

Regional Development Corporations of Vermont

c/o Northeastern VT Development Association

January 22, 2016

The Vermont Quebec Enterprise Initiative and Regional Development Corporations of Vermont

The Regional Development Corporations (RDCs) of Vermont collectively acknowledge that the planning of the VT- Quebec Enterprise Initiative (VQEI) prior to the VT Enterprise Fund (VEF) award to the Lake Champlain Chamber of Commerce could have been handled better, and in a way that through communication and coordination may have resulted in a different request for VEF funds. With that understanding, it is important to note that subsequent and necessary conversations between VQEI, ACCD, and the RDCs have occurred, including discussions of past and current economic development initiatives by RDCs, and we are all ready to move forward to make the VQEI initiative a success. The VQEI is important and needs to be done.

Vermont shares a long international border with the Province of Quebec (and Canada) and we share a long history of community and economic relations, as well. Many of these relationships continue today and relations need to be strengthened as new opportunities arise.

Canada is Vermont's largest trading partner and Quebec is first among the provinces for trade. Forty-six percent (46%) of Vermont exports go to Canada; Bilateral Trade with Canada totals \$5.6 billion dollars per year; and, approximately 16,200 Vermont jobs depend on trade with Canada. *New Hampshire's bilateral trade with Canada totals \$9.3 billion dollars and creates 37,100 jobs.*

Vermont's leading exports by industry are Machinery & Equipment, Agricultural products, and Forest products. Our leading Imports by industry are Energy (electricity), Machinery & Equipment, and Agriculture. Recreation destinations in the Northeast Kingdom – Jay Peak Resort, Kingdom Trails, and Q-Burke Mountain Resort attract tens of thousands of Canadian visitors to the region, and this is true elsewhere in Vermont.

The RDCs understand that VQEI is designed to function as a statewide marketing and outreach arm of for Vermont for bilateral trade and investment with the Province of Quebec. The VQEI mission is to provide high-level outreach to Quebec (and Canada) to let them know that Vermont is a good place to do business. VQEI outreach consists of: Education & Relationship Building; Making Referrals to ACCD or the RDCs (or others); and, being an Information Resource.

The RDCs do understand that the VQEI, while working for all of Vermont, is being implemented at differing levels and times in the regions of Vermont. Despite being a small state, Vermont and Quebec are still somewhat diverse geographically so this makes sense. The VQEI staff has been communicating project progress and this will likely improve over time as they develop the outreach materials that the RDCs and others can use.

The RDCs will likely continue work on related but separate efforts and will keep the VQEI informed. For instance, at the time the VEF award was made to LCCC, the RDCs of northern VT had a federal funding application submitted that would enhance our outreach in Canada (through leads generation consultants). While that application scored well, it was not funded and we will submit in 2016.

To date, VQEI and RDC involvement has consisted of:

- Following the award announcement, VQEI and ACCD met with all RDC's as a group and selected individual RDC's to explain VQEI, learn about other U.S./CA initiatives, and develop strategies.
- VQEI organized an August 2015 roundtable in Burlington to hear from Vermont companies with Quebec ties – i.e. supply chain relationships, parent companies, or sister companies in the province. Over 20 businesses (and 3 RDCs) participated and we gained input on business challenges, opportunities and ideas. Governor Shumlin hosted the event.
- In coordination with AN Deringer, the VQEI sponsored a tour of the Port of Montreal, bringing nearly 30 Vermonters to Quebec. RDCs were also invited.
- VQEI and NVDA with CQI development officials from the Sherbrooke area focused on exporting and doing business in the U.S. and briefed the Granby Industrial Development Corporation on our collective efforts.
- VQEI worked with Lamoille and Northeastern Vermont RDCs to plan an event reaching Quebec business owners that have a second home in Vermont.
- VQEI met with NVDA and the Newport City Renaissance Corporation to discuss VQEI and Newport's "*Bienvenue Newport!*" – a cross-border marketing initiative to attract Canadian consumers.
- NVDA attended the Coalition of New England Companies for Trade (CONNECT) *U.S. Trade with Canada* event in Portland, ME in November and shared information with VQEI.

Future events that some of the RDCs will be involved with:

- February 27, 2016: Canadian holiday outreach at Jay Peak
- March 31-April 1, 2016: Business-to-Business trade event at Jay Peak Resort with CQI (*13 Quebec companies have signed up as of 1/21/16*)
- June 2016: Trade Mission for VT companies to the Sherbrooke region

Other RDCs will be more involved as VQEI events happen in other areas of the state. Early indications are that the VQEI has the potential to bear fruit – the NVDA and Lamoille RDCs have received direct requests from a handful of small businesses about opportunities through early VQEI outreach. Hopefully, the VQEI will result in similar opportunities elsewhere in Vermont.

Sincerely,

David M. Snedeker
Executive Director
Northeastern Vermont Development Association
For the Regional Development Corporations of Vermont