



June 13, 2014
STEP Program Testimony
Eric Hahn, Vice President of Organizational Development

Good afternoon. Chair Cantwell, Ranking Member Risch, and Members of the Committee, thank you for inviting me to testify today in behalf of the STEP program. My name is Eric Hahn, and I am Vice President of Organizational Development at General Plastics Manufacturing, located in Tacoma, WA. I am also the Chair of the Tacoma-Pierce County Workforce Development Council and Vice Chair of the Washington Aerospace & Advanced Manufacturing Workforce Pipeline Advisory Committee.

General Plastics Manufacturing Company was founded in 1941, and it has been a pioneer and innovator in the plastics industry for seven decades. The Company has experienced steady growth producing specialized plastics, polyurethane foam materials, and fabricated parts. It supplies products for many manufacturing applications and industries, including aerospace, defense, nuclear containment, marine, construction, outdoor signage and tooling, among others. We're privately owned and have over 170 skilled professionals working at General Plastics' production facility, upholding a 73-year-old reputation for supplying exceptional products to demanding customers in North America, and more recently, around the world.

As the Committee considers creating a permanent State Trade and Export Promotion grant program, I want to share General Plastics' experience with the pilot STEP program that was made available to us. First, I want to recognize the folks who administer our Washington state program. They made us aware of the funds available early on; they guided us through the paperwork necessary to receive voucher approval; and they helped ensure we received the grant monies after our trade events.

In recent years General Plastics has worked diligently to extend its product offerings internationally, particularly in Europe, but with limited success. The funds provided by the STEP program gave us the necessary "push" to start testing receptiveness to our materials at the JEC Paris 2013 show and again this year, when we exhibited at the JEC Paris 2014 show in conjunction with the Washington State Department of Commerce. This second STEP voucher enabled us to participate in the JEC Paris 2014 show, and then exhibit at the Aircraft Interiors Show in Hamburg, Germany, with our own booth and money.

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We had five goals for these European shows: First, establish a physical presence at two of the largest trade events in Europe. Second, meet existing customers who were attending. Third, research our competitors' products. Fourth, connect with local vendors who would be appropriate to distribute our products and service customers. And, finally, of course, we were intent on developing new relationships with potential customers.

As a result of the intelligence gained at JEC Paris and what we learned about the European flammability standards, we stepped up our Fire/Smoke/Toxicity-compliant foam composite program, and this year introduced the line at the Aircraft Interiors show in Hamburg. We have developed working relations with two distributors from the UK and one in South Africa, and we are now in final negotiations with a distributor for Spain. In terms of securing direct sales from the trade events, I must say first that our normal sales cycle is quite long – it can range from 6 months to two years. However, we gained approximately \$100,000 in new sales that are directly attributed to the shows. More importantly, we are now in negotiation discussions with Airbus' Tier 1 and Tier 2 suppliers, and a major European marine company that will sell our subsea foam products under their private label. These two companies alone could generate sales – estimated conservatively – of \$1 million-plus for General Plastics over the next 2-3 years.

As my account reflects, the STEP program greatly contributed to my company's success. Although the funding from the program was not extremely large – just about \$ 10,000 in total for us from the two vouchers we received – it made a huge impact. The ability to attend the European conferences has brought and will bring to General Plastics accelerated sales growth, which will ultimately mean adding an additional 10-15 employees over the next few years. I firmly believe that this program should be extended or ideally become permanent. This program clearly would assist those small to mid-size companies looking to export their products globally.

Thank you, and I look forward to answering any questions you may have.

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