

**Minutes
Advisory Committee on International Trade
Virginia Economic Development Partnership
December 6, 2022**

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

Call to Order

The meeting was called to order at 10:03 a.m. by Mike Ligon, Chairman of the VEDP Advisory Committee on International Trade.

Members Present:

Hobey Bauhan
Michael Coleman
Bob Feeser
Tag Greason
Mike Ligon
Stuart Malawer (Zoom)
John Milliken
David White
James Xu

Members Absent: Secretary Lohr

Staff Present: Stephanie Agee
Lindsey Bertozzi
Jamie Canup
Julie Richmond
Mary Wood
Monica Sadie
Vince Barnett

Guests Present: Wyatt Toehlke (Zoom), Assistant Secretary of Commerce and Trade

Welcome

Chairman Mike Ligon welcomed everyone to the meeting at 10:03 a.m. He extended his welcome to new ACIT members Hobey Bauhan, President of the Virginia Poultry Federation, and Michael (Mike) Coleman, CEO of CV International.

Chairman Ligon stated Mr. Milliken's term would be ending since his successor as representative of the Port Authority Board, Michael Coleman, had been appointed to the Committee.

Chairman Ligon provided some opening remarks. He said he had discussed a few topics in individual conversations with some of the members. One topic was how to involve international students studying at Virginia universities in trade-focused activities and projects. Another topic was how to inform leaders about the importance of international trade to Virginia. He said that trade is a bipartisan issue, that it is about economic development, our localities, Virginia, and even the country. While trade can sometimes be characterized as political, to the Committee members it is a bipartisan issue. Chairman Ligon encouraged the members to be on the lookout for opportunities for engagement and furthering the message of the importance of international trade, and to not hesitate to reach out to him.

In discussing plans for ACIT meetings in 2023, Chairman Ligon mentioned the possibility of holding one meeting at the Port of Virginia and tying another into VEDP's VALET Program sessions.

Chairman Ligon also mentioned having recently attended the Virginia Chamber's Economic Summit where Governor Youngkin announced a proposed \$350 million in new funding for site development.

Public Comments

Chairman Ligon solicited for public comments. There were none.

Review and Approval of September 13, 2022, Meeting Minutes

After a review of the September 13, 2022, minutes, Chairman Ligon asked for a motion to approve the minutes. A motion was made by Bob Feeser to approve the minutes. The motion was seconded by James Xu and those members present voted unanimously to approve the minutes with one abstention by Michael Coleman.

Closed Meeting – VEDP International Trade Plan Discussion

Chairman Ligon requested that the Committee move into a closed meeting at 10:10 a.m. A motion was made by Tag Greason and seconded by James Xu 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 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 certification by roll call vote, bringing the Committee out of the closed meeting.

Yeas: Mike Ligon, Hobey Bauhan, Bob Feeser, Tag Greason, Stuart Malawer, John Milliken, David White, James Xu

Nays: None

VEDP International Trade Update

Stephanie Agee provided an update on a remarkable year for the International Trade Division. She commented on the annual survey qualitative results with a 66% response rate and high scores from VEDP International Trade clients on the value and quality of VEDP's export assistance services. She also indicated that Trade had exceeded its international sales goal, reaching \$813 million in international sales attributed to VEDP services, over the goal of \$635 million.

Tag Greason complemented the response rate to the survey.

Chairman's Update and Committee Discussion

To begin, Chairman Ligon reemphasized the need for a bipartisan discussion as a committee involving Trade. He mentioned having heard Jake Colvin of the National Foreign Trade Council say that trade has been "weaponized" recently in response to a range of issues and that this is concerning. He also referenced Stuart Malawer's recent article, "Relations with China – Worrying Developments in U.S. Law" and voiced his concern after having read it.

Chairman Ligon asked James Xu for his perspective on the U.S.-China trade relationship. Mr. Xu discussed the recent protests in China against the country's zero COVID policy and the government's resulting decision to ease the restrictions. Mr. Xu commented that easing restrictions and allowing normal travel to and from China was a major development.

Mr. Xu stated that the overall relationship between the U.S. and China will always be strained since the two countries are global rivals and have different values. However, he said that trade between the two will remain strong despite those tensions. He discussed that some U.S. firms are moving manufacturing back to the U.S. in specific industries, such as pharmaceuticals and semiconductors, but that these moves are still limited because the cost of doing business in the U.S. is still very high. Mr. Xu said companies are looking at alternative manufacturing locations, such as Southeast Asia, but that supply chains are still strongly tied to China so not all production can be moved away from there.

David White asked Mr. Xu how Virginia exporters could protect themselves when doing business in China. Mr. Xu explained that this is a challenge because companies operating in China are at the mercy of the Chinese government.

Mike Ligon asked Stuart Malawer if he would like to contribute to the conversation regarding China. Mr. Malawer complimented Mr. Xu for his analysis and Mr. Xu said that Mr. Malawer's recent paper about U.S. policy toward China was also very good.

Mr. Malawer wanted to focus on what congress has done the previous 6 months in regard to international trade. He commented on the different views within the political parties regarding international trade and implications on the U.S. economy. Mr. Malawer stated that there is currently an unclear picture of China and U.S. relations based on actions of the federal government.

Tag Greason asked the Chairman for time on the agenda for next February's ACIT meeting as he would like to discuss the business model of data centers and the significant impact they have on Virginia's economy.

David White inquired about the study being conducted regarding the viability of additional Virginia inland ports and Stephanie Agee commented that the report should be completed in the coming days.

Chairman Ligon concluded the meeting by thanking the committee members for what they are doing on behalf of the Commonwealth.

Adjournment

There being no further business, the meeting adjourned at 12:04 p.m.