

Hispanic Business, Trade, and Culture Commission Meeting
Friday, September 7, 2007
Goldstein Conference Room
Clayton, MO
10 am-2 pm

Members in Attendance: Chairman Representative Tim Flook, Marta Burgin, Lillian Hurst, Claudio Korinko, Jalesia McQueen, Jeanette Hernandez Prenger, Pedro Pantoja and Heraclio A Perez

Members Absent: Daniel Alvarez, Al Gonzalez, Crista Hogan, Ramiro Icaza, and Miguel Meneses

Guests in Attendance: Nicolas Britto, St. Louis Hispanic Leaders Group; William Carlvao; Rafeal Nun Marin, St. Louis Hispanic Chamber of Commerce; Luis Ortiz; Dainel Platschek, Barry-Wehmiller Companies, Inc; Guillermo Rodriquez, Webster University; Jaime Torres, St. Louis Hispanic Leaders Group; Kevin Stover, Missouri Department of Economic Development; Mark Wine, Missouri Department of Economic Development; and Krista Zurkamer, Missouri Department of Economic Development

Chairman Representative Tim Flook called the HBTCC September 7, 2007 meeting to order at 10:10 a.m. Chairman Representative Flook welcomed everyone to the meeting and thanked all in attendance for their support.

Chairman Representative Flook congratulated our newly appointed member Marta Burgin to the Commission.

The Commission members, supporting staff and guests made introductions.

The minutes from the June 22, 2007 meeting were introduced and reviewed. Corrections include on page four, it should read 1 in 5. With said correction Jeanette Hernandez Prenger made the motion to approve the minutes. Lilli Hurst seconded the motion to accept the June 22, 2007 minutes. All approved, motion carried unanimously.

Chairman Representative Tim Flook expressed his gratitude towards Jaime Torres for putting us in contact with Enrique Perez and the California Mexico Trade Center programs.

California Mexico Trade Assistance Center, Presentation Prepared by Enrique Perez, Presented by Jaime Torres

Our scheduled speaker today, Enrique Perez, was unable to attend the meeting due to a family illness. Mr. Perez sent his presentation to Jaime Torres, St. Louis Community College, with his regrets. Mr. Perez is the Executive Director of the California Mexico Trade Assistance Center at Rancho Santiago Community College, RSCC. Some of the Economic Development Programs at Rancho Santiago Community College: Small

Business Development Center, Institute for Women Entrepreneurs, National Hispanic Business Women Association, Center for International Trade Development and the California Mexico Trade Assistance Center.

The Center for International Trade Development, CITD, is funded by the State Chancellor's Office and RSCCD: State = \$205,000; RSCCD = \$100,000 (cash and in-kind). The CITD generates \$200,000 annually for RSCC. The CITD provides:

1. Business consulting services to existing small and medium-sized businesses that are looking to export or import products or services
2. Seminars – import-export, financing, legal; provide contacts to suppliers, distributors, manufacturers outside of the United States
3. Provide one-on-one consulting at the CITD or company location.

The International Consortium for Educational and Economic Development, ICEED, is a consortium of 70 Community Colleges in the United States, Mexico and Canada. The Consortium provides RSCCD and Member Colleges with business and government relationships in all three countries.

The California Mexico Trade Assistance Center, CMTAC, is funded by RSCCD, \$200,000 (cash and in-kind). CMTAC generates \$700,000 annually for RSCCD. CMTAC provides:

1. Business consulting services to existing small and medium-sized businesses that are looking to export or import products or services into or from Mexico; Seminars – import-export, financing, legal
2. Provide contacts to suppliers, distributors, manufacturers outside of the United States
3. Provide one-on-one consulting at the CMTAC or company location. One-on-One Business Consulting
4. Analysis of the Product or Service
5. Seminars for Small Businesses
6. Conferences Focused trade with Mexico
7. Trade Missions to Mexico – Business Matchmaking
8. Trade Missions to California – Business Matchmaking
9. Government contacts in Mexico and California
10. Trade Missions for Elected Officials

Why does RSCCD focus most of its efforts on Mexico? Mexico is California's top export market. The Hispanic community is very important to RSCCD. The Hispanic community is very important to the local elected officials. The Hispanic Market in California is strongest in the nation. We get more media attention on RSCCD BECAUSE of our focus on Hispanic community. The Executive Director is bilingual with strong ties to Mexico. There are more corporate dollars and participation available for Hispanic business development and assistance.

Due to RSCCD's Focus on and Experience with the Hispanic Community, Corporations have reached out to RSCCD to establish economic development and outreach programs in the community – these include:

***DISNEY:** established a procurement program with RSCCD to assist small businesses in selling their products and services to Disney. Disney provided RSCCD with \$100,000 for its assistance.*

***FIRST AMERICAN CORPORATION:** established a program to assist small businesses in selling their products and services to the booming real estate industry in Baja California, Mexico. First American provided RSCCD with \$250,000 for its assistance.*

***WELLS FARGO:** established a loan program for Hispanic owned businesses. Wells Fargo provided RSCCD with \$500,000 for its assistance in establishing and marketing the program in the Hispanic community.*

***UNIVISION:** established a weekly live television segment in Spanish where business issues and advice are provided to the Hispanic community. RSCCD generates \$100,000 from seminars, workshops and sponsorship dollars generated from the segments.*

***HOME DEPOT:** established a procurement program with RSCCD to assist small businesses in selling their products and services to Home Depot. Home Depot provided RSCCD with \$75,000 for its assistance.*

***UNION BANK:** established a micro-loan program for Hispanic owned businesses. Union Bank provided RSCCD with \$400,000 for its assistance in establishing and marketing the program in the Hispanic community.*

The following is the local economic impact from RSCCD programs:

1. Small Business Development Center: Clients served annually: 850; local economic impact: \$18 million
2. Institute for Women Entrepreneurs: Clients served annually: 200; local economic impact: \$5 million
3. Center for International Trade Development: Clients served annually: 325; local economic impact: \$7 million
4. California Mexico Trade Assistance Center: Clients served annually: 300; local economic impact: \$25 million

Chairman Representative Flook thanked Mr. Torres for his interpretation and the insight to this very informative presentation to the Commission. Chairman Representative Flook suggested to the Commission members to contact Mr. Perez with any additional more in depth questions. Mr. Torres agreed with Chairman Representative's sentiments, Mr. Perez would be happy to continue the conversation with the Commission and any of the guests. Chairman Representative Flook called for a lunch break at 11:23 a.m.

The meeting resumed at 11:55 a.m.

DED International Outreach Overview, Mark Wine

The objective of international staff outreach has been and is to help Missouri businesses grow exports, create jobs and build wealth within Missouri.

This has generally been implemented through a mix of seminars, forums, roundtables and presentations. Various titles and themes are used including; Global Opportunities; SHOW-ME Country Name; Doing Business in Country Name; Export Finance Seminar and International Trade Resources. Some of these are organized as stand alone events organized and presented by ITI staff while others are developed in conjunction with our network partners such as Economic Development Organizations, Chambers of Commerce, Trade Associations, Financial Institution Outreach, Higher Education Institution Programs and other international events.

The challenge (or challenges) are 1) how to reach Missouri companies that can benefit from the resources we can offer. 2) how we can continue to be effective with less and 3) how this commission can support the work of ITI, increase awareness among Missouri businesses of export opportunity and how can we rebuild or increase the strength and effectiveness of ITI. The services of ITI include:

- International Business Consulting
- Agent/Distributor Searches
- Basic Market Research
- Coordinating/Leading Trade Missions
- Trade show Promotion/Participation
- International Relations/Protocol
- Trade Lead Development
- Export Finance Information & Education
- International Export Resource Outreach
- Foreign Direct Investment to Missouri
- Advocacy

According to the Office of Trade and Industry Information, U.S. Bureau of Economic Analysis and the U.S. Census Bureau, over 4,700 Missouri businesses sell their products overseas (not accounting for services) ; 82% of which are SME's. While each of our ITI staff typically works with 15 to 20 active clients in any given month, there are many more that could benefit from our assistance.

From 2002 – 2007, ITI has conducted or participated in International (Export) outreach programs in over 33 Missouri cites and towns, with multiple presentations in several of these. Just a snapshot for the first 9 months of 2006 there were 27 presentations in 13 Missouri communities. Yet we continue to hear comments from Missouri businesses that they never knew that our office and resources exists. Many times after concerted efforts at recruitment for these outreach presentations attendance by Missouri companies is poor. The information is presented to those attending, many who are in the business of economic development or business promotion (“the choir”) in hopes that the message will eventually get out.

The question begs...What can be done differently or more effectively to attract more Missouri businesses to these informational outreach programs that can directly benefit them?

In spite of this phenomenon, our office of ITI has continued to assist Missouri companies with their export efforts building jobs and wealth for Missouri. Missouri exports grew from \$6.8 Billion in 2002 to 12.8 Billion in 2006 and are on pace to set a new record in 2007 with a 15% increase showing through June of 2007. While our office certainly does not portend to take credit for all of this gain we certain have helped many companies grow in their export activity...all the while doing it with less personnel and funding. However, there is a limit on how much service can be delivered with less.

In 2002, the then called Office of International Marketing, had 13 offices scattered worldwide; today we have 7 (+ Ag office in Taipei, Taiwan). Interestingly, during that time, we have never had an office in the country of our leading export market, Canada. In 2002 we had and international staff in Jefferson City of 11 FTE's and a budget of \$1.9 Million. Today we have 4 FTE positions (3 ½ staff + contract employee from MFDB as export finance specialist) and a budget of \$973,000. These budget figures include the contract cost obligation for our foreign offices as well as domestic staff. In 2004, International Marketing was reorganized under the Business Services Division and no longer had a separate budget, but became integrated within the overall DED budget.

The ITI team welcomes input and suggestion on how we can reach more Missouri businesses to assist them with their export building needs, creating additional jobs and building wealth. Statistically, exporting companies pay 35% higher than average wages and are among the first to create new jobs.

Missouri's exports and export growth have been cited in the media and referenced by public officials more often in recent months, a testament to the importance of this contributing element to our GDP. Missouri ranked 26th in the nation in exports for 2006 and of the states bordering Missouri, was only exceeded by Illinois. Yet the ability of ITI to meet the increase needs of Missouri companies continues to diminish while the desire to deliver useful assistance remains as strong as ever.

Do we have the answers? No. Do we have suggestions of ways to enhance ITI services and keep Missouri at the forefront of export growth? Yes.

- 1) Raise awareness at every opportunity, the importance of Missouri exports and the assistive work and resources of the office of ITI. Use opportunities to discuss this in business circles and also raise the legislative awareness and recognition of the important work of ITI within economic development.
- 2) Re-establish a separate funding allocation within the legislative budget to support the work of the office of ITI. Many Missouri companies need to hear of this office and can benefit from utilizing its services. To accomplish this more effectively, additional international trade managers are needed as well as

resources for improving the ITI web-site, delivering electronic information more efficiently, producing enhanced international marketing materials and facilitating more international trade opportunity events.

I appreciate this opportunity to express these facts and observations to this commission and will look forward to your support for the future work and existence of the ITI office in assisting Missouri businesses.

Overview of the Immigration System, Jalesia McQueen

An immigrant is someone seeking to stay in the U.S. permanently. Nonimmigrant is someone who is here temporarily for a set amount of time. Immigrant=Lawful permanent resident=green card holder. There are three agencies who oversee immigration, they may work separately or together in many cases: U.S. Department of State decides whether alien gets to come into the U.S.; U.S. Department of Labor decides whether pay is sufficient and whether there are no U.S. workers to do the job; and U.S. Citizenship and Immigration Services (USCIS, formerly INS) decides the status of the alien when in the U.S. Family and Employment are both subject to a worldwide cap-Family (immediate v. all others) and Employment (divided into Employment Based categories, EB1, EB2, etc). Waiting times vary due to backlog, processing times, etc. The H-1B visa needs bachelors' degree, most flexible but now harder to obtain due to the cap. There were 65,000 filed on the first day in 2007. The H-2A visa is agricultural, temporary or seasonal nature, labor certificate required. The H-2B visa is non-agricultural, temporary or seasonal, capped, labor certificate required. The TN visa is Canada and Mexico citizens, needing Bachelors' degrees. The L-1 visa is international transfer of employees, managers and specialists. The employer's responsibilities are the I-9 form; accept forms of identification chosen by employee. Social Security Number No-match letters-changing law-bottom line: terminate or take a chance (constructive knowledge plays a role)-must apply uniformly. There is 90 days to figure it out and fix the problem.

Our guest Guillermo Rodriguez introduced another guest at the meeting, Mr. Luis Ortiz, who would like to address the Commission on a recent event. Mr. Ortiz and his family were traveling back to St. Louis from a weekend getaway and were pulled over for speeding. His son-in law was driving with the rest of his family in the vehicle, Mrs. Ortiz, Mr. Ortiz, and Mr. Ortiz's two daughters. Mr. Ortiz's wife, one of his daughters and his son-in law do not look Latino decent. After the first initial approach by the police officer to their car the police officer then came back and asked to see everyone in the cars identification. Mr. Ortiz felt very uncomfortable and felt the event was questionable. Mr. Ortiz and his family followed the instructions of the police officer and were issued a speeding ticket and sent on their way. Arriving back in St. Louis later that evening he learned in the media of the initiative of state police acting on immigration issues. Mr. Ortiz feels that the uneasy feeling he got was due to the profiling he and his family received by the police officer. Mr. Ortiz thanked the Commission for listening to his story and giving him the opportunity to share today.

Chairman Representative Flook stated he regretted the experience of Mr. Ortiz and his family. He added that he would be traveling to Jefferson City and meeting with the Department of Public Safety-State Highway Patrol to discuss this exact matter.

Chairman Representative Flook brought to the attention of the Commission an “Open Letter On Immigration”; he asks that Ms. Zurkamer forward the letter to all of the Commission members. Chairman Representative Flook also asked that Ms. Zurkamer email a merged document of all the minutes of this year to the Commission members. This document will assist in the formulation of the 2007 Annual Report. He asks that everyone take some time to review the minutes and prepare some recommendations they would like to see on the Report. Our next meeting will be a working session on the Annual Report, so please come prepared.

The Commission began discussing future meeting locations and dates. The Commission will be meeting next on October 17, 2007 in Columbia. Chairman Representative Flook suggested the possibility of the Cambio Center at the University of Missouri be present at our next meeting and present to the Commission. Chairman Representative Flook also reminded all Commission members attending the North America Works Conference of the approaching dates, October 18-20, 2007 in Kansas City. Ms. Zurkamer will be sending out all the necessary information to those attending.

With no further business Chairman Representative Tim Flook adjourn the meeting at 2:11 p.m.