to move into a closed meeting and was seconded by Bob Feeser. Sandi McNinch, General Counsel, voiced the following motion for adoption by the Committee to enter into a closed meeting. The following motion was unanimously adopted by the Committee via roll call vote conducted by Sandi McNinch.

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.

Yeas:            Bob Feeser  
                    Nick Jiannas  
                    Mike Ligon  
                    Stuart Malawer  
                    Ned Masee  
                    John Milliken  
                    David White  
                    James Xu

Nays:            None

Abstained:     None

Absent:          Secretary Bettina Ring  
                    Tag Greason

**Back in Open Meeting, Certification of Closed Meeting followed by Roll Call Vote**

Following the closed session, Sandi McNinch voiced the following resolution for adoption by the Committee:

WHEREAS, THE ADVISORY COMMITTEE ON INTERNATIONAL TRADE OF THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY HAS CONVENED 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 CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE COMMITTEE.

The Committee approved the foregoing resolution unanimously by roll call vote, conducted by Sandi McNinch, bringing the Committee out of the closed meeting.

Yeas:            Bob Feeser  
                    Nick Jiannas  
                    Mike Ligon  
                    Stuart Malawer  
                    Ned Masee  
                    John Milliken  
                    David White  
                    James Xu

Nays: None  
Abstained: None  
Absent: Secretary Bettina Ring  
Tag Greason

### **Review and Approval of August 4, 2020 Minutes**

After review of the August 4, 2020 minutes, Chairman Ligon asked for a motion to approve the minutes. A motion was made by Ned Masee to approve the minutes. The motion was seconded by David White. Sandi McNinch, VEDP General Counsel, conducted a roll call for approval of the minutes. The Committee unanimously approved the minutes via the roll call.

Yeas: Bob Feeser  
Nick Jiannas  
Mike Ligon  
Stuart Malawer  
Ned Masee  
David White  
James Xu

Nays: None

Abstained: None

Absent: Secretary Bettina Ring  
Tag Greason  
John Milliken (absent for vote)

### **Update on VEDP International Trade Programs Activities**

Stephanie Agee said she would update the Committee on recent International Trade activities to include survey results, clients and sectors represented, the VALET Program, trade statistics and upcoming activities. She explained the results of the FY2020 survey results. At the end of each fiscal year, International Trade sends a survey to their clients regarding their programs and services to clients. In summary, there were 321 surveys mailed out with 206 responses received for a 64% response rate. Stephanie Agee shared that the comments and survey measurements were stellar and the quality of the International Trade programs was rated high. She explained that International Trade's performance is measured to include the number of companies enrolled, existing sales attributed to VEDP Trade programs, new or increased international sales and the number of trade supported jobs.

David White questioned when the annual survey is mailed out. Stephanie Agee said that the surveys are mailed out in early July and responses are recorded in August.

Bob Feeser congratulated the International Trade team on the excellent survey results and asked how this information gets distributed and does the Governor's office and state officials see this information. Stephanie replied that these results will go the VEDP Board and then be

included in the VEDP Annual Report. Mr. Feeser suggested that perhaps an email or letter could be sent to specific representatives as a reminder of the importance of trade.

David White, acknowledging the excellent survey results, asked if there was a way to relate the trade results in a ROI fashion. Stephanie Agee said that it is tough to tie what International Trade does to sales numbers since performance is based on number of companies served and how companies are served. She commented that in terms of sales, the results are fantastic in regard to what Virginia spends on international trade activities.

Stephanie Agee said that several questions were added at the end of the survey in regard to COVID impacts and she covered those responses. She noted that respondents selected several areas of assistance that they would like to receive at this time and that the International Trade division is positioned to provide many of these. For example, she shared that research is an important resource offered by the International Trade Division, and that now is a great time for companies to do research so that they will be able to act on the results of it when travel becomes more feasible. Stephanie gave an overview of the companies enrolled in International Trade programs. Of the 321 companies enrolled in International Trade programs in FY20, 184 different industries and NAICS codes were represented. She asked for questions from the Committee members and there were none.

In response to an inquiry from John Milliken in the August 4, 2020 Committee meeting, regarding the VALET program, Stephanie Agee provided more details on the companies enrolled in the program and some recent VALET activities. Ms. Agee introduced the two VALET Program managers, John Elink-Schuurman and Richard Miller, to provide their firsthand perspective on what VALET companies are looking for right now in terms of assistance with international trade matters. Mr. Elink-Schuurman covered the benefits to Virginia companies participating the VALET Program, such as \$30,000 reimbursement funds per company, access to a network of in-country global network consultants, access to International Trade's private-sector partners and travel to market, either in person or, most recently, by virtual means. He further explained that every VALET company is different, specifically in their risk tolerance and their experience in the international field. Richard Miller commented that there is much value in the VALET program to Virginia companies, especially in research and how it helps companies determine which countries to go into. David White asked if there were certain sectors that benefit the most from the VALET program. Mr. Miller replied that companies that are resource-constrained, perhaps smaller entities, get tremendous help. John Elink-Schuurman responded to Bob Feeser regarding Trade Partners and that the list of Trade Partners is updated annually based on requests and gaps in trade partner support to serve Virginia companies. Mr. Feeser said that a lot of companies could use this information for domestic sales, too.

### **Comments from and Conversation with Special Guest, Senator Tim Kaine**

Chairman Ligon welcomed and introduced Senator Tim Kaine to the ACIT meeting. He thanked Senator Kaine and his staff for their support of trade. Senator Kaine introduced Paul LaPointe, on his staff, who works with economic tax policy and trade issues. Senator Kaine said that we can do more for trade. He noted that talent plus trade brought Virginia up from the bottom 15 ranking per capita income state to the top 15 ranking. He said that Amazon came to Virginia because they knew they had a talent pool accessible. He shared that Virginia was fortunate to have the assets it does, noting the Port of Virginia and Dulles Airport. Trade is about internationalizing talent and this is important since we are living in an international economy. Virginia is still not where it should be in terms of exports and imports per capita. He said that Virginia needs more opportunities to find customers overseas. Small businesses and farmers

have more money now from overseas sales. He cited a small business in Henrico County that hires VCU art students (working artists) to make printings/paintings for hotel rooms and their reliance on revenue from international customers. The company makes a sizeable amount of money in international sales, equal to about 30% of its total sales. Ten years ago, the company's international sales were just 10%. He noted that small businesses and farms in the Shenandoah Valley were finding overseas markets. He is convinced that Virginia needs an economic ladder to come out of the recession and that this will be about infrastructure investments and trade. He noted that he wants to be helpful to what ACIT/VEDP is doing.

Stuart Malawer said that public universities have great talent, referring to foreign students, but are not coordinated with agencies that promote trade. He asked how could Virginia universities get connected to be helpful in promoting trade. Senator Kaine replied that universities' economic development operations could conduct seminars to find connections/opportunities in international trade initiatives, find connections with professors, researchers, students and need to get immigration right. Stuart Malawer said that foreign students want to engage in business and that this is an under-appreciated asset. Senator Kaine shared that he would like for foreign students to stay and continue business relations.

David White stated that one of the ways to boost trade is to get federal funds to continue to deepen the harbor where the Port of Virginia sits. On the policy side, the International Trade Plan that VEDP has adopted, establishing an ongoing dialogue with the congressional delegation, is important so that when Senator Kaine make decisions related to trade policies he knows how the business community feels and the priorities of the state. Mr. White asked how the ACIT could help Senator Kaine and his team. Senator Kaine replied that Senator Warner is on the Senate Finance Committee that reviews trade deals and that he serves on the Senate Foreign Relations committee, which reviews all nominated US ambassadors. They work together to help the state department work. Senator Kaine cited an example involving trade labor unions during the Obama administration where their offices did not hear from representatives of the agriculture and forestry industries, or small businesses. He said they needed positive information and input from these sectors regarding the benefits of trade. ACIT could help by letting the Senator's office hear from them on the pro-trade side of a situation. Mr. White pointed out the importance of exports and that imports are also important especially with the supply chain, as with the case with Nick Jiannas and Stihl. Senator Kaine said that he believes there will be an infrastructure bill coming which will be good for port expansion/dredging and broadband.

Nick Jiannas noted that Stihl, a large importer and exporter, employs over 2,000 people in Virginia Beach. The reasons that they are in Virginia Beach are the deep water port and talent. He questioned what the US could do to position the US as a stronger export nation when some sort of normalcy arrives. Senator Kaine replied that there could be better handling of public health, handle COVID properly, adjust immigration to grow the talent pool, create better alliances with countries, and make strategic policies on trade and infrastructure investments. Senator Kaine shared that he has concerns about China undercutting our industries, citing intellectual property theft and dumping of tires. He noted that appropriate pressure should be put on China and, at the same time, build up alliances.

James Xu said that this administration has waged all-out war with China, noting that Chinese microchips cannot be exported to the US. He asked if war with China was the right approach and how the US policy toward China should actually be. Senator Kaine noted that the US and China are deeply connected economies and that alliances should be built between the US and other countries to counterbalance China, rather than US trying to do it on its own. His other recommendation was to get trade enforcement in free trade agreements right.

Bob Feeser asked about repatriating supply chains and how can we approach that in a more responsible manner. Senator Kaine commented that over-reaction is not good and that we need to consider the definition of certain products with regard to national security. COVID is forcing some reconsideration of supply chains and bringing some supply chain back to the US. However, the negative consequences of this also have to be considered and we have to be sure not to rush the process in a way that is careless.

Stuart Malawer advised that Congress is given the exclusive authority over trade. He acknowledged that over the years this responsibility has shifted more to the President but questioned if Congress should get more involved in this arena again. Senator Kaine agreed that Congress should take this responsibility back but give the President the ability to act on tariffs when there is a compelling need and then Congress would need to vote on those measures within a certain amount of time. Senator Kaine said that we should not be in a trade war without Congress voting. Congress gave more power to the White House in the 1950s regarding trade.

Chairman Ligon asked Senator Kaine to comment on COVID. Senator Kaine said there was good news on the vaccine front. He said that we will get a good vaccine with the earliest sizeable vaccinations available probably next calendar year. A vaccine is approved when 50% effective and 99% safe. Polling shows that many Americans will not get the shot. This will be a two-part vaccination and while many Americans will get the first vaccination, they will not get the second vaccination within the required time frame or not at all. He envisions that we will be wearing masks for a long time and that driving travel will come back before international air travel. He said there is risk that the 85% of Americans that have not had the virus could get it.

David White shared that consideration should be given to the benefits of the high fiber subsea cables coming directly into Virginia from Europe. He said that in thinking of the experiences that some high-profile companies have had with cyber security and cyber attacks, Virginia should give consideration to marketing the benefits of these cables globally. He said that Virginia is second to none with regard to cable access and this gives us trade and talent opportunities. Senator Kaine said that this is a good economic opportunity for Virginia, not just limited to international.

Senator Kaine asked the Committee members to let him know if he and Senator Warner could do anything to help with international trade. He said that many new ambassadors will be appointed after the elections and that ambassadors like to sit down with Virginia companies who are looking to do business in their countries. Senator Kaine offered to be a liaison with ambassadors and Virginia companies. This is a great time to create relationships to increase trade.

Chairman Ligon recognized Senator's Kaine's passion for trade and requested that if there are any opportunities, when speaking with the legislature and the Governor, any help that he could provide us there would be appreciated.

### **Chairman's Comments**

Chairman Ligon said this was an inspiring meeting and appreciated what Senator Kaine is doing.

Stuart Malawer questioned when Senator Warner would participate in an ACIT meeting. David White said that Senator Warner's office is interested in participating in an ACIT meeting but that

a date has not been confirmed yet. Stephanie Agee said that the next ACIT meeting will be early December. David White said he will follow-up with Senator Warner's office to see if he can join the next meeting.

Chairman Ligon recognized the International Trade team and the impressive numbers from the client surveys. He also asked that if any of the Committee members have the opportunity to communicate with the legislature, please do so.

### **Adjournment**

With no other comments, Chairman Ligon moved that the meeting be adjourned. Stuart Malawer made the motion that the ACIT meeting be adjourned. John Milliken seconded the motion.

Sandi McNinch, General Counsel, conducted a roll call to adjourn the meeting. By unanimous roll call, the meeting adjourned at 12:08 p.m.

Yeas:            Bob Feeser  
                    Nick Jiannas  
                    Mike Ligon  
                    Stuart Malawer  
                    Ned Masee  
                    John Milliken  
                    David White  
                    James Xu

Nays:            None

Abstained:    None

Absent:         Tag Greason  
                    Secretary Bettina Ring