



Virginia Commerce Quarterly

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Winter 2010, Vol.15, Issue 1



Governor Bob McDonnell



Lt. Governor Bill Bolling



Sec. of Commerce & Trade Jim Cheng

Focus on Jobs

Tackling the economy is high on Bob McDonnell's to-do list as 71st Governor of the Commonwealth of Virginia.

First order of business: job creation.

(Story continued on page 3)



All indications point to a successful year to come. Based on VEDP's performance goals, we are on track for attracting jobs and investment across the Commonwealth. The project pipeline is experiencing a marked improvement, and the caliber of companies demonstrating interest in Virginia is a great sign that the word is out: Virginia is a great place to do business.

Announcements for Virginia during the last quarter underscore Virginia's diverse economy. Projects such as Japan Tobacco International Leaf Services in Danville and the headquarters for Alpha

Natural Resources, the nation's third largest coal producer, take advantage of our wealth of natural resources. Projects like Thermo Fisher Scientific in Frederick County and The Ignite Institute in Fairfax County point to Virginia's highly skilled, educated workforce and quality portfolio of research and development assets.

Virginia's new Administration recognizes the Commonwealth's many assets and is enthusiastic about promoting them. Governor McDonnell and his team have hit the ground running with a clear focus on economic development as a top priority. In addition to his own efforts, Governor McDonnell has assigned Lieutenant Governor Bill Bolling and Secretary of Commerce and Trade Jim Cheng to assist in bringing jobs and investment to Virginia. Governor McDonnell has also appointed Robert C. Sledd as Senior Economic Advisor to his Administration. VEDP is working closely with Virginia's new leadership to help shape the Commonwealth's future economic development strategy. The economic recession challenges Virginia to evaluate its strategy to, where necessary, re-position Virginia's assets and incentives to create an attractive environment for companies. We look forward to the McDonnell Administration's fresh perspective and new ideas.

In addition to a new Administration, VEDP welcomes new board leadership. Charley Majors has stepped down as VEDP board chairman, a post he held for three years. Julien Patterson, chairman of Omnplex World Services Corporation and former VEDP vice chairman, will take over as chairman. Julien was appointed to the board by former Governor Kaine in March 2008. VEDP's new vice chairman is John Malbon, President and CEO of PAPCO, Inc. John has served on VEDP's board for seven years. Board members whose terms expired Dec. 31 are Charley Majors and 12-year veteran Ike Prillaman. We thank them for their service to VEDP and the Commonwealth.

Finally, we would like to congratulate Paul Grossman. VEDP's Director of International Trade and Investment was honored recently with the 2009 Rudy Rudershausen Award. The award was presented by the Virginia International Business Council for Paul's contributions toward the success of world trade in Virginia. Please take a moment to read about Paul's achievement.

Many challenges and uncertainties face us in the new year. We all share the hope that the worst of the current recession has passed. Whatever the course, our VEDP team stands ready to contribute and we look forward to the active participation of the McDonnell Administration as we work to bring jobs and investment to the Commonwealth.

Sincerely,

Jeffrey M. Anderson

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(Continued from Cover)

In addition to tapping Lt. Governor Bill Bolling to serve as Virginia's Chief Job Creation Officer, McDonnell named Jim Cheng as Virginia's Secretary of Commerce and Trade. Cheng, former President of Totus Lighting Solutions, an energy-efficiency start-up, has more than 20 years of experience in the fields of information technology and government contracting.

"Jim is well-respected in the Virginia business community," Governor McDonnell said. "He understands our global economy and what must be done for Virginia to excel in it."

McDonnell also appointed Robert C. Sledd, former CEO of Performance Food Group, as Senior Economic Advisor to the Administration.

Immediately after taking the oath of office, McDonnell signed his first executive order establishing the Chief Job Creation Officer position and the Governor's Economic Development and Job Creation Commission. As Chief Job Creation Officer, Bolling will help coordinate economic and workforce development and job creation initiatives across the cabinet secretariats and their assigned agencies. He will also actively assist with corporate recruitment, and ensure that all state agencies are coordinated and focused on job creation.

In addition, Bolling will co-chair with Sledd the Governor's Economic Development and Job Creation Commission. Comprising Virginia business leaders and secretaries of Commerce and Trade, Agriculture and Forestry, Natural Resources, Transportation, Technology, Finance, Education, and Administration, the Commission will examine opportunities for job creation, make policy recommendations and research economic development best practices.

Six economic development priorities will be of primary focus, including business recruitment and retention, economically challenged regions and small business.

Well before his inauguration, Governor McDonnell and his transition team had met with VEDP leadership numerous times.

"The priority that the McDonnell Administration has placed on economic development and job creation is very promising," said Jeff Anderson, VEDP Executive Director. "We are eager to work with the new team to bring critically needed jobs and investment to Virginia." ■

Sledd Appointed Senior Economic Advisor

Robert C. Sledd, former CEO of Performance Food Group, has been appointed Senior Economic Advisor to the McDonnell Administration. In the unpaid, senior-level position, Sledd will advise the Governor on job-creation and economic development matters.

"Bob Sledd is one of the most talented and visionary job-creators in Virginia," Governor McDonnell said. "He has offered his time and his talents in the service of turning our economy around, and creating economic prosperity in every community in the state... He has offered to do so without taking a salary, another generous gesture from an individual who is fondly known for his selfless actions on behalf of others. I know that Bob will be a dynamic job-creator for Virginia."

Sledd, a 56-year-old Richmond native, served as Chairman of Performance Food Group Co. (PFG), a Richmond-headquartered foodservice distribution company, from 1995 until June 2008. He served as PFG's Chief Executive Officer from 1987 to 2001 and from 2004 to 2006. Sledd grew the privately held company into a Fortune 500 company before selling it in May 2008.

After leaving PFG, Sledd became Managing Partner of Pinnacle Ventures, LLC, a venture capital firm, and Sledd Properties, LLC, an investment company. He also serves on the board of directors of Owens & Minor, Inc., a national medical and surgical supplies distributor, tobacco giant Universal Corp., and SCP Pool Corporation, a wholesale distributor of swimming pool supplies, equipment, and leisure products in Louisiana. ■





Governors Bob McDonnell (left) and Tim Kaine shared in the excitement of The Ignite Institute announcement.

Virginia Chosen as Launch Site for Potential Health Care Transformation

It sounds like something straight out of a sci-fi movie, but the research that will soon be conducted by The Ignite Institute is very real and will be conducted in Fairfax County.

The Ignite Institute, a nonprofit medical research institute established by Inova Health System and Dr. Dietrich Stephan, a recognized leader in the field of molecular medicine, will study a proactive approach to health care. Instead of waiting for the ailment to strike before determining proper care, a patient's genetic makeup would be analyzed to predetermine possible illness and a personalized approach would be taken in an effort to prevent it.

It's called personalized medicine.

"Virginia is a state where personalized medicine can fully take root and flourish," said Dr. Stephan, CEO and President, The Ignite Institute. "The highly educated work force, national IT leadership, excellence in health care and proximity to Washington, D.C., make this the ideal place to launch the Institute."

Governor Tim Kaine and Governor-elect Bob McDonnell were on hand November 16 in Fairfax County to jointly lend their support to the project and welcome Ignite to Virginia. Along with innovation that promises to change the face of health care, the project involves a \$200 million investment and the creation of 415 jobs. Ignite initially will operate out of the Center for Innovative Technology (CIT), which will build a portion of its facilities as wet lab space. Once Ignite establishes a permanent location in Fairfax County, the wet lab space at CIT will become available for the incubation of future companies based in science and research in the region.

Inova Health System is a not-for-profit health care system based in Northern Virginia that consists of hospitals and other health services, including emergency- and urgent-care centers, home care, nursing homes, mental health and blood donor services, and wellness classes.

"The Ignite Institute promises to be one of the most exciting innovations in the development of personalized medicine," said Knox Singleton, President and CEO of Inova Health System. "Inova's partnership with Ignite will accelerate the transfer of leading-edge research to citizens at large through a world-class community health system." ■

Virginia Start-Up Celebrates Success in James City County

They can make a difference in the life of a patient. They assist with a doctor's success.

Anyone who has ever had a surgical procedure done at the hospital has been touched by AVID Medical Inc.

Located in James City County, AVID is a Virginia start-up success story that has been recognized by the Virginia Chamber of Commerce as one of the fastest growing companies in the Commonwealth. It recently celebrated its second expansion in five years, investing \$7.9 million to double the size of its facility and create more than 300 new jobs.

Founded in 1998, AVID Medical sells custom procedural trays for surgical, cardio catheterization and labor-and-delivery procedures to approximately 800 hospitals, ambulatory surgery centers, government medical facilities, and organ and tissue procurement agencies. ■



AVID Medical recently celebrated its second expansion in five years in James City County. The company held an open house and provided tours of its custom surgical procedural tray operation.



(From left) Governor Kaine, Dr. Regina Dugan, DARPA Director, and Congressman James Moran posed for a photo during a celebration ceremony of DARPA's move to the Ballston community in Arlington.

DARPA Celebrates Move

The Defense Advanced Research Projects Agency (DARPA) held a ground-breaking event in October following an announcement of its relocation plans in Arlington County. The new location, which it will inhabit in summer 2012, is only a few blocks from its current location at Virginia Square.

DARPA is the central research and development organization for the Department of Defense. The Agency manages and directs research and development projects for DoD and pursues research and technology where the risk and payoff are both very high and where success may provide dramatic advances in support of military missions. Some high-profile projects include the blueprint for the Internet, the creation of the computer mouse, and the Saturn rocket engine program that allowed the U.S. to go to the moon. ■

JTI Leaf Services Invests in Danville

Capitalizing on the agricultural strengths of Southern Virginia, Japan Tobacco International (JTI) Leaf Services (U.S.) announced plans in October to invest \$19.5 million to establish a tobacco processing facility in the City of Danville. The project will create 39 full-time jobs and 150 seasonal positions when fully operational. The local company, JTI Leaf Services, will process both flue-cured and burley tobacco in the United States and ship to international markets.

JTI is the international tobacco division of Japan Tobacco Inc., the world's third largest global manufacturer of tobacco products. The company produces two of the top three worldwide cigarette brands: Winston and Mild Seven. Other international brands include Camel, Benson & Hedges, Silk Cut, Sobranie of London, Glamour and LD. With headquarters in Geneva, Switzerland, JTI has more than 23,000 employees and sales activities in 120 countries. ■

A Rolls-Royce-Style Ground-Breaking

Much like giant vultures seeking their prey, two Bell-Boeing V-22 Ospreys swooped over a crowd of about 200 Rolls-Royce well-wishers before one landed in a nearby field, ushering in construction of their engine maker's first U.S. built-from-the-ground-up manufacturing facility in Prince George County. Located on more than 1,000 acres, Crosspointe is Rolls-Royce's largest site by area in North America, where the company will manufacture, assemble and test a range of aerospace components and products. Initial Rolls-Royce investment is \$170 million, with a project total anticipated to be about \$500 million. The first phase of work will create about 140 jobs, and Rolls-Royce expects to hire a total of 500 workers before all is said and done. The project was announced in November 2007. ■



The landing of a 40,000-pound Bell-Boeing V-22 Osprey kicked off Rolls-Royce North America's festivities at Crosspointe in October. The Osprey is a multi-mission, military tiltrotor aircraft powered by a Rolls-Royce engine.

Rolls-Royce North America CEO Jim Guyette (far right) recognized a group of Marines. In addition to piloting the aircraft, the Marines assisted during a flag-raising ceremony.

Thermo Fisher Expands in Frederick County

Thermo Fisher Scientific Inc. will invest \$8.9 million to expand in Middletown in Frederick County, creating 50 jobs. The company will add a new medical liquid formula line to its existing operations, which produce clinical diagnostics products.

Thermo Fisher Scientific Inc., a leading science supply company, has approximately 34,000 employees and serves more than 350,000 customers within pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, universities, research institutions and government agencies, as well as environmental and industrial process control settings. Serving customers through two premier brands, Thermo Scientific and Fisher Scientific, the company helps solve analytical challenges from routine testing to complex research and discovery. ■



LiteSteel Technologies is Open for Business in Botetourt

Botetourt County recently celebrated the official opening of one of its corporate partners. LiteSteel Technologies held a commissioning ceremony in October to commemorate establishment in Troutville. In 2006 the company, formerly known as Smorgon Steel Group, announced plans to invest about \$25 million to open its first North American facility in Botetourt County, creating 55 new jobs. The company manufactures its LiteSteelBeam™ product at the facility. ■

(From left) Jerry Burgess, Botetourt County Administrator; Don Assaid, Chair of Botetourt County Board of Supervisors; Scott Morling, Sr. VP and General Manager, LiteSteel Technologies America; Brendhan Egan, Australian Trade Commissioner; David Smith, former Virginia Deputy Secretary of Commerce and Trade; and Beth Dougherty, Executive Director, Roanoke Regional Partnership, cut the ribbon at the LiteSteel Technologies commissioning ceremony.



Inorganic Ventures Celebrates Grand Opening in Montgomery County

Inorganic Ventures, a leading manufacturer of custom inorganic chemical blends, announced plans to invest \$3 million to move its operations from New Jersey to Falling Branch Corporate Park in Christiansburg. The project recently came to fruition and a celebration ensued at an official ribbon-cutting event. The project creates 46 jobs for Montgomery County.

Inorganic Ventures is the leading custom inorganic chemical standards manufacturer in the United States, preparing custom and conventional chemical standards for companies around the world. Privately held and founded in 1990, Inorganic Ventures can prepare almost any inorganic chemical blend and can tailor the chemical blend to fit its customers' specifications. ■



Officials cut the ribbon at the Inorganic Ventures Grand Opening in Montgomery County.

Grayson County Gains 55 New Jobs

Carolina Profile Design Corp., a lithographic commercial printing company, will invest \$3 million to expand in Grayson County, creating 55 jobs. The company will add a metal machining process to its existing operations.

Carolina Profiles began in 1990 as a machine shop with considerable capability in designing plastic recycling equipment. The company now operates a sophisticated machine design and production shop and does some specialized commercial printing. ■

Hill PHOENIX Expands

Hill PHOENIX plans to expand its presence to include a second location in Chesterfield County. In addition to an investment of more than \$9.3 million, the company expects to add new jobs as the project develops.

The company, headquartered in Conyers, GA, designs, manufactures, sells and installs refrigerated display cases, refrigeration systems, power systems and walk-in coolers. ■



Aerospace Industry Highlighted During Media Tour

Five journalists visited a lunar habitat, got a behind-the-scenes look at Wallops Flight Facility's Range Control Center, and met with some of Virginia's aerospace industry leaders November 3-5 during an industry tour hosted by VEDP.

Journalists from *Aerospace Manufacturing & Design*, *Wings Magazine*, *Flight International Magazine*, *Pilotmag* and *Aircraft Maintenance Technology* toured the Commonwealth. Visits included Rolls-Royce's Crosspointe site in Prince George County, NASA Langley Research Center and Alcoa Howmet in Hampton, and Wallops Flight Facility in Accomack County.

"I would like to thank you ... for putting on a first-class media tour," said Matt Grasson, Associate Editor of *Aerospace Manufacturing & Design*. "Not only was it very informative, it was also extremely interesting and a lot of fun." ■



Roanoke Recognized as a Virginia Gem

The City of Roanoke topped *Business Facilities'* 2009 Editors' Location Picks list. The list is a compilation of "gems" that catch the eye of the publication's editors, but for one reason or another do not make it into other criteria-laden features.

"The Roanoke Region jumped to the top of our list because, in a time of flat-lining economic indicators, every arrow in this beautiful city nestled in the hills of western Virginia is positively pointing in the right direction," the magazine reported. It cited consistent low unemployment, a solid real estate market, steady job creation, and "a charming, comfortable quality of life that glows with old-fashioned hospitality." ■

Virginia Ranks Among Top Business Climates

Virginia climbed from its eighth place ranking last year to third place in *Site Selection's* annual business climate report, published in the November 2009 issue. Other states in the top five were: North Carolina (1), Texas (2), Ohio (4) and Tennessee (5). ■



Meet Hugh Keogh

Hugh Keogh was born in West Virginia but has called the Commonwealth of Virginia home for 60 years. He earned a B.A. from the University of Virginia, an M.S. from Virginia Commonwealth University, and has served as President of the Virginia Chamber of Commerce since 1992. Appointed to VEDP's board in 2008, Keogh is no stranger to economic development—or VEDP. Prior to his career at the Chamber, he worked for 20 years in economic development, culminating in the position of Director of the Virginia Department of Economic Development (later known as VEDP) from 1987 until he assumed the chamber Presidency.

This breadth of experience in economic development makes Keogh a great asset to VEDP's board. He has a grasp of the internal workings and what it takes to win both big and small projects, and can lend this background.

When asked about the board's role in VEDP's success, Keogh said, "The most important thing the board can do is support VEDP's needs for additional resources in terms of both operating funds and advertising. Many overlook the competitive nature of the marketplace and, while Virginia has a great product, it is vital that we market it."

When Keogh is not helping to promote Virginia's assets, he and his wife spend time with their six children and five grandchildren and travel to University of Virginia athletics. ■

Virginia Officials Travel to Japan

A Virginia delegation of 13 people traveled to Tokyo, Japan, in October for the 33rd annual Southeast United States/Japan Association joint meeting.

The meeting afforded the Virginia delegation the opportunity to meet with several Japanese company executives to discuss their current Virginia locations and to encourage other companies to join the 85 Japanese businesses operating in Virginia. ■

Members of the Virginia delegation included (from left) Koji Deguchi, Managing Director, VEDP Japan Office; Pat Gottschalk, Secretary of Commerce and Trade; Roy Dahlquist, International Investment Manager, VEDP; Yoshio Hirai, Japan Representative, Virginia International Terminals, Inc.; and Tommy Okutomi, International Investment Manager, VEDP.



Quarterly Survey Reminder

Attention allies! If you haven't already sent in your quarterly survey response, please respond as soon as possible to Holly Allen at hallen@yesvirginia.org.

Behind the Numbers

You may know him as the bow-tie guy. But there's much more to Brian Kroll than quirky fashion, despite the fact that his employer prior to VEDP was Footwear Industries of America.

He's a father of three boys, he holds a master's degree in political science, and Kroll can make even the most mundane economic indicators interesting—and quite humorous.

"Economics is a really dry topic," Kroll said. "For whatever reason the data speaks to me, and I know that most people don't understand what the data says, so I try to keep it light and approachable. Otherwise, I'm just droning on and on about a bunch of numbers. I try to help people connect the numbers with how it impacts their life and business."

As VEDP's Senior Economist, a position to which he was promoted last spring, Kroll often finds himself talking numbers. Besides working behind the scenes on project proposals, Kroll speaks to local and regional groups about economic conditions. He also has served as a guest speaker at VEDP/Ally meetings and Virginia Economic Developers Association conferences.

But he would never label himself a numbers guy. In fact, Kroll didn't recognize his penchant for projections until he interned with the former Department of Economic Development while earning his master's degree from the University of Richmond.

Kroll has been crunching numbers ever since. He joined VEDP 12 years ago as a statistical analyst responsible for maintaining the announcements database and providing data support. He also served as a trade research analyst, associate economist, and economist before rising to his current position.

"There is no typical day for me," Kroll said. "There is always something new to learn, always something new to do—and I get to help people along the way."

The Richmond native finds that chatting about business trends with his auto mechanic or family members who work in the construction industry gives him an interesting perspective.

"There is a big disconnect between theory and reality," he said. "We can run models that suggest what should be going on, but there's a wealth of knowledge out on the front lines. It provides a lot more information than what the data contains. There is always an opportunity to learn from someone."



Kroll, recently promoted to Senior Economist, has been a member of the VEDP Research team for 12 years.

When Kroll is not crunching numbers, you might find him at home playing or gardening with his sons—6, 4 and 1. He and his wife home-school their sons, so the field trips they take together provide plenty of opportunities for him to see what's really going on with the economy. Or, you might just find Kroll and his auto mechanic looking under the hood—but chances are they are contemplating much more than the carburetor. ■

Allies Focus on Energy and the Smart Grid

Allies from across Virginia gathered at Dominion Innsbrook Technical Center in December for the biannual VEDP/Ally Meeting. Energy and the Smart Grid were the topics of the day. Dr. Saifur Rahman, Director of Virginia Tech Advanced Research Institute, introduced the Smart Grid role in America's Energy Future. Ken Barker, Vice President of Planning for Dominion Virginia Power, followed with a presentation about Smart Grid progress at Dominion and the pilot program in Charlottesville. Balki Iyer, Business Development Manager at General Electric Global Research Center, finished up with a presentation on business opportunities in Smart Grid Technology and what it means for economic development. ■



Dr. Saifur Rahman, Director, Virginia Tech Advanced Research Institute, discussed the role of Smart Grid in America's energy future.



SRI Officially Opens

State, company and local officials participate in a ribbon-cutting to officially open SRI's Center for Advanced Drug Research in Rockingham County.

Danville Gains 88 New Jobs

W.R. Meadows, Inc. has formed a new subsidiary, Blue Ridge Fiberboard, Inc., to resume manufacturing of Celotex® branded fiberboard products in Danville. The company announced the subsidiary in November following its purchase of Knight-Celotex, which filed for Chapter 7 bankruptcy.

"W.R. Meadows, Inc. is pleased to be in a position to launch Blue Ridge Fiberboard, Inc. and reopen the Celotex® plant in Danville at a time when many businesses are struggling," said Chairman H.G. Meadows. "As an 80-plus-year-old family owned and operated company, we are equally pleased to welcome back many former plant employees. We know the quality and experience of the workforce will be an important contributing factor to Blue Ridge Fiberboard's overall success."

Blue Ridge Fiberboard will manufacture Celotex® products such as Structodek® roofing insulation board, SoundStop® fiberboard panels, SturdyBrace® structural wall sheathing, and VersaKor® all-purpose fiberboard in Danville. ■



Bristol Wins New Corporate Headquarters

Southwest Virginia is the proud host of a new corporate headquarters. Alpha Natural Resources, the third largest coal producer in America, recently announced plans to build its corporate headquarters in Bristol, creating 69 jobs and retaining 131 jobs. This project comes as a result of the July 2009 merger of Alpha with Foundation Coal.

Alpha has committed to invest approximately \$17.5 million in its new headquarters facility through a lease-back agreement, and an additional \$3.5 million in other direct outlays. Located in Bristol's new Sugar Hollow Business Complex, the building is expected to be ready for occupancy in mid-2011.

The company, through its affiliates, employs approximately 6,200 people and operates more than 60 mines and 14 coal preparation facilities in the regions of Northern and Central Appalachia and the Powder River Basin. ■



Kimon Jackson, a Nuclear Medicine Supervisor at Riverside Diagnostic & Breast Center, uses the Dilon technology. Riverside sees between 20-25 patients a month for imaging procedures on the Dilon 6800.

Virginia Company Improves Health Care for Women Worldwide

BSGI—Breast Specific Gamma Imaging. If Dilon Technologies Inc. has its way, the abbreviation will soon be as common as MRI. Based in Newport News, Dilon Technologies is poised for such success. Not only is this company changing the face of nuclear imaging in the medical industry, it's improving the quality of and access to women's health care.

A diagnostic tool used to detect breast cancer, BSGI images the activity of anomalies within the breast. Normal cells act a certain way; cancerous cells act a different way. An injectable radio pharmaceutical is used to absorb abnormal cells at a high rate. The abnormal cells then give off gamma rays, which are detected by the camera. An image is made to detect abnormal cell activity.

Not all anomalies are cancerous. Having further diagnostic testing can confirm a cancer diagnosis—but it could also rule out a cancer diagnosis. Vijay Singh, Director of Operations at Dilon, recommends having a BSGI done before having a biopsy. Dilon's technology can detect more cancerous anomalies than either MRIs or mammograms.

This type of technology has been around for decades. But the Dilon camera, unlike traditional gamma cameras, is small. Its size allows it to be positioned close to the body for higher resolution. The camera is also portable and can be used for general nuclear medicine applications.

BSGI is a safe alternative for people who cannot use MRIs, such as people who have metal within the body, patients who have breast implants, and women with elevated risk of cancer who have dense breast tissue that doesn't show up well in mammograms.

Dilon Technologies recently partnered with Philips Healthcare, a leading provider of comprehensive diagnostic tools for health care professionals in treating women. Dilon launched this partnership as it joined forces in Barcelona, Spain, in October at the Annual Congress of the European Association of Nuclear Medicine. The partnership allows Philips to sell and support the Dilon 6800 Gamma Camera in key European and Middle Eastern markets.

Currently, international sales account for approximately 25 percent of Dilon's sales. With newly acquired CE Certification, Singh expects international sales to account for about 40 percent in 2010. In addition to the U.S., Dilon has units in seven other countries.

A number of factors make the Dilon 6800 ideal for international sales. In addition to its cutting-edge technology that offers excellent diagnostic results, the price of the Dilon 6800 is about one-third the cost of an MRI. The units are portable, with their own backup power source, which enables use in remote areas where women might otherwise not have access to quality health care. In such regions, power may be spotty at best, and the Dilon equipment is capable of handling such circumstances.

In recognition of Breast Cancer Awareness Month, Dilon is featured as the October Virginia business in the 2010 Beyond Virginia calendar. To request a calendar, e-mail Terri Noll at tnoll@yesvirginia.org. ■

Grossman Honored With Prestigious Trade Award

For his efforts to promote world trade in Virginia, VEDP Director of International Trade and Investment Paul Grossman in November received the 2009 Rudy Rudershausen Award. The 39-year-old award was presented to Grossman by the Virginia International Business Council (VIBC) during the Virginia Conference on World Trade.

Under Grossman's guidance, VEDP International Trade (VEDP-IT) has received national and international recognition. In 2008, the division received the nation's highest export honor, the President's E-Star Award. The Virginia Leaders in Export Trade (VALET) Program, created by Grossman, has won two awards for excellence and innovation.

More than 450 companies have traveled overseas with VEDP-IT to conduct business during the course of his leadership, contributing to the increase in Virginia's exports that now stands at historic highs following four years of double-digit increases. The VEDP Director also created Accessing International Markets (AIM), an export development program designed for new-to-export companies, and enhanced VEDP-IT's program overall by expanding its five overseas offices into a global network of consultants in 44 countries.

In addition to Grossman's 25 years of experience in international economic development at both the local and state level in three states, he earned a master's degree from Thunderbird, the American Graduate School of International Management.

Grossman joins a group of Virginia manufacturers, commodity exporters, bankers, ports, steamship lines, shipping agencies, and brokers to be honored with the Rudy Rudershausen Award. Originally known as the "Trader of the Year Award," it was renamed in honor of F.J. Rudershausen, a long-time member of the VIBC and tireless promoter of world trade. ■



VEDP Director of International Trade and Investment Paul Grossman was recognized in November for his contributions toward world trade in Virginia.

A Corporate Complement

When it comes to matchmaking, VEDP doesn't let the Atlantic Ocean get in the way.

In fact, the reason for a recent match between two like companies was in closing the trans-Atlantic gap.

In May 2008, Matthias Duys, VEDP's Director, International Investment, Europe, based in Brussels, met with representatives of Germany-based Zollner Elektronik AG, the world's 12th largest electronic manufacturing and services provider, about establishing a North American presence.

Duys immediately thought of a potential synergy between Zollner and EIT, a Virginia company with which he had come in contact during an export workshop VEDP hosted in February 2004. EIT, a privately owned company with operations in Sterling and Danville, is also an electronic manufacturing and services provider.

The match was a good one, Duys thought, so he reached agreement with both parties, under conditions of anonymity, and arranged a meeting of the two companies in Virginia. Len Capelli, a VEDP project manager based in Northern Virginia, stepped in to maintain the corporate connection stateside.

Following Zollner's meeting with EIT in Sterling, EIT traveled to visit Zollner's operations in Germany. A partnership was formed. In October



Virginia Delegate Joe May (left), EIT Founder, and Manfred Zollner, Zollner Elektronik AG founder, participated in a ceremony in October to celebrate their partnership agreement.

Defense: One-Sixth of Virginia's Income

A new George Mason University study has quantified the role that the Department of Defense (DoD) plays in Virginia's economy.

The Virginia National Defense Industrial Authority (VNDIA) has long tracked the amount of money spent by the DoD in Virginia, which was a staggering \$54.5 billion in 2008. What was missing, however, was a closer look at the net impact this tremendous federal spending has on the Commonwealth. To answer this question, VNDIA turned to Dr. Stephen Fuller, Director of George Mason University's Center for Regional Analysis. For more than 40 years, Fuller has led studies on urban and regional economies, many related to federal spending, while teaching at George Washington University and GMU.

"DoD spending in Virginia is a major source of employment, income and economic activity," Fuller said, "and it generates a significant net fiscal benefit for the state's treasury."

In fact, Defense Department spending in 2008 amounted to 15.6 percent of Virginia's gross state product, and supported nearly 20 percent of the state's jobs, both more than any private-sector industry.

Virginia has the highest number of DoD civilian employees and one of the largest concentrations of active-duty service members. Although these are stable, well-paid jobs, the real economic benefit of defense presence comes from contracts and manufacturing. Virginia businesses captured more than 10.5 cents of every dollar in total DoD contracting worldwide in

2008. It's these contracts and the related private-industry jobs that helped push an additional net \$1.1 billion to the Commonwealth's coffers in 2008.

An important added benefit that the study doesn't quantify is the stability that the DoD adds to Virginia's economy, particularly in tough financial times. The department's direct spending in the state has increased an average of \$4 billion each of the past five years, and no private sector employs more Virginians than the DoD. Although the 2005 Base Realignment and Closure (BRAC) process will cause some jobs to shift, it will be a 5,000-job net gain for the Commonwealth. This will be in addition to Virginia's already relatively secure workforce. In October, Virginia's unemployment rate was 6.3 percent, the seventh lowest in the nation and far lower than the national average of 9.5 percent, according to the Virginia Employment Commission and the U.S. Department of Labor.

Virginia has made great strides over the past few years to support this highly effective economic driver, including the establishment of the VNDIA in 2005. VNDIA's board of business and civic leaders and retired senior military officers works as a clearinghouse of information and analysis for state and local leaders. In addition, VNDIA administers the Military Strategic Response Fund program, which has invested nearly \$18 million in state money through 11 completed grants, and is investing \$34 million more through an additional 12 active grants to assist localities in maintaining productive relationships with defense neighbors. For more information on the DoD's economic impact on Virginia, visit the VNDIA Web site at www.vndia.org. ■

Economic Developers Communicate and Collaborate in Northern Virginia

There may be multiple cities and counties in Northern Virginia, but the economic development mission is unified: fill existing and new office space with quality employers to increase jobs, thereby improving the economy.

The unified mission was communicated loud and clear during a December panel discussion comprising economic development leaders in Northern Virginia. Panelists were: Dr. Gerald Gordon, Fairfax County; Dr. Terry Holzheimer, Arlington County; Val Hawkins, City of Alexandria; Martin Briley, Prince William County; and Dr. Larry Rosenstrauch, Loudoun County. The meeting was sponsored by commercial real estate development association NAIOP.

Economic conditions in Northern Virginia are faring better than some other regions of Virginia and much of the nation. Arlington and Fairfax have seen new headquarters locate in their respective counties and both have diligently worked to increase the amount of office space that is leased. One panelist indicated that Northern Virginia accounts for a significant portion of the Commonwealth's tax base, and that more is needed to decrease congestion.

While the region is working together with the Life Sciences Coalition to attract bio tech and life sciences companies to the area, each community also has developed its own plans to retain existing businesses and to attract new businesses to their areas. Arlington has set its sights on a list of 100 companies, while Prince William County is focusing on government contractors, sub-contractors and federal agencies. Alexandria plans to work with small businesses by providing the means and assistance to help companies locate and then grow, and maintain the larger corporate presence in the community.

The panelists discussed the role that Virginia and VEDP play in their individual strategies, agreeing that the availability of additional incentives assists in attracting and retaining signature companies. Involvement of the Governor and the Secretary of Commerce and Trade also demonstrates a commitment on the part of the Commonwealth, and the collaboration of Virginia's education community is equally important.

Panelists agreed that NAIOP can assist the region's economic development efforts by lining up constituents to advocate ways to decrease congestion, develop a better awareness of land use planning, get involved in planning commissions and boards, and ensure that the interests of business are considered and optimized. ■

Quarterly Calendar

Jan. 11-13	VB	Automotive News World Congress—Detroit, MI
Feb. 1-5	CR	Maryland Marketing Mission
Feb. 2-5	VB	Information Assurance Expo—Nashville, TN
Feb. 3-5	VB	RETECH—Washington, DC
Feb. 21-24	VB	Retail Industry Leader Association Conference—Orlando, FL
March 7-10	VB	Plastics News Executive Forum—Tampa, FL
March 8-12	CR	Tennessee/Kentucky Marketing Mission
March 15-19	SK	Group Market Visit to Canada
	VB	Vince Barnett (804) 545-5815
	SK	Scott Kennedy (804) 545-5754
	CR	Chuck Rogers (804) 545-5808

Continued from page 13

2009, EIT and Zollner celebrated the creation of their joint venture at EIT's Sterling headquarters.

"EIT is delighted with the synergy of the new partnership," said Joe May, EIT founder and Chief Technical Officer. "Both companies are very talented in complementary areas."

EIT will expand its international footprint with Zollner's 15 worldwide electronic-, plastic- and metal-forming manufacturing locations. In return, Zollner will benefit from EIT's strong technical resources, strategic North American presence and low-cost manufacturing capabilities.

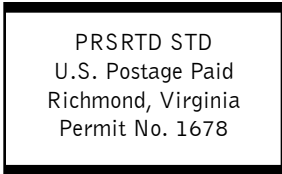
"This is an excellent example of local market knowledge of trade and the needs of investment complementing one another," Duys said. "Trade and investment really do travel on the same highway." ■

Virginia-based EIT, Inc., and Germany-based Zollner Elektronik AG became official business partners in October.





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did you know

Virginia High School Ranked No. 1

U.S. News & World Report has again ranked Fairfax County's Thomas Jefferson High School for Science and Technology as the best high school in the nation. "T.J.," which focuses heavily on math and science education, surpassed more than 21,000 other public high schools for the honor. This is the third year that *U.S. News* has ranked high schools, and T.J. has captured the honor all three times.

The rankings are highlighted in the December 8 issue of the magazine. *U.S. News* ranked those schools across the country with the highest college readiness index scores and placed the top 100 in the gold category. The next 461 top-performing schools won a silver award, 1,189 earned a bronze designation, and 37 received honorable mentions. ■