

STATE OF CALIFORNIA * OFFICE OF GOVERNOR GAVIN NEWSOM

Gavin Newsom

Governor

Dee Dee Myers Senior Advisor and Director

Emily Desai Deputy Director

Governor's Office of Business and Economic Development 1325 J Street, 18th Floor Sacramento, CA 95814

International Affairs and Trade Development Interagency Committee

Committee Meeting

Wednesday, July 6, 2022 2:30-4:00 PM

CalEPA Headquarters Building - Sierra Hearing Room 1001 I St. Sacramento, California 95814

Virtual Access Provided via Webcast on CalEPA Website

MINUTES1

MEMBERS:

Eleni Kounalakis, Chair Lieutenant Governor, State of California

Dee Dee Myers, Vice Chair Senior Advisor and Director, Governor's Office of Business and Economic Development

David Hochschild, 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 **Protection Agency**

Toks Omishakin, Secretary, California State Transportation Agency

Caroline Beteta, CEO, Visit California

Samuel Assefa, Director, Governor's Office of Planning and Research

Liane Randolph, Chair, California Air Resources Board

A. Call to Order and Roll Call

Chair Eleni Kounalakis, Lieutenant Governor, called the meeting to order at 2:31 PM. She stated that the Interagency Committee was established by Executive Order N-08-19 to inform the public of recent international activity undertaken by state agencies.

Emily Desai, Deputy Director for International Affairs and Trade at the Governor's Office of Business and Economic Development (GO-Biz), called roll:

¹ For a more complete record of the December 14, 2021 International Affairs and Trade Development Interagency Committee meeting, please access the full recording here.



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Member	Agency	Present or Representative
Chair Eleni Kounalakis	Lt. Governor of California	Present
Vice Chair Dee Dee Myers	GO-Biz	Emily Desai
David Hochschild	CEC	Alana Sanchez
Karen Ross	CDFA	Josh Eddy
Wade Crowfoot	CNRA	Present
Mark Ghilarducci	OES	Helen Lopez
Jared Blumenfeld	CalEPA	Not Present
Toks Omishakin	CalSTA	Present
Caroline Beteta	Visit CA	Present
Samuel Assefa	OPR	Scott Morgan
Liane Randolph	CARB	Present

The <u>December 14, 2021 interagency meeting minutes</u> were approved.

B. Chair's Opening Remarks

<u>Lieutenant Governor Eleni Kounalakis</u> opened the meeting by welcoming the committee members and noting that she was pleased to be meeting in person for the first time since March 9, 2020. The exchange of information and best practices with California's international partners is more important now than ever as we build economic recovery and resilience after the COVID-19 pandemic. During the pandemic California's critical international partnerships continued to flourish, so we have brought together all state departments and agencies to give them a public opportunity to learn about and participate in this collaborative process.

California has conducted a variety of activities with Japan, one of our top foreign trade and investment partners. This included a meeting between Governor Newsom and Japanese Ambassador to the U.S. Koji Tomita in which they renewed a Memorandum of Understanding (MOU) related to environmental and climate change partnership, a meeting between Lieutenant Governor Kounalakis, Governor Newsom, and Ambassador Tomita in which they reaffirmed the ties between California and Japan, and a meeting between the Lieutenant Governor and the Ambassador in Washington, D.C. on the sidelines of the SelectUSA Investment Summit.

California has also recently signed multiple MOUs with foreign partners. This includes an MOU with New Zealand signed by CalEPA Secretary Jared Blumenfeld and the New Zealand Consul General of Los Angeles, which was witnessed by Governor Newsom and Prime Minister Jacinda Ardern. There was also a climate-focused MOU signed with Canada during the Summit of the Americas by Secretary Blumenfeld and his Canadian counterpart, which was witnessed by Governor Newsom and Prime Minister Justin Trudeau.



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The Lieutenant Governor met with U.S. Ambassador to Ken Salazar, as well as other representatives from the Mexican, U.S., California, and San Diego governments, to discuss the Otay Mesa East Border Crossing Facility Project. She was able to observe the progress on the site and noted that groundbreaking is expected to occur in the near future

Even after the pandemic, California remains the fifth-largest economy and largest consumer market in the U.S., in addition to being the top state for foreign direct investment (FDI), manufacturing, agriculture, two-way trade, and access to venture capital.

Governor Newsom recently signed a \$300B budget – including a \$97B surplus – and the Lieutenant Governor promoted this historic budget to the international audience that she met at the SelectUSA Investment Summit in Washington, D.C. The Lieutenant Governor noted that of the 51 states and territories at the Summit, California had the largest delegation. She was also able to meet with the Indian Ambassador to the U.S. during an event at his residence, during which she affirmed California's commitment to deepening our relationship with India.

C. Readout on California Delegation to the Summit of the Americas

<u>Lieutenant Governor Eleni Kounalakis</u> emphasized the characteristics, such as economic prosperity and cultural diversity, that made California the ideal location for this year's Summit of the Americas. California welcomed the President, Vice President, members of President Biden's cabinet, and 31 foreign delegations, including 23 presidents and prime ministers.

During the Summit, Governor Newsom met with the Presidents of Argentina, Mexico, and Chile, in addition to Canadian Prime Minister Trudeau. The Lieutenant Governor addressed a women-in-tech event, attended the Summit's inaugural ceremony, addressed a California leadership luncheon, and participated in the Governor's bilateral meeting with Prime Minister Trudeau

The Lieutenant Governor concluded by noting that Secretary Lourdes Castro Ramirez of California's Business, Consumer Services, and Housing Ceremony was unable to attend the interagency committee meeting but plans to provide a written readout on her participation in the Summit of the Americas.

Emily Desai, Deputy Director of International Affairs and Trade at the Governor's Office of Business and Economic Development (GO-Biz) mentioned that her team was able to participate in a wide array of activities related to the Summit, so her remarks will focus on those events most specific to GO-Biz. The first of these was the Inter-American Development Bank's (IDB) Trade Ministerial Convening, which was organized to deepen regional cooperation and public-private cooperation by addressing key issues on the trade agenda, with an emphasis on post-pandemic economic recovery and sustainable and inclusive economic growth. GO-Biz also participated in the CEO Summit organized by the U.S. Chamber of Commerce, which highlighted the role of public-private cooperation in strengthening the rule of law, enhancing trade, expanding economic opportunity, strengthening health systems, and helping small- and medium-sized enterprises throughout the



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region. Finally, GO-Biz played a role in the MOU signing attended by Governor Newsom and Prime Minister Trudeau, in addition to facilitating a meeting with the Chilean Minister of Economy.

After the Summit, Deputy Director Desai and Trade Representative for the Americas, Australia, and New Zealand Diana Dominguez visited Mexico City and participated in a variety of activities that positioned GO-Biz as a leader in promoting regional trade. This included a meeting with Alianza MX at the Casa de California trade desk, meetings with representatives from the Mexican Ministry of Foreign Affairs, and engagement with Mexican contractors. They were also able to attend the Mexican Infrastructure and Business Conference, the Climate Innovation Conference, and the Climate Innovation Summit at the Monterrey Institute of Technology and Higher Education.

Prior to the Summit of the Americas, GO-Biz was fostering mutual exchange with Mexico through trade activities. In May, a 40-person business delegation from Mexico met with 23 California small businesses in the aerospace sector, and in June, four California trade and tourism associations attended the LGBTQI U.S.-Mexico Travel and Tourism Business Forum to promote inclusive economic development and travel to California. GO-Biz looks forward to using the funding allocated in California's recently signed state budget to continue these cross-border economic development activities.

Josh Eddy, Executive Director of the California Department of Food and Agriculture (CDFA) informed the committee that Secretary Ross attended the Summit in order to discuss trade, climate-smart agriculture, and collaboration on food and agricultural issues. Through the Summit, CDFA was able to further its mission of protecting and promoting California agriculture through subnational and national collaboration on these issues. Secretary Ross also attended a side event associated with the Global Methane Hub, which is a key partner in global collaboration on methane reduction in agriculture.

CDFA's next steps will be to work with the Inter-American Institute for Cooperation on Agriculture (IICA) to build ties and share opportunities for California to participate in the IICA meeting that is scheduled to be held in California in fall 2023.

CDFA is also collaborating with the Chilean Agricultural Ministry to work on issues related to drought and sustainable groundwater management.

<u>Liane Randolph, Chair of the California Air Resources Board (CARB)</u> began by noting that California took over the presidency of the Transport Decarbonisation Alliance (TDA) last year and hosted TDA members from around the world for a three-day meeting during the Summit of the Americas. During a reception at the LA Cleantech Incubator (LACI), Mayor Garcetti announced that the City of Los Angeles will be the newest TDA member and showed other TDA members some of LA's innovative projects, like Blue LA. California's international partnerships continue to be critical to its decarbonization efforts, such as finalizing the regulatory pathway to one hundred percent zero-



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emission vehicle sales by 2035, and hosting the TDA annual meeting concurrently with the Summit allowed for increased engagement.

D. Other International Updates

<u>Wade Crowfoot, Secretary of the California Natural Resources Agency (CNRA)</u> remarked on the importance of interagency coordination to California's presence in the international space, and thanked Governor Newsom and Lieutenant Governor Kounalakis for prioritizing this.

California engages with the rest of the world on a variety of climate-related issues, including nature conservation and equitable, nature-based solutions to climate change and extinction. The UN Biodiversity Conference will be held in Montreal this year and California will have an officially recognized delegation to this international negotiation for the first time. CNRA also has an MOU with its sister agency in China to identify opportunities for partnership and has been encouraged by its Chinese partners' interest in conservation and nature preservation, rather than just technology-related solutions. CNRA will be part of the UN Climate Week team which will be meeting in New York City in the fall; they also hope to play a supporting role at COP 27, which is being held in Egypt in November. The Department of Fish and Wildlife will be leading an international strategy session in San Diego focused on reducing global animal trafficking. There were also members of CNRA staff that visited France and Belgium to discuss nature-based solutions and exchange best practices.

<u>Scott Morgan, Deputy Director of the Governor's Office of Planning and Research (OPR)</u> apologized that Director Assefa was unable to attend due to travel-related delays.

OPR signed an MOU with the European Institute of Technology's Knowledge Innovation Center at COP 26 in November 2021. As a result, they have designed a plan for 2022 that includes fourteen joint projects to be completed, eight of which have already started and three of which have been completed; the remaining projects will begin later this year. Completed projects include a proof of concept for smart, clean transportation solutions created in partnership with Dutch company TNL USA and a synergy agenda research project whose final report will be shared once finalized. Projects that have begun but are still in progress include a webinar on the hydrogen economy in July, a webinar on zero-emission vehicle market development strategy in the fall, a visit by the Regional Minister for Mobility of Noord, Holland, and a showcase by EU students highlighting the latest developments in the zero-emission vehicle circular economy. Other private and non-profit groups have expressed interest in providing additional funding to support the MOU, so OPR is currently assessing these opportunities.

<u>Toks Omishakin, Secretary of the California State Transportation Agency (CalSTA)</u> congratulated the Governor and Lieutenant Governor on their success with hosting the Summit of the Americas.

California's new state budget allocates \$47B to transportation, and more than \$1.2B of that will address port and supply chain challenges across the state. Forty percent of all goods coming into the



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US via containerized cargo come through the Ports of Long Beach and LA and twenty-five percent of all goods leaving the U.S. on containerized freights depart from California, so the state has a significant impact on international trade.

CalTrans submitted \$170 million application for INFRA Grants to complete the Otay Mesa East Port of Entry project, and Governor Newsom followed up with a letter to Secretary Buttegieg identifying the project as one of CA's highest supply chain priorities. CalTrans and the San Diego Association of Governments (SANDAG) also submitted a letter of intent to the U.S. Department of Transportation seeking TIFIA funding and they have now begun indicative ratings process with three major credit ratings agencies as part of their application. CalTrans is planning to break ground on the border crossing facility in August and is currently negotiating with the U.S. General Service Administration and Customs and Border Protection for conveyance equipment and staffing.

CalSTA is in the process of confirming a meeting with a delegation led by Baja California's Secretary of Economy and Innovation to discuss port and rail extension projects. Baja California is in discussions with the Port of San Diego and CalTrans regarding border mobility options between regional ports, as well as bicycle and pedestrian facilities on both sides of the border.

The Intelligent Transport Society (ITS) World Congress is having its annual international conference in LA in September. Secretary Omishakin is hopeful that the Lieutenant Governor will be able to attend and welcome the international delegates to the conference.

<u>Caroline Beteta, Chief Executive Officer of Visit California</u> stated that the pandemic's impact on the travel industry was eleven times greater than that of 9/11 and resulted in an unemployment level twice as high as during the Great Depression.

International travelers spent \$28B in California prior to pandemic, resulting in large economic gains for the state. California finally began bringing visitors back this year, but spending levels are still thirty-one percent below the pre-pandemic rate. Stimulus spending and lifting pre-departure testing requirements should help to further this recovery.

CEO Beteta serves on the travel and tourism advisory board led by Secretary Raimondo of the U.S. Department of Commerce, which is currently discussing the issue of visa wait times. Right now the average wait time for a U.S. visa is 412 days.

CEO Beteta also participated in a CEO mission to Mexico in March, which is California's top tourism market. Mexico-California airline lift is at par with pre-pandemic levels, but continued development of cross-border transportation is important. This was followed by a similar mission to Canada in April that aimed to stimulate pent-up tourism demand in the country. Other marketing efforts have included road shows, webinars, and the reopening of fourteen international offices. Visit California also plans to host an inbound trade mission from Dubai in July, in partnership with CDFA and California Grown. Tourism from Asia continues to lag due to its slower reopening, but Visit California



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is focused on key markets such as the United Kingdom, Mexico, and Canada. Visit California received a grant from the U.S. Economic Development Administration and its largest spending will be going toward sustainable destinations, regional planning, and long-term planning to look at rebuilding communities sustainably.

Alana Sanchez, Senior Advisor on International Relations to Chair David Hoschild of the California Energy Commission (CEC) stated that Commissioner Monahan and technical staff went to Denmark in June as part of a week-long study tour focused on energy efficiency. She then traveled to Norway for EVS35, one of largest EV symposiums; the next EVS event will be held in Sacramento in June 2023 and CEC looks forward to partnering with its sister agencies on supporting that. Commissioner Monahan also met with partners from the Netherlands who she is working with on a vehicle battery technology MOU, which they plan to have ready in time for the Dutch royal visit in September.

Chair Hochschild is trying to organize an offshore wind study tour for September 2022, right before the Wind Energy Hamburg Conference, so that high-level tech experts and leadership will be able to attend. They are currently arranging high-level speaking engagements and would welcome the Lieutenant Governor for any portion of trip that she can join. The CEC reached out to representatives from other agencies, as well.

The CEC is trying to schedule a virtual signing ceremony to extend the official term of its MOU with Mexico City. They also recently met with leadership from Catalonia to discuss the existing 2015 MOU and the possibility of renewing it under the new gubernatorial administration. Additionally, the CEC is in touch with the Consul General of Australia in LA regarding another bilateral MOU.

Helen Lopez, Assistant Director of the Governor's Office of Emergency Services (CalOES) noted that the State Threat Assessment Center (STAC) at CalOES led California's readiness posture for the Summit of the Americas by developing a state operational support plan to ensure cooperation of law enforcement, mutual aid, and emergency management teams. STAC oordinated with federal and local law enforcement to ensure security, situational awareness, threat assessment, and law enforcement coordination across all levels of government.

CalOES coordinated with other state and local agencies to send five complete medical field stations and thousands of pieces of safety gear to Ukraine. It also provided personal protective equipment to the Mexican consulates general in California, who pass on those materials to Tijuana and Mexicali. As part of the Unified Border Coordination Group, CalOES also provides assistance to the asylum-seeking migrant population along the California-Mexico border in the form of Covid testing and medical screening.

CalOES is working with federal, state, and local officials, as well as its Baja California counterparts, to organize a Tijuana River Watershed bionational dam safety tabletop exercise which is due to be held in September.



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CalOES continues to work with GO-Biz on drafting an MOU with Portugal. They are also in talks with Yucatan, Mexico regarding an MOU, which could be signed during an in-person visit later this year. They are continuing to work with their existing MOU partners – Chile, Catalonia, Mexico, and Germany – on furthering MOU initiatives.

Argentina has requested a training on wildfire prevention and emergency coordination for October and a variety of EU consulates also want to visit CalOES in October to get an overview of its emergency management programs and understand its role during a disaster.

<u>Emily Desai, Deputy Director of International Affairs and Trade at the Governor's Office of Business and Economic Development (GO-Biz)</u> said that the GO-Biz International team has organized a series of virtual trade missions with India, Romania, and China. They also continue to offer training and technical assistance to small businesses as they enter global markets and attend foreign trade shows.

GO-Biz is awaiting a response to its request for State Trade Expansion Program (STEP) funding from the Small Business Administration, which will be well-complimented by state budget funding. This year's state budget includes \$2M to expand the Export Training Network with an emphasis on helping underserved business communities begin to export.

California was selected as one of four states for a cleantech inbound trade mission in February hosted by the U.S. Chamber of Commerce. This resulted in direct contact with 150 businesses that have an interest in expanding to California.

This was the first time that a state executive at the level of the Lieutenant Governor has attended SelectUSA as part of the California delegation. More than 20 economic development organization (EDO) partners from across the state joined the California delegation in D.C. The SelectUSA activities started in San Diego with a biotech tour for an inbound Taiwanese delegation and remarks from GO-Biz Director Dee Dee Myers at the SelectLA Summit. At the SelectUSA Summit itself, GO-Biz hosted a "Meet California" breakfast attended by over 80 foreign businesses who were able to hear from Chancellor Eloy Oakley and a representative from Tesla.

Upcoming efforts include a trade mission to Japan led by the Lieutenant Governor and Director Myers in 2023 and a working group convening for the Commission of the Californias in September.

Josh Eddy, Executive Director of the California Department of Food and Agriculture (CDFA) stated that many challenges face California agriculture. Including drough, international tariffs, lack of warehousing space, and ongoing port and supply chain challenges. CDFA is hopeful that Ocean Shipping Reform Act signed by POTUS will help to resolve some of the supply chain issues, as will ongoing port negotiations. CDFA and CalSTA have biweekly engagements with the Ports of Oakland, LA, and Long Beach, as well as continued dialogue with trucking industries and others about moving agricultural goods in and out of the state.



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As an active participant in the Western U.S. Agricultural Trade Association (WUSATA), CDFA conducts many trade promotion and market development activities to connect California businesses with foreign buyers. There will be numerous inbound and outbound missions in the coming months involving South Korea, Mexico, and Singapore. Over 65 California companies have received over \$2.4M in federal assistance via WUSATA to market U.S. agricultural products in foreign markets.

Undersecretary Christine Birdsong will join a USDA trade mission to the Philippines later this month and Secretary Ross will be attending the Agri-Food-Tech Oceania Conference in New Zealand in October.

CDFA is also engaging with Chile, Portugal, South Africa, Denmark, and the Netherlands on topics such as drought, soil health, and methane reductions.

<u>Liane Randolph, Chair of the California Air Resources Board (CARB)</u> mentioned that CARB has met with twelve high-level delegations from Europe, Asia, and Latin America.

CARB represented California at the ZEV Transition Council Ministerial in Germany and the 35th Annual EV Summit in Norway. It is also co-chairing the International Climate Action Partnership (ICAP) and participating in other international climate alliances. Its other international engagements include recently sending fifty low-cost air sensors to Tijuana to assist with cross-border air quality tracking, monthly exchanges on air quality with Indore, India, nine technical workshops on air quality with Mexico City, regular meetings on climate pricing with Quebec, New Zealand, Panama, Sweden, Mexico, and others, a new MOU with Canada, and discussion of the Advanced Clean Fleets Regulation and related infrastructure needs with both state partners and stakeholders in Baja California. Upcoming engagements include New York Climate Week, the Clean Energy Ministerial, the annual ICAP meeting, and COP 27 in Egypt.

E. Public Comment

No public comment.

F. Closing Comments from the Chair

<u>Lieutenant Governor Eleni Kounalakis</u> reviewed upcoming international priorities for the state. These include the Commission of the Californias with Baja California and Baja California Sur and the trade delegation to Tokyo, Japan during World Smart Energy Week in March 2023.

The Lieutenant Governor also recounted some recent international engagements with various consulates in California, ambassadors to the U.S., and an in-person delegation led by the Nigerian Ministry of Interior. She noted that the California National Guard's two official partnerships are with Nigeria and Ukraine, and condemned Russia's ongoing invasion of Ukraine.



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She concluded by emphasizing California's identity as a nation-state and stated that we will continue to maintain an international leadership role.

G. Adjournment

The meeting was adjourned at 4:04 PM.