

Minutes
Advisory Committee on International Trade
Virginia Economic Development Partnership
February 7, 2023

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
Mike Ligon
Secretary Lohr
Stuart Malawer
Will Sessoms
David White
James Xu

Members Absent:

Bob Feeser
Tag Greason

Staff Present:

Stephanie Agee
Lindsey Bertozzi
Jamie Canup
Jason El Koubi
Kasey Hall (Intern)
Julie Richmond
Mary Wood

Guest Speakers:

April Redmon, Director, US Commercial Service-Virginia and
Washington, D.C.
The Honorable Caren Merrick, Secretary of Commerce and Trade

Other Guests:

Wyatt Toehke

Welcome

Chairman Mike Ligon welcomed everyone to the meeting at 10:03 a.m. He extended his welcome to the newest member of the ACIT Committee, Will Sessoms, appointed by VEDP's Board as liaison to the ACIT. The Chairman acknowledged all new teammates and declared a full board.

Chairman Ligon stated that both Secretary Caren Merrick and VEDP's CEO, Jason El Koubi would join the meeting later.

The Chairman commented that it was a remarkably busy time with the legislators and encouraged David White to continue to push the International Plan.

Public Comments

Chairman Ligon solicited for public comments. There were none.

Review and Approval of December 6, 2022, Meeting Minutes

After a review of the December 6, 2022, minutes, Chairman Ligon asked for a motion to approve the minutes. Michael Coleman noted that he had abstained from voting on the minutes for the September meeting as he was not present at that meeting. David White made a motion to approve the minutes. Stuart Malawer seconded the motion. Those members present voted unanimously to approve the minutes.

Updates from U.S. Commercial Service – April Redmon

Stephanie Agee introduced April Redmon, Director, U.S. Commercial Service-Virginia and Washington, D.C. and commented what a valuable friend and partner she has been to VEDP in her years of working for the Commercial Service, and what an asset she is to Virginia companies looking to grow their international sales.

Ms. Redmon provided an overview of the U.S. Commercial Service's mission and programs designed to grow U.S. exports and jobs. April discussed their counseling assistance to individual exporters and the work they do in commercial diplomacy and advocacy. Highlighting the cooperation between the Commercial Service and VEDP, Ms. Redmon explained that while the Commercial Service has its own matchmaking service to connect U.S. exporters with international customers, she and her team usually promote instead a similar service provided by VEDP International Trade. She also remarked that she works with VEDP to make sure that the Virginia pavilion at international trade shows is visited by any high-level government delegations visiting the show, such the U.S. ambassador in the country in question.

Ms. Redmon shared some statistics regarding their assistance to exporters in 2022. Over 31,500 exporters were assisted by their programs and more than 75,000 jobs were created. She reemphasized the need to convince companies to take the leap into international trade since exports are an important driver of Virginia's economy. She also explained that the Commercial Service measures their effectiveness based on verifiable export sales made by companies that use their services and by contracts signed with international customers.

Hobey Bauhan asked April if there was collaboration between the Department of Commerce and the U.S. Department of Agriculture (USDA) on promoting agricultural exports. April responded

that USDA has sole jurisdiction over the promotion of agricultural exporters and that they provide robust support to that sector.

David White asked April how many federal agencies have some responsibility for international trade and she said that 19 have some involvement in this space.

The Chairman thanked April for her presentation and welcomed the opportunity for her team to partner more with VEDP and the ACIT.

Updates from the Secretary of Commerce and Trade – The Honorable Caren Merrick

VEDP's CEO, Jason El Koubi and The Honorable Secretary Caren Merrick arrived at the meeting at 10:55am.

Secretary Merrick thanked the Committee members for their willingness to be part of the Committee and said she believes they all share a common goal with her office – to help develop Virginia's economy.

Secretary Merrick commented on the main objectives for Virginia to grow and be a top ranked state to live and work. She remarked that in comparing Virginia with peer states, Virginia has lost out on opportunities to land some large business deals to states such as North Carolina, South Carolina, and Florida due to several issues, including Virginia's higher tax rate and the lack of business-ready sites. Secretary Merrick said that it is a priority of Governor Youngkin to lower Virginia's taxes and to invest in 21 sites across Virginia, utilizing \$90 million in new funding allocated this fiscal year, with another \$500 million in proposed funding in future years.

Secretary Merrick commended Stephanie Agee on the work of the VEDP International Trade team, as she had personally attended the Farmborough Air Show where she witnessed 12 Virginia companies in the VEDP pavilion exhibiting and looking for new opportunities with VEDP's support and guidance.

Stuart Malawer asked the Secretary if the Governor had plans to attend any trade missions in the next few years. Secretary Merrick mentioned Governor Youngkin's preference is to work with prospects that are considering Virginia and for which he can help "close" the deal, as the Governor has extensive knowledge of international business and has relationships with global CEO's. It was noted that the Governor is in the planning stages for two trade missions in 2023.

Hobey Bauhan commended and supports the Administration for their efforts related to workforce development, including the proposed new agency that would focus on this issue. David White echoed Hobey's remarks.

Will Sessoms, David White, and Secretary Merrick discussed the issues around members of the military leaving service and then moving away from Virginia. They discussed the need for these people to get training to move into another job after service so that they will stay in Virginia. They mentioned the need to compete with southern states on both talent retention efforts and maintaining a more concerted focus on economic development.

Chairman Ligon mentioned over the last 25 years North Carolina has been far ahead of Virginia in terms of their road systems. He said he is in favor of building sites, but it's just as important to ensure they can be accessed with adequate rails and highways.

Secretary Merrick said \$300 million in funding has been proposed for road construction, which is important, but it's also important to undertake efforts related to energy, water, and housing needs, and making sure communities are attractive to potential workers. For the first time, a site investment committee has been developed and they are looking into how they can accelerate all of these issues. The committee includes representation from the Department of Environmental Quality, Department of Transportation, and Virginia Energy.

Jason El Koubi then provided his remarks to the committee. Jason shared that he is as excited as he has ever been in his career with economic development and is excited for the future of VEDP. Jason said that while the International Trade division has been best in its class and continues to operate at such, serving more than 300 companies per year and supporting over 7,000 jobs per year, his efforts in the last five years have been focused on getting the rest of VEDP operating at a high level as well, essentially moving from "VEDP 1.0" to "VEDP 2.0." Jason said the ACIT has been an important part of that in helping to envision and bring to life the Virginia International Trade Plan. He said that VEDP has become known for managing transactions well, but needs to improve on delivering customized, compelling solutions to companies investing or expanding in Virginia. It will be important to transform the ecosystems within which companies operate in order for them to thrive in Virginia. Jason said the focus needs to be on building these ecosystems in sectors that are expected to see the most growth in the U.S., including knowledge work, business services, technology, and distribution and logistics. There is an opportunity for the VEDP Board and the ACIT to contribute to the development of these ecosystems and the focus on these sectors.

Stuart Malawer said state universities are being underutilized and asked how we can assist graduate students who study in Virginia from overseas to stay in Virginia once they graduate and leverage their potential. Jason replied that maintaining talent in Virginia is important – ensuring universities are producing the talent that businesses need and that we are keeping that talent here.

Hobey Bauhan shared that he is glad to hear regulatory reform is being discussed as part of the need to make Virginia an attractive place to do business. Secretary Lohr commented that the goal of the Governor and the Office of Regulatory Management is to reduce regulations across government by 25%.

Chairman Ligon stated he is encouraged by the vision Jason shared and Secretary Merrick mentioned that it is a shared vision VEDP is working on jointly with the Governor's office. .

Mike Coleman asked how to bring localities along on economic development projects and get their buy-in. Will Sessoms said that the deal in question has to be a positive one for the region, the locality, and the state. Jason said that it's important to have good relationships with the localities and to ensure that everyone involved sees how they fit into the deal and how it's positive for all of them. Will Sessoms shared that localities, such as Hampton Roads, have made

investments in road and infrastructure improvements that are critical; it can't just be the state or federal government contributing resources to these projects.

David White commented that he loved the vision that Jason shared, but mentioned that it will be important to make sure the localities share that vision. Secretary Merrick agreed that it is important to make sure they are shared goals, not just owned by the state or one specific entity.

Chairman's Update

Chairman Ligon mentioned that he still would like to reconnect with Senators Warner and Kaine and have them join future ACIT meetings. He said he was in touch with Senator Kaine's office and Stephanie Agee had been in touch with Senator Warner's office regarding their availability.

Stephanie Agee said that she would share an update at the next meeting on Virginia export and import data, as the full 2022 data would be available by then.

Chairman Ligon concluded the meeting by thanking the committee members, Jason El Koubi, and Secretary Merrick.

Adjournment

There being no further business, the meeting adjourned at 12:03 p.m.