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**Lenny Mendonca**  
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## International Affairs and Trade Development Interagency Committee

### Committee Meeting

**Monday, March 9, 2020**  
**1:30 pm – 3:30 pm**

State Capitol, Committee Room 113  
Sacramento, California 95814

#### MEMBERS:

**Eleni Kounalakis**, *Chair*  
*Lieutenant Governor*  
*State of California*

**Lenny Mendonca**, *Vice Chair*  
*Director*  
*Governor's Office of Business*  
*and Economic Development*

**David Hochschild**, *CEC Chair*,  
*California Energy Commission*

**Karen Ross**, *Secretary*,  
*California Department of Food*  
*and Agriculture*

**Wade Crowfoot**, *Secretary*  
*California Natural Resources*  
*Agency*

**Mark Ghilarducci**, *Director*  
*Governor's Office of Emergency*  
*Services*

**Jared Blumenfeld**, *Secretary*  
*California Environmental Protec*  
*tion Agency*

**David Kim**, *Secretary*,  
*California State Transportation*  
*Agency*

**Caroline Beteta**, *CEO*  
*Visit California*

**Kate Gordon**, *Director*  
*Governor's Office of Planning*  
*and Research*

**Mary Nichols**, *Chair*  
*California Air Resources Board*

## MINUTES

### A. Call to Order and Roll Call

Chair Eleni Kounalakis, Lieutenant Governor, called the meeting to order at 1:32PM. She stated that the Interagency Committee was established by [Executive Order N-08-19](#) and consists of interagency representatives of the Newsom Administration. The goal of this Committee is to enable public discussion of the work being done by the State of California in the realm of international affairs.

Max Oltersdorf, Deputy Director for International Affairs and Trade at the Governor's Office of Business and Economic Development, then called roll:



Member	Agency	Present or Representative
Chair Eleni Kounalakis	Lt. Governor of California	Present
Vice Chair Lenny Mendonca	GO-Biz	Present
David Hochschild	CEC	Present
Karen Ross	CDFA	Not present
Wade Crowfoot	CNRA	Present
Mark Ghilarducci	OES	Represented by Helen Lopez
Jared Blumenfeld	CalEPA	Present
David Kim	CalSTA	Present
Caroline Beteta	Visit CA	Present
Kate Gordon	OPR	Represented by Jennifer Phillips
Mary Nichols	CARB	Represented by Richard Corey

The Lieutenant Governor started the meeting by thanking the assembled for their attendance. She began by addressing the COVID-19 situation, saying that state and local partners are working together to keep Californians safe. State health officials are doing their best to monitor the situation and its impact on tourism and trade. She noted that major international events have been postponed and that the Newsom Administration is closely monitoring further developments.

#### **B. Chair's Discussion of India Visit**

The Lieutenant Governor next shared details of her recent trip to India. She led a trip to Delhi January 14<sup>th</sup> through 16<sup>th</sup>. Visit California led a concurrent mission, which ensured the Lieutenant Governor's time was well spent between the two delegations. The priorities of these missions were to establish closer commercial ties, recognize the strong partnership that California almond producers have in India, increase tourism, and find ways to work together to fight climate change. The Lieutenant Governor's delegation also highlighted a new non-stop flight from SFO to Delhi that was inaugurated by United Airlines in December. This flight will help to foster closer bonds between California and India.

The Lieutenant Governor noted that the delegation accomplished much during her two-day visit. They met with U.S. Ambassador to India Kenneth Juster and visited a dried fruit market where she met with importers who purchased more than \$600 million per year in California almonds. Blue Diamond Growers, which is based in Sacramento, facilitated this visit and has been key in opening the Indian market for California's almond producers.

Additionally, the Lieutenant Governor met with the CEO of the Food Safety and Standards Administration of India to express her appreciation for the significant trade between India and California. She participated in a panel organized by the U.S.-India Business Council that focused on how to respond to the fourth industrial revolution and she met with NASSCOM, a trade association that represents the Indian IT industry.



She also met with Prakash Javadekar, the Minister of Environment, Forestry and Climate Change, to promote California's climate change agenda. They discussed further cooperation on climate change, and he expressed his interest in electric vehicles and air pollution mitigation efforts. Minister Javadekar noted that Indian states are looking to California for solutions in renewable energy and energy conservation and storage and it was agreed that further expert level exchanges between Californian and Indian officials should take place. She emphasized in their conversation how critical respect for diversity is in a healthy democracy and noted that diversity has helped California grow its economy.

The Lieutenant Governor then described her participation in the Raisina Dialog, a geopolitical conference sponsored by the Ministry of External Affairs. She participated in two high level panel discussions. The first was focused on green tech financing and moderated by a member of the Indian parliament. In this panel the Lieutenant Governor highlighted broad support in California for environmentally sound policies. The second panel was focused on women's leadership. The Lieutenant Governor discussed this topic with the former Prime Minister of New Zealand and other international women leaders.

The Lieutenant Governor also met with Claire O'Neill, former President of the 26<sup>th</sup> Conference of Parties (COP26) about expanded subnational participation in COP. Ms. O'Neill noted that the United Kingdom recognizes California's important role as a subnational leader on climate action and said that they are looking to California to play a leadership role at COP26 and beyond.

Finally, the Lieutenant Governor emphasized again that Visit California's simultaneous presence and collaboration was indispensable. Visit California moved the date of a previously scheduled visit in order to overlap with the Lieutenant Governor's trip. Like agriculture, tourism is a critical aspect of California's international relationships. India is primed for growth as a source of tourism, and the Lieutenant Governor noted that she was glad to support Visit California to enhance the relationship.

Caroline Beteta, Chief Executive Officer at Visit California agreed that overlapping is the two delegations was an optimal scenario, as it created an amplified platform for all.

She continued that Visit California spends about \$1.1 million in India; it is California's #1 opportunity market. The trip to India generated \$400,000 in earned media, so from the perspective of their spending, it had a huge impact. California receives 353,000 visitors from India every year, spending \$1.1 billion in the state. She described the newly inaugurated direct United flight as a game changer that will build momentum for other opportunities that will positively impact California. The Visit California delegation included 25 California companies and travelled to New Delhi and Mumbai to generate business in the Indian market.

A goal of the Visit California delegation was to highlight the biggest opportunity with India – the strategic long-term partnership with Bollywood. Bollywood is ten times the size of Hollywood, and Indian visitors are apt to visit locations that they see in theaters. Ms. Beteta noted that it was critical that the Lieutenant Governor was with Visit California, as well as the new Film Commissioner,



Colleen Bell, who signed a Memorandum of Understanding with the Bollywood Directors and Producers Guild that includes the top 6 directors in India, representing 80 percent of the films in the market.

The Lieutenant Governor closed the discussion on India by noting that state officials are always thrifty and thoughtful when making decisions about travel. However, there are circumstances in which international travel can help to achieve California's goals. She said that those few days in India were high value and set a good model for future travel.

The Lieutenant Governor announced the next item on the agenda, a report from Vice Chair Mendonca on the work done at the Governor's Office of Business and Economic Development (GO-Biz) to transform California's ability to engage on international trade. She prefaced Vice Chair Mendonca's talk by saying that it has been incredible to work with the GO-Biz International team, which has extraordinary talent and is focused on being as productive as possible. She continued that so much can be done in California by opening our doors to invite companies to the state and helping California companies to export. These initiatives translate to jobs in the state.

### **C. Vice Chair's Discussion of GO-Biz 2020-2024 International Priorities**

Vice Chair Lenny Mendonca, Director at the Governor's Office of Business and Economic Development (GO-Biz) thanked the Lieutenant Governor for her kind words. He said that the collaboration of the Interagency Committee ensures that California has unified representation around the world, and he congratulated the Lieutenant Governor on her outstanding work in India. He also noted the importance of engaging with buyers of California exports, such as almonds and tourism.

Vice Chair Mendonca then echoed the Lieutenant Governor's remarks regarding coronavirus. He said that GO-Biz is working across agencies and with local governments to closely monitor its economic impacts. He stated that there will always be economic ups and downs, and that California's arms will be open when our friends in China are ready to travel again.

Vice Chair Mendonca continued to discuss GO-Biz's international strategy, saying that expanding global engagement is a key aspect of the strategic plan. He noted that California is a top state for two-way trade and an important partner and essential business center for growing companies. 2019 was spent building a foundation that will guide GO-Biz's work going forward.

1. GO-Biz has developed a comprehensive state export strategy. This includes an Export Training Network that will build a pipeline of new exporters. The majority of California exporters are small and medium sized businesses – the Network is an acknowledgement of their importance.

GO-Biz has also developed country plans for top markets that emphasize California's leadership in clean technology, renewable energy, and other sectors. These plans help promote export sectors by destination.



2. GO-Biz has developed a state foreign direct investment (FDI) strategy that includes expanded participation in SelectUSA and support for spinoff events. GO-Biz has also built up partnerships at all levels to attract FDI to California. This includes working closely with the Business Investment Services unit at GO-Biz to connect investors with site selection and incentive navigation services.

GO-Biz is also working to improve data on FDI. World Trade Center Los Angeles has produced a report in the past regarding foreign direct investment in southern California. GO-Biz is collaborating with them to expand the report to cover the entire state this year.

3. GO-Biz is working to enhance partnerships at all levels. In addition to working with the Interagency Committee, the International team has launched a monthly call with economic development organizations (EDOs) around the state and a China Trade and Investment Network. GO-Biz also has a bimonthly call with the U.S. Commercial Service to coordinate national and state-level activities.
4. GO-Biz is working with trade infrastructure partners. Vice Chair Mendonca noted that he met with the Port of Los Angeles in December 2019 and was told that it was the first time that a cabinet-level official had proactively reached out to set up a meeting in ten years. Members of the International team have also met with the ports of Long Beach, Hueneme, Oakland, San Diego, and Stockton as well as LAX, SFO and Ontario.
5. GO-Biz has launched a new website so that services are more accessible to the public. The website includes details on all GO-Biz activities and will be regularly updated.
6. Finally, Vice Chair Mendonca noted that GO-Biz is working to improve branding. Following the example set by Visit California and California Grown, GO-Biz's goal is to better market its work. This effort has included a monthly newsletter and an expanded social media presence. GO-Biz will improve branding across all channels so that California's partners know California's importance as a state and GO-Biz's role in supporting the economy.

This work is done in close partnership with members of the Interagency Committee. In 2020, members will host technical exchanges, sign MOUs, and represent California at global events. Mr. Mendonca noted that it is essential that agencies collaborate, share insights and lessons learned, and work together to enhance California's global position.

He closed by stating that GO-Biz's 5-year strategy plan is available on the website, [here](#).

The Lieutenant Governor encouraged everyone to look at the website. She also noted that there had not yet been a motion to approve the Interagency meeting minutes from November 12, 2019. There were no comments from the public and the minutes were unanimously approved. They can be found [here](#).



#### D. Discussion of Ongoing Engagement with Mexico

Lieutenant Governor Eleni Kounalakis stated that this meeting was the fourth Interagency Committee meeting, and that in every meeting she has emphasized the need for a conversation about Mexico, which is California's closest and most important foreign partner because of the deep cultural and family ties that California and Mexico share, as well as the robust trade relationship. The most recent numbers indicate that trade between California and Mexico totals about \$74.5 billion every year. The Lieutenant Governor emphasized that she wanted to talk about California-Mexico trade in the context of the [U.S.-Mexico-Canada Agreement \(USMCA\)](#) that was signed in January.

USMCA has had a large impact on California, disproportionate to the impact on the United States in general. California has been engaged to make sure that our views and perspectives are heard in Washington. The original draft lacked elements that concerned California, such as environmental and labor protections. The Lieutenant Governor said that she was pleased to see the engagement of House Democrats to ensure that California's concerns were raised and addressed. The updated USMCA came a long way from the original draft and the Lieutenant Governor expressed that she was pleased with the changes made, including worker protections and enhanced enforceability.

The Lieutenant Governor then mentioned specific additions to USMCA. On the environmental side, California has been trying to clean up the Tijuana River Valley for a long time. USMCA includes four annual installments of \$75 million in Environmental Protection Agency grants for the Border Water Infrastructure Program. Some of these dollars will be used to update the South Bay International Wastewater Treatment Plant. She said that this funding has been a long time coming and that it shows the ability of the Newsom Administration to raise an issue and get results.

The Lieutenant Governor continued that USMCA also allows for increased small dollar duty free shipments. This will make it easier for businesses to participate in trade with Mexico and Canada. Helping California businesses trade has been an objective for the state.

The Lieutenant Governor continued that there are additional wins for California. Previously California wine sold in British Columbia, Canada had to be shelved in separate, less visible areas of retail outlets. Now, California wines will be placed on the same shelf as Canadian wines, which will increase sales. Additionally, quotas on California dairy and poultry imports in Canada have been increased and price controls on milk will be reduced or eliminated. She expressed her hope that California businesses and residents will benefit as trade continues to expand.

The Lieutenant Governor then said that she is excited to announce that she will be leading a group to San Diego to participate in the 2020 Cross Border Summit taking place April 1 and 2. This will be undertaken in partnership with GO-Biz, CEC, CalSTA, CalOES, and CalEPA. They will meet with Governors Bonilla and Mendoza from the states of Baja California and Baja California Sur. Governor Newsom reestablished the Commission of the Californias (ComCal); this trip is an important follow



up to that commitment. The signing ceremony in December outlined the general terms of the ComCal engagement. The April meeting will be an opportunity to ratify areas of collaboration on issue areas including air and water issues, improving border infrastructure, and new collaborations on trade and film.

The Lieutenant Governor then noted that many community partners on the ground will use this work as an opportunity to align efforts across the state. There are city and county representatives working on these issues – the Lieutenant Governor said that the objective is to harness that activity to make progress on important issues. She continued that she is looking forward to working with partners at the local level and at the state level in Baja and Baja Sur to move the three California forward.

Vice Chair Mendonca began by saying that he is glad that different offices are working together. He said that GO-Biz is making progress on an MOU signed with the Mexican Ministry of the Economy and has visited San Diego to survey economic development projects that may be supported in conjunction with the Mexican Federal Government.

Mr. Mendonca continued that GO-Biz is working with the Mexican Consul General to coordinate a visit from the Mexican Ambassador to the United States to Sacramento on Cinco de Mayo. The Ministry of Economy in Mexico has offered to host a California Week that will coincide with this visit.

Finally, Mr. Mendonca noted that GO-Biz is leading the interagency coordination process regarding ComCal with Baja and Baja Sur.

Secretary Jared Blumenfeld of the California Environmental Protection Agency followed up on the Lieutenant Governor's remarks on USMCA by focusing on the Governor's budget which includes \$63 million in funding for the New and Tijuana Rivers. This project initiates investments on both rivers. Regarding the Tijuana River, they are proposing two years of maintenance, and plan to stretch the funding over a longer time period.

Secretary Blumenfeld continued that he visited Washington DC the prior week and attended a meeting hosted by Speaker Pelosi and Senator Feinstein in which Members of Congress from border districts discussed funding and USMCA. USMCA allocated \$300 million in additional funding - \$75 million over four years. This funding will be processed through U.S. EPA's State and Tribal assistance grants. There is also a bill that will increase funding, but concern remains that this money is for the entire border, not just California's border with Mexico. Given significant demand for border projects, it is important to ensure that funding reaches California.

Secretary Blumenfeld then noted that a meeting in San Diego the previous week was cancelled because U.S. EPA Administrator Andrew Wheeler wanted to be briefed on how the money can be used most effectively, given competing views on how the funding should be spent. Secretary Blumenfeld noted that there has been an enormous outpouring of support for projects on both sides of the border.



Secretary Blumenfeld continued, discussing San Diego's new standards for trash along the border. He said that the discussion in Washington DC focused on the fact that now that funding has been committed, it is now important to see results. There is a strong state and federal match here. The California Natural Resources Agency and CalEPA are planning together how best to prioritize border projects along with the Federal government. They will be working with a new U.S. EPA administrator in San Francisco to channel funding towards specific projects.

The Lieutenant Governor observed that the funding for new projects along the border is a very positive development. But given that agencies have overlapping authority, there are complications other than just funding. This project will require construction improvements to handle challenges both in California and Mexico.

Secretary Wade Crowfoot of the California Natural Resources Administration (CNRA) said that because of these developments, this is now the moment to address and resolve the challenge of water quality along the border. He noted that Governor Newsom is focused on this issue and expressed thanks to California's congressional delegation for the resources that we now have. He said that his office had spoken with Governor Bonilla of Baja California, and he confirmed his commitment to this project. Secretary Crowfoot also added that California State Senator Ben Hueso had secured \$10 million in funding through the [Coastal Conservatory](#).

Secretary Crowfoot provided two further updates:

1. CNRA is advancing the work of the Commission of Californias. He said that his office is proud of California's network of marine protected areas. Partners in Baja and Baja Sur are interested in creating their own marine protected networks. His office is working with them to stretch and merge these networks.
2. Secretary Blumenfeld and Secretary Crowfoot met with representatives from Mexico's Ministry of Environment and Natural Resources, SEMARNAT, at the Conference of Parties in Madrid. Their discussion focused on developing the details of a Memorandum of Understanding to structure their work together. Secretary Crowfoot noted that the work between California and SEMARNAT is one of the most productive international partnerships, and his office is excited to form an updated agreement.

Helen Lopez, International Liaison at the Governor's Office of Emergency Services (CalOES) explained that Director Mark Ghilarducci and Deputy Director Christina Curry were unable to make it to the meeting given other urgent priorities. She said that her office is working with the Lieutenant Governor on her trip to Mexico in April, and is coordinating a meet and greet with counterparts in Baja and Baja Sur. Additionally, she said that CalOES is working with the state of Yucatan on an MOU focused on emergency management, which they hope to sign in 2020. Finally, regarding the Tijuana River, she said that CalOES monitors spills and has established a coordinated notification system.



Secretary David Kim of the California State Transportation Agency (CalSTA) stated that he wanted to address a point Vice Chair Mendonca made regarding goods movement and freight, saying that it was great that the GO-Biz team had visited seaports and airports. He noted that many agencies have had a chance to review the [California Freight Mobility Plan](#) for 2020 that will guide future freight and goods movement. The final plan should be available in April. Secretary Kim noted that the report includes choke points, port access, and other issues that affect California at a high level.

Secretary Kim continued that the California-Baja California Border Master Plan effort for 2021 has been initiated by CalSTA with counterparts in Baja California. He said that this is an effort to coordinate planning regarding land ports of entry. Secretary Kim commented that during his time at the Federal Highway Administration, he co-led the program that focused on this effort.

Secretary Kim then provided an update on State Route 11 (SR-11). The project broke ground in July 2019 and it is currently 25 percent complete. It should be finished by December 2021. He stated that CalSTA is implementing intelligent transportation efforts that will help to manage congestion. He said that he is looking forward to joining the Lieutenant Governor at the Border Summit in April, where CalSTA will be signing an MOU with colleagues in Baja. CalSTA is working with CalTrans to arrange a tour of land ports along the border that will cover San Ysidro and others to the East.

He closed by noting that the previous week CalSTA had a productive meeting with a delegation from France that included the Minister of Transportation, at which they discussed high speed rail.

The Lieutenant Governor said that it is exciting to hear about progress in Otay Mesa, as it will make a big difference for commercial border crossings.

Jennifer Phillips, Senior Scientist at the Governor's Office of Planning and Research (OPR) said that Director Kate Gordon sent her regrets that she could not make the meeting. She reported that OPR does not have any recent engagement with Mexico. She flagged that California is an active member of the [Under2 Coalition](#), and is currently on the steering committee.

The Lieutenant Governor commented that the Under2 Coalition was started in Sacramento and it has become one of the most important organizations dealing with climate initiatives at the subnational level.

Richard Corey, Executive Officer at the California Air Resources Board (CARB) said that, as the Lieutenant Governor noted in her opening remarks, the relationship between California and Mexico is ever strengthening. CARB works with academic institutions on both sides of the border and has two primary projects with Mexico:

1. Air quality monitoring, which they use to track progress and identify problems. Currently, Mexicali has the most comprehensive air quality network it has ever had. Regulatory monitors on both sides of the border are being used to facilitate further progress.
2. Measures that are required Federally, given that many sources of problems are shared, such as motor vehicle emissions and dust. CARB is working with partners to develop a strategy and does



not currently have all the answers. Mr. Corey highlighted Assembly Bill 617, the [Community Air Protection Program](#), and underscored the need for more action in California's most impacted communities. He stated that many communities do not enjoy the benefits we see regionally because of their proximity to sources of emissions. In San Diego and El Centro, they are developing an emissions reduction plan. He said that we can learn from one another in developing these plans, and state that there is much more to do on enforcement.

Caroline Beteta, Chief Executive Officer at Visit California said that her office is continuing to invest in Mexico, as it is an important market. Mexican air passengers to California have some of the highest per capita spending. This spring will be the busy season. She noted that so long as there is stability with Coronavirus, California is poised for an April sales and media mission to Mexico targeting the family market. She noted that there is huge opportunity in Mexico.

Finally, she stated that momentum continues at the [Cross-Border Xpress](#), where a California Welcome Center was established in August. She concluded by saying that California is building bridges, not walls.

The Lieutenant Governor thanked Ms. Beteta for her report and for the progress she has made. She said that it is an exciting time and there is a lot of work to do.

She then noted that one of the significant changes since the prior Interagency Committee Meeting is related to trade with China. She stated that the tariff dispute with China has been going on for some time and has disproportionately affected California. However, since the November Interagency Meeting, the Federal Government and China signed a Phase 1 Deal.

**E. Presentation by Max Oltersdorf, Deputy Director for International Affairs and Trade, GO-Biz on China Phase I Deal**

Mr. Oltersdorf reported that the [China Phase 1 Deal](#) was signed on January 15<sup>th</sup>, 2020. He noted that it was difficult to get into nuances in a short presentation, so he wanted to highlight specific provisions of the deal. In compiling the review, he stated that his team read the text of the agreement and had spoken to industry representatives.

He noted that the portion of the deal that grabbed headlines was that China agreed to increase purchases of American goods:

- \$78 billion in manufactured goods,
- \$32 billion in agricultural products,
- \$52 billion in energy products,
- \$38 billion in services.

Regarding agriculture, Mr. Oltersdorf stated that the agreement includes guidelines for opening the Chinese market for California avocados and nectarines, which had a combined export value of \$280 million in 2019. He stated that the California Avocado Commission is optimistic – they say it will provide a valuable market. The California Fresh Fruit Association says that this agreement is a key



step for increasing the market for stone fruit. However, there is still a 70 percent tariff on stone fruit imports in China, and the tariff waiver request requires evidence of the impact of tariffs. Since California stone fruit exporters do not have market access in China, there is no evidence that they have been impacted by tariffs, so it is unknown when the industry can begin shipping. In short – the tariff may be too high for market access, but the tariff can only be reduced with market access.

Imports of California rice products are also mentioned in the China Phase 1 Deal, with China allowing for imports of rice from approved facilities. The California Rice Commission hopes that this will build sales to 100,000 metric tons in the next 10 years, making it California's first new export market for rice in more than 20 years.

Shifting to intellectual property, Mr. Oltersdorf stated that California is the #1 state for new patents filed. The new agreement removes the requirement that businesses must have dollar losses for patents to be enforced. It also requires the Chinese government to publish enforcement data online. Goods received by customs authorities that are pirated or counterfeited will be seized or destroyed. The Internet Association says that this is a move in the right direction, but enforceability is unclear.

For pharmaceutical companies, China has committed to creating a catalog system of patents to respond to disputes before infringing products can be marketed. Additionally, if there is a delay in new pharmaceutical patent approval of more than four years, China is required to extend the life of the patent. This will speed the patent process and support U.S. pharmaceutical companies in China.

Another significant aspect of the Phase 1 Deal is the elimination of the joint venture requirement for insurance companies. Currently, U.S. business in China must establish a partnership with a local business. Although all industries other than insurance must form such partnerships, that it is no longer required in the insurance sector is a positive step in terms of relaxing the regime.

Large uncertainties remain regarding tariff relief and the general slowdown in trade. GO-Biz will continue to monitor these situations as they unfold.

CalEPA Secretary Blumenfeld asked what specific products were included in the \$52 billion in purchases of energy products. Mr. Oltersdorf said that it consisted of primarily petroleum products and that he would send a full list of the HS codes to CalEPA.

The Lieutenant Governor said that the agricultural products covered by the Phase 1 Deal seem to be more geared to products from the Midwest than from California. Given coronavirus, it is possible that the impacts of the Phase 1 Deal may be delayed. She then asked Mr. Oltersdorf about the combined impact of coronavirus and tariffs on California trade.

Deputy Director Max Oltersdorf said that the Ports of Los Angeles and Long Beach had seen a decline of 5 percent. The Port of Long Beach saw a 25 percent decline year over year from February and is expecting an overall annual decline of 15 percent. One quarter of arriving ships have been cancelled. 60-80 total arrivals to Oakland, Los Angeles, and Long Beach have been cancelled.

## **F. Discussion of Other International Engagement**



The Lieutenant Governor said that she would like to hear from Committee members who have reports on international activity other than work with Mexico. She then stated that her office is continuing to enhance and focus on California's strong relationships with Canada, Japan, and the European Union. She noted that she recently spoke at the Japanese Consulate General's National Day celebration to underline the historic relationship between California and Japan. She welcomed the opportunity to increase the California-Japan relationship and noted that she would meet with the Japanese Ambassador to the U.S. the following week.

With the European Union, the Lieutenant Governor noted that she participated in a panel discussion with the EU's Ambassador to the United States, Stavros Lambrinidis at U.C. Berkeley's Institute of European Studies to discuss the relationship between the EU and California. She affirmed that California is Europe's transatlantic partner and discussed areas of opportunity to increase trade, develop policy in the field of data privacy, and ensure that developments in critical technology fields reflect shared values.

Finally, the Lieutenant Governor noted that her office and GO-Biz were represented at a Canada Day event in Sacramento. She affirmed her commitment to focusing on Japan, Europe, and Canada to enhance trade and engagement.

Vice Chair Lenny Mendonca stated that California is planning to lead a State Trade Expansion Program (STEP) funded delegation of California aerospace companies to FIDAE, a trade show in Chile. He noted that GO-Biz is closely monitoring this event. Aerospace is an important sector and GO-Biz wants to demonstrate interest in collaborating.

Mr. Mendonca then discussed the Export Training Network that he had touched on in his earlier remarks. He said that GO-Biz had coordinated a group of 16 Economic Development Organizations (EDOs) to administer export trainings for small businesses. The training will include information on market assessments, transportation, logistics, identifying new buyers, and more. There are more than 70,000 exporters in California – the vast majority of them are small and medium enterprises. GO-Biz wants to ensure that every business that wants to export has the resources and know how to do so. Small businesses are increasingly interested in global opportunities. In light of current events, there is increased focus on supply chain diversification and resiliency.

Mr. Mendonca then noted that the International team at GO-Biz is using technology to get their message out to the public. This has included webinar series, video conferences, and virtual office hours. The International team is putting together roundtable discussions with key partners to ensure that they are aware of the resources that GO-Biz provides.

Finally, Mr. Mendonca stated that he wanted to publicly thank Bud Colligan, who was Senior Advisor for International Affairs and Trade at GO-Biz from March 2019 to February 2020. Mr. Colligan oversaw the launch of the International team at GO-Biz under the Newsom Administration. He had offered to give a year of his time to contribute to this initiative, and he did so at great personal sacrifice. Mr. Mendonca said that his work was an enormous contribution to the state and that he wanted to publicly acknowledge his appreciation.



The Lieutenant Governor concurred and said that when her office and GO-Biz first started to look at how to coordinate California's international engagement, Mr. Colligan's thoughtfulness and skillfulness in determining organizationally how to do it helped lay the foundations for the structure of the Interagency Committee. She said that based on that foundation, the work of international coordination will continue. She said that Mr. Colligan would be greatly missed and that it was great to have him as a member of the team.

California Energy Commission Chair David Hochschild stated that he had the chance to work with Bud Colligan on electric vehicle issues. He said that electric vehicles were California's #2 export in 2019, whereas previously they were #8. Chair Hochschild said that the following day, along with other state officials, he would be visiting electric vehicle manufacturers in California. He noted interest in seeing the Tesla factory, which produces 1,000 electric vehicles per day.

Chair Hochschild continued that there are unique challenges in his work given coronavirus. He said that an upcoming trip to Berlin had been cancelled, but noted that other trips to visit offshore wind facilities in the United Kingdom and Denmark were still planned. He noted that on the day of the meeting, March 9, 2020, there was the steepest point drop in the history of the stock market to that point and that classes at UC Berkeley were cancelled. Chair Hochschild commented that the coronavirus situation highlights how critical it is to build and sustain international ties and affirmed that California will make it through these challenging times.

The Lieutenant Governor said that the news about California's electric vehicle exports was exciting. She noted that State of California officials travel around the world and bring visitors to California to discuss our ambitious 2045 goals. She affirmed that getting there will rely on transitioning to electric vehicles. She said that she drives an electric vehicle and stated that everyone should think about making the transition.

Secretary Wade Crowfoot of the California Natural Resources Agency shared four updates:

1. CalEPA Secretary Jared Blumenfeld and CEC Commissioner Andrew McAllister traveled to Madrid for the 25<sup>th</sup> Conference of Parties (COP25) to highlight California's climate leadership and ongoing implementation of its ambitious climate policies and programs. Secretary Crowfoot reported that they had very productive meetings and that subnational entities are playing an outsized role. He stated that many governments look to California due to its economy and ambition in addressing climate change. To that end, he said that California has been working closely with the United Kingdom, which will host the 26<sup>th</sup> Conference of Parties (COP26).
2. At COP25, Secretary Crowfoot entered a partnership with other nations around the Pacific Ocean called the [Pacific Rim Ocean-Climate Action Partnership](#). He noted that the Attorney General of Fiji is involved and emphasized that the world's oceans are suffering alarming impacts such as plastic pollution. He said that this partnership will bring together a coalition of the willing to lead global action. He also stated that 60 percent of the world's economy is on the Pacific Rim.



3. Secretary Crowfoot continued that his office is working with the Netherlands, which is a leader in efficient water use and flood safety. Although the Netherlands is a smaller trading partner, there is a lot to learn and share. He noted that this work will likely involve a trip in the Spring.
4. Secretary Crowfoot's final point was to describe his working advancing California's biodiversity. He said that California is an almost unrivaled biodiversity hotspot. He said that his office is working to protect and maintain this biodiversity. This initiative dovetails with international goals: China is hosting a Conference of Parties focused on biodiversity later this year, and there has been interest in California playing a larger role. Secretary Crowfoot stated that the relationship with China can be supported by the Interagency Committee, which can deepen collaboration on other topics and with other countries.

The Lieutenant Governor said that she was encouraged to hear about the work being done across the administration. She said that she can attest that the world is looking to California, which is the 5<sup>th</sup> largest economy and has grown its economy while advancing climate objectives.

CalEPA Secretary Jared Blumenfeld stated that, as a follow up on the Lieutenant Governor's trip to India, CalEPA Deputy Secretary Lauren Sanchez and Science and Technology Policy Advisor Candace Vahlsing at CARB traveled to India to represent California at the [Track II Dialogue](#), along with former White House Chief of Staff John Podesta. He noted that Ms. Sanchez served on a panel focused on wildfires and air pollution. California has reduced pollution while growing the economy. India has also expressed interest in California's waste management, charging infrastructure for zero emission vehicles, standards for air quality, greenhouse gas emissions for cars and trucks, and pollution abatement strategies for construction.

Secretary Blumenfeld continued that subnational entities like California will have a large role at COP26 in Glasgow. He emphasized that others look to California as an international climate leader.

He concluded by thanking Assistant Cabinet Secretary at the Governor's Office Kayla Ungar, who is leading the Governor's work on international collaboration while Deputy Cabinet Secretary Jamie Callahan is on leave.

Helen Lopez, International Liaison at the Governor's Office of Emergency Services (CalOES) stated that CalOES had hosted a delegation from Japan that included two members of the cabinet. The focus of the visit was discussing Japan's resiliency plan given the 2011 tsunami.

Additionally, Ms. Lopez mentioned a Memorandum of Understanding signed with Australia in 2015. She noted that during the wildfires in Australia, CalOES shared information and a situational awareness coding system. She also noted that they had a visitor from Chile the prior week and an MOU with Chile focused on crisis communication.

Finally, Ms. Lopez said that given the situation with coronavirus, her office is available to address questions.



Caroline Beteta, Chief Executive Officer at Visit California noted that the travel industry is at the breakwater of coronavirus. She said that at the time of the meeting, almost everything is filtered through that lens. She said that the industry is resilient – it is holding together and staying strong. She commented that Vice Chair Mendonca led a call with 1,500 people to discuss how businesses will pivot as the situation unfolds. Ms. Beteta emphasized that the industry is looking at the long term and noted that economists and forecasters are looking at a B curve in terms of swift recovery. Visit California has supported “Stay Strong China” messaging, noting that the Lieutenant Governor’s support of this message led it to reach 500 million people. Tourism revenues from China are projected to decrease by 28 percent. The “Stay Strong China” message is now rolling into a “Stay Strong Italy” message.

Additionally, Ms. Beteta noted she had recently returned from Visit California’s 2<sup>nd</sup> Annual Luxury Forum. She noted that California is the only state that could hold a global forum of this kind. She explained that several years previously, Visit California made a concerted effort to invest in the luxury travel market in California. She noted that at the Forum she received 14 delegates from France on a sales mission that had gone well. She also noted that they had received 10 delegates from the United Kingdom marketing California as a “Road Trip Republic.” She said that Visit California is meeting with Canada to discuss a comprehensive tourism plan.

In closing, Ms. Beteta noted that 45 million Americans were planning to travel overseas over the summer, but those plans have likely been curtailed. Given the limitations on international travel, Visit California is working to attract travelers to California in a retention initiative. She specified that the leisure market is holding strong at 80 percent of its projected revenue of \$145 billion. Business events, however, are hemorrhaging. She stated that Visit California is focused on working on this issue.

The Lieutenant Governor said that all state agencies are watching the coronavirus situation evolve. She noted that it is early and the situation is fluid, so it is difficult to see the arc.

Jennifer Phillips, Senior Scientist at the Governor’s Office of Planning and Research (OPR) stated that her office also participated in meeting with an envoy from COP26. This envoy noted priority areas for the COP are transportation and resiliency. Ms. Phillips emphasized that her office is considering how to work together with the COP on these themes. She also noted that, as Secretary Blumenfeld mentioned, California is very involved in the [U.S. Climate Alliance](#) and the [Pacific Coast Collaborative](#), and is working on further subnational partnerships.

Finally, Ms. Phillips mentioned that the following week a group at OPR would be meeting with Dr. Rod Carr, Chair of the Climate Change Commission in New Zealand.

Richard Corey, Executive Officer at the California Air Resources Board (CARB) noted that the Lieutenant Governor had previously commented on the key role that electric vehicles play in California reaching its climate and air quality goals. He commented on California’s leadership in the regulatory structure in that space and noted that, in addition to electric passenger vehicles, California is manufacturing electric forklifts, school buses, transit buses, and more.



Mr. Corey stated that, in addition to the meetings that Secretary Blumenfeld referenced with India, CARB had met with India to discuss the transition to electric transportation to reach their air quality and climate goals. He specified that this is a key point in California's global partnerships. The state is sending a clear signal to original equipment manufacturers that zero emissions vehicles are where the market is going. These OEMs are innovating in that direction. He affirmed that the industry is more effective when it stands together.

The Lieutenant Governor noted that California is leading the way to a transition in the transportation industry. She observed there is some resistance in the industry – Germany is reluctant to let go of their cultural concept of what a car should be. She affirmed that California encourages forward-thinking industries.

#### **G. Public Comment**

Consul General Lilliana Ferrer at the Mexican Consulate in Sacramento thanked the Committee for the attention they have given to Mexico priority projects. She added that one area in which she would like to see more work is in Mexico's feminist foreign policy, particularly given marches all over Mexico for International Women's Day. She said that she would like to partner with California to work on these issues and invited the Lieutenant Governor and the First Partner to an international women's conference hosted by the United Nations called the [Generation Equality Forum](#), which will be held in May in Mexico City and culminate in July in Paris.

The Lieutenant Governor thanked Consul General Ferrer and wished the assembled happy International Women's Day, which was March 8<sup>th</sup>.

Eleanor Torres, Director of Government Relations at the Port of Long Beach said that she wanted to share the Port's appreciation for the work the state is doing to increase port competitiveness. She specifically noted her appreciation for the collaboration with GO-Biz. Regarding partnerships with Mexico, she said that the Port is very positive. They see opportunity to increase short shipping between the Port of Long Beach and ports in Mexico. This will help to reach lower emissions goals. She said that her office looks forward to increasing these discussions and that GO-Biz staff has been remarkable in regular meetings.

The Lieutenant Governor said that it is clear the Port of Long Beach has a lot on its hands. This work underscores how internationally connected California is, and that times such as these show how interconnected the state is.

She then added that California is prepared for coronavirus because of the interconnectedness of our state. For 10 years California health agencies have been preparing for a significant event like this. She said that it was too early to know what the full impact would be, but taking precautions should help California to get through this, along with coordination at the local, state and federal levels.



She closed by encouraging everyone to wash their hands, avoid handshakes, and take precautions among vulnerable populations.

Vice Chair Mendonca stated that he would like to express his appreciation for the work that Visit California does to promote California around the world. He noted that there is no other state and few countries that have an entity with a \$120 million budget to communicate California's message and words of support to our global partners, such as "Stay Strong China." He noted that we must continue to emphasize California is a welcoming state. He said that California's message to our global partners is that once they're ready to travel again, we will be here.

#### **H. Adjournment**

The meeting was adjourned at 3:10pm.