

WEST VIRGINIA

SPECIAL REPORT

ISSUE 4 - 2014

# EDGE

**BIG PLANET,  
BIG OPPORTUNITIES:**  
W.VA. BUSINESSES TAP THE  
POTENTIAL OF CROSS-BORDER TRADE



**LET'S GET  
CRACKING**

A GLOBAL PETRO-GIANT LAYS PLANS TO TURN  
WEST VIRGINIA GAS INTO GOLD

INTERNATIONAL BUSINESS EDITION

# West Virginia

## business partners span the globe —



**5** continents,  
**30** countries,  
and counting.

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## FEATURES

### **02** Let's Get Cracking

A global petro-giant lays plans to turn West Virginia gas into gold.

### **14** The Smart Money's Heading for the West Virginia Hills

Global business leaders place their bets on the Mountain State.

### **22** Big Planet, Big Opportunity

West Virginia businesses tap the potential of cross-border trade.

### **30** Global Business Gets Personal

West Virginia leaders forge business relationships around the world.

### **38** The Japan Office Looks Ahead to its Silver Anniversary

An elite team keeps jobs and investments coming to West Virginia.

### **46** Old World Craftsmanship Finds a New Home

Why Europe's manufacturing elite are flocking to West Virginia.

## IN EVERY ISSUE

### **54** City Profiles

### **62** Economic Developments

## INTERNATIONAL BUSINESS EDITION



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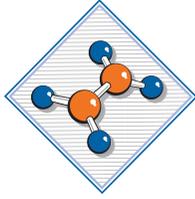
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# LET'S GET CRACKING

A GLOBAL PETRO-GIANT LAYS PLANS TO TURN  
WEST VIRGINIA GAS INTO GOLD

*by* Chelsea A. Ruby





**S**tart at Moundsville, a northern West Virginia river town of 9,000, known locally for its namesake Native American burial mound, and head northeast on U.S. Route 250. A few miles outside city limits, a dirt road forks from the asphalt and disappears into a forest as dense as it was when the Adena buried their dead here two millennia ago. Follow the fork into the woods. A thousand yards along, you will reach a quiet clearing. In its center, a cross-shaped edifice sprouts from the earth, six vertical feet of blue

steel tubing with big, wheel-and-spoke valves decorating its arms. Gas workers call it a Christmas tree. It stands as still and silent as the oaks around it, and to an unschooled observer, it appears to be doing precisely nothing. You could be forgiven for failing to realize that you are standing in the heart of a global energy revolution.

But a revolution it is. Underneath the Christmas tree – some 6,000 feet underneath it, in fact – lies a bounty of natural gas almost unimaginable only a few years ago: the Marcellus Shale. The Christmas tree is the upper extremity of a Marcellus well, a mile-plus of pipe and casing delivering a seemingly endless stream of gas to the surface, to be captured, processed, and sold. More than

“This is West Virginia gas. The jobs it creates should be West Virginia jobs. We have a narrow window of opportunity to make these gas reserves the foundation for generations of stable prosperity for our kids and grandkids. And if we fail to seize it, then shame on us.”

**Keith Burdette**, cabinet secretary  
WEST VIRGINIA DEPARTMENT OF COMMERCE

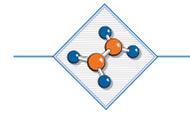
*Photo courtesy of Tracy Toler*



2,300 of these man-made trees have been planted in West Virginia's hills since 2005, a period of furious drilling that has brought the state nearly \$10 billion in economic activity. Thanks to the shale-gas boom, the United States now leads the world in natural gas production. And of the seven major U.S. shale plays, the Marcellus is the most productive. Buoyed by production from the Marcellus and the less-developed but equally promising Utica Shale, West Virginia now generates more than 500 billion cubic feet of natural gas per year.

Where does all that gas go? Lately, that question consumes the workdays of the state's economic policymakers. "West Virginia is at an economic crossroads, plain and simple," says Keith Burdette, Cabinet Secretary for the state's Department of Commerce. "We have huge recoverable gas reserves in the Marcellus and the Utica. That gas is going to support thousands of good construction and manufacturing jobs – somewhere. The question is whether we pipe it out of state to create jobs in Louisiana or Texas, or we keep it here to create jobs in West Virginia.

"To me, the answer is obvious," Burdette says. "This is West Virginia gas. The jobs it creates should be West Virginia jobs. We have a narrow window of opportunity to make these gas reserves the foundation for generations of stable prosperity for our kids and grandkids. And if we fail to seize it, then shame on us."



That foundation for long-term prosperity is beginning to take shape. In a bend of the Ohio River near Parkersburg, some seventy-five miles southwest of the Marcellus' epicenter, a global giant is looking to put down West Virginia roots. Last November, the Odebrecht Organization, a Brazilian conglomerate whose businesses range from construction to defense to petrochemicals, announced the Parkersburg location as its site of choice for an enormous new ethane cracker plant. The proposed cracker would establish West Virginia as a hub not just for natural gas production but also the more sophisticated business of transforming natural gas into consumer and industrial goods.

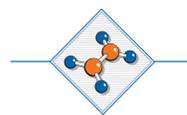
The cracker is a venture of epic proportions. Start with its sheer size: The complex would cover a footprint larger than 40 football fields, filling the site with more than 300 miles of piping, 1,000 miles of cable, and 100,000 tons of concrete. Construction on that scale does not come cheap. Dr. Tom Witt, professor emeritus of economics at West Virginia University, has studied the financial details of a potential ethane cracker in West Virginia. He projects that building the plant would cost around \$3.8 billion – the



largest single manufacturing investment in the state's history.

A multibillion-dollar construction project means jobs, and lots of them. Dr. Witt reckons that building the plant would employ thousands of workers over a span of four years. After that, at least 325 permanent workers would be needed to operate the finished cracker, plus three adjacent plants that would make various kinds of polyethylene, a plastic, from the cracker's output. And beyond that, so-called downstream manufacturing facilities – plants that convert polyethylene into finished products – could employ hundreds or even thousands more.

In a state keen to capture the full value of its newfound shale-gas riches, the Odebrecht announcement was met with jubilation. At the news conference unveiling Odebrecht's preliminary plans, Governor Earl Ray Tomblin – swarmed by reporters and television cameras – pronounced the cracker “a game changer for West Virginia.” And at lunch spots and around kitchen tables from Parkersburg to Charleston and beyond, the prospect of a transformative economic-development project stirred an eager buzz that has only grown louder in the months since.



To understand the excitement, you must first grasp this: natural gas is much more than just heat. A warm house on a frigid winter night is wonderful, but it is only the beginning of what gas can do. Natural gas can also be used to make things. Lots of things, in fact, an almost limitless array of products demanded by consumers and industry alike. Locked inside every cubic foot of gas streaming through those Christmas trees are the building blocks for everything from toothbrushes to tires to the toys piled under the tree in your living room in December – the underpinnings of a global market worth hundreds of billions of dollars annually. Unlocking those treasures requires a key. And that key is a cracker.

A cracker gets its name because it cracks ethane, a component of natural gas (like the air we breathe, natural gas is actually a mixture of several different gases, including – besides ethane – methane, propane, and butane). Cracking ethane simply means breaking down ethane molecules into smaller molecules. Industrial-scale ethane cracking is dizzyingly complicated, as one might guess from the price tag of the facility needed to do it. But the basic idea is simple: if an ethane molecule gets hot enough, the



Raw polyethylene pellets ready to be turned into consumer goods.



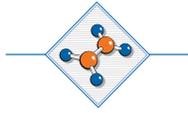
bonds that hold it together will break, and the molecule will come apart. Hot enough, in this case, can mean more than 2,000 degrees Fahrenheit; the furnaces that generate those temperatures are the heart of a cracker plant.

Cracking ethane is worth all this trouble because it produces ethylene, and ethylene is a chemical compound of uncommon usefulness and versatility. Ethylene molecules, for example, can be joined together in long chains to make polyethylene. Polyethylene is the most popular plastic in the world, with global production exceeding 100 million tons and rising. It is easy to melt and mold into practically any shape imaginable. Products crafted from it are strong and durable. They can be made as thick or thin, as flexible or rigid, as their manufacturer requires. Polyethylene is used in garbage bags and shopping bags, soda bottles and milk jugs, diapers and outdoor furniture, water pipes

and hardhats. One-third of all the toys in the world are made of polyethylene. Ethylene is also the raw material for polyvinyl chloride, better known by the initials PVC, which is used to make plastic pipes, vinyl home siding, and swimming pool liners, among other things.

Beyond plastics, ethylene is used to make antifreeze, polystyrene foam (for disposable cups and plates, take-out containers, packing foam, and the like), textiles, carpeting, shoes, paper – the list could go on, but one gets the point. Without ethylene, modern life as we know it would not exist. And around the world, more and more people are impatient to enjoy that life. Economists predict that up to three billion people will join the world's middle class in the next quarter century. When they get there, they will buy many more soda bottles, diapers, and swimming pool liners. For ethylene producers, the sky is the limit.



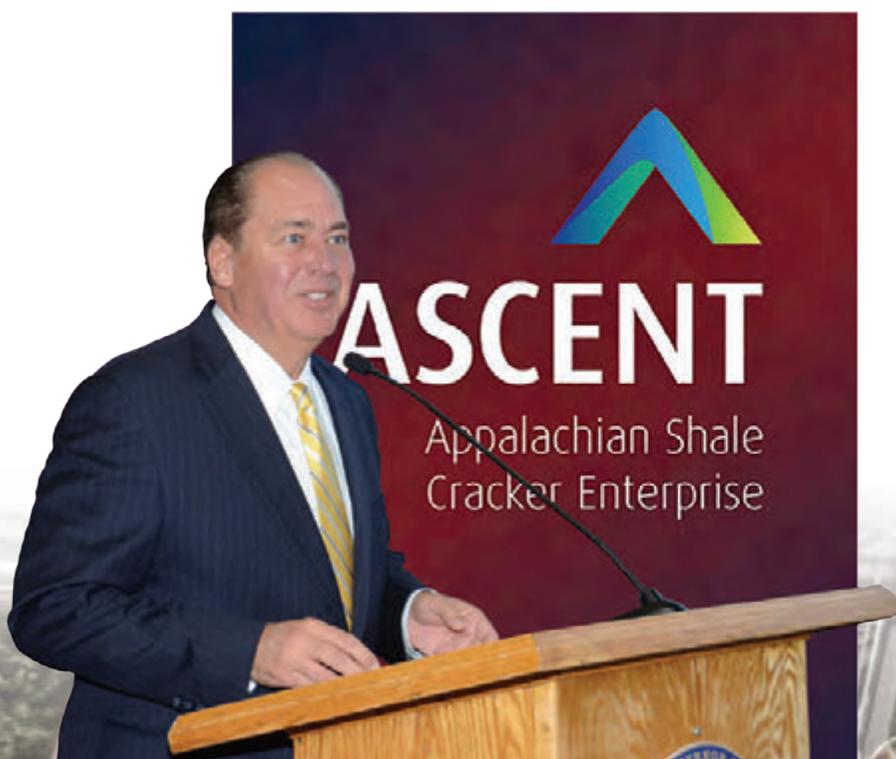


In recent years, most of the world's ethylene has been made from oil, not gas, because making ethylene from oil was cheaper. But new developments in natural gas production have reversed that equation, creating a seismic disruption in the ethylene industry and unprecedented opportunities for gas producers and gas-rich regions.

Within the past decade, natural gas producers have mastered the difficult science of extracting natural gas trapped deep inside shale formations. The Marcellus and Utica Shales, two ancient rock layers, underlie much of West Virginia, Pennsylvania, and New York, with the Utica's range extending far into Ohio, as well. Tucked inside the pores and fissures that permeate both shales are hundreds of

trillions of cubic feet of natural gas – but until recently, little of it was recoverable. Improved production technology, primarily horizontal drilling and more sophisticated hydraulic fracturing, has changed that. Since 2007, gas production in the Marcellus alone has soared from a little over a billion cubic feet per day to nearly 15 billion. Total U.S. natural gas production now exceeds 25 trillion cubic feet per year, making us the world's leading natural gas producer, and the U.S. has enough natural gas reserves to meet 115 years of demand.

This abundant supply has lowered natural gas prices sharply. Hydrocarbon-dependent industries can now realistically expect decades of plentiful, relatively inexpensive gas in the United States. That fact carries profound and wide-ranging ramifications. In the geopolitical arena, it promises to greatly reduce U.S. dependence on imported energy and, by extension, the influence of unfriendly and



“This is a game changer for West Virginia.”

Earl Ray Tomblin  
GOVERNOR OF WEST VIRGINIA



unstable petrostates on American foreign policy. Domestically, sudden access to previously unrecoverable natural gas, along with similar advances in extracting hard-to-reach oil, has created thousands of jobs in hydrocarbon production. And more affordable energy is playing a key role in the revitalization of the United States' manufacturing sector.

Perhaps most important for West Virginia, the United States now offers the ethylene industry a feedstock supply as steady and cost-competitive as any on the planet. The cost of feedstock, meaning oil or gas, accounts for the bulk of the cost of producing ethylene. As recently as 2005, the United States was one of the most expensive places in the world to make ethylene. Thanks to shale gas, it is now one of the cheapest. Given that sudden shift, simple economics dictate that, very soon, hundreds of billions of dollars worth of plastics and other ethylene-based products will be made not with oil but with American natural gas. That sea change is going to make someone a fortune. What remains to be seen is who, and where.



A West Virginia natural gas pipeline comes together.

“The fundamentals of this play are pretty simple,” explains Burdette. “The natural gas coming out of the ground is only the first link in a longer chain. The next link is the plant that cracks the ethane and makes it usable. The link after that is another plant, one that turns ethylene into polyethylene or vinyl or a chemical of some kind. And after that comes the plant that takes the raw polyethylene and makes something that will wind up in shopping carts all over the world.

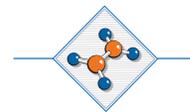
“Once you understand those basics, a few things start to become clear. First, every link of the chain is going to translate into tens of thousands of future jobs somewhere in this country. Second, the further along you are in





The West Virginia delegation and Braskem officials meet at K 13, the world's largest international trade fair, in Düsseldorf, Germany.

the chain, the more money there is; a finished product sells for a lot more than gas at the wellhead. Third – and this is the big one – the more links of the production chain you can bring to your state, the more jobs you can create. And the more you can grow your tax base. And the more you can then invest in education and infrastructure and all the things that let you capture even more of the ultimate value of that natural resource.”



Since 2010, Burdette has been leading the charge to bring an ethane cracker – the chain's crucial second link – to West Virginia. It's no small task. With thousands of jobs and billions of dollars at stake, competition for cracker projects is intense. And potential



investors, planning shale-gas strategies intended to last for decades, require an exceptional level of due diligence as they weigh their options. Burdette and his team have logged thousands of hours and countless miles explaining why West Virginia is the logical first choice for a Marcellus-Utica cracker.

Last November, their hard work began to pay off. After 18 months of behind-the-scenes negotiations, Governor Tomblin and Burdette joined David C. Peebles, Odebrecht's Vice President for Business Development, and Fernando Santos-Reis, CEO of Foz do Brasil, an Odebrecht subsidiary, to announce that a site outside Parkersburg was Odebrecht's initial choice for its first ethane cracker in the United States. The planned complex – dubbed ASCENT, for Appalachian Shale Cracker Enterprise – would include not just a cracker plant but also three polyethylene plants, each designed to churn out a specific kind of plastic. Braskem America, an arm of Braskem, the world's fifth-largest petrochemical maker, is slated to operate the finished plant. Some commercial and financing hurdles remain to be cleared before the complex receives final approval, but at the announcement, the mood among state officials and Odebrecht representatives was buoyant, as both sides eyed a transformative opportunity.

In Odebrecht, West Virginia has a partner with global reach and long experience handling some of the biggest jobs on the

planet. Founded in 1944 as a construction company on Brazil's northeast coast, Odebrecht is now a widely diversified multinational with operations on five continents, nearly 200,000 employees, and more than \$40 billion in annual revenue. Companies under the Odebrecht umbrella can be found building hydroelectric power plants in Africa, ships in South Korea, and, in Odebrecht's home country, the Olympic Park and stadiums for the 2016 Olympics in Rio de Janeiro. Other Odebrecht businesses range from real estate management to water treatment to sugarcane farming. Under the leadership of third-generation Chief Executive Officer Marcelo Bahia Odebrecht, the company is one of the world's preeminent family-owned concerns.

Braskem America, the ASCENT cracker's would-be operator, is already the United States' leading producer of polypropylene, another important plastic used in a wide range of products. The company operates five U.S. plants: three in Texas, one in Pennsylvania, and one in Neal, West Virginia, just south of Huntington in Wayne County. The Neal facility, which covers 100 acres and employs more than 100 workers, is Braskem's leading producer of polypropylene in the Americas, generating more than 500 million pounds annually.

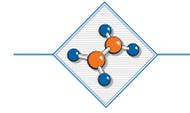
Since last November's announcement, Odebrecht and its state partners have wasted no time checking items off their to-do list.



“When we talk about **ASCENT**, we mean it literally: this is going to lift us up to a place we’ve never been before.”

Keith Burdette, cabinet secretary  
WEST VIRGINIA DEPARTMENT OF COMMERCE

About a month after the announcement, Odebrecht closed on the land it aims to use for the ASCENT complex. And in March of this year, Antero Resources, one of the top gas producers in the Marcellus and Utica, agreed to become the anchor supplier of ethane to ASCENT, committing to deliver 30,000 barrels per day of ethane – almost half the cracker’s daily needs. State officials are working hand in hand with Odebrecht to secure more ethane suppliers. They’re determined to do whatever it takes to nail down the deal’s final terms. “When we talk about ASCENT, we mean it literally: this is going to lift us up to a place we’ve never been before,” says Burdette.



As West Virginia moves to stake its claim as a global petrochemicals leader, one can easily imagine that, somewhere, the forefathers of the industry are smiling. After all, the modern petrochemicals business was born here, when Union Carbide devised the first economical process to make ethylene from natural gas in the 1920s. That discovery helped spark the state’s first chemical golden era, in which dozens of plants employed tens of thousands of workers for most of the last century, sustaining families and even whole towns with stable jobs and good wages.

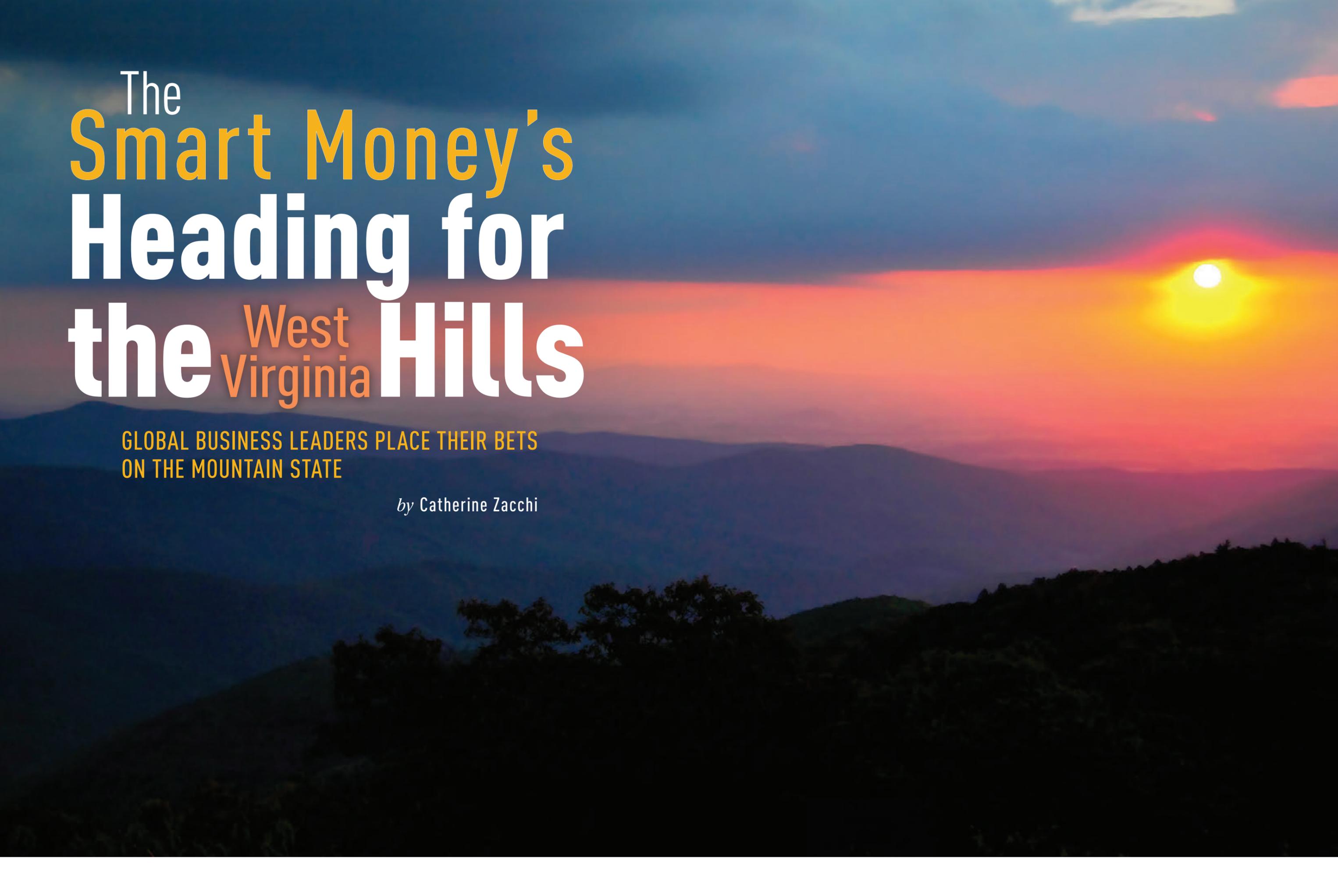
Many of those jobs are gone now, swept away in part by powerful tides of cross-border trade in a shrinking world. But those tides flow both ways. This century’s winners will be those who learn to navigate them. West Virginia has natural gas that the world needs. Now it has an ally, a giant from Brazil, to help turn that gas into another era of durable prosperity, making essential products that will improve life for people in every corner of the planet. A bright and hopeful future lies within West Virginia’s reach. With a long-sought cracker project nearing fruition, the state’s leaders are moving boldly to seize it. **E**



# THE West Virginia EDGE

- Low cost of doing business – nearly 14 percent below the national average
- Strategic location within an eight-hour drive of more than half the U.S. population and more than a third of the Canadian market
- Electricity rates more than 18 percent below the national average
- World-class workforce with one of the lowest employee turnover rates in the country
- Pro-growth tax cuts, eliminating approximately \$165 million in business tax burden last year and more than \$482 million in the past seven years
- Workers compensation reform that has saved employers over \$250 million since the fund was privatized in 2006
- Fiscally responsible state government, with a Fitch credit rating of AA+ for general obligation debt and an overall stable rating outlook
- Phasing out business franchise tax, saving taxpayers an estimated \$50 million when completely eliminated in 2015
- Cost of living 14 percent below the national average
- High-Technology Business Property Valuation Act, which reduces property tax and eliminates sales tax on qualified equipment and property
- High quality of life, with low crime and unparalleled recreational opportunities

 **ARGENTINA** Unitan  **AUSTRALIA** ALS Environmental  
 • Incitec Pivot Ltd./Dyno Nobel • Minova  **AUSTRIA** ANDRITZ Separation  
 Inc. • Virginia Crews Coal Co.  **BELGIUM** Proviron Industries • Ravago  
 **BRAZIL** Braskem SA • Gerdau Ameristeel • Madem Reels USA  
 **BRITAIN** AFAC • Alamo Energy Corp. • BG Group • Caledonian Alloys  
 • Elementis • Elementis Specialties • Ferguson/Wolseley • International Power PLC  
 • ProLogic • Randox Laboratories • Rio Tinto • Smallbone • Thistle Processing  
 **CANADA** Bombardier Services • Brookfield Power • Chrome Deposit  
 • Cobalt Coal • Hercules, Inc. • H Q Aero Management • Irving Crane • Kent  
 Cartridge of America • Leveltek • MAAX • Mott Manufacturing • North American  
 Ventures • Quebecor Printing • SFK Pulp Recycling • Stella-Jones • Trimac  
 • Western Inventory  **CHINA** GT Global/The Daniels Co. • PhillipsMachine  
 Service, Inc. • Terramite Construction Equipment  **DENMARK** FL Smidth  
 **FINLAND** Metso Power Service  **FRANCE** Axens • Constellium  
 • GDF Suez Energy • Saint-Gobain/CertainTeed • Saint-Gobain/Corhart • Saint-  
 Gobain/Norandex • Sonepar/Hagemeyer NA • Veolia Environmental Services  
 **GERMANY** Baum America Corp. • Bayer Crop Science • Bayer  
 Material Science • Becker Mining Systems • Brenntag Mid-South • Century  
 Lubricants • Fasloc • Fontaine Engineering • FLYTEG North America LLC • Kaeser  
 Compressor • Klöckner-Pentaplast • Marco North America • Mato • Prebena N.  
 American Fastener Co. • Schauenburg Flexadux Corporation • Siemens Medical  
 • Siemens Water Technologies • Seebach • Seetech • Stockmeier Urethanes Inc.  
 • Tiefenbach • ThyssenKrupp Elevator • ThyssenKrupp Safway • Vossloh Track  
 Material, Inc.  **INDIA** Essar Group • Novelis  **IRELAND** Ardagh  
 Group • CRH/Oldcastle Precast  **ISRAEL** ICL/Clearon • ICL/IP  **ITALY**  
 Allevard Sogefi USA, Inc. • American Agip Co., Ltd. • DPR, LLC • Entsorga • IMI  
 Fabi • Italcementi/Arrow Industries • Italcementi/Essroc • M & G Polymers  
 • Pietro Fiorentini USA • Tecnocap LLC  **JAPAN** Diamond Electric Mfg.  
 • Ferroletto Steel Co., Inc. • Green Metals • Hino Motors • Kuraray • Kureha PGA  
 • K.S. of West Virginia • Meiji Corp • Mitsubishi Rayon/Lucite International  
 • NGK Spark Plug Mfg. • Nippon Thermostat • Nippon Tungsten USA • Okaya  
 • Okuno International • Sanko Denki • Taiyo Nippon Sanso • Teikoku USA/  
 Chempump • Toyota Motor Mfg. • Toyota Tsusho • Wheeling-Nisshin Inc.  
 **KINGDOM OF BAHRAIN** Armacell  **LUXEMBOURG**  
 ArcelorMittal/Concept Group • Flint Group  **MEXICO** Grupo Bimbo  
 **NETHERLANDS** Impress USA • Royal Ahold • Shell WindEnergy  
 • Shell/East Resources, Inc.  **NEW ZEALAND** Rank Group/PWP  
 **NORWAY** Statoil Energy  **REPUBLIC OF KOREA**  
 Gastar Exploration  **RUSSIA** Mechel OAO • Mountain State Carbon  
 **SAUDI ARABIA** SABIC  **SPAIN** Gestamp • Maxam  
 North America  **SWEDEN** ABB Process Analytics • ABB Service  
 **SWITZERLAND** Aggregate Industries • EuropTec USA • Holcim  
 • Novartis/Alcon Research, Ltd. • SGS • Sulzer Pumps/Sturm  **UKRAINE**  
 Felman Production • Metinvest/Carter Roag Coal • Metinvest/United Coal



# The Smart Money's Heading for the West Virginia Hills

GLOBAL BUSINESS LEADERS PLACE THEIR BETS  
ON THE MOUNTAIN STATE

*by* Catherine Zacchi

When Wheeling-Nisshin opened in Follansbee in 1986, it was the first Japanese investment in the state and the first joint venture between Japanese and West Virginia private businesses.

The decision to build the new company in Follansbee had a lot to do with location, a reliable pool of workers, a ready supply of materials, and support from state and local governments.

“It’s a good location because we need to purchase steel in order to coat it, and there are enough regional suppliers to get the steel here in a timely manner,” said Nick Cortese, general manager of Human Resources and Public Relations. “And we had a lot of cooperation from the state government, the county

government and the local government, as well as then-Governor Jay Rockefeller’s office and the local people here in Follansbee.”

Now a wholly-owned subsidiary of Nisshin Steel, Wheeling-Nisshin employs 175 workers and is a major employer for the northern panhandle of West Virginia. The company is one of the world’s leaders in providing coated steel for products like automobiles, furniture, appliances and construction material.

Assistance at the startup of the company resulted in the successful, self-sustaining operation of today.

“If you go back to the beginning, we were a new company dealing with the state through their employment office and they were providing us with applicants,” said Cortese.



“Right now, we’re a very viable and successful company and haven’t had to look for loans or specialized services, and are able to do everything on our own.”

The quality workforce and strategic location also attracted Klöckner Pentaplast. Founded in Germany in 1965, Klöckner Pentaplast produces rigid films for pharmaceutical, medical devices, food, electronics and general-purpose packaging applications. The company has operations in 12 countries with 18 production sites.

One of those sites is in Beaver, near Beckley in the the state’s southern highlands. The production plant opened in 2000.

A key attraction of the site was highway access for customers on the East Coast and

in the Midwest. The plant sits near two major interstate highways: Interstate 77 running north-south and Interstate 64 heading east-west.

A dedicated and capable workforce of 70 helps generate more than a billion dollars in worldwide sales.

Canadian-based Bombardier, a manufacturer of both planes and trains, has 79 production and engineer sites in 27 countries. Bombardier Aerospace operates the Commercial Aircraft Service Center in Bridgeport, one of the largest maintenance/repair operations on the East Coast.

“I would never have imagined 20 years ago we would have been able to develop our business to what it is today,” said Stephen McCoy, general manager, Commercial Service

One of the world’s largest hot-dip coating mills, Wheeling-Nisshin makes products used in the automotive, appliance, building and construction industries.



Centers. “The workforce is the most important ingredient in the recipe. That’s why we’re successful here in West Virginia.”

The work at the center is high tech, McCoy said, and requires an intelligent and professional workforce to perform well. The West Virginia facility has more than 400 employees dedicated to doing exactly that, 24 hours a day.

“We have people and families flying these airplanes every day. We have to make sure we deliver the highest quality and level of safety out of this facility,” he said. “It’s really satisfying that the West Virginia workforce does that on a daily basis.”

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“I consider myself the No. 2 salesman for the state – No. 1 being the governor,” says Commerce Secretary Keith Burdette. “And, we’ve got a great product to sell. We’ve created a tremendously positive business climate, and that, coupled with our unparalleled workforce and a great quality of life give us a tremendous advantage over other states.”

As head of the Development Office, Burdette leads the charge to attract business to the state. He says the key is understanding the needs of the companies and finding ways to tailor our advantages to the company’s business plan.

“We take a personal interest in each and every potential investor, and we work to make West Virginia the best possible place for them to invest.”

This strategy has attracted more than 150 foreign companies from 30 countries to the Mountain State. Collectively, they’ve poured



The Bombardier facility in Bridgeport is one of the largest maintenance, repair operations on the East Coast.



Klöckner Pentaplast is the world’s leading producer of films for pharmaceutical, medical devices, food and other applications.

billions of dollars into the state’s economy, and they provide more than 26,000 West Virginians with good-paying jobs.

“This strategy has proven to be very successful, and I believe it will continue to help us attract world-class companies from around the globe.” **E**

# Guiding the State's Global Effort

Behind West Virginia's extraordinary success in attracting international investments and growing its export business lies a top-notch team: the International Division of the West Virginia Development Office. That team's leader, Steve Spence, has devoted his entire career to bringing jobs to the Mountain State.

Spence joined the Development Office 35 years ago, just after graduating from West Virginia University. Today, he serves as director of the International Division, which leads the charge to bring global investments to West Virginia and boost state exports. Spence has guided the state's international development efforts since 1986, building the division from the ground up. During his tenure, the state's exports have steadily increased and dozens of companies have expanded or invested here, including NGK Spark Plugs, Toyota, Kureha PGA, Allevarad Sogefi and Hino Motors, and he's proud that his team has played a key role in putting thousands of West Virginians to work.

"With exports exceeding \$8 billion and international investment from 30 countries, West Virginia continues to thrive in the global economy," says

Spence. "International companies in the automotive, aerospace, chemical and other sectors employ almost 26,000 West Virginians."

Bringing global investment to West Virginia takes legwork, and lots of it. Spence and his staff log tens of thousands of miles a year pitching the state to potential business partners. Their missions have touched on every continent except Antarctica. And when the team is not out of the country, they're working just as hard here at home. The International Division has earned renown for going the extra mile to make sure companies doing business here feel right at home in West Virginia and helping exporters reach out to promising new markets. Spence and his team offer comprehensive support for international employees relocating to the Mountain State, helping arrange everything from school enrollments to housing to drivers' licenses to babysitters.

"Steve goes beyond just getting companies to locate or expand in West Virginia. He works with people over many years to help their companies grow," says Commerce Secretary Keith Burdette. "He genuinely wants to do whatever he can to help, and he takes a personal interest in their success. That's one of the things that make West Virginia different and the best place in the country to locate a business."

“With exports exceeding \$8 billion and international investment from 30 countries, West Virginia continues to thrive in the global economy. International companies in the automotive, aerospace, chemical and other sectors employ more than 26,000 West Virginians.”

**Steve Spence**, director  
INTERNATIONAL DIVISION  
W.Va. DEVELOPMENT OFFICE



# VEHICLES FOR GROWTH

## Global investors discover advantages in West Virginia's automotive industry



Last year, the Toyota Motor Manufacturing plant in Buffalo celebrated the production of its 10 millionth powertrain engine unit. The plant is now the first Toyota plant outside of Japan to produce more than 10 million units.

very beginning, Senator Rockefeller pledged to Toyota officials that they'd never be disappointed in the dedication of the workers. You can see by the consistent growth of the plant and the quality of the products built that Sen. Rockefeller was correct."

"The West Virginia plant is critical to our success as TMMWV-produced engines and transmissions now go into nine of the 12 Toyota and Lexus models assembled in North America," says Marshall. "We will continue to work hard to help our community and our state remain a great place to live and work."

The automotive industry is accelerating in West Virginia.

In the past 20 years, the state's automotive manufacturing industry has more than tripled in size. Today, it contributes to more than \$277 million to the state's economy.

The success of automotive companies has encouraged even more businesses within the industry to invest in West Virginia. Automotive companies with operations in the state include Toyota Motor Manufacturing West Virginia, Hino Motors Manufacturing U.S.A., NGK Spark Plugs USA, Diamond Electric, Allevard Sogefi USA and Gestamp.

Their countries of origin are diverse, yet these companies are often attracted by similar advantages of doing business. Executives frequently cite the state's strategic location conveniently near customers and suppliers; the dedication and work ethic of the people; and cooperative working relationships with government at all levels.



Toyota and West Virginia began building their relationship over many decades. A key driver in that relationship has been U.S. Senator Jay Rockefeller, who studied in Japan as a college student. The senator was determined to bring the world-renowned automaker to the state.

In 1996, Toyota broke ground to build the \$400 million Toyota Motor Manufacturing West Virginia (TMMWV) plant in Buffalo, W.Va. By the time production began in 1998, the plant employed about 350 workers. Today, through eight expansion projects, Toyota has invested a total of \$1.4 billion and employs 1,300 workers.

Among the advantages that attracted Toyota to the state was location, says Millie Marshall, President, TMMWV.

"It was close to the heart of our supply base. We established manufacturing operations at the same time in Indiana, and shortly thereafter in Alabama. What keeps us growing in West Virginia is the workforce," she says. "From the



In October 2013, Governor Tomblin led a 13-day, five-country investment mission to Europe. Among the stops was Italy, where the governor met with Sogefi Group CEO Guglielmo Fiocchi. Headquartered in Milan, Italy, Sogefi Group is a leading global supplier of original parts for the automotive industry.

Shortly after returning to the Mountain State, Governor Tomblin announced that Sogefi would invest \$20 million to expand the production line of its plant in Prichard, W.Va. The facility would add engine intake manifolds to its product line and 250 new jobs to its workforce.

Allevar Sogefi USA produces more than 5 million pumps and filters each year at their Prichard, W.Va., plant.



The Prichard plant, opened in 2004, was Sogefi Group's first manufacturing facility in the United States. West Virginia was a natural fit for the auto industry supplier, says Troy Thomas, plant manager for Allevar Sogefi USA.

"Our plant is well located geographically between the traditional automotive customer and supplier markets in Michigan and Ohio, and the newer markets in the southeast," he says. "Freight is a substantial part of our costs, so this is important."

The state's manufacturing heritage and work ethic contributed to the company's success and three expansions in the Mountain State.

"West Virginians still value manufacturing," Thomas says. "Our local workforce is excellent and truly interested in our company's success. As a native West Virginian, I take great pride in seeing my state's economic development activities at work in an exciting company like Sogefi."



Another member of West Virginia's automotive community hails from

Spain. Gestamp Automocion makes metal components and structural systems for the automotive industry worldwide.

Gestamp expressed interest in buying equipment housed in a former stamping plant in South Charleston. The facility had housed stamping operations for nearly four decades. After the operation closed in 2006, the Park Corporation used the opportunity to refurbish the 922,000-square-foot building.

Site owner Ray Park, the state, county and local leaders worked together to present the equipment, plant and local workforce as a more valuable package than buying and relocating the equipment alone. Gestamp agreed.

"The company, the city, county and state officials – everybody worked together," says Ignacio Pipio, plant manager, Gestamp North America. "We never imagined the state could close the deal in 21 days."

The company acted with equal efficiency in getting the plant up and running. In April 2012, Gestamp announced plans to move into the former stamping plant. The company committed to investing at least \$100 million and creating a minimum of 400 jobs in five years.

By October, Gestamp already had initial production lines in operation. Today, Gestamp employs nearly 300.

The decision to choose West Virginia was driven by three advantages, says Pipio: an existing facility in immaculate condition; strategic location; and quality workforce.

"West Virginia is in the middle of our operations in North America," he says. "We have two plants in the north and three plants in southern states. We are equally close to our suppliers and to our customers, located primarily in Kentucky, Alabama and South Carolina."

The plant blends traditional and new technologies: cold stamping and hot stamping.

In the next five years, the South Charleston plant will become the largest hot stamping Gestamp facility in America," he says. "We have the space, the talent and the attitude."



Gestamp West Virginia supplies automotive components to leading automotive manufacturers.

# Big Planet, Big Opportunity

WEST VIRGINIA BUSINESSES TAP THE POTENTIAL OF CROSS-BORDER TRADE

by Courtney Sisk



More than 70 percent of the world's purchasing power is located outside the United States,

but many smaller businesses are so busy running their day-to-day operations they don't consider their export potential. Company leaders often think exports are too much trouble or don't know about help that is available.

Exports can be profitable for businesses of all sizes. On average, sales grow faster, more jobs are created, and employees earn more at firms that export than those that do not. And helping companies grow by selling internationally is important to West Virginia's economy.

West Virginia exports are big business for the state. Annual exports now top \$8 billion, having more than tripled in the past 10 years. Top exports include coal, plastics and chemicals, and machinery and components for medical, automotive and aerospace applications.

West Virginia has hundreds of globally engaged companies that have used exports to increase their sales and profits, reduce their dependence on domestic markets, and contribute to the state's economy.

And there's still an enormous export growth potential for West Virginia companies, given that 96 percent of the world's consumers live outside the U.S. Tapping that market will be crucial to the state's economic growth in the coming decades.

"Exporting can be intimidating and challenging, especially in the beginning, which is why we have a variety of tools and programs to make the ride smoother," says Enybe Diaz, an international trade representative with the West Virginia Development Office. "We can help you target the right markets for success, save you time and money by helping promote your products, and reduce your risk by helping you do business with only reliable international partners and with the right payment tools."

In the past five years, the Development Office's Export Promotion Program has led missions to 11 countries. Recently, the office worked with six West Virginia companies that participated in a trade mission to Bogota, Colombia. While there, the West Virginia



delegation met with potential buyers and other partners to further develop their global business. While several of the companies had ties to other parts of South America, Colombia was a new market for them to explore.

"Less than three weeks after we returned, a Colombian company that met with two of our participants visited West Virginia and saw their facilities firsthand," says Caitlin Ashley, an international trade representative with the Development Office. "Those West Virginia companies are already planning their return visits to Colombia in 2014. It's this commitment to the process that creates global success."

The U.S. Commercial Service, the trade promotion arm of the U.S. Department of Commerce's International Trade Administration, works hand-in-hand with the Development Office to help companies launch or increase sales in global markets. Over the past two years, their Export Assistance Centers have counseled and provided other services

to about 250 West Virginia businesses, most of them small- or medium-sized employers. This generated nearly \$40 million in new international business in 39 countries.

The Commercial Service's international trade specialists visit clients in every corner of the state, across all industries, taking the time to learn about the clients' products and services, understand their needs and knowledge gaps and to help offer solutions for achieving more international sales.

"The state of West Virginia has one of the best export promotion programs in the country. The U.S. Commercial Service here in the state has been very lucky to have a partner such as the West Virginia Development Office to work with," says Leslie Drake, director of

the U.S. Commercial Service in West Virginia. "We often partner on our export education events and work together on trade missions."

West Virginia's team has extensive expertise in market selection, trade financing, shipping, and freight forwarding options and U.S. trade regulations.

Each year, Governor Earl Ray Tomblin recognizes West Virginia companies that have successfully broken into the global export market. This year, he recognized TROY Group, Petitto Mine Equipment, Wheeling Truck, Cyclops Industries, and Eagle Research Corporation. These are just a few examples of West Virginia companies producing high-quality, U.S.-made products that are in demand around the world.



Enybe Diaz (left) and Caitlin Ashley, international trade representatives from the West Virginia Development Office, lead export trade missions and work closely with West Virginia companies, assisting them in opening international markets for their products.

## TROY GROUP, INC.

Last year marked a half-century in business for TROY Group, Inc., a worldwide leader in the printing and management of security documents.

In 1975, the company designed the checkstill used by the U.S. Treasury, Army, Navy and Air Force for payroll, retirement, and other benefits. TROY introduced the first desktop laser check printer in 1986; the product quickly became popular with branch banks and insurance companies. In 1993, TROY opened its current toner manufacturing facility in Wheeling.

This past year, TROY Group has enjoyed the fastest sales growth percentage in its history, having responded to the demands

of a global security market facing ever more sophisticated fraud and forgery methods. Today, TROY sells its products in more than 60 countries and has been awarded numerous patents for security toners, coatings and software.

“Exporting has challenged us to think outside of U.S. borders, sparking the creativity we need to compete on a global level,” says Jeffrey Lininger, vice president of sales and marketing.

“Our sales impact local, state, regional and national economies in terms of tax dollars, jobs and wages. As a worldwide leader in security printing solutions, the TROY name has become synonymous with quality and secure innovation in every market we’ve touched.”

The TROY Group, a worldwide leader in the printing of security documents, markets to more than 60 countries.

## WHEELING TRUCK

After entering the global market just four years ago, Wheeling Truck now has three full-time international sales representatives and is exporting to 90 countries. Initially, the company set out to export obsolete truck parts. “I figured they would be good for someone, somewhere. In the beginning, my mindset was only the U.S. market, but I thought some of these parts may be hard to find for certain customers,” says Chad Remp, operations manager. “So we posted them online. One of the options on the setup of our website was, do we want to accept international orders? We said, let’s give it a try and we’ll check the button and accept international orders.”

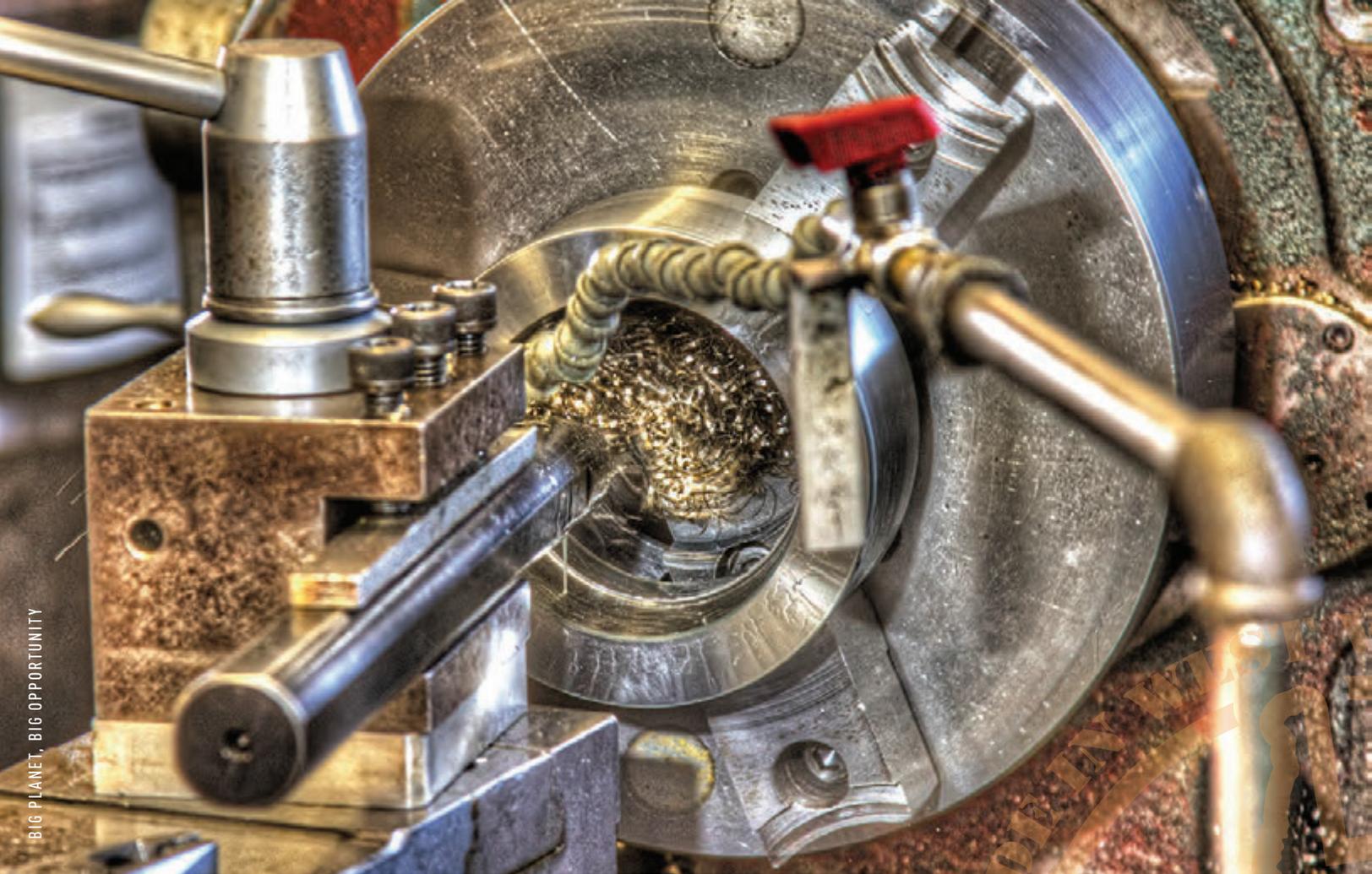
The amount of revenue Wheeling Truck receives from exported products is increasing at a very rapid pace. This year, Remp expects more than half of the parts the company sells to be shipped outside the United States.

“If you would have told me six years ago that we would be selling internationally, I would have found it hard to believe,” he says. “When we first started out, we thought maybe there would be some potential and some opportunities for sales, but I didn’t realize that we would expand so rapidly.”

Remp encourages other companies to not be afraid of selling internationally. “There are plenty of low cost, easy methods to try it out and see if there’s market potential for you.”

Chad Remp, operations manager of Wheeling Truck, leads a team that now exports to 90 countries.





Cyclops Industries' exports make up approximately 15 percent of the company's business.

## CYCLOPS INDUSTRIES

Cyclops Industries, based in South Charleston, has been keeping workers at local chemical plants safer since 1959, when Kim Mack's grandfather started the company. Cyclops' sight glasses allow products in process tanks and pipelines to be viewed in a safe manner.

In the 1980s, as companies around the world became more safety conscious, Cyclops saw a future in exports. Today, Mack estimates that exports make up approximately 15 percent of the company's business. She uses the U.S. Commercial Service to help expand into new countries.

"It's helpful if we're going to export to a country I'm not familiar with," Mack says. "I

get advice about whether it's safe to do so, and what the protocols are."

Mack is proud that her company plays a role in diversifying the state's economy.

"If the smaller companies like ours increase their income and their ability to export, that helps the state's bottom line even if there is a downturn in the major industries," she says. "Small businesses in West Virginia should realize that we have a lot of things we can do that big businesses can't. If you have something that is globally needed, or it's a niche product, gain the knowledge about exporting. With the help and resources we have here in the state, it's not a hard thing to educate yourself about how to export successfully."

## PETITTO MINE EQUIPMENT

Petitto Mine Equipment, of Morgantown, exports its products to Australia, the United Kingdom, Russia, South Africa, and, most recently to China. The company's longwall shield retriever is the only one of its kind manufactured in the United States. Just as its name implies, it retrieves longwall shields, which are roof supports utilized in the longwall method of coal mining. The machine is used to move the supports from one section of the mine to another.

Exports account for a large portion of the company's annual income, and company leaders credit the West Virginia Development Office for introducing them to the Chinese market.

"We first went to China with people from the Development Office, and without that trip we would not have gotten it done there," says Jim Petitto, company vice president. "We're just sending our first machine over there now, and we expect demand for further sales to increase rapidly."

Caitlin Ashley of the Development Office was part of the team that helped Petitto in China.

"Before the first piece of equipment left West Virginia for China, I went to see it at the company's headquarters. It was really rewarding for both the company owners and me to celebrate this accomplishment together," she says. "It was also gratifying to watch the company's employees put some of the finishing touches on the machine, to know that these individuals have a job because

of their management's commitment and dedication to exporting."

"Particularly for a smaller company like ours, when you can utilize government agencies and get exposure at trade shows and expos, it's priceless," says George Marshall, a member of the company's management team. "You have the opportunity to share your booth with other companies that are in a similar industry, and it's a team effort. It's a great asset."

## EAGLE RESEARCH CORPORATION

Eagle Research Corporation was formed in 1976 and is headquartered in Hurricane. The company specializes in the manufacturing and design of electronic instrumentation for the natural gas industry, water and wastewater companies, and other utility segments. Eagle exports to 18 countries, including Taiwan, Mexico, and Colombia.

"Exporting has become a significant avenue for increasing market share and revenue streams," says Jim Butch, president of the company. "Any company not currently exporting should look into it as a way to grow. Small companies can export without significantly increasing overhead." These companies are just a few examples of the West Virginia businesses that are exporting high-quality, U.S.-made products that are in demand around the world, with the help of export professionals in the state. ■ E



# Global Business Gets Personal

by Courtney Sisk



Gov. Tomblin speaks with Braskem CEO Carlos Fadigas at a trade show in Dusseldorf, Germany, in October 2013.

**Every great deal starts with a great relationship.** And Governor Earl Ray Tomblin and First Lady Joanne Jaeger Tomblin understand that building great business relationships takes a personal touch. In 2013, the Governor and First Lady logged thousands of miles on two separate trade missions, with the same goal: to bring jobs and investment back to West Virginia.



The West Virginia Development Office's trade show booth has been taken to dozens of trade shows around the world, and offers visitors a glimpse into business in the Mountain State.

## MISSION: EUROPE

West Virginia's economic ties to Europe are deep and longstanding. The European market has been a key consumer of West Virginia products for decades. Today, more than 10,000 West Virginians are employed by European companies, and nearly a third of the goods exported from the state go to Europe.

Gov. Tomblin and Commerce Sec. Burdette meeting with prospective partners during the 2013 European investment mission.

In October, Governor Tomblin embarked on a 13-day European investment mission. The mission included stops in five countries: Spain, Germany, Switzerland, Italy, and France.

"Investment missions are an integral part of our global strategy. While I was in Europe, I was able not only to thank those executives whose companies already have operations in West Virginia, but also to meet with potential investors and tell them all the great things West Virginia has to offer: our strong economy, pro-business incentives and strategic location," Governor Tomblin says. "These face-to-face meetings are indispensable to bringing international investment and good-paying jobs to our state."

Governor Tomblin's hard work in Europe paid off. Within weeks of returning home, he joined Italy's Sogefi Group in announcing an expansion of its auto parts plant in Prichard, Wayne County. The agreement, which will add at least 250 new jobs at the plant, was struck in France, where Governor Tomblin met with Sogefi CEO Guglielmo Fiocchi.



"When I met with Mr. Fiocchi, he praised West Virginia's hardworking people and his company's experience in the state," Governor Tomblin says. "Sogefi's decision to grow its Wayne County operation is a vote of confidence in all the things we've done to make West Virginia a great place to do business."

And Sogefi wasn't the only announcement to come on the heels of the trade mission. Soon after welcoming Sogefi's expansion, Governor Tomblin joined Brazilian conglomerate Odebrecht in announcing preliminary plans to build a new petrochemical complex in Wood County. The project, dubbed ASCENT, for Appalachian Shale Cracker Enterprise, includes an ethane cracker, three polyethylene plants, and associated infrastructure for water treatment and energy co-generation. The cracker



announcement followed a high-level meeting between Governor Tomblin and Odebrecht officials in Düsseldorf, Germany, at K 2013, the world's largest plastics trade fair.

The governor's itinerary also included several events designed to spark new interest in the Mountain State. At K 2013, which is held every three years and attracts thousands of exhibitors from around the globe, he was able to meet with dozens of potential investors. Governor Tomblin also participated in two other business-recruiting events: a luncheon at the Swiss-American Chamber of Commerce and the Vicenza Trade Association investment seminar.

This European swing was Governor Tomblin's second international mission. In June 2012, the governor led a similar mission to Japan. Shortly after his return, five Japanese companies announced a total of more than \$100 million in expansions of their West Virginia operations.



Gov. Tomblin and Commerce Sec. Burdette speak with Richard Northcote, Bayer MaterialScience's Head of Communications and Public Affairs during the 2013 European investment mission.

"The face-to-face discussions that we can have on these investments missions are simply invaluable," says Governor Tomblin.

## THE CHINA CHALLENGE

First Lady Joanne Jaeger Tomblin also made an international trip in October 2013, creating and maintaining relationships that will help West Virginia grow and thrive.

First Lady Tomblin and other representatives from Southern West Virginia Community and Technical College, where she is president, participated in the 2013 Coal and Mining Expo in Beijing, where the first lady represented West Virginia in the opening ceremonies. The expo is the largest coal mining exhibition in China and draws a worldwide audience.

This was the first lady's second trip to China to talk to coal operators about receiving hands-on training at Southern, which houses the Academy for Mine Training and Energy Technology. First Lady Tomblin helped develop the academy, which started in 2006.

"We had an award-winning training program



First Lady Joanne Jaeger Tomblin tours a coal liquefaction plant in China's Shanxi Province.



at Southern, and we wanted to help coal producers that needed training in the areas of rescue, management and communications. We didn't want to limit ourselves to the United States,"

First Lady Tomblin says. "We teamed up with Dr. Qingyun Sun, who is involved with the mine training program at WVU. He recommended that we go to China. In just one province, there are about 900,000 miners underground at any given time. That's a lot of people trying to do their jobs and stay safe."

The first lady initially visited the Expo in 2011, and talks held then led to the first group of Chinese trainees coming to the academy in 2012 for hands-on training.

"We have a simulated mine. We have simulators that teach people how to drive trucks, we have management training, and fire and rescue training," she says. "We have a great communications unit that lets us talk to

people all over the world. During the incident in Chile in 2010, we were on standby because we could have put our communications unit in a C-130 and flown to Chile, if they needed us."

During the 2013 trip to China, the representatives from Southern also attended a meeting hosted by officials of Shanxi Province. In August 2013, Southern signed an official agreement with Shanxi officials for students from their province to train at Southern's academy over the next four years. First Lady Tomblin doesn't think the deal would have been accomplished without that first step in 2011.

"If you want to do business with China, there's simply no substitute for being there in person," she says. "You can talk and text all you want, but when you sit down and express to them face-to-face what you can offer them, when you show what you can do for them, it



makes a world of difference. After you build those relationships, you can do some things via the Internet. But knowing people by name, knowing where they come from, I think that is the best thing you can do in any business or industry. The relationships we've built mean economic development for West Virginia. The people who come here for training stay in hotels, shop, eat out, and they're paying for training. So not only is it good for economic development, but we're also providing a lifesaving service to people who need it."

## W.VA. AND JAPAN: SENATOR ROCKEFELLER'S LEGACY

The Tomblins are the latest in a long line of West Virginia leaders to make international outreach a priority. Six previous governors undertook missions to Japan, beginning with current Senator and former Governor

Jay Rockefeller. Senator Rockefeller led a dozen trade missions to Japan and played a key role in attracting more than 20 Japanese companies to the state – companies that have invested billions of dollars and created thousands of jobs.

"I wanted to do something big for West Virginia that would create jobs and invest in the future of our state's economy. And I knew this would take a dedicated effort to find overseas business opportunities," Senator Rockefeller says. "So as governor, I did my best to put West Virginia on the map for global investment. Since we opened the West Virginia Development Office in Japan, we've seen it grow into many special and strong relationships with Japanese companies, including Toyota, Hino, Wheeling Nisshin, NGK, and Kureha, among others. I am grateful to our Japanese partners for their investments in our economy and workforce,

and contributions they've made to our communities. We know from our experience with the Japanese business community that West Virginia can be – and will be – competitive in the global economy. I remain committed to this effort."



Sen. Jay Rockefeller (left) and then-West Virginia Gov. Gaston Caperton (right) with Toyota Motor Company's President Hiroshi Okuda at the opening of the Toyota plant in Buffalo, W.Va., May 9, 1996.





Commerce Sec. Keith Burdette speaks with prospective business partner at JSAE Automotive Trade Show in Japan. May 2014.

## SEALING THE DEAL

International investment in West Virginia is one of the state's great success stories in the past three decades. That hasn't happened by accident. Wherever there's a chance to bring good jobs to West Virginia, you can trust that the state's leaders will be there, whether it means a walk down the street or a flight around the world. That whatever-it-takes approach has landed billions in investments. And with the projects set in motion by the governor and first lady's most recent trade missions, the best may be yet to come. Because in business, there's no substitute for a personal touch. **E**

To thank him for his work, the Japanese government awarded Senator Rockefeller the Grand Cordon of the Order of the Rising Sun. The award, created in 1875 as Japan's first national award, praises Rockefeller's decades of promoting economic and cultural relationships between the two countries.

Senator Rockefeller also gave businesses already in the Mountain State a boost in the global marketplace. In 1993, he created the Discover the Real West Virginia Foundation, a private, nonprofit organization that aims to diversify West Virginia's economic base and give existing industries the tools they need to be competitive worldwide. Since then, the group has organized investment missions, helped companies develop an online presence, hosted summits featuring nationally known speakers and economic experts, and sponsored workshops for small business owners.



Gov. Tomblin presents his host, Dr. Shoichiro Toyoda, Honorary Chairman of Toyota Motor Corporation, with a West Virginia-made gift. May 2012.



Dr. William Riley leads a training program for Chinese officials at WVU's Center for Chinese Business.



West Virginia college and universities have established efforts to recruit international students and to send them home not only with high-quality educations, but also with positive attitudes toward the United States.

Dr. Clark Egnor, Director of International Programs for the West Virginia Higher Education Policy Commission, says there are many reasons to recruit and educate international students:

- Talent – skilled international students help bolster U.S. academic programs in fields ranging from medicine to literature to engineering to finance.
- Diplomacy – Many of the world's leaders were educated and trained in the U.S., which helps improve international relations. Dr. Egnor calls it "a soft diplomacy."
- Diversity – West Virginia has a low percentage of foreign-born residents, according to Dr. Egnor, so having a diverse student population is an opportunity for resident students to experience different ideas. "Exporters and multinational companies want to hire employees who are comfortable working with people from different cultures and countries. Students who were active in international organizations and activities in college have a little bit of an edge in getting a job with a company that deals with international customers."

According to the Institute of International Education, in 2012 West Virginia University had 1,744 international students, followed by Marshall University with 452, Concord University with 95, and Bluefield State College with 78.

WVU's College of Business and its Center for Chinese Business, established in 1994, have been working with international students for many years. They work to foster close relationships among academia, business and government in the United States and China for their mutual educational and economic benefit.

According to Dr. William Riley, chair of WVU's Department of Finance, WVU actively recruits students by holding sessions in Beijing and Shanghai each year. Once students arrive, WVU works hard to help them enjoy the full U.S. academic experience.

"Our services include airport pickup, orientations, assistance in finding housing, opening bank accounts and general introduction to campus. We have social functions that include international and domestic students. We also help find internships."

Marshall University has partnered with an international group called INTO, University Partnerships Limited, to help orient new international students. It offers opportunities for students to learn and better function in a college setting by improving their English

language skills and by increasing campus interaction between international and domestic students.

For pre-college-age Japanese students in West Virginia whose parents are employed here, the West Virginia Development Office and the West Virginia Department of Education have set up a Japanese International School held on Saturdays. Project Manager Hollie Hubbert says this is important as most Japanese companies send executives and their families to work in the United States for three to five years. "These schools enable children to continue to learn the Japanese language and other subjects so they can be reintroduced to their appropriate grades when returning to Japan," Hubbert says.

"International students help make our American students better prepared and more competitive in the international marketplace and the global economy," Dr. Egnor says. "It's good for the institutions and the state's economy as well."



"A more geographically diverse class is a richer class for both domestic and international students."

**Dr. William Riley, chair**  
DEPARTMENT OF FINANCE  
WVU COLLEGE OF BUSINESS



THE  
**JAPAN**  
OFFICE LOOKS AHEAD TO ITS  
**SILVER**  
ANNIVERSARY

*by* Leslie Fitzwater Smithson



West Virginia's Japan Office is in Nagoya, a city within the Chubu region, a major manufacturing area.

## While most states maintain trade offices in the Japanese capital of Tokyo, West Virginia does things differently.

In 1990, Governor Gaston Caperton directed the West Virginia Development Office to open a bureau in Nagoya, Japan, 161 miles southwest of Tokyo. Nagoya is located in the Chubu region, a major manufacturing area and home to NGK Spark Plugs and Toyota. Four years earlier in 1986, U.S. Senator Jay Rockefeller was formally introduced to Dr. Shoichiro Toyoda, then president and now honorary chairman of Toyota Motor Corporation. This introduction was the beginning of a decades-long friendship between the men and a successful business relationship between Japan and the state of West Virginia. Since 1989, every West Virginia governor, from Caperton to Tomblin, has visited Japan to continue building on the firm foundation put in place by Senator Rockefeller. These high-level meetings rightfully attract much media attention, and so does the day-to-day work of the staff of three in the state's Japan Office, who help keep a steady stream of investment and jobs coming to West Virginia. Now approaching its 25th anniversary, the Japan Office boasts a remarkable record in business recruitment.

# Atsuko Murayama

## Trade and General Affairs Manager

### WEST VIRGINIA JAPAN OFFICE

Atsuko Murayama began to understand the importance of teamwork as an exchange student at Cedar Crest College in Allentown, Pennsylvania. As part of a Japanese folk tale club, she and her cast-mates performed at local preschools and small community centers. During those experiences, Murayama learned to appreciate the cultural differences between American and Japanese societies.

“Japan is an island country and still a homogenous society, so it takes time to build up good relationships and cultivate business. West Virginians are very hospitable and welcoming and our Japanese clients are very appreciative of that,” Murayama said.

After graduation, Murayama wanted to maintain the strong connection she felt to the United States and eagerly accepted a position with the Japan office. Fifteen years later, Murayama considers her job a perfect match.

“The growing relationship between West Virginia and Japan in the areas of trade



and cultural and educational exchange are important successes of the West Virginia Japan office. The steady rise of Japanese investment in West Virginia during my time here has been very rewarding,” Murayama said. “I particularly enjoy working on the recruitment of business delegations to West Virginia. For companies to visit West Virginia and to see the state firsthand is a great way to promote West Virginia as an investment location.” Murayama added that in recent years, aerospace companies and groups interested in learning about opportunities in Marcellus Shale gas development have visited West Virginia as a result of the Japan Office’s efforts.



# Kazuyo Mizutani

## Deputy Director

### WEST VIRGINIA JAPAN OFFICE

Kazuyo Mizutani says respect and patience are key factors in working with Japanese companies. “In Japanese society everything takes a lot of time to get done, especially in the business sector.

For example, it took four years to bring NGK Spark Plugs to West Virginia. After the Japan Office was established, some people in West Virginia expected instant success. Others who were more familiar with the Japanese culture urged patience, and, in 1994, NGK Spark Plugs made announcement of its opening of the Sissonville facility.”

Mizutani, who has worked for the Japan Office for 20 years, says the Nagoya office receives quite a bit of local attention, not only because it is unique to the area but also because of the personal attention West Virginia’s governors and senators pay to the Chubu region. “The West Virginia Japan Office receives constant support from local government agencies and economic organizations, especially the Chubu Economic Federation and Nagoya Chamber of Commerce and Industry. We work closely on seminars, missions and various activities.”

The office’s location also puts West Virginia in the best place to recruit companies. “The Chubu



region, where Nagoya is located, is the center for the Japanese manufacturing industry. This area accounts for 20 percent of total Japanese manufacturing volume. Besides the automotive industry, the Chubu region is home to Japan’s machine tool industry, aerospace industry and electronic components and devices industry.”

After a company locates in West Virginia, the Japan Office’s work continues. “Aftercare is a major criteria Japanese companies value. When high-ranking officials such as the governor, senators and agency directors visit Japan, we arrange a meeting with company executives so they can personally show their appreciation to Japanese investors. We also host a reception and invite not only company executives but also working level staff. It is important to build and keep good relationships with all levels of employees within the companies.”



# Hollie Hubbert

## Project Manager, Asia Pacific

### WEST VIRGINIA DEVELOPMENT OFFICE

Another key member of the Japan development team works 6,786 miles away from Nagoya in Charleston, West Virginia.

Growing up, Hollie Hubbert says she always had a special interest in Asian food and culture.

Hubbert moved to Japan after earning her undergraduate degrees from The Ohio State University – a Bachelor of Science in Business Administration and a Bachelor of Art in Psychology with a focus on Industrial Organizational Psychology. She taught English for two years in Kagami-machi, a rural town on Kyushu Island, before returning to the States and settling in Seattle, Washington. In 2000, when the opportunity arose to work for the International Division of the West Virginia Development Office, with a focus on the Japan Office, Hubbert moved to Charleston.

Asked why the business relationship between West Virginia and Japan works so well, Hubbert said, “Japanese companies have high standards when selecting their locations. Attention to detail, timely responses, relationship building and good listening skills are important factors for recruiting companies, especially Japanese companies.”



Competition among states for Japanese companies is intense because Japanese companies tend to be good, stable employers. Hubbert credits long-term commitment to relationships and a deep sense of integrity in one’s work – traits valued in both Japanese and West Virginia cultures – as key factors in the successful relationship. “We spend so much time, in some cases years, getting to know companies, their products and their employees, and we continue to work with companies and their families after they locate in West Virginia.” Hubbert says the scope of those relationships doesn’t always fit into a nine-to-five schedule. Meals with families and attending family events like children’s graduation ceremonies are common. “I once dog-sat for an executive who moved to West Virginia. The Japanese companies’ members become our good friends.”



When asked which project she designates her greatest success, Hubbert has a difficult time naming just one. “Nippon Thermostat was my first project and it has been wonderful to watch them grow. Kureha’s biodegradable polymer keeps getting more exciting as new uses are discovered. I was so proud when NGK chose to consolidate its North American manufacturing in West Virginia. Hino Motors was a significant success for the state as we established a relationship more than five years before the project was announced. Everyone in the small town of Williamstown, in Wood County and in West Virginia state government worked diligently as a team to compete for the project, and Hino has more than doubled its employment since. Hubbert regularly travels to Japan.

Hubbert travels to Japan at least twice a year. Mizutani and Murayama travel to West Virginia at least once annually and sometimes more often when opportunities require their on-site presence. Despite distance and a 14-hour time difference, all say the operation runs smoothly, and credit advancements in communication technology for their ability to stay in touch with each other and prospective clients. ■

A worker helps craft one of the thousands of trucks that roll off Hino’s Williamstown, W.Va., assembly line each year.



Ryuichi Sakamoto joins wife Aya and sons Rei and Seiya for a fun family outing to a neighborhood playground.

## Around the World & Right at Home

### NIPPON TUNGSTEN EXEC FINDS WARM WELCOME IN WEST VIRGINIA

Ryuichi Sakamoto's career path swept him more than 6,700 miles from home, deposited him in a foreign land with a different language where he found himself in charge of building a new business operation from the ground up.

That was exactly what he'd always wanted.

Today, Sakamoto is president of Nippon Tungsten USA, which opened in Barboursville, West Virginia, in 2010. The company's parent, Nippon Tungsten Co. Ltd, manufactures a unique tungsten carbide rotary die used for cutting feminine, infant, and family sanity products. The American subsidiary resharpsens the carbide blades for U.S. manufacturers that use them.



Sakamoto, president of Nippon Tungsten USA, holds an NT Die Cutter resharpened by his company. The tungsten carbide rotary die lasts longer and cuts materials up to 10 times faster than conventional blades.

Sakamoto recalls his reaction when his company asked him — along with his wife and 4-year-old son — to move to West Virginia to set up Nippon Tungsten's first operation outside of Japan.

"It was one of the best moments in my life," he says. "Working abroad has been my dream since I entered the company. I had visited many countries on business and wished to live in the U.S. or Europe. My dream came true.

"My wife Aya was very supportive, even though she was pregnant with our second child at the time."

Sakamoto came to West Virginia two months before the arrival of his family and three Japanese employees.

"I was our pathfinder," he says. "I made many mistakes in both business and personal communications and then shared my know-how with them. Most of mistakes are related to my poor English accent. For example, I ordered iced tea at the burger shop, but got Hi-C instead. It was great challenge for me. I really enjoyed it, and that experience helped me to enter this new world."

The move to the U.S. was made easier with help from the West Virginia Development Office, Sakamoto says, which provided information about his new community and country.

"Moving went very smoothly," Sakamoto says. "But our biggest challenge was caring for our little son on the airplane during the flight. It took a day! The portable DVD helped."

The family's arrival in their new home was followed a few short months later by the arrival of their second son, born in Huntington. The older son began to attend pre-kindergarten not long afterward.

"For the first half of the year, he hesitated to go to pre-K because of the language difference," Sakamoto says. "But soon, he became the number one English speaker in my family. Sometimes my wife and I ask him to translate."

Multilingual skills are important in Sakamoto's work as well. Several of Nippon Tungsten USA's eight employees speak more than one language. With customers all over the world, the company often calls on its employees' abilities to speak

English, Japanese, Spanish, and Portuguese.

The friendly reception from West Virginians they've met have helped the Sakamotos feel like part of the community. Mr. Sakamoto has taken up golf and photography. Mrs. Sakamoto is learning to do needlework and has met new friends who share that interest. Their older son is learning to swim and is interested in football. They enjoy going to restaurants and public events with friends.

"My work has always been my first priority, and that is still true," Sakamoto says. "But the gentle pace of living here makes me think that other things are important to life as well. One of my favorites is 'kizuna' — which means emotional ties with someone — that kizuna with your family, your parents, families in your home country and friends will be stronger." **E**

# Old World Craftsmanship Finds a New Home

Why Europe's manufacturing elite  
are flocking to West Virginia

*by Catherine Zacchi*

Thousands of West Virginians are working internationally — right here at home.

That's possible because more than 80 companies from 16 European countries have taken advantage of West Virginia's favorable business climate and planted roots in the Mountain State. The companies represent a wide array of industries including chemicals, plastics, automotive, and construction.





## CONNECTING

The West Virginia Development Office's International Division works as the state's premier global sales department. They actively recruit European companies interested in opening or expanding operations in West Virginia.

The West Virginia Europe Office was established in 1999 in Munich, Germany, and has been based in Zurich, Switzerland, the financial center of Europe, since September 2013.

Angela Mascia serves as the Development Office's Europe project manager and the interim director of the International Division's Europe Office.

"Through our development activities in Europe – including trade shows, direct mail, and marketing trips – companies such as Pietro Fiorentini from Italy, Radox from Northern Ireland, and STOCKMEIER from Germany, have chosen West Virginia for their U.S. operations," says Mascia.

"Our goal is to engage potential European investment partners through a multifaceted approach, leveraging our strengths," she said. "We exhibit and participate in trade shows in Europe in our core sectors, including chemicals, polymer, automotive, metalworking and others. In preparation for any trade show in Europe or in the U.S., we canvass European exhibitors to assess their investment strategies for the North American market. If they participate in U.S. trade shows, they are targeting primarily U.S. customers and are likely interested in expanding their U.S. customer base."

STOCKMEIER Group built its first North American production facility STOCKMEIER Urethanes USA in Clarksburg, W.Va.

The International Division works closely with foreign direct-investment consultants and trade associations to establish contacts. They then organize investment missions to meet face to face with potential investors.

Investment missions last year included the 13-day European mission led by Governor Earl Ray Tomblin in October.

The response has been very positive. “Many European companies with North American customers consider opening manufacturing operations in the United States. Stateside manufacturing lets them reach their customer base here faster, save on transportation costs, and eliminate the disadvantage of an unfavorable currency exchange rate,” she says.

## COMPETING

Of course, West Virginia is not the only state actively recruiting European businesses.

“We have to compete in Europe every day in order to be competitive here in the United States,” Mascia says. “West Virginia is a small state and is not as well known internationally as some others, but we proactively promote our state in Europe on a daily basis. We are flexible, respond quickly and go the extra mile in accommodating the prospect’s needs.”

West Virginia offers advantages that interest many European companies.

“Our strengths include our low energy and natural gas rates, the competitive cost of doing business compared to other states and our expertise in the core sectors that we pursue in Europe,” Mascia says. “We have a qualified



Top right, ESSROC, in Martinsburg, is a part of the Italcementi Group based in Italy, global leaders in cement and building materials. The plant came online with the first test production in 2009.  
Bottom right, a piperack at Bayer CropScience in Institute.



Patrick Walsh, operations manager, in Proviron's 20,000-square-foot production facility in Friendly, W.Va.

and dedicated workforce. Companies like to know they can find the experienced and skilled people they need.”

West Virginia has attracted several successful European companies over the years, and Mascia expects continued growth in the future.

“We are currently working with several European companies considering West Virginia for their U.S. location,” she says. “Interest in U.S.-based business investments continues to rise among European companies.”

## BONDING

Several of West Virginia’s chemical companies have European ties.

Headquartered in Germany, Bayer employs more than 110,000 employees worldwide with major operations in Europe, North America, and Asia. West Virginia is home to two of their facilities. Bayer MaterialScience, in New Martinsville, was founded in 1954 and was the first polyurethane manufacturing plant in North America. Bayer CropScience, in Institute, manufactures some of the world’s leading crop protection products.

Bayer isn’t the only European company with operations in West Virginia. In 2003, German parent company STOCKMEIER Group built its first North American production facility, STOCKMEIER Urethanes USA, in Clarksburg. A CASE (Coatings, Adhesives, Sealants and Elastomer) urethane blender, STOCKMEIER Urethanes USA Inc. announced a multiyear expansion of its West Virginia operations.

Proviron is a specialty chemicals manufacturing company active in the field.

Parent company Proviron Industries NV began as an engineering office based in Belgium. The name Proviron combines the words “process” and “environment” highlighting the company’s focus on developing processes for environmental improvement.

In 1996, Proviron built a new 20,000-square-foot production facility on a two-acre site in Friendly, West Virginia.

“We are a toll manufacturer and distribute our parent company’s products in the North American Free Trade Agreement region,” says Patrick Walsh, operations manager at the Friendly plant. “Our end products are used in a variety of industries, such as automotive; consumer electronics; building materials, including insulation, paints and adhesives; and housewares such as carpeting and mattresses.”

West Virginia first came to the attention of Proviron through other companies that

had experience with both the state and Belgium. Proviron was attracted by the state’s quality workforce, competitive cost of doing business, strategic location within overnight trucking distance of half the U.S. population, and available transportation by highway, rail and river.

In 2004, the Friendly plant added 10,800 square feet for a warehouse, tank farm and maintenance shop, and purchased additional land to allow future expansion.

## GROWING

Saint-Gobain, headquartered in France, is a world leader in building materials and the parent company of Corhart Refractories, in Buckhannon, West Virginia. Corhart manufactures refractories for reinforcement and insulation fiberglass, specialty glass and container glass.

The Corhart facility was built in Buckhannon around 1962. In addition to Corhart, Saint-Gobain owns five other West Virginia facilities, including

“I laugh when people say that West Virginia is in the middle of nowhere. In fact, it’s centrally located to everywhere! In less than five hours, one can drive to Charlotte, Washington, Columbus, Cleveland, Cincinnati, and Baltimore.”

Jay Martin, plant manager  
CORHART





Chrome refractories for the reinforcement fiberglass industry, ready for firing, at the Corhart facility in Buckhannon.

CertainTeed Gypsum and four Norandex Building Materials warehouses.

“The Corhart operation was located in West Virginia because of proximity to natural resources, the availability of labor, and the Buckhannon community,” says plant manager Jay Martin. “Since then, it has nearly tripled from its original size because of the need to service additional markets and business demand.”

Martin joined Saint-Gobain in 1996, although he’d become acquainted with the company and West Virginia while in college. Saint-Gobain has an active technical affiliation with Rutgers, The State University of New Jersey, where Martin earned his doctorate in materials science.

“Working in a close-knit community for a multinational corporation has a way of expanding one’s world view,” Martin says.

“In the last 15 years, we have seen our customer base diversify geographically. Today, more than 50 percent of our manufacturing is exported to our customers all over the world. It is clear the world is no longer as small as it once seemed,” he says. “We have had to evolve and innovate to deliver the same value and service globally that we once delivered on

a local scale. We do this with the help and support of Saint-Gobain.”

Saint-Gobain’s global commercial network helps connect the Buckhannon plant more closely with its end customers and what they require. The corporation sets high standards for excellence in the areas of environmental stewardship, health and safety. The parent company supplies the fundamental tools to enable its business units to continually improve in those areas.

The international connection can also change one’s perspective on West Virginia.

“I laugh when people say that West Virginia is in the middle of nowhere. In fact, it’s centrally located to everywhere!” Martin says. “In less than five hours, one can drive to Charlotte, Washington, Columbus, Cleveland, Cincinnati, and Baltimore. We have a number of customers with sites or headquarters within this circle. Many of our ocean shipments come through East Liverpool, Ohio, or Norfolk, Virginia. West Virginia is close to many of our customers and close to transportation hubs. An added advantage for us is that West Virginia is still rich in resources – both its natural resources and its people.” **E**

# West Virginia Festivals Celebrate Ethnic Diversity

West Virginians are known for their hospitality — whether their guests come from around the corner or from across the globe. The Mountain State is home to a variety of ethnic festivals that bring together old traditions and new audiences. Here are a few examples of these truly unique West Virginia experiences.



## MAHRAJAN

Lebanese-American culture and heritage are showcased every August in Wheeling at Mahrajan. This festival draws thousands of visitors from a variety of ethnic groups, who organizers say are all “welcome to be one of our families.” Mahrajan was started in 1933 as a fundraiser to rebuild Our Lady of Lebanon Church, which had suffered extensive fire damage the previous year. Although the church has long since been restored, the celebration of Mahrajan continues to this day.

The one-day event begins with the celebration of Mass, followed by a meal of traditional Lebanese food, including stuffed grape leaves, cabbage rolls, gyros, falafel and hummus. Live Middle Eastern music and dance performances round out the afternoon. Mahrajan is held at Oglebay Park. For more information, visit [www.ololwv.com/mahrajan.htm](http://www.ololwv.com/mahrajan.htm).

## ST. GEORGE GREEK FESTIVAL

Huntington’s St. George Greek Festival brings a touch, and definitely a taste, of Greece to the Mountain State. The three-day event is hosted by St. George Greek Orthodox Church and features dancing, music and, of course, food. Visitors can opt for full dinners or dine à la carte. Choices range from roasted lamb, moussaka and Greek pizza to baklava sundaes and chocolate swirls with honey syrup. The European outdoor taverna atmosphere is perfect for sitting and sipping Greek beer and wine, or Greek coffee, which is served either hot or iced.

Tours of the church are available, and the festival’s gift shop features genuine Greek items. The event is held each fall in Huntington. Visit [www.stgeorgehwv.org/festival](http://www.stgeorgehwv.org/festival) for more information.

## ITALIAN HERITAGE FESTIVALS

West Virginia’s Italian-American population celebrates its heritage, culture and food through a variety of festivals.

- The Upper Ohio Valley Italian Heritage Festival is the largest Italian Festival in West Virginia and the second largest in the United States. The festival takes place each July. For more information, visit [www.italyfest.com](http://www.italyfest.com).
- The West Virginia Italian Heritage Festival takes place in Clarksburg each summer. Visit [www.wvihf.com](http://www.wvihf.com) for more information.
- The Bluefield Auditorium hosts the Southern West Virginia Italian Festival each fall. Events include a buffet with homemade spaghetti and meatballs, musical entertainment, crafts and baked goods. Visit [www.sonsofitalyww.com](http://www.sonsofitalyww.com) for details.
- Fairmont’s Feast of the Seven Fishes Festival takes place each year on the second Saturday of December. Everyone is welcome to enjoy this traditional Italian Christmas Eve celebration that features food, music, shopping, cooking demonstrations and more. For more information, visit [www.mainstreetfairmont.org](http://www.mainstreetfairmont.org). 



Wheeling’s Mahrajan festival draws thousands of visitors each year.

# CHARLES TOWN

## Historic charm meets progressive growth

Charles Town, the seat of Jefferson County, is about as far east as you can go and still be in West Virginia. Although small in size with a population of about 5,000, it is included in the Washington, D.C. metro district.

Charles Town was founded in 1786 by Charles Washington, the youngest brother of George Washington. Charles' home, The Happy Retreat, is still there.

The trial and execution of John Brown, the famous abolitionist whose raid on nearby Harpers Ferry sparked the Civil War, was held in Charles Town. Two of the three treason trials ever held in the United States were conducted here.

The town's architecture reflects its history, with landmarks, structures, house museums, battlefields, and historic districts available for cultural tourists.

Using the  
**PAST** to build  
the **FUTURE**

by Hoy Murphy

Charles Town and Parkersburg – two cities on opposite ends of the state – have taken ownership of their past accomplishments and pride in their unique historic significance, and are using them to prepare for future economic development and community growth.

Both are West Virginia ON TRAC communities, exploring methods for increasing their capacity for downtown commercial district revitalization.

And while they are continuing to hold dear to what was, they are just as excited about what is to come.



"It has that quaint small-town feel which everyone is looking for when they're traveling, but still has all the amenities within minutes of the downtown area."

**Annette Gavin, CEO**  
JEFFERSON COUNTY CONVENTION  
AND VISITORS BUREAU

## TOURISM THRIVES IN CHARLES TOWN

"Tourism is economic development. Tourism is a job creator. One out of three jobs in our county is hospitality and tourism-related," says Annette Gavin, CEO of the Jefferson County Convention and Visitors Bureau. "It has that quaint small-town feel which everyone is looking for when they're traveling, but still has all the amenities within minutes of the downtown area."

Gavin cites a 2012 economic impact study that shows tourism is a \$959 million industry for Jefferson County. "No other county in the state comes close to that," she says.

"Our location makes us prime for travelers from northern Virginia and Washington, D.C. We are able to capitalize on one of the best markets in the country."

"Charles Town also is located strategically to Harpers Ferry National Park and the Shenandoah and Potomac rivers, and it attracts day trippers, overnight tourists and outdoor

adventurers as well as visitors to the Charles Town Races and Hollywood Casino," says Christina Lundberg, center manager and business coach for the West Virginia Small Business Development Center (WVSBDC) of the Eastern Panhandle.

"The city has spent money to redo downtown with sidewalks, pedestrian crosswalks and no parking meters," Lundberg says. "The post office is still downtown, along with major banks, ethnic restaurants and grocery stores, retail and service businesses and an artisan outlet at the downtown Visitors Center."

**Christina Lundberg,**  
center manager/business coach  
WEST VIRGINIA SMALL BUSINESS  
DEVELOPMENT CENTER OF THE  
EASTERN PANHANDLE



# CHARLES TOWN

## WVSBDC HELPS NEW BUSINESS STARTUPS

WVSBDC provides services and advice to people attempting to start up or expand small businesses. Bob Marggraf, a business coach with the WVSBDC center in Berkeley Springs, has several clients in Charles Town.

"The WVSBDC provides the full set of services, from training sessions to in-depth coaching for businesses seeking capital for expansion, to development of a strategy to support the growth of the company," Marggraf says. "Charles Town's proximity to D.C., northern Virginia and Maryland provides some unique market opportunities to a demographic not easily available in other parts of the state."

Tom Keifer and his wife Linda Losey worked with Marggraf to establish Bloomery Plantation Distillery. Their business makes fruit cordials by mixing and aging spirited liquor products with fresh fruits, roots, nuts and cane sugar. What started as production of a traditional Italian liqueur known as limoncello has grown to include nine flavors that are now available in liquor stores, bars and restaurants across West Virginia, with plans to expand.

"We set up in Charles Town because of its very favorable business climate," says Rob Losey, sales manager.

"We found 12 acres where we can grow our own raspberries, lemons,



Bloomery Plantation Distillery has expanded from one liqueur to nine over the past two years, mostly using local produce to create their distinctive flavors.

ginger, and pumpkins. In the eastern panhandle there also is a great tourist climate with our close proximity to metropolitan areas."

Doug Vaira also worked out a business plan with WVSBDC that helped him open his restaurant, Dish. Vaira describes Dish as a full-service restaurant that is "casually elegant."

"Our niche has been working with local farmers and ranchers and beer brewers and coffee roasters to feature not only what's available locally but also what's available seasonally, and that helps support the local economy," Vaira says. "I see Dish as an incubator piece that attracts other businesses to locate or relocate to the town. So, instead of going somewhere a little more expensive, people might say 'Let's go to Charles Town where the rents are affordable, there's a population and it has a viable business environment.'"

## GETTING ON TRAC FOR MAIN STREET STATUS

The West Virginia Development Office administers two federal programs which provide resources for the revitalization of downtown communities. The first program, ON TRAC is a stepping stone for the second program, Main Street. Both programs provide technical assistance to help downtown areas capitalize on their history. These programs have been a vital component of economic development for tens of thousands of communities nationwide. Charles Town is currently a part of ON TRAC program.

Ann Paonessa, the ON TRAC liaison for Charles Town, says the city is on its way to becoming a part of the Main Street program.

"Most of the members of the board of directors and committees are local small business owners, downtown stakeholders, property owners, merchants and restaurant owners. The city has hired a consultant to put together a strategic overall economic plan."

## THE FUTURE – ALIVE AND ACTIVE

Charles Town is growing. In addition to the famous Charles Town Races and Hollywood Casino, the town also is home to the American Public University System, an online university that employs 600 people. A new 50-acre medical complex soon will be built within the city limits, bringing even more commercial growth and support for downtown businesses.

"We've been able to keep downtown alive and very active," says Charles Town Mayor Peggy Smith. "We sponsor activities like Third Thursdays in spring and summer. We also have concerts on Friday nights, anything to draw people to downtown. I see a very promising future for Charles Town." ■ E



Dish Owner, Doug Vaira, values local ingredients.



Peggy Smith, mayor CHARLES TOWN



Bob Marggraf, business coach WEST VIRGINIA SMALL BUSINESS DEVELOPMENT CENTER

# PARKERSBURG

## A history of looking forward

Parkersburg's history began in the late 18th century, when it was called Newport, appropriate for its location at the confluence of the Little Kanawha and Ohio rivers. It was renamed Parkersburg in 1810 for Alexander Parker, who owned the land on which the city was built. It was chartered as an official city in 1860.

Parkersburg has progressed while always keeping an eye in the rearview mirror to preserve its history. Museums include the Blennerhassett Museum of Regional History, the Oil and Gas Museum and the Henry Cooper Log Cabin Museum. Blennerhassett Island Historical State Park brings thousands of visitors to the restored 18th century mansion of Harman and Margaret Blennerhassett.

Parkersburg is the seat of Wood County with a population of more than 31,000. In the late 1900s, the once-booming downtown retailers gradually migrated to shopping areas outside the city. However, efforts are underway to restore the downtown area by embracing its history.

## ON TRAC TO RESTORE DOWNTOWN

Parkersburg is an ON TRAC (Organization, Training, Revitalization and Capacity) community, helping the city prepare to attain Main Street designation with a goal to boost economic and community growth. Parkersburg's ON TRAC organization is called Downtown PKB.



Carrie Nesselrode,  
executive director  
DOWNTOWN PKB

"Tourism is a significant part of the local economy."

Mark Lewis,  
president and CEO  
GREATER PARKERSBURG  
CONVENTION AND  
VISITORS BUREAU



"Our economic restructuring committee surveyed downtown businesses and found that 6,000 - 7,000 people travel through downtown each day," says Carrie Nesselrode, executive director. "We have a lot of city, county and state government employees who work downtown and large service institutions like Highmark and United Bank. We asked people what would bring them back downtown. Some things we are already doing, like Taste of Parkersburg and the four-times-a-year concert series at Point Park. We're also looking for investors to convert upper floors of commercial buildings into loft-type living spaces."

## TOURISM THAT DRAWS ON THE PAST

"Tourism is a significant part of the local economy," says Mark Lewis, president and CEO of the Greater Parkersburg Convention and Visitors Bureau. "According to new numbers from the Dean Runyon Study, direct spending for 2012 was up from \$116 million in 2010 to \$124.5 million in 2012. Tourism-related jobs, taxes and other revenues also increased. We think that trend will continue."

Attendance at Blennerhassett Island Historical State Park went up 10 percent in 2012. The recent boom in oil and natural gas production also has fueled interest in the city's Oil and Gas Museum, which chronicles the first post-Civil War boom.

"We also have beautiful outdoor and recreational areas at nearby Mountwood Park and North Bend State Park," Lewis says.

Parkersburg city councilwoman Kim Coram co-chairs the Mayor's Bicycle Advisory Council, whose goal is to make Parkersburg a bike-friendly community with a formal designation by the League of America Bicyclists. She believes recalling the days when bicycles and horses were the primary mode of transportation will become a big part of the downtown's future.

"Studies show that bicyclists and walkers spend more money per mile than users of any other form of transportation," says Coram.

The Bicycle Council sponsors monthly events like "Tweed Ride and Walk," a national activity that involves bike riders and walkers dressing up in old-fashioned tweed as they did in the early 20th century.

Kim Coram, co-chair  
MAYOR'S BICYCLE ADVISORY COUNCIL



# PARKERSBURG

## DIVERSE ECONOMY

Parkersburg's future is tied to the overall economic health of Wood County. Its diverse economy is one of the area's greatest strengths, according to Cam Huffman, president and CEO of the Wood County Development Authority and Area Roundtable, which includes many leaders from the business communities.

"Our industry and small businesses are supported by a strong workforce and education system," says Huffman. "Not only are we situated on the Ohio River, but also the transportation system includes CSX rail and a major east-west highway – U.S. Route 50 – and the north-south I-77 highway system. West Virginia University-Parkersburg is the state's largest community and technical college and the only community college in the state to provide baccalaureate degrees. The Area Roundtable has helped organize financing on several major projects."

Huffman says the future looks incredibly bright, as Wood County recently was selected for the largest single industrial development in the state's history. Brazilian company Odebrecht announced it will be exploring the building of an ethane cracker and three polyethylene plants in the Washington area of Wood County.



Gerald Moore credits Parkersburg's "down-home atmosphere and word of mouth" with the success of his Third Street Deli over the past 21 years.

**"Our industry and small businesses are supported by a strong workforce and education system."**

**Cam Huffman**, president and CEO  
WOOD COUNTY DEVELOPMENT AUTHORITY  
AND AREA ROUNDTABLE

## SMALL BUSINESSES – A BIG PART OF THE FUTURE

Local leaders hope new and expanding area businesses will spread to downtown Parkersburg, as they have in the past.

Gerald Moore, the president of Third Street Deli in nearby Marietta, Ohio, was enticed to expand his restaurant business to Parkersburg when the opportunity turned up for a retail space on a street that shared the Third Street name.

"We agreed to do it and we've been here 21 years," says Moore.

Marilyn Plum's Corner Café at Matheny Motors has been in three locations over 40 years, always on a corner. The last move in 2013 was into an empty auto showroom on Third and Ann Streets.

"People come in to get their cars worked on, then they come over and eat with me, then they look around at the cars on the lot," Plum says. "They told me when I moved here I couldn't sell pies. I am now up to almost 60 pies a week."

Carrie Nesselrode of Downtown PKB believes a healthy downtown is the heart of Parkersburg.

"We know we're never going to have that 1960s opportunity again. We lost that retail aspect when the malls were built. But because of the service-oriented businesses that have stayed downtown, there are a lot of community-minded businesses and local people who are thriving. When you walk down the street and take time to talk to people, you understand that Parkersburg has a lot to offer." **E**



Corner Café owner, Marilyn Plum disputes claims that downtown Parkersburg is dead.



## W.Va. Commerce Secretary reports **SUCCESS** from Japanese investment mission

The state's investment mission to Japan was a success, reports Commerce Secretary Keith Burdette.

Key objectives of the mission included maintaining relationships with companies already investing in the state and establishing connections with prospective new investors. Japanese companies have invested more than \$2.1 billion in the state's economy and currently employ nearly 2,500 West Virginians.

West Virginia officials met with executives of companies with operations in the state, including KS of West Virginia; Diamond Electric; Toyota; Sanko Electronics; NGK; Kureha; and Nippon Thermostat.

Several of the companies joined the state in exhibiting at the 2014 Automotive Engineering Exposition, May 21-23, in Yokohama. Participants included Diamond Electric, Nippon Thermostat and Toyota. KS of West Virginia exhibited in its own booth neighboring West Virginia's.

On May 15, the Development Office partnered with the Chuokeiren (Chubu Economic Federation) to organize a seminar featuring Millie Marshall, president of Toyota Manufacturing West Virginia in Buffalo, as the head speaker. Her presentation titled "Opportunities for Women in Manufacturing" attracted more than 80 industry representatives from the region.



Commerce Sec. Keith Burdette, Charleston Area Alliance Pres. Matt Ballard, and Deputy Dir. of the W.Va. Japan Office Kazuyo Mizutani meet with Sanko Electric in Nagoya, Japan.

## Permit requests move plans for cracker plant forward



**ASCENT**  
Appalachian Shale  
Cracker Enterprise

The company studying the feasibility of building an ethane cracker facility in Wood County has applied for two permits. The Appalachian Shale Cracker Enterprise LLC (ASCENT) has submitted two environmental permitting documents to the West Virginia Department of Environmental Protection. The air quality permit and the application to evaluate the property under state's Voluntary Remediation Program represent an administrative step forward in the study process.

ASCENT is a subsidiary of Odebrecht, based in Brazil. In November 2013, Odebrecht announced plans to consider building a cracker plant and three polyethylene plants in Wood County. Shortly thereafter, the company purchased 363 acres near Parkersburg.

A cracker plant breaks natural gas into valuable components such as ethane, methane, propane and butane. Ethane can be converted into ethylene, a key ingredient in consumer and industrial products.

If the company decides to undertake the project ASCENT is expected to generate thousands of jobs in construction, hundreds of jobs in operating the completed plant and hundreds more in chemical and manufacturing plants that use the separated components.

## West Virginia launches nation's first incubator dedicated to chemistry

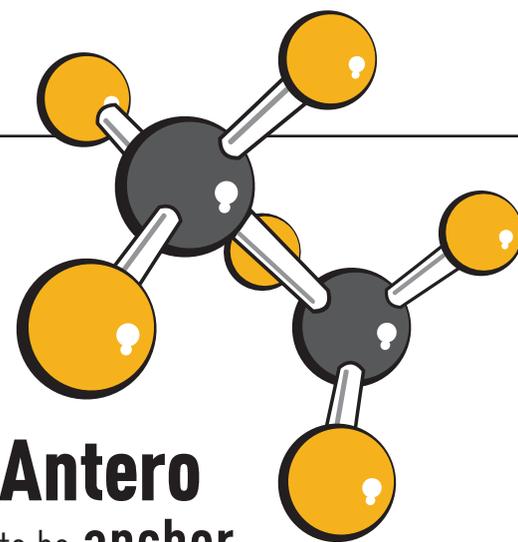
ChemCeption – the nation's first incubator focused solely on commercializing chemistry-based technology – is now officially open in West Virginia. The new incubator operates from the West Virginia Regional Technology Park in South Charleston.

ChemCeption's mission is summed up in its tagline "Bringing Chemistry-Based Technologies to Market." The incubator serves as an innovation hub for researchers, entrepreneurs, startups, and small companies wanting to market innovative technologies or products involving chemistry, from traditional to green, water to plastics, biotechnology to energy and more. The ChemCeption project was led by the Chemical Alliance Zone. Strategic partners include TechConnect West Virginia, the Tech Park, Charleston Area Alliance the Mid-Atlantic Technology, Research & Innovation Center, INNOVA Commercialization Group, West Virginia Small Business Development Center, West Virginia University, Marshall University, the Higher Education Policy Commission, and Robert C. Byrd Institute for Advanced Flexible Manufacturing.



ChemCeption launch event speakers and participants, including leaders from member companies, gather in front of ChemCeption logo. The participants are (left to right): Anne Barth, executive director, TechConnectWV; Jon Pauley, president and chief commercialization officer, PolyPlexx LLC; Alexander Oliferenko, president & chief science officer, EigenChem Technologies Inc.; Keith Burdette, Secretary of Commerce, State of West Virginia; Kevin DiGregorio, executive director, CAZ and director, ChemCeption; Greg Babe, president and CEO, Liquid X Printed Metal Inc.; John Taylor, chief technology officer, Liberty Hydro, Inc; and John Sawyer, director of operations, SGA Polymers, LLC.

*Photo courtesy of Chemical Alliance Zone (CAZ)*



## Antero to be anchor ethane supplier for proposed cracker plant in Wood County

Antero Resources announced it has signed an agreement to become the anchor ethane supplier for the proposed Appalachian Shale Cracker Enterprise (Ascent) petrochemical complex in Wood County.

In November 2013, Odebrecht announced it will explore the development of a new petrochemical complex in Wood County. The Ascent complex would include an ethane cracker, three polyethylene plants, and associated infrastructure for water treatment and energy co-generation. A purchase option on the anticipated project site in Parkersburg has already been secured.

The ethane supplied by Antero will be utilized by Odebrecht to manufacture polyethylene, one of the key resins used in the production of plastics products. The Colorado-based Antero Resources has offices in Bridgeport and Ellenboro and operates multiple drilling rigs in West Virginia.

## INNOVA and WVJIT invest \$200,000 in Morgan County startup Mighty Tykes

INNOVA Commercialization Group, (INNOVA®), and the West Virginia Jobs Investment Trust (WVJIT) are investing \$200,000 into Mighty Tykes™ LLC. The startup company in Berkeley Springs makes colorful child-sized wrist and ankle weights specially designed to help build strength in children aged six months to three-years who suffer from muscle weakness. Inventor Isabella Yosuco originally created the miniature weights to help her own son when he was diagnosed with hypotonia (low muscle tone).

INNOVA is an initiative of the West Virginia High Technology Consortium Foundation (WVHTC Foundation).

INNOVA provides early-stage investment capital to support commercialization efforts. Co-investor WVJIT is the state's venture capital fund, created to help qualified West Virginia small businesses that have an opportunity to grow.

## Noble Energy invests \$250,000 in new college oil & gas program

With a one-time donation of \$250,000, Noble Energy became a funding partner in the West Virginia Community and Technical College System's (WVCTCS) new Appalachian Petroleum Technology Training Center. The Appalachian Petroleum Technology Training Center is housed at Pierpont Community and Technical College and West Virginia Northern Community College.

Through the program, students may receive certifications, degrees and company internships.

The WVCTCS program is one of only 14 in the nation.



Noble Energy presents a check to Gov. Earl Ray Tomblin (center) to symbolize its \$250,000 investment in the new Appalachian Petroleum Technology Training Center

## Toyota Motor Manufacturing announces

# \$90 million

## expansion at Buffalo plant

Toyota Motor Manufacturing of West Virginia (TMMWV) is investing \$90 million in its Buffalo plant and creating about 80 jobs. This investment makes the eighth expansion of the Putnam County facility since it opened back in 1996. TMMWV will increase 6-speed automatic transmission assembly and machining by 20,000 per month by early 2015.

In May 2013, TMMWV celebrated a milestone: the production of its 10 millionth powertrain unit. The Buffalo, W.Va., plant produces transmissions for the Avalon, Camry, Lexus RX350, Sienna and Venza. TMMWV manufactures 4-cylinder and V6 engines for Toyota operations in Indiana and Canada.

Currently 1,300 people are employed at the facility.

60



Carbonyx CEO Dr. Siddhartha Gaur (left) and Gov. Earl Ray Tomblin announce the company's plans to open a new plant in the state.

## Carbonyx to open Jackson County plant

Gov. Earl Ray Tomblin announced Carbonyx, Inc., a Texas-based company, will invest tens of millions of dollars in a new Jackson County plant, **creating at least 60 jobs**. The new plant will use state-of-the-art technology to produce a key ingredient for steelmaking and rely on coal as the main input for its manufacturing process, making it an important new customer for regional coal producers.

Carbonyx will use West Virginia coal to produce a key ingredient for steelmaking, which is in demand from major steel companies. The company has developed a coke substitute called Cokonyx, a carbon alloy that offers both lower cost and less environmental impact than traditional coke.

Carbonyx has acquired a site in Millwood, W.Va. and will commence construction once several key elements are finalized throughout the next several months.

## Rust-Oleum plans to open new facility, create up to 100 jobs, in Berkeley County

Rust-Oleum plans to open a new fulfillment/distribution center in Martinsburg. The new operation is **expected to employ 80-100 workers**. The company will lease 630,000 square feet of space in Shockey Commerce Center, the former GM building. The move will consolidate the company's distribution operation from its facility in Williamsport, Md. Manufacturing is expected to continue in Williamsport. The new development in Berkeley County will make the second operation the company has in the state, joining a factory in Lesage, Cabell County. Rust-Oleum is a leading manufacturer of protective paints and coatings for home and industry use.

100



Sogefi plant manager Troy Thomas discusses the company's line of automotive products with Gov. Earl Ray Tomblin and Commerce Sec. Keith Burdette

## Gov. Tomblin unveils Sogefi agreement to create 250 new jobs in Wayne County

Gov. Tomblin announced recently that Italy's Sogefi Group will **add at least 250 new jobs** in an expansion of its auto parts plant in Prichard, W.Va. The agreement was struck last month in France, where Gov. Tomblin met with Sogefi Group CEO Guglielmo Fiocchi during his European investment mission. With an investment of \$20 million, Sogefi will add engine intake manifolds to expand its Prichard product line. An intake manifold delivers the combustion air that powers an automobile engine. The plant, which opened in 2004, will continue to manufacture its existing line of integrated fluid filtration products.

250

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