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International Affairs and Trade Development Interagency Committee

Committee Meeting

Tuesday, November 12, 2019
10:30 a.m.

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

A. Call to Order and Roll Call

The Lieutenant Governor called the meeting to order 10:35AM. 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. The Lieutenant Governor 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	CA Energy Commission	Present
Karen Ross	CDFA	Present
Wade Crowfoot	CNRA	Present
Mark Ghilarducci	OES	Present
Jared Blumenfeld	CalEPA	Present
David Kim	CalSTA	Represented by Elissa Konove
Caroline Beteta	Visit CA	Present
Kate Gordon	OPR	Present

Committee Secretary Max Oltersdorf stated that a quorum had been established. The [minutes](#) from the August 27 Interagency meeting were then unanimously approved.

B. Chair & Vice Chair's Discussion of Outstanding Issues and Upcoming Events

Chair Eleni Kounalakis, Lieutenant Governor stated that she was proud to lead a delegation to Mexico in October 2019 that established a partnership between the Newsom Administration and the new Federal Government in Mexico. The delegation included several Interagency Committee members and 20 innovative California businesses providing environmental services, renewable energy, agricultural products, and more. She thanked the three members of the legislature who joined the delegation. The delegation partnered with the University of California on a daylong conference at UC's Casa de California and participated in panels focused on climate change, environmental resiliency, renewable energy and smart agriculture. The delegation also had meetings with Ministries of Agriculture, Economy, Foreign Affairs, and the Chief of Government to Mexico City. Three Memoranda of Understanding were signed focused on agriculture, business and trade, and the environment and renewable energy. In addition, the delegation met with the Business Coordinating Council (CCE) and the National Council of Governors (CONAGO). The Lieutenant Governor said that she was pleased at how the various California State Agencies came together to coordinate the mission. She gave special thanks to Liliana Ferrer, Consul General of Mexico in Sacramento, Susanne Stirling and Nicole Ellis from the California Chamber of Commerce, and the GO-Biz International Affairs team.

The Lieutenant Governor continued that California had received a delegation from Baja California subsequent to the mission to Mexico. She said that Governor Newsom is committed to reestablishing the Commission of the Californias (ComCal).

The Lieutenant Governor concluded, saying that the mission to Mexico is the beginning of a new chapter in the California-Mexico relationship. She emphasized the need to ensure that our actions result in tangible outcomes.

Vice Chair Lenny Mendonca, Chief Economic and Business Advisor to Governor Newsom thanked the Lieutenant Governor and congratulated her on a successful trip to Mexico. He commended the



International team at GO-Biz, which worked tirelessly to plan and implement the mission. Bud Colligan, Senior Advisor for International Affairs and Trade at GO-Biz, helped lead the mission. He worked with Mexican counterparts at the Ministry of the Economy exploring three areas of collaboration:

1. Economic development in the Tijuana region
2. Further trade and investment missions
3. Exploring a round table on innovation and entrepreneurship for women in Silicon Valley in Mexico and California.

A bilateral working group is currently working on a two-year report to be released in 2021 and a four-year report to be released in 2023 showcasing the work bilateral work.

Mr. Mendonca said that GO-Biz has met with members of the new administration of Governor Jaime Bonilla of Baja California to discuss the Otay Mesa port of entry and the Tijuana River. We were heartened to learn that a plan is in place to work on the river. Furthermore, GO-Biz hired Carlos Valderrama, International Trade and Investment Representative for the Americas. Carlos joined the Mexico mission in October. He comes from the Los Angeles Chamber of Commerce and has extensive background in export development and foreign direct investment.

Mr. Mendonca continued, saying that Mexican counterparts are eager to engage with California on the projects he had outlined, and that they would like to work together towards a successful completion. He thanked the Lieutenant Governor and said that he is excited to help both regions prosper.

The Lieutenant Governor emphasized the importance of tangibility in California's collaboration with Mexico. She said that, through ongoing dialog, the issues and priorities between California and Mexico have crystalized. She then stated that the meeting would proceed with each member describing their priorities as related to Mexico.

C. Discussion of California Delegation to Mexico, Recent Baja Delegation Visit & Other Mexico Engagement

David Hochschild, Chair, California Energy Commission stated that in Mexico, so much important leadership is taking place at the city level. For example, the Chief of Government of Mexico City Claudia Sheinbaum is a climate scientist and did post-doctoral work at UC Berkeley. Her area of focus is on energy efficiency standards and rooftop solar.

Chair Hochschild met with Governor Jaime Bonilla of Baja California to discuss renewable energy. He is working to support the inauguration of new lighting energy efficiency standards in Mexico next year. This would lead to \$1 billion per year in savings. California is currently in a struggle with the Trump administration on lighting regulations. Chair Hochschild emphasized that his office aims to support progress in that area.



The Lieutenant Governor asked if the savings were due to the transition away from incandescent lighting, to which Chair Hochschild responded that when the color rendering index (CRI) reaches 90 and above, it is impossible to tell the difference between LEDs and incandescent bulbs. LEDs last 20 years and use 80 percent less energy than incandescent bulbs. The Lieutenant Governor noted that when she was U.S. Ambassador to Hungary, she witnessed a General Electric incandescent lightbulb factory dial down. She said that the transition from incandescent to LEDs is a worthy effort.

Karen Ross, Secretary, California Department of Food and Agriculture stated that, for those who have not had the pleasure of traveling with the Lieutenant Governor, she is a terrific leader. Eight agricultural businesses travelled to Mexico. The mission included the signing of an updated Memorandum of Understanding focused on agriculture, signed by the Lieutenant Governor, Secretary Ross and Mexican Agricultural Minister Victor Villalobos. The MOU covered cooperation on climate, smart agriculture, labor, food safety, trade, and plant and animal health. Secretary Ross emphasized CDFA's commitment of follow up on this MOU. To that end, she said that the previous week CDFA participated in a USDA mission led by U.S. Agricultural Secretary Sonny Purdue that included follow up meetings with the Mexican Ministry of Agriculture.

In addition, Secretary Ross said that CDFA is organizing a binational exotic fruit fly conference in partnership with the USDA, with the goal of fighting these invasive pests. They plan to bring scientists together to consider the impacts of increased trade/travel on the spread of fruit flies. For that conference, they will be taking advantage of the relationship established with the Casa de la Universidad de California in Mexico City, and will be following up on the California-Mexico conference on climate and smart agriculture. Furthermore, she said that her office will be reaching out to partner with counterparts in Mexico with focus on programs including dairy digesters, water use efficiency, and resource management. While both CDFA and the Mexican Ministry of Agriculture lack legal authority over labor, they recognize that it is a very important issue that impacts them both. She said that there are opportunities to work on food safety training and increasing transparency. There has been a huge increase in California employers using the H-2A worker program, which is not necessarily the best fit for all workers. By increasing transparency and connecting with H-2A, we could create additional opportunities.

Moving forward, CDFA is working with state partners in Sacramento and Fresno, as well as USDA offices in the Western US. They will be participating in a trade show in Guadalajara in March, hosting an inbound delegation from Mexico in July, and leading a Mission to Monterrey in May, which is part of a new series for those who have not yet exported to Mexico.

The Lieutenant Governor said that Secretary Ross' overview underscores that when it comes to agriculture, the areas of overlap and cooperation are enormous.

Wade Crowfoot, Secretary, California Natural Resources Agency said that his agency's focus regarding Mexico is primarily on water in partnership with CalEPA. The Colorado River runs North-South and the New and Tijuana Rivers run South-North. These rivers suffer from water quality issues. Together, California and Mexico are working on solutions to improve water quality, which primarily impacts communities in San Diego and the Imperial Valley. This work is led by Jared Blumenfeld, Secretary of CalEPA. Secretary Crowfoot joined the Lieutenant Governor's California



Foundation on the Environment and the Economy (CFEE) delegation, during which he spent time in San Diego and Tijuana. In this capacity, he interacted with Governor Jaime Bonilla of Baja California, who spent much of his adult life in San Diego and served on the board of the Otay Water District in Otay Mesa for 12 years. Given this experience, Governor Bonilla knows the concerns about river pollution and is committed to resolving the problems. Secretary Crowfoot said that the Tijuana River issue will be addressed by Governor Bonilla in the first six months of his tenure. He has already introduced a new water secretary that will work on the collective responsibilities for both governments.

Secretary Crowfoot concluded saying that Governor Newsom has been in frequent contact with both Secretary Crowfoot and Secretary Blumenfeld to get this issue resolved.

Jared Blumenfeld, Secretary, California Environmental Protection Agency stated that CalEPA, in collaboration with the California Energy Commission, is party to a Memorandum of Understanding with Mexico City focusing on air quality improvements and waste stream efficiencies.

Many public agencies and non-governmental organizations have worked to resolve issues regarding trash, sewage, and sedimentation in the Tijuana River, and they have suffered from complex jurisdictional challenges. At the State level, as Wade mentioned, the City of Imperial Beach, City of Chula Vista, and the Unified Port of San Diego filed a lawsuit in March 2018 against the U.S. Section of IBWC. The State of California is in active litigation as well. The lawsuit seeks several solutions for challenges associated with dry and wet weather flows. We are also working with our regional water board to strengthen our ability to approve new standards in 2021 and 2022. There are multiple opportunities on funding sources at the local level. Secretary Blumenfeld said that CalEPA is exploring options for one-time investments to provide much needed resources to the rivers. Last year's budget included \$15 million from the Coastal Conservancy. He affirmed that we would put funds to good use if we could find other sources.

In addition, Secretary Blumenfeld said that Federal bills to ameliorate the situation are being considered. The CalEPA border team has prepared a briefing document that details the challenges facing the Tijuana River Valley. CalEPA has established monthly meetings to coordinate efforts. Counterparts in Mexico support work that impacts flows, and the Mexican National Water Commission (CONAGUA) is committed to upgrades. Furthermore, an Israeli private sector company is working on a project to treat Tijuana wastewater and use it to end water shortages in the Guadalupe Valley.

Secretary Blumenfeld attended Governor Jaime Bonilla's inauguration in October and confirmed that the Governor reiterated his commitment to resolve issues related to the Tijuana River in his first 6 months. He said that California, Baja California, and Baja Sur are ready to tackle these problems. As part of this process, CalEPA chaired a meeting of the California-Mexico Border Relations Council on November 19 in Calexico focused on transboundary flows.

Secretary Blumenfeld closed by saying that CalEPA has engaged with CalRecycle and GO-Biz to explore potential markets in Baja, where tires are routinely burned. He said that he is looking forward to this collaboration.



The Lieutenant Governor thanked Secretary Blumenfeld and asked about the briefing document he mentioned, which she said she would appreciate seeing. She said that the Tijuana River has been a persistent problem. Many Committee members have had the opportunity to walk through the effected region and have seen the magnitude of the issue. She commended CalEPA for engaging with all stakeholders and working to identify a pathway forward. The Newsom Administration has elevated the level of importance of this issue, which has confounded leadership for a long time.

Mark Ghilarducci, Director, Governor's Office of Emergency Services spoke about the long-term relationship CalOES has with counterparts in Baja and Mexican consulates in California. CalOES has a Memorandum of Understanding with Baja California, which was renewed in 2018. In collaboration with the consulate, CalOES has completed an MOU to be signed by the Ministry of Governance Office of Civil Protection. This would have been signed during the October mission, but due to a typhoon along the western Mexican coastline, Director Ghilarducci's counterpart was unavailable. Director Ghilarducci agreed that emergency operations always take precedence. He said that CalOES is excited about the agreement with the broader Mexican government because it will address issues of disaster management, best practices, resource sharing, and mitigation. He then listed some of the outcomes of the partnership:

1. There are regular fires along the California-Mexico border. CalFire engages with Mexican counterparts to help suppress these fires. These actions, such as sending aircraft across the border, are mostly coordinated by the State Department, which has a wildfire working group focused on cooperation, capacity development, climate change, and the environment.
2. The California earthquake early warning system is of particular interest to officials in Baja. CalOES wants to extend the partnership to include people in Baja, because Mexico's early warning system does not extend to that region.
3. In collaboration with consulates in Oxnard, Ventura, and San Diego, CalOES has reached out to Mexican nationals in California if they are impacted by wildfires or earthquakes. CalOES shares information through consulates and participates in Spanish-speaking community events. They have also worked closely with Baja officials and officials in other states to share information on the movements of migrant caravans. CalOES's role in security has linked them with Customs and Border Protection and Border Patrol to work on providing shelter in the San Diego region. Governor Newsom has approved funding for this project.
4. CalOES is working to enhance emergency notifications on sewage spills and improve protocols between the two governments to send notifications in a timely manner.
5. CalOES conducts trainings and exercises on cross-border communication. As an example, two Americans recently went missing in the state of Baja. Their motorcycles crashed in the desert, so they hiked for days. CalOES and Baja were in constant communication about the rescue effort, and the missing Americans were found just in time.



Elissa Konove, Undersecretary, California State Transportation Agency stated that she was pleased to represent Secretary David Kim. She provided an update on the Otay Mesa border crossing project, saying that CalTrans is building a new four-lane toll road. The San Diego Association of Governments (SANDAG) has completed planning a traffic and revenue study. Representatives from District 11 have met with SANDAG, U.S. Ambassador to Mexico Christopher Landau in Mexico City, and other Mexican officials. Mexico's lead agency for this initiative, the Secretary of Communications and Transportation, will be coordinating this project directly. CalSTA is committed to acquiring right of way for crossing on the Mexican side in January 2020. They have confirmation of the availability of \$40 million in funding to move this project forward. SANDAG and CalTrans will present the results.

The Lieutenant Governor said that the Otay Mesa border crossing is just as important as the Tijuana River issue. She thanked Undersecretary Konove for her update.

Caroline Beteta, CEO, Visit California echoed previous comments about the importance of the Lieutenant Governor's leadership. She said that the Lieutenant Governor gave legitimacy and credibility to Visit California's leading message: "All Dreams are Welcome." Mexico is California's #1 tourism market. Visit California spends about \$4 million in that market, and visitors from Mexico spend about \$3.5 billion per year in California. Of that, air travelers spend about \$700 million.

In Mexico, Visit California has continued to focus on the family and the super affluent tourism segments. The Cross Border Xpress (CBX) California Welcome Center opened the same week as the Lieutenant Governor's mission to Mexico. Since then, Visit California has been working with partners at the border to develop large-scale opportunities such as a digital influencer program. Visit California is also focusing on California's transportation infrastructure, marketing California as a "Road Trip Republic" to encourage people to visit the state through its scenic byways.

Visit California is a major sponsor of the Food and Wine Festival in Mexico City. In April 2020 they will have sales meetings in Mexico City, Guadalajara, and Cancun, at which they are expecting 20 delegates. Around the travel trade platform, Visit California has continued to deepen and enrich the Star Training Platform, which brings wholesalers to California. They come through CBX, which is positioned as California's newest gateway. Follow-up meetings from the Mexico mission are very important to this process. California shares many goals with Mexico, as well as collaborative research relationships. More data is needed on the border, for example on the Tijuana Airport. Visit California is also planning to work with the Mexican Visitor Bureau to develop two-nation vacation experience itineraries.

In closing, Ms. Beteta noted that Casa de California is a great place to hold meetings on the travel industry. She also commended Bud Colligan, Panorea Avdis, and the team that made the trip to Mexico exceptional.

The Lieutenant Governor thanked Ms. Beteta for her remarks and for her work.



Kate Gordon, Director, Governor's Office of Planning and Research said that she was honored to be a part of the delegation to Mexico. She said that the Office of Planning and Research's role is in long-range planning. As related to Mexico, there are two primary areas of overlap:

1. *Shared climate resilience in Mexico and California.* Given the shared coastline, Mexico is an important partner to address ocean acidification. Additionally, California can learn about insurance from Mexico. Quintana Roo has developed an innovative catastrophic risk insurance mechanism. Mexico and California can collaborate both on the immediate response to climate change and long-term resilience measures. This will include how to navigate extreme heat.
2. *Transportation.* GO-Biz and CalTrans have been working on a sustainable freight model, which will be useful for ports and along the border, whether there is a huge amount of goods flow. Sustainable freight looks at these issues from the perspectives of roads, land use, and development. OPR is working to define the long-term vision for sustainable freight and the incentives/planning necessary to achieve it.

The Lieutenant Governor concluded the discussion on Mexico by saying that Mexico is our most important foreign partner. For regular meetings going forward, she proposed a 10-15-minute update on key priorities and issues related to Mexico. She emphasized the Governor's direction that the Interagency meetings be outcome-oriented.

She then introduced Carlos Valderrama and Stefano Bertozzi.

D. Presentation by Carlos Valderrama, Trade and Investment Specialist for the Americas

Mr. Valderrama opened by saying he is responsible for promoting exports of California products and services to the Americas and attracting investment to California from the Americas. He listed the following objectives:

- Create sustainable employment in export sectors
- Cultivate long-term relationships with partners in the Americas
- Showcase California values and expertise, particularly in renewable energy.

Mr. Valderrama noted that California's target markets in the Americas are Canada and Mexico, and that Colombia, Chile, and Brazil are also important partners. Canada and Mexico have free trade agreements (FTAs) with the U.S. This is beneficial to firms, which see FTAs as an added form of security. He listed the following target industries for California exports: aerospace, medical products, environmental products, agriculture, electronics, education, and tourism.

Regarding environmental technology, Mr. Valderrama noted that Latin America is the most urbanized region in the world, with 80 percent of the population living in cities. Four of the world's largest cities are in Latin America. This makes renewable energy particularly important.



Mr. Valderrama then outlined his strategy, which is to identify business opportunities and promote training programs for executives. Furthermore, he said that he understands that the best way to sell products is to participate in trade shows. To that end, he said that he has identified seven important trade shows in the region.

He then listed key partners in the U.S. and California that can identify companies ready to export:

- The National Association of Manufacturers
- California Manufacturers and Technology Association
- The U.S. Commercial Service
- U.S. Embassies in the region

Regarding investment, Mr. Valderrama said that his goal is to attract, retain, and expand FDI from the Americas in California. Canada is a significant investor in California. His goal is to identify the foreign companies already investing in California, approach them, thank them for their business, and see if we can help them to expand their operations. This strategy will include participation in SelectUSA events, where he will meet with foreign companies coming to the U.S.

In addition, he plans to identify prominent industrial trade groups in the Americas and to work with major U.S. law firms, accounting firms, consulting firms, and banks to identify companies interested in investing in California.

Vice Chair Lenny Mendonca said that it is a delight to see the breadth of what Mr. Valderrama is working on. The Lieutenant Governor thanked Mr. Valderrama for his cooperation in the launch of the Trade Desk at Casa de California in Mexico City.

E. Presentation by Stefano Bertozzi, Director UC MX Program, Regarding the Recent Conference: Mexico and California: Building Environmental Resilience Together

Mr. Bertozzi said that what started as a small academic and policy conference at Casa de California in Mexico City turned into something much more significant with the participation of the Lieutenant Governor and her delegation. He said that he hopes the discussions that took place will have long-lasting effects. He commended the Lieutenant Governor's leadership and the positive impression she and her delegation left of California.

He continued saying that the University of California has consolidated three system-wide UC programs focused on Mexico under the new Alliance UC-Mexico program and made him the Interim Director, based at UC Riverside. He elaborated upon his two top priorities in the nine months he had left:

1. *To be relevant to policy makers on both sides of the border.* The UC system aims to be an important resource, with the office at UC Riverside being a one-stop shop on how to draw on the resources of the UC system and help solve problems. He said that he was surprised when he



first started at UC Berkeley that UC did not have a closer relationship to government. He said that their goal now is to be a partner.

2. *To upgrade the UC's capacity to facilitate interaction between California and Mexico.* Many new initiatives came out of the conference, with focus on the environment and energy – issues that California and Mexico share. He noted that in each of the Interagency member's statements, there are opportunities to collaborate with universities in California and Mexico.

Mr. Bertozzi then said that the first session of the conference was focused on achieving a sustainable energy future. Given the situation with the Federal government, it is important for California to look for specific areas where we can collaborate. This includes opportunities to work more closely with the private sector in Mexico, such as the UC Davis California Lighting Technology Center's partnership with the Universidad Autonoma de Guadalajara in Jalisco, or the Mexico Cooling Initiative at Berkeley Labs. It will be important to look at the future high temperatures in Mexico as related to socioeconomic development.

He continued that the second session was focused on developing climate adaptation strategies. In the discussion on drought, he said that it was shocking to learn about the possible impacts of droughts in California and Mexico on coastal issues, food production, and urban areas.

The third session was focused on agriculture, as described by Secretary Karen Ross at CDFA. As a result of the discussion, the need to think holistically about agriculture was clear. This includes considerations of nutrition, health, and obesity. Mr. Bertozzi noted that diabetes is the #1 cause of morbidity and mortality in Mexico.

The last session was focused on the impact of climate change on migration, health, and labor. This impact is likely to be significant. There is concern about what the effect of this could be on California agriculture and population. Climate change will impact water quality in the Sierras, wildfires, drought, and heatwaves. These issues will impact agricultural labor. The goal of this conversation was to figure out a way to engage people in a longer view and to help think about strategies.

He concluded saying he wanted to be of service going forward.

The Lieutenant Governor thanked Mr. Bertozzi and said that the UC is California's #1 partner in Mexico. She commended the breadth and depth of their research and said that for any opportunities for which the State might need the UC as a partner, Stefano is the liaison.

F. Discussion of Other International Engagement

Chair Eleni Kounalakis, Lieutenant Governor, State of California said that her office has engaged robustly in taking every opportunity to welcome groups that come to California, whether it is in pursuit of combatting climate change, trade, or investment. Not all these visits make headlines, but the Lieutenant Governor said that her office thinks of it as "tending the diplomatic garden." She



thanked everyone who helped to prepare for these meetings, saying that they laid the foundation for cooperation.

She then listed the highlights of recent meetings. She hosted a high-level delegation from Jiangsu Province in China that included the Vice Governor of the province. They signed an MOU based on trade and cultural/educational exchange. On November 13 she would receive a delegation from the Netherlands to discuss their collaborative partnership. She has participated in many international events, including the Pan-African Conference, the U.S.-Japan Business Council, and she's met with officials from eleven countries including the Prime Ministers of Armenia and Ireland. Governor Newsom welcomed the President of Italy to share ideas at Muir Woods.

She concluded saying that this diplomatic work at the state level is filling a need, and we are doing tangible work with impacts in the short and long term.

Vice Chair Lenny Mendonca, Director, Governor's Office of Business and Economic Development said that in addition to what had already been covered, he wanted to highlight the fact that Max Oltersdorf, Deputy Director for International Affairs and Trade at GO-Biz had recently returned from China, where he spent five days meeting with officials and supporting the California booth at the China International Import Expo.

Mr. Mendonca continued that GO-Biz was also represented at Get Global and Access Asia events in California, and that further events were planned in Los Angeles later in November. GO-Biz is working on an export training program and expanding services. He noted that Emily Desai, Special Advisor for International Affairs and Investment, receives 1-2 inbound investment inquiries per day from countries interested in investing in California. As a result of the Regions Rising initiative, GO-Biz is spending increased time on outreach and capacity development throughout California. This has included export and investment presentations.

The Lieutenant Governor said that she would like to open the discussion to the rest of the Committee. In particular, she asked for a focus on India, since we have an opportunity to send a smaller delegation to India in January. This delegation is being organized by the Bay Area Council and Visit California. She said that there is tremendous opportunity to further develop the relationship.

Karen Ross, Secretary, California Department of Food and Agriculture said that her department is very excited about India as it is California's 7th largest agricultural export market, with exports of \$880 million last year. This is despite some tariff issues that need to be worked through. She then listed some ongoing projects:

1. CDFA was visited by a delegation from the Government of Gujarat, where they met with the CDFA Science Program.
2. The University of Punjab has signed an agreement with Fresno State University, where they see opportunities to collaborate on dairy issues and environmental sustainability.



3. CDFA is partnering with Washington State USDA to take a food-focused delegation to India in June 2020.

The Lieutenant Governor asked how changes in the tariff regime impact exports, to which Secretary Ross responded that it softens markets. Tariffs have had a more direct impact on walnuts, for which California has significant competition in the market, than on almonds. As some of the tariffs are high, there is often no way for producers to absorb them and keep their shelf space.

Caroline Beteta, CEO, Visit California said that her organization sees India as a great opportunity over the long haul. It is California's 8th largest market for tourists and the #1 opportunity market. India has seen 6 percent year over year growth, with visitors to California from India spending about \$1 billion and staying an average of 22.9 nights. The market has been difficult regarding reachability, but with more fuel efficiency, that is changing. Air India has a non-stop flight 9 times per week, with a total of 2,400 seats. United has also started non-stop flights. Furthermore, Middle Eastern partner carriers have new routes where inbound and outbound traffic goes through the Middle East, as opposed to spending a full day in Europe.

India is a massive market, with urbanization on the rise. Millennials are spending 30 percent more than multigenerational families. This represents a huge opportunity. In 2030, 61 cities in India will have a population of over 1 million and there will be 6 megacities with 10 million or more.

Jared Blumenfeld, Secretary, California Environmental Protection Agency said that CalEPA and CARB have worked bilaterally with India on air quality and through exchanges in the Under2 Coalition. India is the world's largest democracy, and he is looking forward to working with the Lieutenant Governor to expand the relationship.

Furthermore, Secretary Blumenfeld noted that Delhi was recently in the news because of its poor air quality, for which Prime Minister Modi declared a public health emergency. Tackling air quality has served as the foundation of much of CalEPA's work. He said that he and Secretary Crowfoot of CNRA would be traveling to Madrid for United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) 25. He said that given the vacuum of federal leadership, the world will be looking to California. He said that he would provide an update during the next meeting.

Kate Gordon, Director, Governor's Office of Planning and Research started by saying that India is the 4th largest greenhouse gas emitter in the world. They are growing quickly. India plays a pivotal role in how we tackle climate change. As Secretary Blumenfeld pointed out, California does not play a role in the United Nations global agreement on climate change, but given what has happened since the last meeting, when President Trump reiterated his desire to leave the Paris agreement, it must be asked what role subnationals can play. Other countries like Brazil and Australia are also asking this question. The Under2 Coalition has emerged as a place for subnational discussions and questions on where we can have more subnational presence. Director Gordon posited that we could build markets across subnational jurisdictions and influence the national conversation. She



emphasized the need for California to step up. Historically, California has been a subnational that supported the national government, but that perspective will not be able to continue.

She then noted that two Indian states are in the Under2 coalition. Their focus has been on electric vehicles and sustainable technology. She said she would love to see more jurisdictions join on the broader set of Under2 initiatives. Sustainable irrigation is a shared challenge. India is very much at risk from a climate perspective, given susceptibility to flood, heat, and drought.

The Lieutenant Governor thanked Director Gordon. She said that when she met with climate activists the previous week, they talked about how to make their actions as impactful as possible. She emphasized the importance of California's leadership, saying that the Under2 Coalition started in Sacramento. She said that California has a natural ability to lead not just by highlighting issues but taking action.

David Hochschild, Chair, California Energy Commission said that CEC has hosted multiple delegations from India. One of the main drivers of these visits is coal power. He noted that the Lieutenant Governor spoke at the Energy Symposium the previous week where it was stated that Germany is divesting entirely from coal. The movement to clean energy, which was previously a mythology, is now happening. To the Lieutenant Governor's point about California being a beacon, he said that it has only been one year since [SB100](#) was signed, and it is now law in many states, meaning that 30 percent of Americans live in communities in the Under2 Coalition.

Mark Ghilarducci, Director, Governor's Office of Emergency Services built off Director Gordon's comments, saying that countries are intrigued by how California manages disasters. He said that delegations from India have expressed interest in how their government can coordinate to manage these events. Unfortunately, India has many disasters that cause loss of life, partly because the infrastructure is poor. This leads to concern about international investment in India because the risk is so high. Cybersecurity is a critical aspect of this risk. The issue of safety and security in India must be addressed to promote investment in the long term.

The Lieutenant Governor said that if there are specific projects that California can help support moving forward, she would be interested to learn more.

G. Public Comment

Michael Harris of Black Agriculture said that listening to this Committee meeting made him feel confident in California. Specifically, he thanked Secretary Karen Ross of CDFA for her support in preparing him for the global agricultural world.

He continued saying that Africa is both the world's largest trading block and the poorest place on earth. Clean water, energy, and food are scarce in some regions. He expressed his hope that California agriculture exporters could grow in the African Free Trade Area. He then offered electronic copies of the program for the Pan-Africa conference that the Lieutenant Governor attended in October 2019.



The Lieutenant Governor said that it was a great conference and a tremendous opportunity.

H. **Agenda Items for Future Meetings**

The Lieutenant Governor asked Bud Colligan about the status of the yet to be hired Trade and Investment Representatives for Europe and Asia.

Bud Colligan, Senior Advisor for International Affairs and Trade, GO-Biz said that the International unit is in the process of interviews for the Europe and Asia Trade Representatives, and that final interviews should take place in late November.

The Lieutenant Governor thanked the assembled for coming to the Interagency meetings. She said that the meetings were not only about coming together quarterly, but about doing so in a public forum. She said that she was frequently asked about what California is doing, as the fifth largest economy in the world. She said that California advances its priorities on issues that are important to 40 million Californians. She thanked the Committee members and the staff for participating in the meetings.

She commended the work that has been done to strengthen the partnership between California and Mexico. She said that engagement with Germany, the world's 3rd largest economy, is also important. California has similar objectives with Japan as well, given the opportunity to work on economic issues. China's Belt and Road Initiative (BRI), and their level of foreign direct investment (FDI) via BRI is not as high as Japan's total FDI. She had met with the Japanese state investment bank to discuss Japan's interest in investment in California. She said that although there is controversy about the impact of trade on labor, no one disputes that FDI is a win for recipient regions regarding opportunity and jobs.

She closed by saying that it is not an accident that India will be her first foreign mission for 2020, and that the focus would be on the climate agenda.

Vice Chair Lenny Mendonca reiterated what the Lieutenant Governor said about the progress that has been made in a relatively short time frame regarding bringing California's international work together and focusing on actionable deliverables. There is a lot more to do if we aspire to have the level of engagement we have with Mexico with other partners as well. Mr. Mendonca continued that he is glad that these meetings take place in a public setting. California has an aggressive voice that supports important causes.

Secretary Crowfoot echoed what Mr. Mendonca said about the benefit of coordination. He commended the institutional coordination and the great work done at the staff level. He then asked about the ongoing engagement with China on environmental issues and said that similar engagement with India had been illusive under the Brown Administration.



The Lieutenant Governor said that California's work with China is very important, and that there has been significant interest in working at the subnational level with various Provinces. There is a lot at stake in addressing climate change. She continued that she would like to visit China in 2020.

The Lieutenant Governor said that the work done in the Interagency committee resonates with the work done with economic development corporations around the state, in California cities, counties, and regional government. She then asked for Max Oltersdorf's comments on his recent trip to China.

Max Oltersdorf, Deputy Director for International Affairs and Trade, GO-Biz said that he was in China for a week supporting a trade-focused mission. During that time, he met with provincial governments from Nanjing, Beijing, and Shanghai. The main purpose of this trip was to attend the China International Import Expo (CIIE), which had 25 million attendees. The California booth was remarkable. Impossible Foods was a lead sponsor, and they served 50,000 Impossible Burgers to the crowd. Their CEO Patrick Brown gave non-stop interviews. This was an example of the state government supporting the efforts of the private sector. California was well-received in all meetings, and the Chinese Department of Commerce said that they would like to visit California.

Director Gordon said that two thirds of imports to California are from China, and we have seen an 18 percent drop in imports. Trade and climate issues are not easy to resolve, which is why the subnational conversation is so important.

D. Adjournment

The Lieutenant Governor said that this meeting had given the committee a lot to consider. The next meeting will be held on February 18th.

The meeting adjourned at 12:25pm.