



# **Board of Directors Meeting**

**December 17, 2007**

**8:30 - 10:00 a.m.**

**RI Department of Labor & Training  
1511 Pontiac Avenue, Cranston, RI**

## **AGENDA**

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|---|----------------------|
| <b>1. Welcome and Call to Order</b>   | <b>J. MarcAurele</b> |
| <b>2. Approve Minutes of 10/17/07</b>   | <b>J. MarcAurele</b> |
| <b>3. Chairman's Report</b>   | <b>J. MarcAurele</b> |
| <b>4. Director's Report</b>   | <b>M. Koback</b>     |
| <b>5. Consent Agenda (Items 1-4)</b><br>A board member may request that any item be removed<br>from the consent agenda and moved to the regular agenda. | <b>J. MarcAurele</b> |
| <b>6. Committee Reports</b>   | <b>Chairs</b>        |
| <b>7. Old / New Business</b>  |                      |
| <b>8. Adjournment</b>   |                      |

**NEXT MEETING – THURSDAY, JANUARY 17, 2008  
8:00- 10:00 A.M.**

## **DECEMBER 17, 2007 MEETING CONSENT AGENDA**

**(Detailed Information Follows as Appropriate)  
Items 1- 4**

**Item 1: Approve WIA Consent Agenda**

New WIA Policies listed for Program Year '07 were issued pursuant to federal policy. Hyperlinks to detailed information are provided on the WIA Consent Agenda where applicable.

**Item 2: Workforce Expansion Grant**

The Strategic Investments Committee met on December 3<sup>rd</sup> and endorsed staff's recommendation to award a \$100,000 Workforce Expansion grant to RI Economic Development Corporation's Office of International Trade to continue to provide matching Export Management Training to RI grants to companies planning and preparing for international business. Detailed information about the program is included.

**Item 3: Administrative Entity Agreement**

On the advice of legal counsel and consistent with both state statute and the Governor's executive order, an administrative entity agreement formalizes the relationship between the GWBRI and RIDLT. The Executive Committee reviewed the agreement at its meeting on December 3<sup>rd</sup> and recommends approval by the full board.

**Item 4: Amendments to the Board's Bylaws**

As required, the Executive Committee conducted its annual review of the bylaws and voted at its meeting on December 3<sup>rd</sup> to recommend amendments. Proposed amendments were included and highlighted and emailed to the membership 15 days prior to the meeting as required. Legal counsel has also reviewed and endorsed the proposed amendments.

## ITEM 1 – WIA Consent Agenda



### **WIA Consent Agenda**

Monday, December 17, 2007  
8:30 A.M.

Department of Labor and Training  
1511 Pontiac Avenue, Cranston, Rhode Island

**RECOMMENDATION:** Vote to approve the consent agenda as a whole. (Any item listed can be referred to a committee for further review and be placed on a future agenda with a recommendation from the subcommittee involved.)

#### ◆ CONSENT AGENDA ITEM: 1

#### **NEW WIA POLICY ISSUANCES (all policy issuances since October 17, 2007 meeting)**

**BACKGROUND:** The ETA, USDOL requires that the WIA Statute and Regulations be implemented by the issuance of State Policy by the Governor. ETA, USDOL, from time to time, issues changes in policy impacting the administration of the Workforce Investment Programs in Rhode Island. These issuances are called Training and Employment Guidance Letters (TEGLs) and require that changes in State policy be implemented to conform to changes in federal policy. These policy issuances now also include policy issuances for the Job Development Fund Youth Initiatives for PY 2007.

**REFERENCES:** [All WIA Policy Issuances 1999-2007:](#)

## Workforce Investment Notices

WIN NOTICE NO.	DATE	SUBJECT
<a href="#"><u>07-08</u></a>	<a href="#"><u>10/17/07</u></a>	<p><a href="#"><u>Revised Incentive/Sanction Policy.</u></a> The intent of this guidance is to revise existing policy relative to incentives and sanctions under WIA for performance accountability purposes. Beginning with the PY 2006 performance measure outcomes and as a non-waiver state, the applicable measures for consideration for incentives and sanction determinations are as follows: Entered Employment Rate, Employment Retention Rate, and Average Six Months Earnings for Adult and Dislocated Worker programs; and for Youth programs: Older Youth Entered Employment Rate, Older Youth Employment Retention Rate, Younger Youth Diploma or Equivalent Rate, and Younger Youth Retention Rate.</p>
<a href="#"><u>07-09</u></a>	<a href="#"><u>10/22/07</u></a>	<p><a href="#"><u>Additional Dislocated Worker Funding.</u></a> The State was allocated an additional \$3,611 for PY 2007. These funds were made available pursuant to the “Harkins hold harmless funding agreement” which is incorporated in Section 173 (e) to the Workforce Investment Act; additional WIA funding from the Dislocated Worker National Reserve is to be made available to not more than eight states with the largest ratio of Adult Activities program funds (JTPA formula amount to WIA formula amount), in amounts equal to the difference between the allotment that a state would receive for Adult Activities under the WIA formula and the state’s allotment as calculated under JTPA Title II-A. For PY 2007 five states are eligible with Rhode Island being one of them.</p>

07-07,Change1	<a href="#"><u>10/19/07</u></a>	<a href="#"><u>Revised PY 2006 Incentive Awards for Performance.</u></a> In order to hold all states to a comparable standard of performance for incentive purposes, all states beginning with PY 2006 are being treated as if they had requested the common measures performance waiver. Along with the other criteria referenced in Section 5 of TEGL 9-07 and described further in Section 6, to be eligible to receive an incentive award, a Local Area must achieve above 100% for each of the WIA program areas (adults, dislocated workers, and youth). In addition, a Local Area may not have any of the 10 applicable measures fall below 90% of their negotiated performance levels.
<a href="#"><u>07-10</u></a>	<a href="#"><u>12/11/07</u></a>	<a href="#"><u>JDF Youth Funding Notice of Obligation of Funds to Local WIAs.</u></a> On September 6, 2007, the GWBRI approved the proposal and stated that \$3,000,000 funds would be allocated to the locals by WIA formula, through the State Workforce Investment Office. Grants will be awarded by competitive RFP through the local Workforce Investment Areas. The GWBRI required that youth being served under the Job Development be provided services on an as-needed basis as determined by an appropriate assessment. The services available shall, at a minimum, include: the WIA youth services ten program elements (WIA Regulations at paragraph 664.410.) The contracted requirements of the program must be in conformity with the joint Request for Proposals issued by the two local WIAs and consistently applied statewide.

**CONSIDERATION:** The policy issuances listed for PY '07 above were issued pursuant to federal policy and the funding plan of the GWBRI for PY 2007.

**POSSIBLE ACTION:** Review and approval of policy issuances.

## **ITEM 2 – WORKFORCE EXPANSION GRANT**

### **SUCCESS STORIES**

#### **Governor’s Workforce Board Training Grants**

##### **INTERNATIONAL BUSINESS PLAN DEVELOPMENT**

###### **RBC Industries:**

**The Problem:** RBC Industries required an effective and targeted export strategy in order to expand sales into the Mexican and Brazilian market.

**The Solution:** RBC hired a global management company to assist in developing a comprehensive international business plan and targeted training program with an export management grant.

RBC Industries, Inc. of Warwick, a premier provider of epoxy and silicone technology, had identified Mexico and Brazil as markets where high demand existed for their epoxies, resin, and adhesives that are used by jewelry manufacturers. However, the company needed assistance in determining how to successfully distribute their products into these unknown markets.

With a customized export grant, RBC hired a global management company to assist them in developing an effective sales plan and marketing strategy. Included in the plan were targeted training seminars focusing on key requirements such as: export resources; product marketability and conformity to international markets; export strategies; promotional materials; and planning and responsibilities for implementation. The culmination of the training included a comprehensive international business plan. Regarding the export grant program and subsequent results, company president, George Sherring stated, “We learned how to identify prospective agents or distributors and how to interact with them in a proper manner. We learned how to find potential markets and how to get the most out of our efforts.”

###### **Maxson Automatic Machinery:**

**The Problem:** Maxson required a strategic global business plan in order to streamline and enhance its existing 20% export sales.

**The Solution:** Maxson implemented an international business and marketing plan course with an export management grant, resulting in a 10% sales increase.

Automatic Machinery Company of Westerly, a manufacturer of rotary cutters and sheet handling equipment for the paper industry, was selling 20% of its equipment overseas. Despite enjoying global sales, the corporation was approaching exporting in a very random fashion and determined that a more streamlined approach would aid in securing greater market share.

An international business plan development grant partially subsidized an intensive one month training course on how to develop and implement an integrated international business and marketing plan. An international trade consultant coached Maxson managers through the international business plan development process, helped them formulate new export strategies, and brought the shipping, finance, and export sales departments together. Since creating the plan and putting it into action, Maxson has been able to pursue international sales in a more focused, profit oriented manner, improved internal communication enthusiasm, and increased international sales by an additional 10 percent.

## EXPORT REGULATORY COMPLIANCE TRAINING

### **SemiXchange:**

**The problem:** Since September 11, the US Government has heightened regulations on US merchants to ensure that they are not selling products to countries, companies or individuals that the US Government considers a risk to national security. The Bureau of Industry and Security requires that US merchants perform due diligence to ensure that technology does not get transferred to parties listed as prohibited on their website. Sometimes, these Government regulations can be very confusing to companies and they need help determining how they pertain to their business.

**The solution:** Dan Di Mase, President of SemiXchange, brought in a consultant to assess the voids in their export procedures and then train the SemiXchange staff to comply with the US regulations.

The training was divided into three modules: regulatory review, case studies, and hand-on simulation of anticipated situations relevant to SemiXchange's business. Because of the training "SemiXchange has acquired the ability to keep current on all US requirements, which distinguishes us from many of our competitors." "We have modified our procedures to check the following updated government website listings: the denied parties list, the unverified list; the entity list; the specially designated national list; and the disbarred list, prior to conducting any business with new or existing customers. We have a better grasp on what commodities are controlled and need an export license and how to obtain that license." "Our employees are now assured that the procedures in place are fully compliant with US regulations." SemiXchange is currently exporting to 31 countries and exports are approximately 22% of total sales.

## EXPORT LOGISTICS CE CERTIFICATION TRAINING as a Gateway to the European Union

### **Antaya Technologies Corporation:**

Antaya Technologies, a Cranston based manufacturer of connectors and soldering controllers used for automobile glass, knew that the European market held strong potential for their products. However, their products needed to be CE certified in order to sell there. The CE mark is mandatory for a wide range of products sold in the European Union and indicates conformity to safety and legal requirements. Antaya Technologies Corporation hired an international regulatory compliance testing company to train key employees on the CE certification process and the requirements of the various and complex directives.

An Export Management Training Grant partially subsidized the training expenses. Michael Wheaton, Engineer, stated, "The training was extremely informative and educational. It helped us to not only rework existing equipment to pass the needed directives but to also begin thinking about them at the design's inception. This will save us countless hours in development." Since the completion of the training, Antaya's export sales of soldering controllers have increased by 533%.

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## SUCCESS STORIES

### Governor's Workforce Board Training Grants

#### ISO CERTIFICATION GRANT

##### **Technical Materials Inc.:**

The ISO 1994 standard will be completely superceded by the new ISO 9001:2000 standard by the end of 2003. If companies fail to take action and update to the new regulations, their registration may lapse and they may not be able to compete in the domestic or global markets. In order to keep current, Technical Materials Inc. (TMI), a global leader in engineered, specialty strip metal solutions, is implementing training to adhere to the new ISO standards.

Mr. Joseph Simonelli, Director of Human Resources, wrote, "The grant from the International Trade Office is being used to train Technical Materials Inc. (TMI) personnel on the requirements for achieving the new ISO 9001: 2000 standard and to prepare all necessary documentation for achieving certification.

Achieving the new ISO standard will be a considerable advantage to doing business in locations where TMI is pursuing export sales (China and SE Asia) and will provide a competitive edge. Being certified to this standard is required by a majority of customers."

#### **INTERNATIONAL SHIPMENT OF HAZARDOUS MATERIALS**

##### **Engelhard Corporation:**

Engelhard Corp., a Warwick manufacturer of silver and copper phosphorous brazing alloys, wanted to increase their international shipments of flux, a substance used to prepare the brazing surface of components prior to fusing. Flux, which is considered a hazardous material, is subject to a vast array of laws governing international transportation.

To ensure that Engelhard was meeting all international shipping regulations, Kevin Porter, Traffic Manager, brought in an internationally renowned company that specializes in export compliance to provide in-depth regulatory training to employees in the shipping and production departments.

The training focused on packing requirements, marking and labeling, loading segregation policies, documentation, emergency response, etc. for the shipment of flux. "The training provided us with an ability to produce more product for export shipments and left the trainees confident in their regulatory knowledge." In the year since the training, Engelhard has experienced a 10% increase in the shipment of flux.

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## **EXPORT OPERATIONS, CONTROLS, LICENSING AND NAFTA DOCUMENTATION**

### **A.T. Wall Inc.:**

A.T. Wall, a recognized leader in supplying precision metal tubing and specialized fabricated metal components, received reimbursement from the RIEDC for a variety of export logistics workshops. A.T. Wall sent two key employees in their export department to an Export Operations seminar, a NAFTA workshop, and an Export Control class. They also conducted a customized in-house training session on export licensing. A.T. Wall gained the ability to ensure compliance of exportation of products with the revised Export Administration Regulations, which have been tightened and more strictly enforced since September 11, 2001.

They also obtained duty preferences that will keep products competitive in Canadian and Mexican markets. "As a result of the training, we have developed a better in-house system for compliance. The employees were trained to develop a policy and procedure manual that will allow us to comply with export regulations." They also learned how to determine and classify export control (ECCN) numbers. They learned about "export licensing; when we should apply; and about procedures and reviewing the denied parties list."

### **Trade Show Development Preparing for Asian Trade Shows**

#### **Hamilton Tool, Inc.:**

Brian Richards, Vice President of Hamilton Tool, a manufacturer of metal stampings and findings for the fine and costume jewelry industry, wanted to increase his products' global exposure. In order to gain new sales leads, Hamilton Tool registered for US Department of Commerce sponsored trade shows in Hong Kong and Thailand. Hamilton Tool had limited experience in exporting to the Orient, and Mr. Richards realized that he needed external assistance. Hamilton Tool employed an international business consultant who provided pre and post trade show training.

The consultant helped Mr. Richards tailor his promotional material to the Asian market, develop efficient international sales/distribution/pricing strategies, analyze information learned at the trade shows, study product conformity to international markets, plan budgets, delegate responsibilities, and outline a time frame for implementation of export sales strategies. "Our consultant did an excellent job of preparing us for the Asian trade shows and also in assisting our after the show follow through. Quite frankly, he enabled us to accomplish things we would not have done on our own. Since the training and the trade show trip, 1.2 percent of our annual sales can be directly attributed to the program."

## Market Entry Programs

### **Heartlab**

#### **Goal: Expand Sales into Key Asian Markets**

Heartlab, an AGFA Company, was founded in 1994 and is located in Westerly. The Agfa Heartlab Cardiovascular solution is recognized as a world leader in cardiology image and information management. The system is installed in more than 480 leading cardiology centers throughout the globe, giving cardiologists rapid access to imaging exam and report information and providing robust protection for critical patient data.

Heartlab began working with the Rhode Island Development Corporation to expand their sales presence in Asia and in 2004, Lori Kahler, Director of Quality and Assurance, participated in a Market Entry Program in China and Hong Kong. Kahler stated, "The service was outstanding. The market analysis and distributor information were exceptional. The appointments with distributors were very well-matched – extremely helpful – and better than I could have anticipated." As a result of the contacts made by the export program, Heartlab is currently working with several prominent cardiologists in Hong Kong—a key market for the corporation.

#### **Results:**

The 2004 Market Entry Program in China proved so successful that Heartlab decided to participate in a 2006 Trade Mission to India. In India, they were able to meet well-matched, potential distributors and end-users for their medical product. Stated Kahler, "The meetings were very helpful and offered an excellent starting point to enter the India Market. The US Embassy secured high level appointments with leading Indian cardiologists that we would not have been able to schedule on our own."

### **Advanced Interconnections**

#### **Goal: Identify Distributors in China**

Advanced Interconnections Corporation (AIC) is a Warwick based manufacturer of electronic interconnect devices and is an experienced exporter. Joel Urban, International Sales Director, utilized the RIEDC's export services to identify distributors in Shanghai, Beijing and Chengdu.

In March 2006, Joel again used the Market Entry program to identify international distributors, this time in India. Based on the candidates that were identified, Joel has selected and signed a distributor in Bangalore who has exceeded the company's expectations. AIC's sales have increased by 25% and Joel has participated in two major trade shows in Shanghai with his new distributor.

Another important benefit of the program was the ability to learn about the Indian market for AIC's products. As part of his scheduled appointments, Joel made a presentation to the Indian Electronics Association which has 1,500 members.

#### **Results:**

States Urban, "I have utilized the Market Entry program in many locations and have always found the service to be excellent. The benefit of using this program is that it reduces a company's time to market and allows me to be proactive versus being reactive. I am able to interview several candidates at once. It would be very difficult for me to arrange these interviews myself and obtain references."

### **Providence Chain Company**

#### **Goal: Acquire Asian Jewelry Market Expertise**

In early 2000, a large percentage of Providence Chain's US customer base had shifted to China, and Providence Chain was losing key clients.

Representatives of Providence Chain, a fifth generation jewelry manufacturer of over 4,500 styles of jewelry chain in karat gold, gold filled, sterling silver and base metals, decided to participate in a State of Rhode Island Trade Mission to Hong Kong and China and a Trade Mission to India.

They also received an Export Training Grant that allowed them to do customized training on the jewelry market in China and Hong Kong. Through the training programs, Providence Chain learned about the barriers and opportunities for trade in the Asian markets. In the process of doing market research on the Chinese market, they determined that the most strategic move would be to set up a sales office in Hong Kong. By establishing a sales presence in China, Providence Chain was able to retain these clients and gain new business.

Tim Ouhרבka, Executive Vice President, states: "We continue to see our industry shift to areas with inexpensive labor and are forced to focus on those markets. China and India have become hubs for jewelry manufacturing and our presence in Asia has helped us remain one of the largest chain manufacturers in the world."

### **Results:**

Providence Chain is now extremely active and committed to the Asian markets. They have created custom marketing collateral, expedited their lead times, and committed to exhibiting in key Asian jewelry shows every year.

### **ChemArt Corp.**

### **Goal: Acquire Expert Export Knowledge**

ChemArt Corp., manufacturer of unique, custom-made, etched ornaments, had no previous experience exporting. However, their President, Dave Marquis, believed that ChemArt's products had potential in the Canadian market and would be a good place to initiate international business.

Utilizing the Market Entry program, Marquis worked with the Canadian gift specialist at the US Embassy in Ottawa who identified several target Canadian clients. During a two-day stay in Ottawa, Dave met with seven qualified Canadian business partners.

### **Results:**

ChemArt has since sold to the Canadian Mounted Police Foundation and the American Embassy Gift Shop in Ottawa. Additionally, the Embassy Gift Shop plans to have a unique ornament custom designed and made by ChemArt every year.

Marquis stated his experience was, "Very positive— the organization, preparation and presentation were outstanding and the points of contact and host were exceptional."

### **Taco, Inc.**

### **Goal: Expand Sales into Eastern Europe**

Taco, Inc. is a leading developer and manufacturer of heating and air conditioning equipment and components for residential, commercial and industrial applications.

Taco has established a sales and marketing presence in many countries. One of their export goals was to expand into Eastern Europe, specifically Romania and Bulgaria. To achieve this goal, Taco utilized the Market Entry Program in both countries to identify and interview several distributors.

### **Results:**

Larry McCarver, Director, International Sales & Marketing has used the Market Entry Program in several countries. "I find the program very efficient as it reduces our time to market. Working with the Commercial Service staff in the US Embassies and Consulates adds credibility to Taco in foreign markets and the staff spends the time to analyze and understand our company's products and how they fit in the local marketplace. The RIEDC staff has considerable experience executing these programs and they have developed a process that gives guidance to the US Commercial Service on the ground to ensure that our company's market objectives are realized."

## **Reade Advanced Materials, Inc. Goal: Expand Export Sales to Latin America**

Reade Advanced Materials is a manufacturer, value-added custom processor, and global distributor of high technology, specialty chemical materials whose goal was to expand Latin American sales.

Mr. Charles Reade, President of Reade Advanced Materials, participated in a Secretarial-led Trade mission to Mexico. Mr. Reade commenting on his experience: "The US Commercial Service ran a trade mission from start to finish that was as good as any military mission I have been on. They basically thought of everything including regional economic briefings, a car, driver, translator/aide, and the generation of sales appointments with CEO's at every stop. It was a very impressive export sales business opportunity for me."

### **Results:**

"Based on what we learned from our 19 export sales meetings last year in Mexico, we have successfully opened up a bi-lingual, Latin American export sales, value-added processing & distribution facility adjacent to the Panama Canal in the Republic of Panama. Our sales revenues are up over 20% and we are continuing to hire additional employees here in Rhode Island."

"The RIEDC has continually assisted me in the expansion of our export sales. They have offered excellent suggestions and financial assistance when appropriate throughout our Secretarial Trade Mission application and follow-up processes."

### **More Information:**

**Maureen Mezei, International Trade Director - [mmezei@riedc.com](mailto:mmezei@riedc.com)**  
**Katherine Tufts, Associate International Trade Director - [ktufts@riedc.com](mailto:ktufts@riedc.com)**  
**Rhode Island Economic Development Corporation**  
**315 Iron Horse Way, Suite 101, Providence, RI 02908 USA**  
**[www.riedc.com](http://www.riedc.com) 401-278-9100**

**ITEM 3 – ADMINISTRATIVE ENTITY AGREEMENT**

**ITEM 4 – AMENDMENTS TO BOARD BYLAWS**