

Minutes
Advisory Committee on International Trade
Virginia Economic Development Partnership
November 12, 2019
Board Room of the Virginia Port Authority
600 World Trade Center – Norfolk, VA

Call to Order

The meeting was called to order at 12:08 p.m. by Mike Ligon, Chairman of the Advisory Committee on International Trade. Chairman Ligon welcomed the guests present.

Members Present: Nick Jiannas
 Mike Ligon
 Ned Masee
 John Milliken
 Secretary Bettina Ring
 David White

Members Absent: Bob Feeser
 Tag Greason
 Stuart Malawer
 James Xu

Staff Present: Lindsey Bertozzi
 Jason El Koubi
 Carolyn Elliott
 Christy Morton
 Mary Wood

Guests Present: Adriana Brunette - AB TradeLink (Colombia)
 Ludovic Ortuno - CIDEP (Canada)
 Mary Claire Whitaker - Vecinos NB (Mexico)

Public Comments

Chairman Ligon solicited for public comments. There were none.

Review and Approval of October 7, 2019 Minutes

After review of the minutes, a motion was made by Ned Masee to approve the minutes as presented. The motion was seconded by Nick Jiannas and was unanimously approved by the Committee.

Presentation and Discussion with VEDP Global Network Partners

Chairman Ligon thanked John Milliken and David While for hosting the meeting at their facility. Chairman Ligon turned the meeting over to Jason El Koubi who spoke about the International Trade Plan (ITP) being introduced over the next few days. He talked about the International Trade team which has 19 members, some in Richmond and some in field offices. The International Trade team has a network of in-country consultants around the world. Lindsey Bertozzi, Assistant Vice President of International Trade, gave a summary of Global Network, explaining how the Global Network consultants help Virginia companies connect with potential customers and distributors around the world. The consultants conduct market research, solve regulatory issues, assist with labeling and help get products out of Customs. VEDP contracts with the consultants on a per-project basis.

Mr. El Koubi then gave each consultant the opportunity to explain their services.

Mary Claire Whittaker, with Vecinos NB in Mexico, thanked everyone for inviting her to speak. Mary Claire shared that she attended the College of William and Mary and has lived in Mexico City for the past ten years. She spoke about opportunities in Mexico and the types of assistance she has provided to Virginia companies. Her company works with all different types of companies including oil, gas, and mining. Some past clients include Starbucks, Domino's Pizza and Burger King. Mary Claire stated that her company provides on-the-ground market intelligence for Virginia exporters, makes introductions to local customers and distributors and conducts market visits to Mexico. Much in-person communication is needed in Mexico as emails do not necessarily work. They work as sales reps for clients, gathering market information in a very specific way, conducting business introductions and analyzing the market so that the client understands the risks involved. Mary Claire further elaborated about services they had rendered to three specific companies.

Nick Jiannas asked about the various risk levels in doing business in Mexico and if the companies inquired about the risk levels. Mary Claire explained that her company insures that clients understand the risks involved. Ned Massee inquired if her company assists other states to which she replied, yes. Other states are now trending the way that Virginia does business by not keeping a retainer but paying on a per-project or as-needed basis. David White asked if, when VEDP requests her company's assistance, the client is then handed off directly to her company. Mary Claire explained that this is not part of their business structure when working with VEDP.

Chairman Ligon asked about assistance to agricultural companies. Lindsey Bertozzi and Secretary Ring explained that the Virginia Department of Agriculture and Consumer Services has its own consultants that assist Virginia companies.

Adriana Brunette, with AB TradeLink located in Colombia, said her company has had the pleasure of working with VEDP since 2012. The U.S. has a free trade agreement with Colombia. Adriana explained that defense is a top sector for Virginia exports to Colombia. Technology, electronics, biometrics, software, and aircraft parts are other significant business sectors. Virginia companies are also collaborating with each other to complete contracts with Colombian companies. Infrastructure is another opportunity for Virginia companies in Colombia. Adriana partners with the American Chamber of Commerce and the U.S. Embassy in Colombia to make connections for Virginia exporters.

There are eight Virginia companies that will be traveling with Adriana on the upcoming International Trade Colombia Trade Mission in December. Her company does assessments and research in order to make the clients' in-country time productive.

Ludovic Ortuno, with CIDEP in Canada, has worked with VEDP International Trade for the last three years. Canada is Virginia's largest trading partner. He noted that Vancouver is a good market for Virginia companies. With Canada being close to the U.S., it is easy to adapt to Virginia clients' needs. Opportunities in Canada for Virginia exporters include aerospace, health IT solutions, cyber security, and other niche markets. Mr. Ortuno assists companies with market research, market information, regulatory information, and interpretation services. More specifically, his team has helped companies determine whether they can import cosmetics products and how to bid on government contracts. He explained that Virginia has excellent relationships with companies.

Chairman Ligon, Ned Masee, Ludovic Ortuno, and Mary Claire Whitaker discussed USMCA. Mr. Ortuno said that approximately 80% of Canadian exports have been going to the U.S. but that this is changing, especially with Brexit. Ms. Whitaker shared that recent U.S./China relations have been beneficial to Mexico. Secretary Ring said that there would be a panel discussion on USMCA at the Virginia Conference on World Trade the next day. The group discussed the changing regulations and opportunities around hemp products. There was an announcement last week in regard to the first Virginia processor for medical marijuana being located in Southwest Virginia. There was further discussion in regard to the increasing role of state governors in promoting their state exports to various countries.

Ned Masee asked the consultants what Virginia should be doing to provide more opportunities for Virginia companies. Mary Claire explained that small businesses in Mexico would like assistance selling into the U.S. John Milliken added that the International Trade Plan recognizes the value of imports. Adriana suggested that Virginia could bring military officials from Colombia to meet with Virginia's defense companies. She shared that last year a group from Colombia visited the Washington Embassy to find partners.

David White asked about the process for Global Network market research. Lindsey Bertozzi explained that a Virginia company works with its local Trade Manager to develop a research project. Sosy Bouroujian, VEDP's Global Network Coordinator, manages the research process. The consultant has an introductory conference call with the company and develops a scope of work that the Virginia company approves before the research is started. The Virginia company pays a \$250 copay to receive this research. Chairman Ligon said VEDP's International Trade did a great job of conducting research for one of his businesses. International Trade refers companies to the Virginia Department of Agricultural and Consumer Services (VDACS) when that department can help a Virginia company.

Quick updates: Virginia Conference on World Trade, VP of International Trade Search and Next Steps on International Trade Plan

Jason El Koubi provided talking points to the Committee members to use during the Virginia Conference on World Trade.

Jason El Koubi gave an update on the search for a new Vice President of International Trade. He noted that the search was in the advanced stages and that VEDP would likely have someone in place by the first of the year. The new VP will be charged with executing the ITP

and leading International Trade. VEDP is working with the Secretary of Commerce and Trade to implement the International Trade Plan in a phased approach. VEDP has started working on some of the International Trade Plan initiatives that do not require additional funding.

General Comments by Members

Chairman Ligon advised that the International Trade Plan should have early wins and it will need funding for the International Trade Plan. David White noted that the Committee needs clear direction on any budgetary priorities that should be supported by the ACIT members. John Milliken emphasized that the General Assembly, especially with the recent election and the new GA members coming onboard, needs to be aware of the importance of the ITP. Jason El Koubi noted that the Governor's budget will be announced around December 17, 2019 and there will be clearer direction about the budget after that time.

Chairman Ligon asked for any further comments from the Committee. David White expressed appreciation to VEDP for having its consultants speak with the Committee. Jason El Koubi noted that VEDP has identified other speakers that could present to the group and encouraged other members to provide input into different speakers that could participate.

John Milliken was interested in where the Committee stands in regard to membership status since the memberships are part General Assembly appointments and part are Gubernatorial appointments. Jason El Koubi said that he would put together a listing of the Committee members' appointments/expiration.

Chairman Ligon shared that James Xu could not be present at today's meeting due to a business trip to China. Bob Feeser's flight was canceled and could not attend the meeting but should be in Norfolk the following day for the Governor's announcement. Tag Greason was absent and Stuart Malawer was absent due to medical reasons. David White confirmed that a quorum was present for the meeting.

Adjournment

Chairman Ligon requested a motion be made to adjourn the meeting. Ned Masee made the motion to adjourn the meeting. John Milliken seconded the motion and the meeting adjourned at 1:54 p.m.