

Made in Rhode Island Manufacturing Collaborative

Public Session

Tuesday, October 29, 2013, 11:30 a.m.

Rhode Island Economic Development Corporation

Narragansett Conference Room

315 Iron Horse Way, Suite 101, Providence, RI

The following were in attendance:

Collaborative

Marcel A. Valois (chair)
David Blanchette
Paul McGreevy
Kelly Carello
Cristina DiChiera
Laura Hart

Advisory Council

Erik Bright
Lisa Carnevale
Margo Madden
Bill McCourt
Harsha Prakash
Helen Lang
Jessica David

RIEDC Staff

John R. Pagliarini
Sherri Carrera
Jennifer Howard

Opening Remarks

Chair Marcel Valois opened the meeting by asking the group to review the minutes from the previous meeting.

Approval of Minutes

Mr. Valois requested that page numbers be added to the minutes going forward and fielded corrections and comments from the group.

Bill McCourt made a motion to approve the September 12th meeting minutes as amended. Christina DiChiera seconded the motion. There was a unanimous vote.

Overview and Discussion of Best Practices Nationwide

Mr. Valois said he would like to jump into the discussion of best practices unless anyone would like to review the discussion from the last meeting. He had each person around the table re-introduce themselves to the group since there were some new attendees.

Mr. Valois introduced Sherri Carrera from RIEDC's Client Services Team to go through the best practices nationwide. Once the Made in Rhode Island Collaborative legislation went through, Ms. Carrera was asked to review the practices of all states with similar programs, and she picked those she thought were best to examine further. The top two programs up for discussion were Alaska and North Carolina.

The goal of the Alaska program is to increase sales of state-made products, which include Native American-made items and food. The program is managed through the Department of Commerce and Economic Development.

Most of the state programs, including Alaska, have fees to participate. Mr. Valois noted that the program defines specific categories of products made in Alaska, so the program is not wide open to all products, which is typical of other programs. If a company in Alaska doesn't meet the criteria, a consultant is sent out to help. Alaska's qualifications examine raw materials, labor, distribution, design and development; the unique factor; production frequency; eligible categories; the general description of the product; plans to add new products within a year; warranties and guarantees; and marketing. The program also includes tradeshow and a social media presence. There are three different logos for the robust program. Laura Hart noted that all of the products were reflective of the state's homey, wilderness theme and asked if there were any state programs that are more like Rhode Island. The programs speak for the state and what people think of when they think of the specific state. The group will need to determine how to define Rhode Island.

Ms. DiChiera brought up BuyLocal – a directory that lives within the Rhode Island Foundation. Jessica David said the program is intended to promote buying locally. There is no certification and a low barrier to getting into the directory. Ms. DiChiera asked if there has to be a certification for the program. Ms. Carrera mentioned Montana, which does not have certification. Ms. David said there is a possibility of redesigning the BuyLocal website, working with partners such as the Chafee Center to build something that serves local audiences. However, there is a lack of direction with the directory currently. Helen Lang said she likes the Made in New York digital map, which is similar to a map at the Rhode Island School of Design. Ms. DiChiera suggested having a map where people can see where the products are made and sold, and then there could be a yearly tour of the locations.

Ms. Carrera worked with Harsha Prakash to research the program in North Carolina, which is a web database of all the manufacturers in the state. Mr. Prakash favors this program because it identifies companies who are manufacturing in state and, therefore, creating jobs and making an economic difference. Mr. Valois said that the RIEDC is already working on a master data source of all Rhode Island manufacturers with RIMA, RIF, RIMES and Bryant. It will be a place where people can see what products are manufactured in Rhode Island and should be done next year.

The question posed is whether to go to the next level with this legislation and further qualify those companies and products through a certification process. And, if so, what is that certification process and the criteria to qualify? What percentage of the supply chain and manufacturing process need to originate in state to qualify as Made in Rhode Island? What are the costs associated with building out the program? Mr. Valois reminded the group that it is their responsibility to make recommendations to the general assembly to answer those questions but not to design, implement and manage the program, necessarily.

While a simple database would be helpful for those manufacturers looking to source locally, as Craig Pickell mentioned in the previous meeting, is that all the state needs? Should this be inclusive or more narrow-focused? Is the goal to help these companies market their products? And where is the line? Ms. DiChiera and Ms. David favored a grading or rating system where companies with a more local focus would be rated higher than those who source or manufacture partly out of state, and the categories would factor in labor, materials, location, and the combination of the three.

There is also the debate over administration: Is this a government or private program? There are advantages and disadvantages to either option, including changing administrations dropping the program but having the objectivity of government management or having consistency in the private sector but opening up favoritism. There is the option of a hybrid administration comprised of public and private partners, which would help with funding.

Incentives also come into play, as Eric Bright reminded the group. Initially, this was an investigation into potentially offering incentives and reducing regulations for those companies who qualified under a Made in Rhode Island program. This would not only help current businesses, but it would encourage others to manufacture in state to qualify. Yet, offering incentives to some while excluding others can expose legal issues, David Blanchette noted.

Paul McGreevy recommended starting broad, with the BuyLocal concept, and have the companies register with the Secretary of State to get into the database. Ms. David asked what the angle of the legislation is and how it should be interpreted. Are they trying to encourage consumers to use the database in buying decisions or encourage manufacturers to qualify to be in the database? If they start with the database, companies who manufacture in state will be labeled with the Made in Rhode Island logo. It would be up to the companies to apply for the distinction with limited certification requirements.

Kelly Carello confirmed that the logo design had been cleared through the Secretary of State's office. Mr. Valois confirmed the agreement in the last meeting that everyone liked the logo.

Discussion on Next Steps

Mr. Valois recommended they hear presentations from the certification programs that are out there at the next meeting. The Rhode Island Department of Environmental Management is running the Seafood Collaborative, and Mr. Valois would like someone to come into the next meeting to discuss how that is running. Rhody Fresh is the state's dairy collaborative, so they will ask representatives to come in to give an overview of how that program works and what it costs.

Mr. Valois said they should focus on whether they should go down this path and have a Made in Rhode Island designation and then answer what that would look like? How will the program impact the economy and businesses? What is the distinction between manufacturers with national and international markets and artisans with a local market? The program will have a bigger impact on local artisans.

He also said they should talk about models. Is this going to be a government model, and, if so, who manages it? What is the cost of building a website, keeping it updated and training staff? What is the cost of sales tax exemption? There are business topics to be discussed.

Mr. Valois adjourned the meeting at 12:42 p.m.

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