We live in a dynamic and challenging global economy. I am astounded by how much has changed in the economy and how our clients do business during the nearly thirty years I have practiced law. Many of these changes offer significant opportunities for our clients and the bar, but also significant risks and challenges. The International Practice Section can play an important role in equipping members of the Virginia State Bar and their clients to excel in the global market.

Opportunities to conduct cross-border business are greater than ever. The Internet plays a vital role, not only as an invaluable daily communications and research tool, but also as an essential channel of commerce. Successful implementation of free trade agreements has reduced tariffs and other barriers and also provided a valuable marketing initiative to foster trade. Virginia and federal export promotion staff are providing one-on-one counseling, market research and matchmaking, and other invaluable support and assistance to businesses. Even “mom and pop” businesses are now frequently sourcing and selling globally, and indeed, small and medium-sized businesses account for 98 percent of U.S. exports, according to the U.S. Department of Commerce (USDOC). Global trade is a vital part of the U.S. economy, with exports totaling $2.19 trillion and imports totaling $2.74 trillion in 2012.

We should enthusiastically support transnational initiatives by our clients. Exports in particular are vitally important: every $1 billion in U.S. goods exported supports 6,000 American jobs; jobs supported by exports pay an estimated 13 percent to 18 percent more than the national average; and small businesses that export grow faster, pay higher wages, and hire more employees than those that do not. In addition, companies that export are nearly 8.5 percent less likely to go out of business than non-exporting companies, according to the USDOC.

The regulatory environment has become increasingly complex and the need for proactive business counsel is greater than ever. At the same time, I believe it is more difficult for us to cost-effectively deliver the excellence that our clients need and are entitled to. Our clients face U.S. and foreign compliance regimes, sometimes ill-suited for current business methods and channels. Coordinated global investigations and enforcement in antitrust and competition laws is occurring—even in traditional “cartel” countries. We also face myriad foreign transactional laws and many practical and cultural implications, not just the U.S. legal issues we are generally well-equipped to handle.

Virginia’s significance to the global market remains vital. I believe Virginia lawyers bear a greater burden than those in some other states and this is an opportunity for the Virginia bar and the members of the International Practice Section. Virginia’s exports in 2012 totaled $18.2 billion, qualifying it as one of twenty-nine states to set records in 2012 for exports, and contributed to an increase in U.S. jobs supported by exports to 9.8 million—an increase of 1.3 million jobs since 2009. Virginia is ranked 26th in total state exports as of 2012. Agriculture exports from Virginia in 2012 reached an all-time high at $2.61 billion, exceeding the previous record by almost 12 percent. Top destinations in descending order were: China (more than $638 million), Canada (more than $205 million), and Morocco ($139 million). The most recent foreign investment figures released by the International Trade Administration in February, 2013, indicate that foreign-controlled companies employed more...
than 140,800 Virginia workers in 2010 and were responsible for 4.8 percent of the state’s private-industry employment that year.

Now more than ever, our clients require proactive and specialized advice from us to survive and excel. Because of the dynamics of the global market and the rate at which change can occur, even being an effective issue-spotter has become a team sport. Given the broad range of issues that our clients face every day from an international transactions and compliance perspective, it is a daunting task for lawyers even in large, multi-specialty practice groups to stay ahead of their clients’ needs.

The International Practice Section is here to help, not only by equipping the specialists among us to excel by providing valuable content through CLEs and publications such as the current Virginia Lawyer, but also providing Virginia lawyers with programs intended to effectively integrate our respective expertise and a network through which to find the experts we need to cost-effectively serve our clients.

Our section was organized in 1978. We have provided CLEs in prior years, including programs at the annual meeting in cooperation with other sections. This year we have expanded this effort by co-sponsoring programs with the International Practice Section of the Washington, D.C. Bar and the American Bar Association. We also are offering three major CLEs:

• Spring, 2013 with Virginia CLE:
  ° Export Regulatory Essentials for Business Lawyers
  ° Tools for Success In International Sales Intermediary Contracts and Dispute Resolution

• Annual Meeting, VSB: Export Controls Essentials for Every Business Lawyer

While every member of our board is an important contributor and is identified on our section’s website, http://www.vsb.org/sections/in/index.html, I want to acknowledge and thank particularly Chuck McPhillips for serving as chair/editor for our contributions to this issue of Virginia Lawyer; Geoff Goodale for the key role played in our partnering with the D.C. International Section and serving as our liaison with them while faithfully serving as treasurer and a speaker at two of our upcoming CLEs; Melissa Stear Gorsline, who has set a very high standard for the next secretary while exhibiting great patience and diplomacy in keeping me on top of section deadlines, and for speaking at one of our upcoming CLEs; and Susan Kovarovics (vice chair and speaker at two of our upcoming CLEs) and long-time board member Jeff Talbert for their enthusiasm and work for the section.

I am honored and pleased to serve as chair this year and as a board member for quite a few years with some great colleagues.

Please let us know how the IPS can help you. We welcome suggestions for CLE and newsletter topics or requests for assistance in locating our expertise. Most importantly, we urge you to become an active member of the section, utilize this valuable networking opportunity, and help us increase our effectiveness as a valuable resource to the bar in this dynamic global marketplace.

Endnotes:
1 The U.S. has free trade agreements (FTAs) in effect with twenty countries. Three of these FTAs (U.S. Columbia Free Trade Agreement, U.S.-Korea Trade Agreement, and U.S.-Panama Trade Promotion Agreement) became effective in 2012. Nine other FTAs involving thirteen other countries became effective between 2001 and 2009.
3 http://www.trade.gov/cs/factsheet.asp
6 http://www.trade.gov/cs/factsheet.asp