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MAINE IS INTERNATIONAL: Focus on Bangor Region

The Bangor region has a long history of international connections. Located 30 miles inland at the head of navigation of the Penobscot River, the city was the hub of Maine's burgeoning lumber trade in the mid-19th century. By the time of the Civil War, Bangor was the world's largest lumber port with 150 sawmills along the river. Signs of the corresponding wealth can still be seen today in the former homes of the lumber barons near John Bapst Memorial High School on Broadway.



Although the mills are gone today, the Bangor region's international connections continue to flourish. With the longest runway east of the Mississippi River, the Bangor International Airport is a frequent technical and refueling stop for transatlantic flights and home to Australian company C & L Aviation Group. Up the road in Orono, the University of Maine enjoys global recognition for cutting edge research in composites, the forest and blue bioeconomies, and offshore energy.

Around the world, Bangor might be best known as home to Stephen King, the single most successful author of horror stories in history who has sold more than 400 million books worldwide.

Bangor is the third largest city in Maine. Today, the region's economy is based on education, healthcare, retail, and services. In this issue, we introduce you to three diverse MITC members in the region with international connections.

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President's Circle

Bank of America

Director's Circle

Bangor International Airport

BerryDunn

Chase

CIEE: Council on International
Educational Exchange

Consulate General of Canada - Boston

Eaton Peabody

IDEXX

KeyBank

Maine Department of Economic
& Community Development

Maine Technology Institute

Mainebiz

People's United Bank

Sappi Fine Paper North America

TD Bank

Sustaining Circle

Acadia Benefits

Allen Insurance and Financial

Baker Newman Noyes

Bangor Savings Bank

BDN Maine

Camden National Bank

C.H. Robinson

Diversified Communications

Finance Authority of Maine

FirstPark Commerce & Technology Center

Geiger

Kepware Technologies

L.L.Bean, Inc.

Maine & Company

Maine Composites Alliance

Maine Manufacturing Extension Partnership

Maine Maritime Academy

Maine Port Authority

Middleton Shrull & Bock, LLC

Mohawk Global Trade Advisors

NaviTrade Structured Finance

Nomad Pictures

Norman, Hanson & DeTroy, LLC

OCEANAIR Inc.

Pierce Atwood, LLP

Puritan Medical Products Company

Québec Government Office in Boston

Reed Exhibitions

Rudman Winchell

Sprague Energy Corporation

Tex Tech Industries

Texas Instruments

UK Department for International Trade

University of New England

U.S. Small Business Administration

President's Corner



Dear MITC Members and Friends,

When we began this series of community-focused feature articles two years ago, I didn't want to take the predictable step of picking Bangor early on. As many of you know, I grew up there and wear it on my sleeve! This issue is Bangor's turn, and I couldn't be prouder to share my hometown's international connections. While we highlight a few members, there are other stories we could have chosen. Eaton Peabody, Husson University, ND Paper, Somic America, and Weber MT are all doing great things in the Penobscot Valley.

It's important to recognize the importance of, and continue to invest in, relationships that will sustain us through the "difficult now" and into the future. I don't need to tell you that the international trade environment is not pretty at the moment. Maine exports through July were down nearly 13%, a nearly unprecedented drop I've seen only once before in 2001-2002 as a result of 9/11. This decline is in line with World Trade Organization predictions, and the rebound ahead will likely begin outside the US. As other countries show signs of economic revival, exporting will be more important than ever.

During this strange and uncertain time, MITC is here to help your business move forward with financial assistance for virtual B2B matchmaking services, developing an enhanced market-entry strategy, and improving your international e-commerce and digital marketing. Of course, we continue to offer one-on-one counseling and research services. Our team looks forward to working with you to navigate the road to recovery.

Go Rams!

Wade Merritt

President and State Director of International Trade

MITC Awarded Additional STEP Funds

Recently, MITC was awarded \$461,000 for two years from the U.S. Small Business Administration under the State Trade Expansion Program (STEP) to increase the number of businesses that export. As in previous years, MITC will use this funding to assist Maine companies in developing new international markets and providing direct financial support for costs associated with such activity. Eligible Maine businesses may receive up to \$20,000 per year in STEP Financial Assistance Awards for virtual B2B matchmaking, workforce development, and international e-commerce and digital marketing. Learn more and apply online at mitc.com.



U.S. Small Business
Administration

Funded in part
through a grant with the
U.S. Small Business Administration

Finland-Maine Virtual Trade and Study Mission 2020

Less than a year after Maine and Finland formally committed to building our respective forest bioeconomies and sharing best practices for climate resilience, a virtual trade and study mission expanded previous connections and created new partnerships for mutually beneficial collaboration in these key areas.

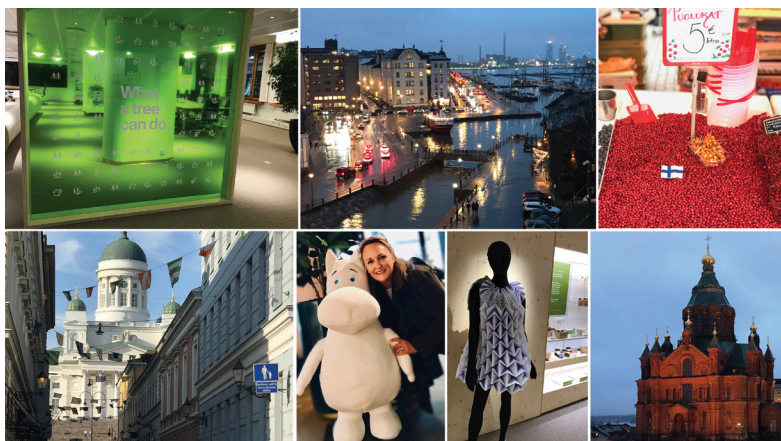
In October of 2019, Maine Governor Janet Mills signed a Memorandum of Understanding (MOU) with the Government of Finland. In support of this MOU, the Maine North Atlantic Development Office (MENADO) at MITC organized a week-long overseas mission to bring a delegation of Maine businesses and entrepreneurs, academic researchers, and policy makers to Finland to learn how the Nordic country built their thriving bioeconomy in only 10 short years.

Of course, the global pandemic forced a change in those plans. MENADO Director Dana Eidsness and our partners at the Embassy of Finland, Luke (Natural Resources Institute of Finland), and Business Finland worked to develop a virtual program that would continue to move the collaborative effort forward in 2020.

The virtual mission kicked off with two webinars in August. The first webinar featured leaders from Finland's government, economic development, research, and forest industry to discuss Finland as a model of success for Maine. The second webinar provided our partners in Finland with an overview of Maine's efforts to reinvent its forest industry, bringing perspectives from the FOR/Maine coalition, university research and innovation, and business promotion and attraction. More than 150 people attended the two webinars. The majority of attendees (61%) were in Maine, 25% in Finland, and 14% from elsewhere including other US states, New Zealand, and Canada.

"We are in the heart of a large wood basket capable of supplying timber and fiber of all types. We see an amazing opportunity for Finnish technology to leverage our forest resource and existing manufacturing infrastructure to deliver products to North America that could possibly incorporate our insulation lines and offer more complete building solutions to the construction market."

— Scott Dionne, Chief Marketing Officer, GO Lab



"Finland has been phenomenally successful transitioning its pulp and paper and forest industries to a thriving bioeconomy using largely wood and pulp by-product to create value and develop products as diverse as textiles, chemicals, medical devices, advanced building materials, and food additives. My partners in Finland and I discussed how we might replicate the exchange of information and introductions that would have occurred during a week-long visit. We believe we'll meet our original objectives in a virtual format and may even discover efficiencies in the process."

— Dana Eidsness, Director, Maine North Atlantic Development Office

In September, 33 representatives from businesses and organizations in Maine and Finland participated in virtual B2B matchmaking meetings with further introductions continuing into October. The meetings were organized by MENADO and Business Finland. Participants represented a wide variety of sectors including forest management, bio-based manufacturing and pulp and paper manufacturing, as well as economic development, engineering and construction, investors and consultants.

According to MENADO Director Dana Eidsness, one added benefit of the condensed virtual format for the mission was this opportunity was more widely accessible to small businesses from across Maine.

"This virtual mission was a great first step in solidifying some concrete relationships under the MOU," Eidsness said. "We will continue to work with our partners in Finland to create additional virtual events to build on this momentum until we are able to meet in person."



MENADO
MAINE NORTH ATLANTIC DEVELOPMENT OFFICE



Mason's Brewing Company

When the interview starts with “Do you want a beer?”, you know it’s going to be a good conversation. Chris Morley has plenty of beer to share, he’s the founder and owner of Mason’s Brewing Company in Brewer.

A former law enforcement officer and banker, Morley never expected to go into the craft beer business; he never even drank beer until his brother got him started in homebrewing.

“He was more science, and I was more substance,” says Morley. “I was more stylistic. He was more about temperature control, and I was here is the recipe, what if we morph these two together?”

The interest in homebrewing led to trips to Europe, where Chris and his wife traveled in pursuit of great craft beer. As they visited beer halls in Germany and pubs in England, he started to realize that he could bring what he loved back to Maine.

“At the age of 42, I started laying out the brick work, what it looked like from a business standpoint,” says Morley. “I thought about what appeals to me as a consumer: location, food, beer, and service.”

Morley had the vision, but banks didn’t share his enthusiasm for his plan for a restaurant and brewery on the banks of the Penobscot River. In fact, 11 banks turned him down.

“By all stretches of the imagination, this shouldn’t have worked,” recalls Morley. “A guy with no professional brewing experience and no restaurant experience.”

Mason’s Brewing Company opened on Friday the 13th in May of 2016. Morley believed if he built it, the craft beer people would come. He was right.

“I didn’t think the business would be doing as well as it is,” he admits. “We are well supported by the local community, and early on we implemented a strategic platform to distribute into multiple states, helping us move beer in a fluid fashion.”

The company currently sells its beer to six states: Maine, Massachusetts, Rhode Island, New Hampshire, Connecticut, and California. Morley expects California will be his biggest market in the next 18 months.

From day one, international sales were also part of the plan. Morley’s extensive travel in Europe showed him the region was about five years behind the US in the craft beer boom, and he wanted to be ahead of the curve.



“I think there’s a huge opportunity for market share because Maine craft beer is a known commodity,” Morley explained. “Maine is the epicenter for the craft beer movement.”

Mason’s has exported to Ireland, Iceland, Scotland, UK, Spain, Belgium, Germany, Sweden, Denmark, and Malaysia. These aren’t huge shipments. Morley calls them air drops. The company exports about two thousand cases a year, and he wants those numbers to grow.

Maine International Trade Center (MITC) has the same goal for Maine’s craft beer industry. MITC has been working with Mason’s and other breweries to

develop a more robust international market for Maine beer. MITC has identified Asia and Europe as two high-potential markets, with a focus on Vietnam and Spain.

Senior Trade Specialist Jeff Bennett is working with contacts at the US Commercial Service to organize virtual beer missions, which will include a tasting event for distributors in Spain and Vietnam to try Maine craft beer and interact live with the brewers back in Maine. The hope is that personal connections made during the virtual missions will lead to partnership agreements and eventually a launch of Maine craft beer overseas.

“This market is saturated, and we need to look at new places,” says Morley. “MITC has a global network of connections, and that’s valuable to me and other craft beer brewers in Maine.”



During pandemic shutdown, Morley expanded the kitchen space. With a new canning line already in place, Mason’s was able to quickly adjust to the reduction in draft beer sales and focus more on selling cans of its signature beer. While growth is definitely part of the plan, it’s not vital to Chris Morley’s measurement of success.

“I have no interest in global domination or being the biggest brewery in Maine,” explains Morley. “It’s exceeded my expectations already.”

It would seem bank number 12 made a good call.

Lynch Logistics

What does a logistics company in Bangor know about a high-end glamping resort in Bar Harbor? Quite a lot actually.

Lynch Logistics, part of the Lynch Family of Companies, is a full-service logistics company including an Over the Road (OTR) division and large-scale warehousing facilities. Lynch handled all the tents, beds, lamps, and other high-end materials through one of their warehouses in Bangor. Their residential and commercial moving division, Central Maine Moving & Storage, then stepped in to truck it all to Bar Harbor and assemble everything on site.



“When someone comes to us with an opportunity, we look at each other and say we can do that,” says Dana Burleigh, Vice President of Lynch Logistics.



Burleigh has spent nearly 30 years in the logistics industry, figuring out the best way to get goods from one place to another. He joined Lynch Logistics three years ago hoping to grow an already successful business by looking toward Canada.

“We can take in products by rail from any Canadian company, because the Canadian rail carriers work directly with our US affiliates, providing an end to end service routing,” says Burleigh. “We bring in wood pulp, building products, pet food, and other goods that we can inventory and maintain in our warehouses, and if the customer wants, we can even deliver their products to the final destination.”

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This new focus on markets in Canada is the latest growth strategy for a company that started more than 40 years ago with one truck and a small warehouse in Veazie. Ray Lynch and his family began with a residential moving company that has grown into a group of seven companies that operate separately yet are fully integrated and work together on many projects.

“We are exporting our services,” says Marketing Manager Michael Schroeder. “Because of our location, we are ideally suited to be a clearing house for companies in Quebec, Atlantic Canada, and Prince Edward Island. We have proximity to the interstate, the airport, and railways.”

Lynch Logistics recently received a STEP Financial Assistance Award through MITC to help build their international business. The pandemic has cancelled trade shows and other traditional means for exploring new markets, but Schroeder says the company will use the funding to further develop its website to highlight services for Canadian customers and create a targeted digital ad campaign to drive website traffic and generate leads.

“Why not look to Canada?”, asks Schroeder. “We are a perfect fit for what they need. If they are looking to enter the US market or distribute products, we have facilities and capacity to move product, warehouse it, and then deliver it to a final destination.”

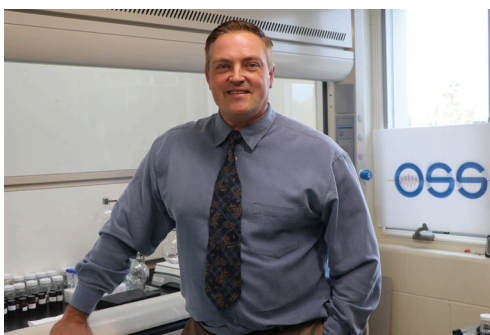
By definition, logistics is a challenge—coordinating a complex operation that involves people, facilities, and supplies. Lynch Logistics has a fleet of 30 tractor trailer trucks and 140 employees across the entire family of companies who figure out how to best fit those pieces together.



By value, 91% of Maine's exports leave the state by road, 8% by vessel, and 1% by air.

Source: WISERTrade, State Imports/Exports by Port, US Census Bureau

“It's all about connections,” says Burleigh. “I look at logistics as relationships, sometimes that gets lost with all the technology we have now, but I need to know I can pick up the phone and call Chuck Thompson at St. Croix and say I have an idea here can you help me out? If you don't have that you don't have anything.”



Orono Spectral Solutions

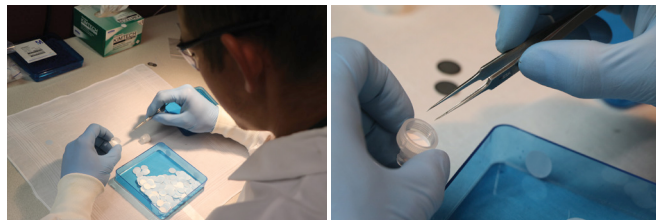
Five years ago, it was gut check time for Dean Smith and the team at Orono Spectral Solutions (OSS) in Hermon. The company they had spent a decade working to build was at a crossroads.

“The Department of Defense contracts we had relied on were drying up,” says Smith, Vice President of Engineering at OSS. “It came to the point we were either going to close our doors or take this technology and start exploring commercial applications.”

OSS is a spin-off company that started at a research lab at the University of Maine in Orono. In 2004, they developed technology to detect chemical and biological warfare agents like the presence of mustard gas in water.

“We developed amazing technology,” says Smith. “We received an award from the Small Business Innovation Research (SBIR) program. As part of that process, we were brought to the White House for a ceremony.”

While the federal government funded that successful early research, a decade later the company realized it needed to pivot in order to survive. If their patented detection methods could detect toxic nerve agents, it could detect other things too, like oil.





In 2015, they decided to focus on the anhydrous ammonia market, using their patented ClearShot™ extractor and disc to detect oil.

One of OSS's first commercial accounts was a fertilizer company facing a host of unhappy customers when railcar deliveries of liquid fertilizer were arriving with a sheen of oil on top. OSS technology was able to not only detect how much oil was in the product but also determine that a broken seal in a compressor at the plant was responsible for the leak.

"Our patented detection methods are now being used worldwide to detect oil and grease in process water, drinking water, wastewater, and even during oil spill disasters like the BP Deepwater Horizon disaster in the Gulf of Mexico," says Smith.

According to OSS, millions of tests are done every year to detect potentially dangerous substances in water, like oil. Current methods require those tests to be done using toxic solvents like hexane, which can cause nerve damage, are highly flammable, and are bad for the environment.

The method OSS has developed uses green chemistry; there is no risk to the person administering the test. Their ClearShot™ extraction method allows for collection of very small samples that are placed on a membrane that captures and disperses the retained material evenly. That disc is then placed into a machine that uses infrared technology to detect the presence of over thirty thousand different chemicals.

"Our method is revolutionary," states Smith. "There are no solvents, and we also have the ability to detect even very low concentration levels. We can determine how much, and the type of oil that is in your sample."

In the past week, OSS sent materials to Austria, Croatia, Dubai, Indonesia, Kuwait, and the Netherlands. International growth, while welcome, has been challenging to navigate, admits Smith.

"I'm a geek," Smith says. "We are scientists, researchers, and programmers. We're not salespeople. We don't even know what we don't know, that was the hardest part."



OSS has engaged MITC to help with global market strategy and received a STEP Financial Assistance Award for creation of international marketing materials.

"Working with MITC, we were able to develop insights into European opportunities for our technology," says CEO Roland Sirois. "We were put in contact with a market research firm, and we are currently getting financial support through MITC to develop international marketing materials."

The company is seeing increasing interest in its technology to measure oil and microplastics in water across a wide range of sectors: power generation plants, chemical factories, commercial laboratories, the aerospace industry, nuclear ships, offshore oil platforms, and drinking water facilities.

In Kuwait, where water is a precious resource, testing regulations are rigorous.

"Kuwait gets water from the ocean through reverse osmosis and uses our technology to make sure their drinking water is safe," explains Smith. "Our technology allows them to keep the promise to their people to deliver safe drinking water."

There's a note on his door in Arabic that calls him Captain America.

"As an engineer, to come up with a solution that makes a difference and helps the environment, to really be able to say we are impacting the world, that's what makes me most proud of what we have done as a company," Smith says.

Global U



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International E-commerce Strategies for Growing Demand

October 22 • 9:00 - 10:00 am • Live Webinar

Global e-commerce sales are expected to top \$4.2 trillion in 2020 and reach more than \$6.5 trillion by 2023. More than 2.1 billion shoppers are expected to purchase goods and services online by 2021. Increasingly, these online shoppers live outside the US. Does your business have a long-term e-commerce strategy to reach the growing online international audience?

We are pleased to partner with Maine Ecommerce Collective to present this free webinar, which will include:

- Pros and cons of the industry's leading e-commerce platforms and sales channels
- Brand positioning and harnessing the power of content strategy to increase buyer trust and drive conversions
- Stories from successful e-commerce brands – how they've navigated everything from technical know-how to international sales

Maine
Ecommerce
Collective ESTD 2019

Harmonized Tariff Schedule and Schedule B Classification

November 17 • 10:00 am - 12:30 pm • Live Webinar

As requested by MITC members, we're excited to host this in-depth training with Mike Allocca from Allocca Enterprises, Inc. Because classifying a product can be done based on its function, form, or composition, HS classification is complicated. Importers and exporters are required to use reasonable care and due diligence in determining accurate classifications. Incorrectly classifying a product can lead to non-compliance penalties, border delays, seizure of the products, or even a denial of import privileges.

Who should attend?

Exporters, Importers, Purchasing, Sales/Marketing, Logistics, Traffic, Customer Service, Legal, Credit Managers, Controllers, Engineers, Customs Brokers, and Freight Forwarders

Sustainability: The UN Global Compact and Our International Business Success

December 3 • 10:00 - 11:00 am • Live Webinar

For 20 years, the United Nations Global Compact has been the world's largest corporate sustainability initiative. With mounting expectations from customers, employees, and investors along with an ever-growing sustainability ecosystem, the journey can feel complex and challenging, yet your company's future global competitiveness could depend on it. Join the United Nations Global Compact USA Network and MITC for this introductory webinar to learn how to build trust and transparency in your global supply chain, determine and achieve your sustainability objectives, and help shape the world's sustainability agenda.