

Cross-Party Group on USA

3rd October 2023 6-7:30pm

Minute

Present

MSPs

Daniel Johnson MSP
Emma Harper MSP
Jeremy Balfour MSP
Liam Kerr MSP
Murdo Fraser MSP
Paul Sweeney MSP

Invited guests

Dong-Thu Caohuu
Gordon Dewar
Graeme Elliott
Jack Hillmeyer

Non-MSP Group Members

Allan Hogarth
Anna Stella
Bethan Wilkinson
Carol Dew
Christopher Tibbett
Daniel Shorr
Ian Houston
Jacqui Watt
Jenny Howard-Coombes
Joanne Davidson
Kate Ballantyne
Kate Nowakowska
Kenneth Shand
Laurence Heron
Mansi Dwivedi
María José Kong
Martin Bell
Murray Coburn
Olivia McLaren
Peter Mowforth

Richard Muir
Seona Shand

Apologies

Alan Johnston
Angus Johnstone
Brad Mackay
Daniel Cohen
Donald Emslie
Emma Harper
Gillian Crawford
James Macsween
James Robertson
Jamie Smith
Jim Fox
Jo Graham
Kathleen Brogan
Kevin Laing
Kevin Rogers
Liz Cameron
Lord Charles Bruce
Marie Owen
Marion McCormick
Monica Lennon
Murray Collins
Neville Wylie
Nora Rothrock
Pawan Sood
Rachael Hamilton
Rob Lang
Ros Wardley
Russell Borthwick
Sandy Begbie
Scott Johnstone
Scott McQuarrie
Steve Kerr
Stuart Patrick
William Sleigh

1. Welcome and introductions

Daniel Johnson MSP (DJ MSP) opens the meeting and welcomes the group members.
DJ MSP moves forward the Annual General Meeting.

2. Annual General Meeting

The group has nominated and elected Daniel Johnson MSP to continue as Convenor of the group, Michelle Thomson MSP (MT MSP) and Emma Harper MSP (EH MSP) to continue as Vice-Convenors.

Group members approve the minutes of last meeting.

DJ MSP hands over to Jack Hillmeyer (JH), Consul-General, U.S. Consulate in Edinburgh.

3. Update from the United States Consulate and State Department

Jack Hillmeyer (JH), Consul-General, U.S. Consulate in Edinburgh introduces Dong-Thu Caohuu (DTC) as the new Foreign Service Officer.

JH updates the group on the developments and strategic priorities of the US Administration, including visits to Scotland from Ambassador Jane Hartley and other London based officers, the continued commitment to support Ukraine, Inflation Reduction Act discussions, a visit from John Kerry in August, UK-US negotiations, high level US officials attending the AI Safety Summit, and the ongoing deep and wide UK-US special relationship.

Q&A:

Q1 – Emma Harper MSP (EH MSP) asks about AI contribution to healthcare and the latest updates on the impact.

A1 – JH explains that the summit will focus on the security aspect of AI, however he looks forward to seeing more work around healthcare. Organizations such as the Edinburgh Futures Institute, Edinburgh Innovations, the University of Glasgow and more will be working collaboratively on this initiative. Alan Hogarth (AH), Executive Director, Scottish North American Business Council adds examples of UK and US companies working together in the life science sector during the recent trade mission to North Carolina. DJ MSP suggests this could be a topic of one of the future CPG on USA meetings.

4. Update from the Department for Business and Trade

DJ MSP passes on apologies from Steve Kerr, North America Region Lead, Department for Business and Trade.

5. Panel discussion on US-Scotland air links and a preclearance zone

Gordon Dewar (GD), Chief Executive, Edinburgh Airport gives an overview and explains the concept of the preclearance zone, including the opportunities and benefits it would bring. GD states that the zone is beneficial to airlines, tourists, businesses and the economy in general. The technology has moved on and this would be a more modern offer than at the Dublin airport. The zone would also grow the network further

enhancing Scotland's connectivity. There is willingness from UK and US governments, however further discussions are needed. GD adds that he is hopeful to see the zone operating in 2025 – which is ambitious, but possible. GD also adds that this would bring better customer experiences as flights would arrive to US as domestic flights and bring benefits to airline operations, including less transfer time (no re-check time) and more, making this connection a more competitive option. Before the COVID pandemic the conversations were close to an agreement, but now there is more need for public support and resource. The agreement will probably take 1 year to 18 months to be signed, then work on the operational design will commence, which may take around 2 years to fully set up.

Q&A:

Q1 – DJ MSP asks about the importance of these connections and what can the group do to help and support the process.

A1 – GD answers that this will be beneficial directly to the tourism industry and the economy in general, and asks the group for cross party wide voice of support and continued campaigning for the cause.

Graeme Elliot (GE), Director Government, Industry and International Affairs forwards on apologies from Rikke Christensen, VP Network Alliances and Planning, Virgin Atlantic. GE updates the group on the airlines' developments, including the overview of the joint venture with Delta (49% ownership), next year's 40th anniversary of Virgin Atlantic, huge growth period, how the airline took the time during the pandemic to reprioritize its operations and recapitalize, sustainability plans, as well as aircraft changes (75% new). Virgin Atlantic transatlantic flights total 70% of its operations – with lower number for corporate travellers, higher number of leisure travellers. Virgin Atlantic is planning to use sustainable aviation fuel and the majority of the market is transatlantic, however growing connections to Sao Paulo, Dubai and India. Orlando remains main route from Scotland, however there has been a growth in number of US tourists on these flights. GE is interested to find out the most cost efficient way to set up and operate the pre-clearance zone.

Q&A:

Q1 – DJ MSP asks how important is Edinburgh and Scotland as secondary route and what can Scotland and Edinburgh do to attract airlines.

A1 – GE answers that this is a difficult matter, as from the policy side there isn't much, however the key area is the costs and improving competitive advantage. Joint ventures with other airlines are also crucial, so Edinburgh has more connections and becomes the next European hub.

Q2 - Liam Kerr MSP (LK MSP) states that the Scottish Parliament is interested in finding out about who bears the costs of the pre-clearance zone.

A2 – GD explains that essentially the customer yields cover the costs. Allan Hogarth (AH) add that the costs of corporate travel are too high for SMEs. Christopher Tibbett (CT), Head of Airline Relations and Marketing, AGS Airports explains his worries about lack of connections with Glasgow and Aberdeen. Richard Muir (RM), Deputy Chief Executive, Glasgow Chamber of Commerce adds that he is keen to see flights to US from Glasgow and wants to build on the strong existing relationships. DJ MSP also adds that there should be a more collaborative 'team Scotland' approach. Olivia McLaren (OM), Principal, Attorney and Board member, Olivia McLaren, Ltd. and

American-Scottish Foundation, Inc. highlights the need for further education on ESTA in the business community and the experiences of her clients. DTC adds that the Consulate is unable to support with any ESTA issues as it doesn't process applications.

Q3 - Laurence Heron (LH), Business Doctor Edinburgh, asks if the political will exists to put forward the pre-clearance application.

A3 – GD reassures that there are no objections and all asked are supportive, the practicalities are the only problem.

Action – DJ MSP wants the group to draft a letter of support.

6. Finish

DJ MSP thanks group members, provides final remarks and closes the meeting.