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California Business Leaders on TPP

SACRAMENTO – As presidential candidates debate international trade and its effect on American businesses, California business leaders discuss the Trans-Pacific Partnership (TPP) ahead of tomorrow's primary. Business leaders across California have said that increasing access to international markets would boost their revenues and enable them to hire more workers.

The Trans-Pacific Partnership, a trade agreement between the United States and 11 other countries in the Asia-Pacific region, is expected to reduce many of the barriers that smaller companies face when doing business abroad. In 2014, [California exported \\$71.6 billion in goods](#) to TPP partner countries, comprising 41 percent of California's total exports. Of the 39,160 California businesses that exported to TPP countries in 2013, 95 percent were small businesses.

Below is a sample of quotes from California business leaders. If you would like to speak with a business leader about international trade policies, please contact Rachel Harvey Katz at RHarvey@BusinessFWD.org or 202-470-1318.

"The Trans-Pacific Partnership is a game-changing trade pact that will finally give real access to small businesses in ripe overseas markets. We are in an era of cut-throat competition from companies all over the world and it is delusional to think U.S. small businesses can compete without eliminating cumbersome trade barriers. As a matter of survival, we have to help our small businesses diversify their markets internationally and the TPP is a concrete pathway forward," said **Nicole àBeckett**, President of Mercatura Global in Los Angeles.

"California has the largest base of manufacturers in the nation and the Trans Pacific Partnership will continue to support their exporting efforts. It's important to remember that each individual manufacturing job creates three supplier jobs," said **Cynthia Amador**, President of the Azul Management Systems Institute in Monterey Park.

"My company supports California's fresh produce exporters. We used to ship up to 400 containers of California produce into Asian markets annually. But China negotiated zero tariffs on their produce, which is lower quality, reducing our exports considerably," said **Michael Astorga**, Managing Partner at Global Fruition Inc. in Pacific Grove. "The Trans-Pacific Partnership should help re-establish dominance for California fresh produce by reducing tariffs and other trade barriers and establishing common, enforceable standards and protection for U.S. companies."

"There is no question that the barriers to international markets can negatively affect U.S. companies, especially small and medium-sized businesses, which have limited financial resources. Alternately, fair

international trade agreements can positively impact international trade compliance professionals and the companies we work with by reducing both tariff and non-tariff barriers," said **Leslie Levy August**, Senior Vice President of ATA Carnet in San Juan Bautista and President of Women in International Trade - Northern California.

"International trade supports over 4 million jobs in California. Our state's economy is strong in large part because of the jobs created by exports from the Golden State to markets across the globe," said **Ruben Barrales**, CEO of the Latino Leadership & Policy Forum in San Diego.

"Skilled-labor-intensive markets, such as chemicals, vehicles, and machinery in the U.S. shall benefit from the Trans Pacific Partnership. Meanwhile, unskilled-labor-intensive markets, such as textiles, apparel, and metal products sectors are likely to expand faster for other markets. As much of California is driven by skilled-labor markets, it is expected to gain," said **Kameshwar Eranki**, CEO of VajraSoft Inc. in Dublin. "And with overall tariffs going down, and over time nearly eliminated, it shall potentially boost exports. And with trade barriers going down, the benefits are likely to materialize slowly in initial phase, but should accelerate towards the end of the projection period, as the planned TPP tariff cuts kick-in."

"The Trans-Pacific Partnership is necessary to lower the trade barriers for American businesses so that we have proper access to the Asian markets. It is not necessarily the lower tariffs, but the trade barriers that get in the way of good business. The TPP will also strengthen our security," said **Guy Fox**, President and CEO of Guy Fox & Associates in Orange.

"The proposed trade agreement not only includes key Asian trade partners like Japan and Singapore, it creates efficiency, fosters competition, and accelerates trade opportunities between markets that together make up nearly 40 percent of global GDP," said **Andrew Grant**, president and CEO of the Northern California World Trade Center. "California's businesses thrive in a competitive market and the proposed agreement helps level the playing field so our companies can compete using a more fair set of rules. Without this new agreement, we run the risk of losing the opportunity to significantly influence trade expansion across Asia. American businesses, especially those across Northern California, can't be left behind."

"Super Glue Corp understands the importance of export sales. We are currently active in well over 65 countries. For our company, the implementation of the TPP will mean opening up even more markets by removing barriers," said **Nick Grooters**, Director of International Sales at Super Glue Corporation in Rancho Cucamonga.

"Although there are some who will see additional competition from an increase in international trade upon adoption of the Trans-Pacific Partnership, economists agree that increased international trade is a rising tide that floats all boats. A key factor being not only increased trade volumes, but also an increase in fair trade, the TPP will open doors for U.S. exporters and those in the logistics industries that support their efforts. With deep water ports as a gateway to Asia and South America, the State of California is well positioned to benefit from the adoption of the TPP," said **Mark Hirzel**, District Manager at A.N. Deringer in Rancho Dominguez.

"Our clients regularly confront the twin challenges of international trade—market access, and the very different and costly regulatory maze each country imposes on imported goods," said **Susan Kohn Ross**, Immediate Past Chair of the District Export Council of Southern California and a partner at Mitchell Silberberg and Knupp in Los Angeles. "Trade agreements open up markets and level playing fields for American companies, large and small, thereby creating more good-paying jobs."

"High tariffs on American-made technology products make it difficult for American businesses to compete with domestic suppliers in Asian markets. For example, IT products are taxed up to 35 percent in TPP member countries, and high-tech instruments are taxed up to 25 percent," said **Masa Ishii**, Managing Director of AZCA, Inc. in Menlo Park. "The agreement eliminates tariffs in the member countries on products manufactured in America, opening doors into markets U.S. businesses were previously unable to compete in."

“California is one of the most globally connected states in the country, ranking as both one of the country’s leading importers, exporters, and as a source and destination for foreign direct investment. California small businesses, particularly those engaged in sophisticated manufacturing and specialty food products, could potentially benefit more than any other sector of the economy from new trade agreements,” said **Kevin Klowden**, managing economist at the Milken Institute in Santa Monica. “But for small businesses to truly benefit, they will need concerted efforts to insure greater levels of participation in exporting, and access to effective export financing and new markets.”

“Right now, doing business internationally comes with a whole host of challenges. Anything that reduces these challenges would help grow my business. I’m glad the Trans-Pacific Partnership would bring opportunities for my company and the workers we employ,” said **Vinny Lingham**, CEO and Co-Founder of Civic Technologies in Palo Alto.

“CONNECT’s mission is to advocate for the most competitive business environment to grow startups. The startup economy is increasingly tied to global trade and the TPP is a critical step in expanding global market access for San Diego’s innovators,” said **Greg McKee**, CEO of CONNECT in San Diego. “We urge Congress to pass the TPP and give San Diego businesses the fair and consistent trade environment that will allow them to continue to bring the most innovative technologies to market.”

“As a business owner, passing TPP is a no-brainer,” said **Sabrina Moyle**, the Co-Founder and CEO of Hello!Lucky in San Francisco. “Anything that lowers barriers to selling our products overseas is good for business, good for my employees, and good for my local economy. Increasing U.S. exports will make for a more economically vibrant country.”

“Linking local companies to international trade is a key driver of economic growth in the Capitol Region. The TPP will help local businesses participate in the global economy, which helps grow, strengthen, and diversify our economy. And that means more jobs and a brighter future for the Sacramento region,” said **Patrick Mulvaney**, Chef at B&L Restaurant in Sacramento.

“It is time to modernize trade rules to reflect today’s global economy and deliver greater opportunities for small businesses to thrive. Congress can do so by acting swiftly to pass the Trans-Pacific Partnership,” said **Roy Paulson**, President of Paulson Manufacturing Corporation in Temecula and Chair Emeritus of the National District Export Council.

“Hospitality benefits from free trade agreements through the freer movement of people and goods. Additional travelers provide increased job opportunities at our hotels as we need to increase staffing levels to accommodate increased demand,” said **Robert A. Rauch**, Chief Executive Officer of RAR Hospitality in San Diego.

“The Trans-Pacific Partnership is important to small pharmaceutical companies and our ability to bring the next generation of medicines to the global marketplace. We are particularly interested in provisions that strengthen intellectual property protection,” said **John Rodenrys**, Executive Director of R&D for Leading Biosciences, a San Diego-based biopharmaceutical company advancing a novel therapeutic in development for widespread conditions, including postoperative ileus, surgical adhesions, acute shock and multiple organ failure. “Now that the USITC has delivered their report, I urge Congress to pass the trade agreement quickly to help more small companies like ours.”

“The largest business opportunities for Malama Composites are coming from overseas where governments and NGO’s are interested in our high-performance, low-cost, energy-efficient building system. However, grappling with IP protection, local regulations, and trade barriers can be insurmountable for a small company. The TPP will enable us to move full speed ahead on international commercialization of our bio-based foams and building systems,” said **David P. Saltman**, Chairman and CEO of Malama Composites in San Diego.

“In San Diego, more than 110,000 jobs are directly supported by international exports and foreign direct

investment. Our local innovation economy and many of our small businesses in a wide range of industries are dependent on the ability to export goods made in San Diego. In 2013 alone, San Diego exported \$17.9 billion worth of goods,” said **Jerry Sanders**, President and CEO, San Diego Regional Chamber of Commerce. “TPP supports made-in-America exports and jobs, giving our region the ability to remain competitive and create jobs in a globalizing economy. Supporting TPP will help increase California and San Diego exports, grow our economy, and ensure that our country’s trade agreements protect American businesses, farmers and workers.”

“As a consultant to small businesses in California with global ambitions, I am impressed at the numbers of exporting companies who are waiting to take advantage of the TPP. The advantages of TPP that are most attractive include transparency of import formalities, elimination of customs duties, and unprecedented dispute settlement protections,” said **Deep SenGupta**, Chief Executive Officer at DSG Global, LLC in San Francisco.

“The California Chamber of Commerce supports the Trans-Pacific Partnership, as this regional trade agreement ensures our state may continue to gain access to world markets, resulting in an improved economy and additional employment,” said **Susanne T. Stirling**, Vice President, International Affairs at the California Chamber of Commerce. “In 2015, California exports to the TPP members were \$68.7 billion, indicating how critical to consumers, workers, businesses, farmers, and ranchers that these job-creating trade agreements are for our Golden State. Fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business will allow for our diversified economy to continue to prosper as one of the 10 largest economies in the world with a gross state product of over \$2 trillion.”

“Small businesses like ours don’t have the capacity to jump through so many customs and regulatory hoops, so trade agreements are critical in giving us a leg up. We see a lot of potential for growth in the Asia-Pacific region, particularly in Japan, and believe that the Trans-Pacific Partnership would greatly help us expand,” said **Paul Thomas**, President and Founder of Julian Hard Cider in Julian, Calif., and 2014 Small Business Association Exporter of the Year.

“California has more to gain than any other state from the Trans Pacific Partnership and the elimination of tariffs currently imposed on U.S.-made products in the 11 other countries that are part of this agreement,” said **Gary Toebben**, President and CEO of the Los Angeles Area Chamber of Commerce. “We are the gateway to the Pacific Rim and California ports and airports handle more cargo than any other state. The TPP is a leadership opportunity as well, because this agreement mandates labor and environmental standards that are not a part of any other trade agreement on earth.”

“Trade supports 4.7 million jobs in our state and trade-related jobs pay higher wages,” said **Daveed Waithaka**, the CEO and President of the California Exporting Group in Sacramento. “The increased trade from trade agreements like TPP would help the Capital Region be even more prosperous, and make it easier for our business to export to Japan—an important market for agriculture exports.”

“By cutting over 18,000 import taxes and fees taxes in our target market countries, the TPP will place our renewable energy equipment on a level playing field, allowing us to fairly compete with our global competition,” said **Steven Wilburn**, CEO of FirmGreen, Inc. in Newport Beach. “I urge Congress to protect my employees’ jobs and allow me to hire more American workers as a result of the increased export sales that will come to FirmGreen, Inc. through implementation of the TPP trade agreement.”

“As one of the top exporters of U.S. foods and beverages, we view the Trans-Pacific Partnership Agreement as a significant milestone for global trade, paving the way for substantial opportunities for American products among our strategic partners in the region,” said **Seth Merrick Wilen**, President and CEO of American Trading International, Inc. in Los Angeles.

“As a small business, we face significant challenges with selling our shoes and services in other countries. Small businesses have fewer resources to handle these challenges and are often scared of even beginning on the path to trading internationally,” said **Peter Wong**, CEO of Sunrise Shoes and

Pedorthic Service in Sacramento. “International trade agreements help small businesses like mine live up to our full potential. When small businesses grow, we create new jobs, making the U.S. economy stronger overall.”

“As the official tourism authority for Los Angeles, our primary mission is increasing visitation to our destination – from both domestic and international markets. This mission has significant economic impact for Los Angeles. As we know that free trade agreements positively impact the volume of international visitors participating in U.S. trade shows and conventions, we believe that international trade is a critical factor not only for Los Angeles, but for our peer DMO’s around the country,” stated President and CEO for the Los Angeles Tourism & Convention Board, **Ernest Wooden Jr.**

“As a global language communications company, CSOFT sees a significant increase in translation needs as a result of increased cross-border trades under the TPP. Among the twelve Pacific Rim countries, there are at least six different major national languages spoken, generating substantial needs for language technology solutions and on-demand human translation services,” said **Shunee Yee**, President and CEO of CSOFT International in San Francisco.

About Business Forward

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