

Made in Rhode Island Manufacturing Collaborative

Public Session

Wednesday, February 26, 2014, 11:30 a.m.

Rhode Island Commerce Corporation

Narragansett Conference Room

315 Iron Horse Way, Suite 101, Providence, RI

The following were in attendance:

Collaborative

David Blanchette

Paul McGreevy

Kelly Carello

Cristina DiChiera

Advisory Council

Erik Bright

Lisa Carnevale

Giovanni Feroce

Bill McCourt

Harsha Prakash

Howie Sneider

Commerce RI Staff

John R. Pagliarini

Sherri Carrera

Jennifer Howard

Opening remarks

Mr. Pagliarini called the meeting to order at 11:43 a.m. He let the committee know that Mr. Valois was unable to attend due to a conflicting presentation and high-profile meeting. He went on to say this was the penultimate meeting of the committee, in which they should put their heads together to finish the framework for a draft report. The report will be circulated and reviewed in March to be ready to present to the general assembly in April.

Approval of minutes

Mr. McCourt motioned to approve the minutes from the January 24th meeting. The motion was seconded by Mr. McGreevy. The committee unanimously approved the minutes.

Ms. DiChiera commented on the language in the last phrase of the self-verification statement asking about changing "logos" to "logo." The committee agreed that there will only be one logo, and the wording could be changed.

Mr. Sneider asked about using the logo for marketing materials or on things that are not the physical product. The committee agreed that companies could use the logo on marketing materials for eligible

products and to promote their company. Mr. Sneider suggested changing “on those products” to “for those products.”

Mr. Pagliarini asked for a motion to change the self-verification statement accordingly. A motion was made by Mr. McCourt and seconded by Mr. Prakash. The committee unanimously approved the changes as discussed.

Ms. Carnevale questioned the language requiring a “predominantly Rhode Island workforce” in the approved definition. She thought it was vague and wanted to know how a company could prove that to qualify for a potential incentive. Ms. Carrera referred to UNFI, which is a Rhode Island-based company with a workforce originating from surrounding states. Mr. McCourt confirmed that UNFI would be considered to have a predominantly Rhode Island workforce. He said the wording was left vague purposely. Mr. Feroce suggested amending the language used to define “Made in America” to apply to Rhode Island, but Mr. Bright pointed out that many companies are able to skirt that language and use the definition for products made elsewhere. Mr. McCourt said the committee should focus on structuring the program without incentives for now because it is not funded currently. Mr. Sneider pointed out that the only concrete part of the definition is “a Rhode Island business,” meaning companies incorporated in other states are not eligible. The remainder of the definition is vague to be inclusive.

Mr. Prakash agreed to cast a broad net, after which the managing entity can determine eligibility and enforce the definition. Ms. Carrera said those details would be included in the regulations if the program moves forward. Mr. McGreevy recommended moving forward with the discussion on implementation and incentives, and then the committee could go back to the definition to see if it still makes sense. Mr. Pagliarini said the group can think about incentives and share their thoughts with Ms. Carrera via email. He would schedule a second meeting prior to April if needed.

Continued discussion on implementation recommendations

Mr. Pagliarini read the first recommendation aloud: *“It is the recommendation of the Collaborative and Advisory Council that the Secretary of State’s office handle the administrative oversight of the ‘Made in Rhode Island’ program by using existing staff to manage the program and collect a filing fee of \$20-25 to fund the program. Discussion points: What is the application process? How is the logo to be issued and used? Will there be a directory of participating companies and products?”*

Ms. Carello said the secretary supports the committee and agrees to handle administration and oversight of the program. The Secretary of State Office is the keeper of records. The office has the resources and staff to get the program up and running. She said there is research that needs to be done and the committee’s ideas need to be put together. They need to draft regulations to address the issues that have been going around the table, which needs to be done collaboratively to be constructive.

Mr. Pagliarini took the group through the discussion points confirming that the one-page online application would be available on the Secretary of State website. He said the committee should hold the logo conversation to the end of the meeting or send suggestions to Ms. Carrera via email. He affirmed there would be a directory of participants on the Secretary of State website as well, which Ms. Carello confirmed.

Ms. DiChiera said the directory could be linked to Mr. McCourt’s directory. Mr. McCourt said he would be having a meeting that afternoon and would raise the topic. He said each company in the directory he

is working on will have a homepage, on which, if eligible, the “Made in Rhode Island” logo would be displayed.

Mr. Sneider said that once someone fills out the online application and it is approved, that company would be added to the directory and only those companies listed would be able to use the logo. Mr. Pagliarini suggested that the companies could receive confirmation letters of the eligibility. Ms. Carello said a one-time fee of \$20 could be implemented for applying and the report could state the fee will help fund the program.

Mr. Feroce said there needs to be some policing to keep the list up to date – perhaps having the companies regularly reconfirm their “Made in Rhode Island” status.

Mr. Pagliarini moved on to the second recommendation: *“The Collaborative and Advisory Council recommends building a simple website with a simple registration process – similar to ‘Manufactured in North Carolina’ – that is fed by the current manufacturing renaissance project. Establish product categories for the homepage navigation and sort participating companies into those categories. Eligibility is broad and state-inclusive. There is no fee, and registration only requires filling out a single-page application, which is self-verified according to the already approved definition and self-verification statement. The site will create a manufacturing supply chain within the state and facilitate matchmaking. Discussion points: Who hosts and manages the site? How is the site funded? What is the use of the logo?”*

Mr. Pagliarini said the website seems like a valuable tool for the purpose of the “Made in Rhode Island” program and for other purposes.

Mr. McCourt said he was operating under the assumption that the website in this recommendation is not separate from the site he is currently working on. His group has not talked about how the site will be managed, but, in theory, every company on the site would qualify for “Made in Rhode Island.”

Mr. Prakash said the site is the collaboration between RIMA, RIMES, Commerce RI and Bryant University and could be managed among those entities.

Mr. McCourt said the group is trying to take its outreach down to single-person shops, which would include makers.

Mr. Pagliarini said Mr. Prakash and Mr. McCourt could clarify the language around the specifics of the program under this recommendation just as Ms. Carello could clarify the program under the first option.

Mr. Pagliarini transitioned to the third recommendation: *“The Collaborative and Advisory Council recommends mimicking the ‘Maine Made’ program by appointing a committee of field experts who would review and approve applications to the program based upon a pre-determined system of eligibility criteria – Maine uses an eight-point system. Ineligible companies are assigned a member of a business development team to determine what is needed for the business to become eligible. Questions: Who appoints the committee and business development team? What is the fee, if any? How is the program funded? What is the use of the logo? Will there be a directory of participating companies and products?”*

He asked how people felt about this option saying it may help the Rhode Island economy beyond the objective of the committee. The program under this recommendation could identify companies that could use help being able to use the logo. They could stick with the \$20-25 one-time application fee.

Ms. DiChiera said that Ms. Carello had recommended that the committee stay together and meet twice a year, which could enable them to bring the spirit of the third recommendation into the first recommendation, while simultaneously helping with the policing that Mr. Feroce had raised. Mr. Pagliarini said the committee's recommendation could include keeping the current committee to oversee the program or appointing a new committee. Ms. Carnevale said she liked the current group because everyone is represented from manufacturers to artists and industry leaders to regulatory offices. Mr. Pagliarini reiterated that the current committee stays in its role agreeing that the group does have familiarity with the project already.

Mr. Feroce liked the first recommendation because it is a start. There is no barrier, no miscommunication. It is clean. After a period of time, phase two could incorporate the second recommendation to build more value. Phase three could bring in the third recommendation and a business development team. The committee could keep all options by combining them into a phased approach.

Ms. DiChiera said she would share the Council on the Arts' tax form with Ms. Carello to guide the "Made in Rhode Island" application form. She thought having the application go through the Secretary of State gives credibility to the program and will keep people honest about self-verification. She agreed that the committee could assess the second and third recommendations after a period of time. The website will happen anyway.

Ms. Carnevale said the committee report could include the approved definition, the approved self-verification statement and the process, then it could also further empower the collaborative to move forward because the rest of the process will not be legislative.

Mr. Bright mentioned making the fee \$50 to cover future costs and not have to go back and ask for additional fees. The committee thought that amount would be too much. Mr. Pagliarini said they could start at \$25 with a general awareness that fees go up. Ms. Carrera reminded the committee that most state programs they researched charged between \$5 and \$20. Ms. Carnevale suggested a regular renewal fee. Mr. Blanchette said the fee will be part of the review and control process undertaken by the collaborative in the future. Mr. Prakash said an annual renewal fee would be helpful in keeping track of businesses that close or move out of state. Ms. Carnevale responded the fee could be lowered to \$10 in that situation. Ms. Carello said that businesses are encouraged to notify the Secretary of State if they close or move.

Mr. Pagliarini raised incentives connected to using the logo. What is the audience hoping to gain by having the "Made in Rhode Island" logo? Mr. Prakash said that things fall apart when it is all about money, so there needs to be another value proposition like the networking and communication access to other Rhode Island manufacturers. Mr. Pagliarini said the program will connect businesses and maintain a local supply chain. Mr. Prakash cautioned that the network has to see value in the database; if the information is not updated regularly, it will lose credibility, which justifies having a rolling fee to verify information and eligibility. There is an obvious need for this type of networking among local businesses.

Ms. Carnevale said they could recommend further research be done with the possibility of adding incentives in the future to leave that door open. They need to get the program up and running, after which the group could meet and discuss further additions.

Discussion on next steps and draft report

Mr. Pagliarini stated the two outstanding issues that need to be resolved:

1. How is the logo to be issued and used? Any additional thoughts should be emailed to Ms. Carrera prior to March 14.
2. The question of incentives. Mr. Prakash already brought up the value of the network. If there are any other incentives, they should also be sent to Ms. Carrera by March 14 for discussion at the next meeting.

For the next meeting, the committee will have a skeletal draft report to review and discuss. Mr. Pagliarini hoped everyone on the committee could attend and a group photo could be taken for inclusion in the report. The committee would also discuss how to present the report to the general assembly.

Ms. Carello said the “Made in Rhode Island” logo needs to be filed with the Secretary of State. She asked whose name would it be in? Who will own it? There is a filing fee. Mr. Bright said he was working with the designer to get several high-resolutions files that could be uploaded to the Secretary of State website for download. He would have the designer transfer the rights to the appropriate party.

The report is due to the general assembly by April 30. Ms. Carnevale mentioned the committee could use the April meeting to present their recommendation to the bill sponsors. Mr. Pagliarini mentioned that the next meeting could be lengthened to enable a full discussion on the draft report.

Mr. Pagliarini accepted a motion to adjourn the meeting. The motion was seconded by Mr. Feroce and unanimously approved. The meeting was adjourned at 12:48 p.m.