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Virginia Commerce Quarterly

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Rolls-Royce to Transform Virginia



Countless hours and miles were logged. Calculations and projections were mounted. Drafts by the dozens were prepared and months of negotiations were conducted—all in the name of Project Corvette. The Corvette code name was assigned to a project that brought together state, regional and local officials, as well as Virginia's higher education community, to bring global company Rolls-Royce to Prince George County.

And it was the code name that kept people awake at night.

But the hard work paid off in November when the official word came that Rolls-Royce chose Virginia over seven states and locations around the world for its aeroengine facility. Members of the winning team gathered at the State Capitol to celebrate the Commonwealth's success that will bring as much as \$500 million in investment and more than 600 high-tech jobs to Virginia.

"Rolls-Royce will shine an international spotlight on our state's aero-

space industry, as well as the R&D capabilities of our universities," Virginia Governor Timothy M. Kaine said to a standing-room-only crowd of contributors. "The company's decision to locate these operations in the Commonwealth is affirmation of our educated, high-tech workforce and Virginia's ability to compete globally."

Rolls-Royce, with its headquarters in London, England, has a broad customer base comprising 600 airlines, 4,000 corporate and utility aircraft and helicopter operators, 160 armed forces, more than 2,000 marine customers, including 70 navies, and energy customers in 120 countries. The company employs 38,000 people in offices, manufacturing and service facilities in 50 countries. Subsidiary Rolls-Royce North America is headquartered in Chantilly, Virginia.

"From the beginning of this competition, Virginia understood our business needs and worked hard to put forward a world-class proposal. Rolls-Royce has had a strong relationship with Virginia since 1990

(Story continued page 3)



Looking back at 2007, Virginia leveraged its strengths and successes well, proving that all regions of the Commonwealth are global competitors. We learned valuable lessons that will make us stronger in 2008.

One lesson is the strength of Virginia's higher education system and the benefits of collaboration. Our university partners played a pivotal role in many of the projects the Commonwealth gained in 2007. In this issue, you will read about Rolls-Royce's announced plans to invest \$100 million to locate its aeroengine facility in Prince George County, creating 500 new jobs. Unique elements were considered to ensure our proposal met Rolls-Royce's corporate agenda. At the top of the list was a university research focus. Virginia beat out Georgia, Indiana, Mississippi, North Carolina, Ohio, South Carolina and Texas, as well as locations around the world, for two primary reasons. First, we had a county-owned, ready-to-go site that freed Rolls-Royce from much of the red tape associated with land purchase. Secondly, Virginia has winning higher education assets. From the beginning, UVA and Virginia Tech had a seat at the negotiation table. In the end, the research and development capabilities and continuous pipeline of engineers these institutions will provide to this project placed Virginia ahead of its competitors.

Our higher education assets also provided the competitive edge that attracted SRI's Center for Advanced Drug Research to Rockingham County. We broke ground on that project in December thanks to a partnership SRI formed with James Madison University toward its research efforts. At the groundbreaking, Governor Kaine noted that the project serves as a template for future projects in the Commonwealth. Our university partners are our greatest weapon in economic development. The talent and innovation being cultivated and practiced on our college and university campuses gives us a tremendous advantage, and VEDP is not alone in recognizing this. When we go to the marketplace, we are competing globally. Governor Kaine and his administration recognize and embrace globalism, and the crucial role education plays in our worldwide success. In fact, just last month the Governor proposed a \$1.65 billion bond package for higher education needs focused on workforce development, enhancing capacity, retaining students, research and providing modern facilities for areas with demonstrated needs, such as education, engineering and the sciences. We encourage you to voice your support for this proposal.

Another lesson we've learned in the last year is the true power of partnership. The support and teamwork we demonstrate in Virginia speaks volumes to companies. We hear it from company CEOs time and time again. For instance, Quality Culvert President John Sonnentag was quoted last year, saying, "The State and [Greensville] County offered a program and assembled a deal that was superior to other locations. They worked hard to present a package that was attractive to us and addressed our concerns." One month later, Paul Wellborn, Chairman and President of Wellborn Cabinet, Inc., cited the combined support of the State and Smyth County among the deciding factors. Michael Thornton, President of Progress Printing, echoed those sentiments when he said, "Since our founding 45 years ago, Virginia and Campbell County have provided a supportive, rewarding environment to grow a healthy business. Our experiences with operations in other states have always brought us home to the favorable business climate of Virginia and Campbell County."

These comments demonstrate how effective Virginia is, and the hard work of our allies and state agency counterparts, coupled with the gubernatorial and legislative support VEDP has received during the past year, is critical to Virginia's success. VEDP resolves in 2008 to be ever mindful of the power of partnership. Virginia is a team that understands the needs of business, and we will continue our diligence in matching the Commonwealth's assets with companies' needs toward a successful solution. We look forward to collaborating with you in this New Year to bring more banner projects to Virginia.

Sincerely,

Jeffrey M. Anderson

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and this new facility builds on that partnership," said Sir John Rose, Rolls-Royce Chief Executive.

A critical part of Virginia's proposal was a commitment from the state's partners in higher education. The University of Virginia and Virginia Tech, in partnership with the Virginia Community College System, have committed to producing training, certification and degree programs, distance learning, and engineers with business skills, delivering executive education, and conducting research in collaboration with Rolls-Royce.

"Rolls-Royce wanted a site that would allow its business to thrive. The company sought workers with a strong work ethic. They intended to form partnerships with educational institutions committed to excellence and serious research. Rolls-Royce concluded that the Commonwealth of Virginia, Prince George County, UVA, Virginia Tech and the Virginia Community College System met these requirements," said Leonard Sandridge, UVA Executive Vice President and Chief Operating Officer. "The partnership with Rolls-Royce allows UVA to work with its proven partner, Virginia Tech, and with the Virginia Community College System on workforce training. This is a future that higher education is honored to be part of."

Other state partners included Prince George County, Virginia's Gateway Region, the Virginia Port Authority, the Virginia Department of Transportation, the Virginia Secretaries of Commerce and Trade, Education, Finance, and Transportation, and the Virginia Liaison Office. Congressman Randy Forbes, Virginia House of Delegates Speaker William Howell and State Senator William Wampler also demonstrated their support for the project.

"Our decision to locate this new facility in Virginia really came down to one thing: people," said Guyette. "For us, Virginia's proposal offered the right kind of people and the right kind of relationships—with local governments and business leaders, with the universities and with the communities. As a supplier, we understand well the value of relationships and, clearly, Virginia does, too. From the beginning of this competitive process, the VEDP team worked hard to really understand our business needs and then assembled the best team of people to address them. In the end, Virginia delivered a well-integrated proposal that combined the right mix of ingredients, qualitative and quantitative. We look forward to a bright future working with the people of Virginia." ■



Rolls-Royce North America President and CEO James Guyette (right) discussed project plans with Governor Kaine at the announcement event.



Governor Kaine (from right) shares some history of the Capitol with Rolls-Royce's James Guyette prior to the company's announcement.



More than 100 people packed into the Jefferson Room at the State Capitol to hear Rolls-Royce's announced plans for Prince George County.



Rolls-Royce

Bedford County Wins 50 New Jobs

A homegrown Virginia company has experienced so much success in Bedford County that it keeps growing. Innovative Wireless Technologies (IWT), a designer of wireless technologies, will invest \$5.6 million to locate in the New London Office Park in Bedford County. The project will support IWT's planned business growth, creating 50 new engineering and professional jobs over the next several years.

Formed in 1997 and headquartered in Forest, Virginia, IWT has expanded to include additional offices in the Northern Virginia and Boston areas, with a semiconductor design center in Reading, Pennsylvania. IWT's products for wireless sensor networks are developed for, deployed in, and meet the needs of commercial, public safety and military operations. The company plans to be fully operational at the new facility in about nine months. ■



Deputy Secretary David Smith presents a Virginia flag to Eric Hansen, CEO and President of IWT

Carded Graphics Expands in Staunton

A strong corporate citizen of Staunton for the past 25 years is expanding. Carded Graphics, LLC (CGL), a premier folding carton converter, will invest \$6.5 million to increase manufacturing capacity in Staunton and create 35 new jobs.

CGL converts folding cartons, paper sheets and rolls into packaging products, and does commercial printing for the packaging industry. The company also handles warehousing and distribution of packaging products.

CGL is the result of a June 2006 merger of Carded Graphics Inc. and Pell Paper Company. Murry Pitts, now President and CEO of CGL, bought Pell Paper in the early 1980s and later purchased Carded Graphics Inc. He merged the two businesses to combine the capabilities of the two operations, enabling CGL to triple the volume at the Staunton plant and expand the workforce from 33 to 50 over the past 12 months. ■



Wise County Gains 200 New Jobs

The wood products industry cluster in Southwest Virginia continues to grow. Pinnacle Wood Products of Virginia, Inc. will invest \$1.4 million to open a wood products manufacturing operation in Wise County. The company will create 200 new jobs.

Pinnacle Wood Products of Virginia, Inc., established in 2007 by Raymond Whitt, will manufacture cabinets, closets and components, thermofoil doors and garage organizers. ■



Transformation Taking Place in Rockingham County

Governor Kaine joined state, local, university and company officials in December to celebrate and break ground for the new SRI Center for Advanced Drug Research (CADRE) in Rockingham County. Kaine dubbed the research-driven project the “template for economic development in the future.” CADRE, which was announced in December 2006, is expected to open in 2009 in the county’s technology park and create more than 100 jobs.

International Automotive Components Grows in Virginia

It’s double the jobs and investment for Virginia when it comes to one company’s recent expansion. International Automotive Components Group North America Inc. (IAC), a leading supplier of automotive interior and exterior systems and components, will invest \$4 million to increase capacity at its facilities in Russell and Shenandoah Counties.

IAC will invest \$1 million in the Russell County facility and create approximately 26 new jobs. The company will also invest \$3 million and create approximately 121 new jobs at their Shenandoah County facility.

IAC includes the former interior systems division of Lear Corporation, and was formed April 1 of this year as a joint venture



between WL Ross & Co. LLC, Franklin Mutual Advisors LLC and Lear Corporation.

International Automotive Components Group is a leading global supplier of automotive components and systems, including interior and exterior trim and structural and functional applications. IAC’s annual global revenue now exceeds \$5.2 billion. International Automotive Components Group operates manufacturing facilities in 16 countries with more than 27,000 employees. ■

Biodiesel Fuel Company Opens in Lee County

Energy efficiency is the name of the game for Synergy Biofuels, a start-up biodiesel fuel production company that will locate in Lee County. The company, which will invest \$1 million, will process used vegetable oil into biodiesel fuel, creating 30 jobs.

Synergy Biofuels initially plans for three million gallons of annual biodiesel production, which will replace three million gallons of foreign oil with domestically produced biodiesel. It will also keep renewable energy dollars in the Commonwealth by reducing the state's need to purchase imported diesel fuels. ■



Secretary Gottschalk (left) presents a Virginia flag to Synergy Biofuels co-founders Ankit Patel and Naresh Patel.

GridPoint Moves Headquarters to Virginia

The Commonwealth has gained another headquarters operation—GridPoint, Inc., a clean technology company, will invest \$5 million as it relocates its operations from Washington, D.C., to Arlington County and continues to expand its business. The project expects to create approximately 250 new jobs over the next three years.

A private company founded in 2003, GridPoint applies information technology to the electric grid to increase reliability, efficiency and the adoption of renewable energy sources. GridPoint also provides protection from power outages and online energy management, allowing homeowners to easily control and monitor their energy usage and costs. ■

CGI Opens its Doors in Russell County



Governor Kaine and former Governor Warner join company, state and local officials at the ribbon-cutting for the CGI facility in Russell County.

Governor Kaine presents a Share of Stock in the Virginia Company to Michael Roach, President and CEO, CGI.





Charlotte County Welcomes Alderman Railcar

In December Secretary Gottschalk took part in the ribbon-cutting for Alderman Railcar Services in Charlotte County. Announced in May, the company will invest \$3.5 million and create 110 new jobs.



Northrop Grumman Makes the Cut in Russell County



Governor Kaine and former Governor Warner join company, state and local officials in cutting the ribbon of the new Northrop Grumman facility in Russell County.

Hot Deals Continued page 9

Virginia's Logistics Assets Focus of Media Tour

Eleven writers experienced Virginia by land, air and sea in November as participants in the Global Logistics Media Tour hosted by VEDP's Communications and Promotions Division.

Virginia's media guests began their three-day tour of the Commonwealth with visits to Fortessa, a Virginia-based company that imports and exports tableware from Sterling, and the Virginia Inland Port in Front Royal. The group traveled by air to Hampton Roads where they got a seaside glimpse of the Norfolk Harbor in a Branch Pilot Boat, compliments of the Virginia Pilot Association, and toured Norfolk International Terminal, Dollar Tree's regional distribution center in Chesapeake, Target's Suffolk Import Warehouse, NYK Logistics in Chesapeake, and Virginia's newest logistics partner, APM Terminals in Portsmouth.

"Thank you for making my first visit to the Commonwealth of Virginia such a rewarding experience," said Fred Moody, Editor and Publisher of *Logistics Quarterly*. "I greatly appreciated the insights that were shared and the hospitality afforded by the team at the Virginia Economic Development Partnership and leading companies and organizations. The presentations and tours...enabled us to clearly see how Virginia has so many strategic advantages in the business of distribution and logistics."

Other publications represented were *Transport Topics*, *Virginia Maritimer*, *Pacific Maritime* and *Fishermen's News*, *German-American Trade*, *Maritime Magazine*, *TradeWeek*, *Virginia Business*, *Quick Frozen Foods International*, *American Journal of Transportation*, *Gestion & Logistique*, and the *Virginian-Pilot*. Articles have already appeared in *Transport Topics* and *TradeWeek* as a result of the tour. ■



Economic Development is Hot in Virginia

Expansion Management and the National Policy Research Council tracked the employment expansion activity of 19 million companies during the past four years. As part of the study, Virginia was ranked sixth among the top 10 states deemed “economic development hot spots.”

The Virginia Beach-Norfolk-Newport News metropolitan statistical area (MSA) was ranked third among top 20 large metros, and Richmond-Petersburg MSA was ranked fourth among top 20 mid-sized metros. Charlottesville was ranked 18th on the top 20 small metros list, and Fairfax County ranked third among the top 20 large counties. Prince William County ranked 11th and Chesapeake ranked 17th among top 20 small counties.

The rankings were based on the percentage of business establishments that employ at least five workers, have existed throughout the last four years and added enough jobs to achieve a growth index of at least three. ■

Richmond Scores Third Top Center for Business

The Richmond metro region placed third in MarketWatch’s top 10 centers for business. The study measured the concentration of Fortune 1000, S&P 500, Russell 2000 and Forbes 400 private companies in the nation’s top 50 metro areas, as well as small businesses. The study also measured population growth, unemployment and job growth.

At 287 of a possible 400 points, Richmond placed in the bottom 10 in size, but first in concentration of Fortune 1000 companies and second in unemployment rankings. The area’s good schools, available workforce, strong university system and diverse economy were cited as factors that have attracted companies to the Capital City region. Minneapolis-St. Paul (329 points) and Denver (291 points) preceded Richmond in the rankings. ■

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Covance Moves to Prince William County

Covance Inc., one of the world’s largest drug development services companies, will expand its operations to Prince William County, where it will locate its new pharmaceutical research and development laboratory. The company, which will transform the former Eli Lilly site from 300,000 square feet to 410,000 square feet, will invest approximately \$175 million, retain 450 existing jobs and create 100 new jobs.

Covance, headquartered in Princeton, New Jersey, has annual revenues greater than \$1.5 billion, global operations in more than 20 countries and more than 8,700 employees worldwide. It is a global leader in providing critical research and development services to its pharmaceutical and biotechnology clients. ■



Data Center to Open in Mecklenburg

EDS, a global technology services company, will open a data center in Mecklenburg County, creating 110 new jobs. The value of the capital improvements and equipment associated with all contributors to this project will exceed \$460 million over an 8- to 10-year period.

Headquartered in Plano, Texas, EDS was founded more than 45 years ago. Today, the company delivers information technology and business process outsourcing services to clients in the manufacturing, financial services, healthcare, communications, energy, transportation, and consumer and retail industries and to governments around the world.

Build It and They Will Come

VEDP Director of Research Rob McClintock (right) participated in a dedication ceremony for the Patriot Centre Shell Building in Martinsville. McClintock noted that in Virginia, about 70 percent of business prospects seek an existing facility.



Examining Virginia's Global Supply Chain

Economic developers, real estate brokers and site consultants, and representatives from construction companies, financial institutions and ports were among a group of business leaders who converged on Glen Allen in October to gain a better understanding of Virginia's global supply chain advantages.

The global logistics forum is a program of the VEDP Global Logistics Initiative led by VEDP Project Manager Warren Hammer.

Christian P. von Kannewurff, Group Vice President, Marine Technical Division, "K" Line America Inc., kicked off the session by providing an overview of his Richmond-based company and highlighting Virginia's logistics advantages. Ken Miesemer, Senior Consultant, St. Onge Company, shared his experiences starting up a world-class distribution center for Hershey. The group also received updates from representatives of regional economic development organizations across the state, including Gene Winter from the Greater Richmond Partnership, Aric Bopp from the New River Valley, and Lee Cobb with Region 2000. Tim Feemster, Senior Vice President, Director of Global Logistics, Grubb & Ellis Company, concluded the session with a discussion about the global supply chain, growth of the Asian markets and increased activity for East Coast ports.

The forum meets every spring and fall. If you're interested in participating or speaking at an upcoming forum, please contact Warren Hammer at whammer@yesvirginia.org. ■



Jeff Samet, Senior Vice President/Principal for Colliers Pinkard, shared insights into site selection for plastics companies during the November Plastics Initiative meeting.

VEDP Plastics Initiative Sparks Discussion in Richmond

Economic developers from across the state joined private-sector allies at VEDP in November to gain insight from leaders in the global plastics industry. The program, Plastics Industry Perspectives, was coordinated as part of the VEDP Plastics Initiative led by Business Development Project Manager Laura Leigh Savage.

Anne Battle, VEDP's Senior Economist, provided an economic snapshot of the industry in Virginia by defining the industry's various sectors and presenting the Commonwealth's statistics for plastics establishments, employment and wages. Bill Wood, Plastics Economist for Mountaintop Economics & Research, Inc., followed with a national view of industry trends. Wood shared injection molding, extrusion, and blow molding indices and other metrics influencing his view on the future of the industry in the United States.

Virginia industry leaders provided perspectives on their extrusion, injection molding, engineered polymers, and processing equipment businesses. Representatives included Greg Pagonakis of Klockner Pentaplast of America, Larry Richardson of Tessy Plastics, Jamie Clark of Printpack, David Bryan of Gala Industries, and Jay Valvo of DuPont.

The perspective of a site selection consultant was provided by Jeff Samet, Senior Vice President/Principal of Colliers Pinkard, who discussed infrastructure requirements and shared a case study to illustrate the bottom-line impact of identifying a lower operating cost alternative for a plastics processing project. Norfolk Southern, an infrastructure ally to the plastics industry, was represented by Phil North, who reviewed the changing landscape of the chemical and plastics materials business that will influence producers and receivers of the materials in North America.

For more information about VEDP's Plastics Industry initiative, contact Laura Leigh Savage at (804) 545-5744. ■

"K" Line's Christian P. von Kannewurff was among several speakers who discussed Virginia's global supply chain advantages during the forum.

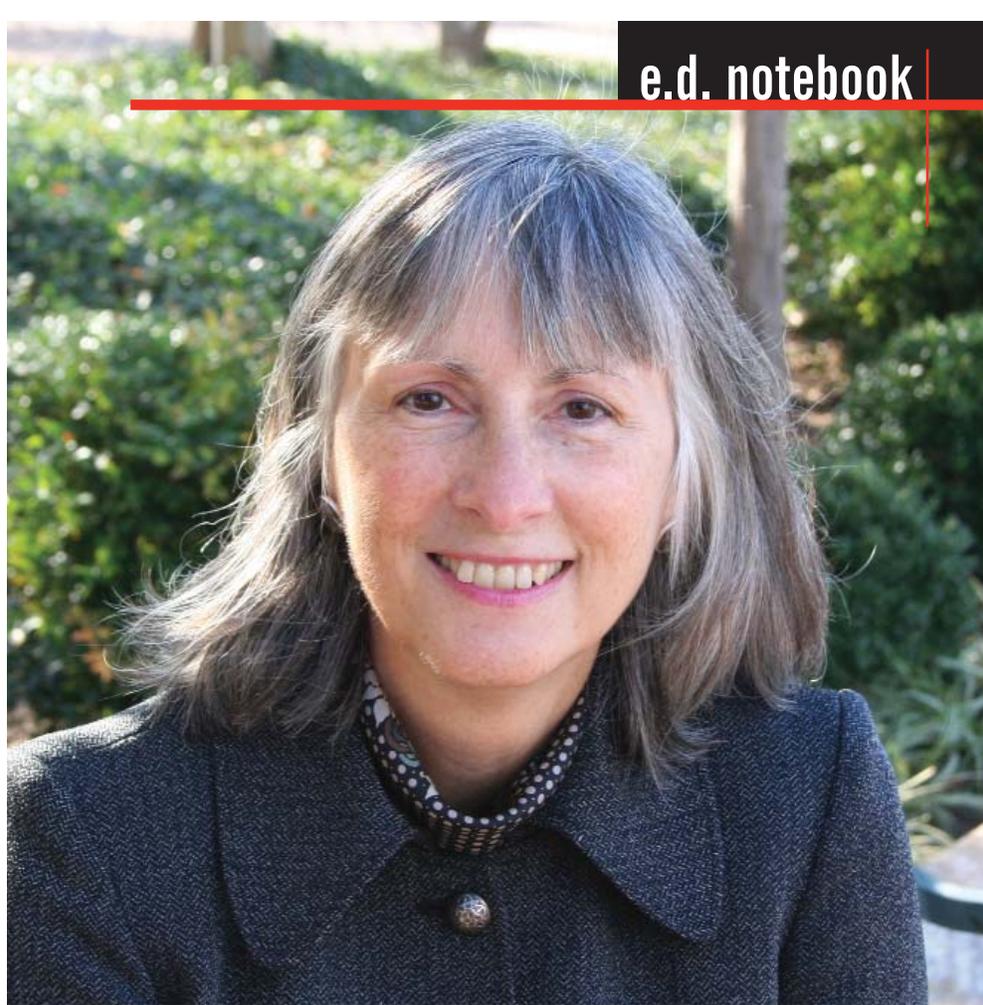


Welcome Sandra McNinch

Sandra McNinch is new to VEDP, but in title only.

The once Business Development Finance Manager for VEDP joined its ranks in November as General Counsel. McNinch came from Troutman Sanders, where she served as bond counsel to the Commonwealth of Virginia, counties, cities, towns, local authorities, regional authorities, charitable entities, and manufacturers for financing and refinancing capital projects. She was also previously a partner with Mays & Valentine.

McNinch received her Bachelor of Arts in criminal justice from Michigan State University and her Doctor of Jurisprudence from The College of William & Mary. ■



Leslie Parpart—Top 40 Under 40

There is a local celebrity walking the halls at VEDP. Leslie Parpart, Program Manager for the Virginia Leaders in Export Trade (VALET) program in VEDP's Division of International Trade, was recently selected into Richmond's list of "Top 40 Under 40" for 2007. Published by *Style Weekly* magazine for the last three years and by *Inside Business* for the previous six years, this is a highly competitive process. Only those individuals who are making a significant impact on Richmond, both within their chosen profession and in their volunteer activities, are selected.

Parpart joined the International Trade team a little more than a year ago as Manager of the VALET Program. The two-year program's graduating class of 2007, made up of 30 Virginia companies of varying sizes and shapes, saw an overall increase in their international sales of more than 35 percent. Prior to joining VEDP, Parpart was an attorney specializing in labor law with Troutman Sanders. ■

Conference on World Trade Emphasizes Global Opportunities

“Virginia: 400 Years—Expanding Global Commerce” was the theme of the 59th annual Virginia Conference on World Trade, co-sponsored by VEDP’s Division of International Trade and the Virginia Chamber of Commerce.

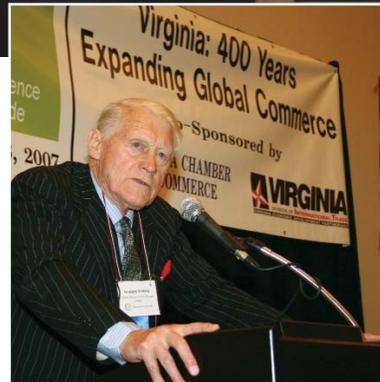
The conference, held October 18 at the Williamsburg Lodge, attracted guests from across the globe. Sir Eldon Griffiths, former member of British parliament and speech writer to a number of former British Prime Ministers, was the morning keynote speaker. He addressed the long-standing relationship between the United States and the United Kingdom. He emphasized the opportunities for Virginia companies to succeed in trade with the UK.

John Manzella, President of Manzella Trade Communications, Inc., and author of *Grasping Globalization*, addressed the attendees during the afternoon session. His session largely dispelled many myths about protectionism in the global arena. In addition to the keynotes, there were a number of speakers from the public and private sector who participated in the conference and Trade Certificate Program.

Mark your calendar for next year’s conference, co-sponsored by VEDP’s Division of International Trade and the Port of Virginia. It will be held October 15 and 16 at the Norfolk Waterside Marriott. ■



(Left) J. Robert “Bobby” Bray, the long-time executive director of the Virginia Port Authority, was presented with a proclamation signed by every Virginia governor for whom he worked.



Sir Eldon Griffiths emphasized opportunities for Virginia companies to succeed in trade with the United Kingdom.

Canadian Delegation Visits Virginia

Partners in Technology, a delegation of 10 Canadian modeling and simulation firms, visited Virginia in October to meet with representatives from the Commonwealth’s modeling and simulation industry. The Trade Commissioner Service at the Canadian Embassy in Washington, D.C., organized the delegation visit with the assistance of VEDP, the Hampton Roads Economic Development Alliance (HREDA), Old Dominion University (ODU) and Hampton University (HU) to foster the establishment of business and research ties that will benefit the economies of Canada and Virginia through increased trade and investment.

Visits included tours of ODU’s demonstration and modeling laboratories and the Virginia Modeling, Analysis and Simulation Center (VMASC).

“This is a significant first for the Canadian Embassy to take its companies beyond the Beltway to have more direct contact with Virginia’s busi-



ness community,” said Governor Kaine. “This tour of Virginia’s assets in modeling and simulation capitalizes on the collaborative nature of the industry, bringing together the talents of Virginian and Canadian innovators to establish what we believe will be a mutually beneficial partnership.”

Virginia is one of 36 American states where Canada was the number one export market in 2006. Virginia exported more to Canada than to Germany and China combined, accounting for almost 19 percent of the state’s worldwide sales.

The delegation’s visit to Hampton Roads is the third stage in a developing partnership between the Canadian Embassy and Virginia. In October 2006, VEDP, HREDA and ODU met with a similar delegation in Washington, D.C., to bring awareness of Virginia’s modeling and simulation assets. In June, Virginia representatives traveled to Ottawa and Montreal to present seminars to the Canadian technology community. ■

Filtrona Fibertec Earns Compass Award

Filtrona Fibertec, a Richmond area manufacturer of custom fluid and vapor handling components, was awarded the Commonwealth of Virginia Compass Award for Excellence in International Trade October 18 during the 59th Annual Virginia Conference on World Trade. This year's conference is the last to be co-sponsored by VEDP and the Virginia Chamber of Commerce. Beginning next year, VEDP and the Port of Virginia will sponsor the event.

Established in 1954, Filtrona Fibertec is a division of Filtrona plc. Its products are found in high-performance writing instruments, inkjet printer cartridges, medical diagnostics instruments and everyday household products. Filtrona Fibertec graduated from VEDP's Virginia Leaders in Export Trade (VALET) Program in July 2005. During its two years in the program, the company participated in the Governor's Trade Mission to Mexico, solidified its base in Central and South America, and experienced tremendous growth in its business relationships with China. Filtrona Fibertec continues to work closely with VEDP's overseas trade manager in Japan.

"VEDP has been a tremendous resource for Fibertec as we have expanded our international sales. We have benefited from first-class competitive intelligence, market studies, and customer relationship development conducted by VEDP staff," said Jeff Green, Fibertec Executive Vice President, Business Development. "Three very important customers located in Mexico City remind me each time I see them about our breakfast meeting with former Governor Mark Warner during his trade mission to Mexico. They felt honored, and I am quite sure that they will be our customers for a very long time. I just cannot say enough about the professionalism of VEDP's Virginia and International staff, and the value that VEDP has provided to Fibertec."

The Commonwealth of Virginia Compass Award for Excellence in International Trade recognizes companies that have increased their international profile, contributing to the overall economic health and quality of life of Virginians. The recipient of this award contributes to a positive perception of Virginia in the international community, while promoting the best interests of its employees and its community at home. ■

International Investment Welcomes New Member

Yutaka "Tommy" Okutomi is the newest VEDP International Investment representative in Japan. He will work with companies within targeted industry segments to secure new investment opportunities for Virginia. He will also work closely with Japan-based company headquarters that have existing operations in Virginia to encourage expansion and growth for these facilities.

Okutomi has a distinguished and impressive 36-year career with Japan Airlines (JAL). During his years with the organization, including three of the airlines' affiliated companies, he served in executive level capacities, including President of Mercury International Ltd, Managing Director of Osaka Hydrant Co., and Managing Director of AGS Air Cargo Services.

Okutomi served 27 of his 36 years with JAL managing departments within their cargo and global logistics organizations where he worked closely with many leading companies in Japan. He worked overseas assignments with JAL that included nine years in the United States (New York and San Francisco) and one year in Seoul, South Korea. He also spent three months conducting a market research project in the south-eastern U.S.

Okutomi has a Bachelor of Arts in law from Waseda University. ■



Enghauser Moves to International Investment

Dave Enghauser has joined VEDP's international investment team as International Investment Manager-Europe, a position held by Kerstin Diegel until October. His experience as Marketing Manager in VEDP's Business Development Division affords him an insider's perspective of Virginia and the economic development process that will serve him well in marketing the Commonwealth to European prospects. Enghauser has lived in the United Kingdom and traveled throughout Europe. His prior experience includes ownership of a commercial interiors business and time as a marketing executive for an investment advisory firm. ■





High-Tech Defense Jobs a Hallmark of Virginia

More than 11 percent of all U.S. Department of Defense employees in the U.S. work in Virginia. That's more than 240,000 people or roughly 6 percent of the state's workforce, but a closer look reveals a deeper importance to the Commonwealth. More than any other state, Virginia has amassed a technically proficient, well-educated and highly experienced civilian workforce.

Virginia is a close second behind California in several areas of DoD employment and expenditures. Where the Commonwealth pulls ahead, however, is in civilian employment. Virginia is the workplace of 12.5 percent of all DoD civilians in the U.S. That's far above second-place California's 8.8 percent, and nearly double Texas' third-ranking 6.4 percent. Many of these jobs are in engineering, science or technology fields, meaning more experience, higher education and, correspondingly, higher pay.

A prime example of Virginia's strong civilian workforce exists quietly in King George County at the Naval Support Facility Dahlgren. Anchored by the Naval Surface Warfare Center, the installation also includes the Aegis Ballistic Missile Command, the 20th Space Control Squadron and the Joint Warfare Analysis Center, a premier science and engineering institution that serves all branches of the military. The facility employs around 8,000 people, a vast majority of whom are civilians, and has attracted another 4,000 contractors just outside the gates.

Dahlgren's concentration of experienced workers is so strong that the installation is partnering with the University of Mary Washington (UMW),

the Fredericksburg Area Military Affairs Council and other stakeholders to create the Dahlgren Research and Education Institute (DREI). The proposed institute will include 50,000 square feet of classroom and research space on a 25-acre tract next to the Navy facility. Funding will include \$2 million from Virginia's 2008 Appropriations Act. Once complete, UMW will coordinate with five other state universities to offer post-grad and doctorate level courses.

In Hampton Roads, Old Dominion University is working with the defense industry, too. The school is home to the Virginia Modeling, Analysis and Simulation Center (VMASC). The center has positioned Old Dominion as one of the early leaders in the up-and-coming modeling and simulation field. By offering research opportunities and supporting modeling and simulation degree programs, the center is helping to attract, train and retain civilian employees with the expertise necessary to keep the area's military facilities at the top of their game. Old Dominion President Dr. Roseann Runte is herself the embodiment of the relationship between education, technology and defense—a champion of the VMASC, Dr. Runte was appointed by Governor Kaine to serve on the Virginia National Defense Industrial Authority board of directors.

The 2005 Base Realignment and Closure (BRAC) Commission led to the shuffling of Northern Virginia jobs, the closing of Fort Monroe, and explosive growth at Fort Lee and Fort Belvoir. Overall, the state will see a gain of 3,000 to 4,000 workers. Importantly, many of these new jobs, such as 750 employees at Charlottesville's Defense Intelligence Agency or thousands of positions at Quantico's investigative agencies, will require highly proficient workers.

Many of the state's DoD tech-heavy areas have flourished with little fanfare – self-promotion is often unnecessary or frowned upon in the

defense world. As an exceptional and growing part of the economy, however, local and state leaders understand that they must be championed and cultivated. Through its educational institutions and other programs, the state is showing great initiative in partnering with installations to provide research opportunities, continuing education and recruitment incentives. These all help to strengthen the existing workforce, which in turn will keep Virginia ahead in the highly-competitive defense industry. ■

The VMASC opened its newest facility, shown here, in November.



Quarterly Calendar

DATE	CONTACT	EVENT
January 14-16	VB	Automotive News World Congress—Dearborn, MI
February 4-8	CR	Marketing Mission—Northern California
February 4-8	SK	India Trade Mission
February 10-13	VB	Retail Industry Leaders Association Logistics Conference—San Diego, CA
February 24-27	VB	Plastics News Executive Forum—San Diego, CA
February 25-27	VB	National Ethanol Conference—Orlando, FL
March 1-4	VB	SNAXPO—San Antonio, TX
March 3-7	CR	Marketing Mission—Indiana
March 3-7	SK	Canada Trade Mission
March 10-14	SK	Spain Trade Mission
March 30-April 3	VB	Data Center World Spring Conference—Las Vegas
	VB	Vince Barnett, VEDP (804) 545-5815
	CR	Chuck Rogers, VEDP (804) 545-5808
	SK	Scott Kennedy, VEDP (804) 545-5754

Meeting Fosters Relationship with Japan

Secretary of Commerce and Trade Pat Gottschalk joined representatives from seven other states in October to participate in the 31st annual joint meeting of the Southeast U.S. Japan Association (SEUS). The meeting was held at the Imperial Hotel in Tokyo.

Following the theme “Building on Three Decades of Success,” members participated in break-out sessions on topics that included trade and logistics, energy and alternative fuels. Fujio Mitarai, Chairman and CEO of Canon Inc., and Charles Brown, President, International, Office Depot, Inc. addressed the group, as well as J. Thomas Schieffer, U.S. Ambassador to Japan, Akira Amari, Japan Minister of Economy, Trade and Industry, and Elshuhiko Shoyama, Chairman of Hitachi, Ltd.

SEUS has worked to foster the development of industry and trade and promote friendly relations between the southeastern United States and Japan for more than 30 years. The original seven member states include Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia. In 2007, the state of Mississippi joined the organization. ■

The 31st annual joint meeting of the Southeast U.S. Japan Association attracted representatives from Alabama, Florida, Georgia, North Carolina, Mississippi, South Carolina, Tennessee and Virginia.



Secretary of Commerce and Trade Pat Gottschalk joined other member state representatives to discuss Virginia's business relationship with Japan.



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did you know

Washington County Gets An A+

Washington County received high marks from two of the most respected independent financial ratings agencies in the nation. In October, Standard & Poor's (S&P's) gave the county a credit rating of 'A+' based on "its growing economic base, consistently strong tax-base growth, solid financial position, and extremely low debt burden."

Five days later, the county learned that a previous 'A3' rating awarded in 2003 from Moody's Investors Service was upgraded to 'A2.'

Both rating agencies had similar assessments of the county, particularly in terms of growth, citing good progress on The Highlands project in the Exit 7 area. The ratings indicated that Washington County is poised for healthy revenue generation for the next several years, while also having good credit potential for moving ahead on major capital projects.

The highest ratings for Standard & Poor's and Moody's are 'AAA' and 'Aaa,' respectively. The lowest grade that an entity can receive is 'D' (S&P's) and 'C' (Moody's). ■



Standard & Poor's A+
Moody's Investors Service A2