

Minutes
Committee on International Trade
Virginia Economic Development Partnership
October 12, 2017
VEDP Office – 901 East Cary Street, 9th Floor
Richmond, Virginia

Call to Order / Welcome

The meeting was called to order at 1:00 pm by Jason El Koubi, VEDP Executive Vice President. Mr. El Koubi thanked Paul Grossman and his team for organizing the meeting. Since this is the first meeting of this Committee and there being no officers elected, Mr. El Koubi said that he and Mr. Grossman would preside over the meeting today.

Members present: Hampton Dowling, Basil Gooden, George Judd, Michael Ligon, John Pullen, Stuart Malawer, Art Moye and James Xu

Members absent: Bob Feeser

VEDP staff present: Lindsey Bertozzi, Jason El Koubi, Carolyn Elliott, Jennifer Garrett, Katherine Goodwin, Paul Grossman and Kara Hart

Guests present: Stewart Petoe and Kelly Thomasson

Public Comment Period

Jason El Koubi solicited public comments. There were none.

Oath / Swearing In

Kelly Thomasson, Secretary of the Commonwealth, administered the Oath of Office to the new Trade Committee members.

Conflict of Interest Act (COIA) Training

Mr. Stewart Petoe, Executive Director of the Virginia Conflict of Interest and Ethics Advisory Council conducted a training session for the new International Trade Committee members. Mr. Petoe explained the purpose of the Council and which reporting requirements were applicable to Committee members. The training provided at this meeting satisfies the training requirements for the state of Virginia.

Statutory Requirements

- **Freedom of Information Act (FOIA) Review**
Kara Hart, VEDP Assistant General Counsel, reviewed the Freedom of Information Act.

- **Virginia Public Records Act (VPRA)**

Kara Hart, reviewed the requirements of records retention. It was noted that any records made confidential by law remain confidential per Section 42.1-78 of the VPRA.

Overview of Trade Programs

Jason El Koubi turned the meeting over to Paul Grossman, VEDP Vice President of International Trade, to present an overview of the International Trade program. Mr. Grossman welcomed the Trade Committee members and shared that the International Trade team has great programs that can certainly be made better with their support.

For FY2018, International Trade has as a performance measure to enroll 320 Virginia companies in Trade programs. International Trade's concentration is on exports but was permitted to initiate import assistance in the 2016 legislative session.

Mr. Grossman explained that Trade performance measures are different from other divisions of VEDP. For instance, the Business Investment division uses capital investment and new job creation for performance measures, while Trade used number of companies enrolled, projected international sales and projected Trade-supported jobs.

The International Trade team and various programs were reviewed by Mr. Grossman. The International Trade team consists of 18 people. The Virginia Department of Agriculture and Consumer Services (VDACS) promotes agricultural exports. The six International Trade offices around the state are one-person shops. The Trade programs assist many types of companies, from aerospace & defense to transportation.

The VEDP International Trade programs include:

- International Market Research (Global Network)
- Trade Missions
- Trade Shows
- Trade Show Program
- Virginia Leaders in Export Trade (VALET) Program
- Going Global Defense Initiative (GGDI)

Virginia companies participate in numerous trade missions and trade shows organized by the Trade team. The terms 'trade mission' does not have the same definition in every state. Hampton Dowling stated that he has traveled internationally with other states and was very pleased with what Virginia produces in comparison with other states. Mr. Grossman stated that a dozen or so states have come Richmond to learn about Virginia's Trade programs. Mr. Grossman described the Virginia Leaders in Export Trade (VALET) Program and the Global Defense Program. Next week, the Virginia Conference on World Trade will take place in Williamsburg. The Virginia Chamber of Commerce is the co-host of this 69th conference.

VEDP Response to JLARC Recommendations

Jason El Koubi stated that the full JLARC report is rather lengthy, rather critical of VEDP and resulted in a leadership change at VEDP. The JLARC report made 35 recommendations; 27 of

those recommendations focused on VEDP management or the Board. The others were for consideration of the General Assembly. Mr. El Koubi said that VEDP mostly agrees with what JLARC recommended. VEDP's response to JLARC will be made in early December. There were only two recommendations that relate to Trade. Mr. El Koubi turned the meeting over to Paul Grossman for further explanation.

JLARC Recommendation #17: Coordinate Trade & FDI

Mr. Grossman stated that VEDP has a robust International Trade program and a robust foreign direct investment (FDI) program. While FDI shares leads with Trade and Trade shares leads with FDI, JLARC recommended that formal mechanisms be implemented to support ongoing coordination between these two groups to include sharing of calendars and cross training of overseas representatives. George Judd commented that it sounds like this a process improvement recommendation from JLARC. Mike Ligon asked about the definition of "international trade." Mr. Grossman explained that Trade has historically and currently focuses on the export side, does not currently do anything on the import side but would explore options in the future.

JLARC Recommendation #18: Export Promotion Data

This recommendation states that more detailed information needs to be obtained about the characteristics of companies accessing Trade programs and that this information should be used ensure that the types of business receiving export-promotion services reflect the diversity of Virginia's export-capable industries. Additionally, the recommendation requests that export sales be collected on each program that Trade conducts. In regard to improving collecting demographic info, Mr. Grossman commented that this recommendation can be checked-off as completed. International Trade has updated 1,600 current clients' information. Since VEDP cannot require companies to divulge specific sales, VEDP agrees partially with this recommendation and, in response, Trade sent an annual survey to its clients in which clients provide projected international sales.

Mr. Dowling commented that this is the Committee's first meeting, with a lot of information being shared. Mr. Judd added that they have not had the opportunity to consider these recommendations. Following discussion, it was decided that another International Trade Committee will be scheduled in the next couple of weeks.

Mr. Dowling stated that as a new Committee, it should have full input. He stated that the legislation creating this Committee was very broad and questioned who the International Trade Committee reports to. It was noted by Mr. Judd that there are just two JLARC recommendations to address for International Trade. Mr. Malawer shared that he understands that Mr. El Koubi wants to meet the JLARC response deadline and that there is a very serious statutory mandate here. John Pullen asked Mr. El Koubi what he needs from this Committee for his December deadline. Mr. El Koubi replied that he wants to make sure that VEDP meets reporting deadlines.

Art Moyer mentioned that, last year, the business community coalesced to pass legislation that established the Virginia International Trade Corporation, as a separate entity from the VEDP, as had been done with the Virginia Tourism Corporation years ago. The only way that International Trade could reach its potential, would be to split away from VEDP. He commented that it will be important to see if Trade gets the attention it deserves.

VEDP Strategic Plan

Jason El Koubi described the strategic plan which is due December 1, 2017. Mr. El Koubi turned the meeting over to Paul Grossman for explanation of the Trade component of the strategic plan. Mr. Grossman explained the recommended expansion of Trade programs in a three-phase approach over the next five years. Mr. Grossman gave an overview those three phases.

Mr. Pullen ask Mr. El Koubi if the work McKinsey was doing included anything for International Trade. Mr. El Koubi explained the Port-related part of the strategic plan, and offered to share that report with the Committee.

Mr. Moyer questioned if the International Trade expansion request has been prioritized. He suggested that a "Plan B" be readily available should the legislator say that they can't fund the entire request, and ask for a prioritized list of desired funding. Mr. El Koubi suggested that the Trade Committee members could speak with legislators about support for International Trade.

Committee Structure

Mr. El Koubi suggested the following topics for the next the next Trade Committee meeting.

- Selection of a Chairman and Vice Chairman.
- Determining the frequency of future Committee meetings, especially after December when the Strategic Plan deadline has been met.

Mr. El Koubi invited the Committee, or the Chairman when elected, to attend the VEDP Board meetings. The Trade Committee should, likewise, consider inviting the VEDP Board President and Stephen Moret, President and CEO of VEDP, to its meetings.

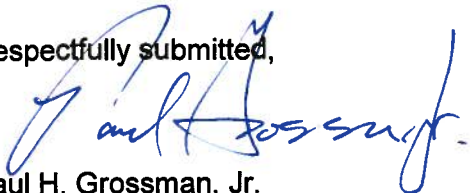
Mr. Dowling said that the Trade Committee is independent and not a subset of the VEDP Board. He suggested having Speaker Howell come in and elaborate who the Trade Committee reports to and who the Committee should share their reports with.

Mr. Dowling suggested issuing a press release about the Trade Committee, its formation and that it is now meeting.

Adjournment and Next Meeting

The next Board meeting will be scheduled within the next few weeks and will be held at VEDP in Richmond. There being no further business, the meeting adjourned at 5:07 p.m.

Respectfully submitted,



Paul H. Grossman, Jr.
Vice President, International Trade
Virginia Economic Development Partnership