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Virginia Business Leader Testifies on Trans-Pacific Partnership at U.S. International Trade Commission Hearing

WASHINGTON – The Trans-Pacific Partnership would help small businesses expand overseas by reducing barriers, clarifying the rules and opening up lines of communication, according to George Judd, a vice president at Cask LLC, a business and technology management consulting firm based in Stafford, Va. Cask, a participant in the Virginia Leaders in Export Trade (VALET) program, has a unique position as a small business growing exports overseas.

He will share these views at the U.S. International Trade Commission hearing today in Washington. The full text of his testimony is below.

The hearings are open to press. Media interested in interviews with Mr. Judd should contact Rachel Harvey Katz at RHarvey@businessfwd.org or 202-470-1318.

Introduction

My name is George Judd and I am a Vice President at Cask LLC, an economically disadvantaged, woman-owned small business and Small Business Administration Certified 8a in Stafford, Virginia. For more than 10 years, we have provided business and technology management advisory and consulting services to government, public and private organizations both large and small across the United States and around the world.

As a recent graduate of Virginia's Leaders in Export Trade (VALET) mentor program, we have begun our successful journey into the global market.

International Trade

Governor McAuliffe has made increasing the commonwealth's exports a top priority and so we have been working with the Virginia Economic Development Partnership for nearly three years to develop our exporting strategy. They have mentored us, helped us establish a business plan, target international markets, and set goals.

When it comes to business and technology management services, the international markets are dominated by large companies with brand names. Our business provides consulting and advisory services more economically using globally accepted best practices without the overhead of a large business. There is significant potential for professional services clients in the mid-tier and growing small-business communities in other countries. According to the Organisation for Economic Co-operation and Development, the global middle class will grow from 1.8 billion in 2009 to 3.2 billion by 2020 and 4.9 billion by 2030. This middle class is opening up businesses that need professional services, but don't have the resources to hire the big-name, high-priced consulting firms. This is a perfect opportunity for smaller firms like ours.

Our primary international targets are Saudi Arabia and Vietnam, because they both have a strong need for professional services at that growing middle tier. Many companies in these developing countries are transforming from being staffed by labor externally sourced to their own internally skilled resources. These native resources need an integrated approach to workforce development across people, process and technology aligned with their strategic objectives. Our firm brings in globally accepted best practices to help with a company's transformation; enabling their technology to support the workforce and deliver a return on investment aligned with business objectives. As a small business we are able to be agile in our approach, flexible in delivery and adapt to a variety of clients across different verticals in dispersed locations in ways that many of the larger professional services companies are not.

Barriers to Trade

In doing work internationally, it has been very challenging to understand the cost of doing business; there are many rules and regulations that impact our ability to operate overseas, both U.S. and foreign guidelines. While we don't have some of the same issues U.S. companies exporting tangible goods have, our service exports still face known and some unknown taxes and revenue challenges.

Benefits of the Trans-Pacific Partnership (TPP)

The recently finalized TPP would be immensely helpful as our small business expands the work we do overseas. It would reduce the barriers we've faced, including simplifying complicated regulations through greater transparency.

When I was recently in Vietnam, there was discussion regarding TPP. A lot of people asked us about the agreement and it is clear that we would be able to expand business opportunities if it passes. In addition to easing barriers, the trade agreement

will also open up greater lines of communication, so the network of businesses can operate more openly.

Conclusion

In the global twenty-first century, to quote Paddy Ashdown who worked on behalf of the British Government on international issues, "...we must do business with those whom we share common interests, not necessarily common values." Those common interests include sharing best practices, increased management and economic transparency, and support for improved standards of living through technology and infrastructure investments.

Agreements like the TPP create new opportunities for dialogue and the ability to export our services to businesses worldwide. The efforts made to date have opened communications across not just the TPP countries but many others and created an awareness that trade agreements are good for small and large business here in Virginia and across the country.

Trade is critical for Virginia; the Commonwealth of Virginia was founded as a business venture more than 400 years ago. Just last year, the total export merchandise from Virginia was \$19.3 billion which supports more than 90,000 jobs in our state. With the Trans Pacific Partnership helping more small businesses like ours open markets and expand internationally, we can expect to see both of these numbers grow tremendously.