



March 16, 2018

Honorable John Lincoln  
Chair, Economic development and tourism

Dear Representative Lincoln,

I am the owner and operator of the Tordrillo Mountain lodge. We are a lodging group in the Susitna Valley that runs 4 separate lodges in the winter and 2 lodges in the summer months. We work very hard to make our guests experiences uniquely alaskan, whether that means they are helicopter skiing, glacier hiking, fishing or surfing on the waters of the surrounding lakes. We employ 30- 40 people and use numerous other operations to support our endeavors. We lease 4 helicopters, 4 airplanes, provide anchorage lodging, and transfers for guests. We have been in the business for 20 years and could be considered one of the most successful remote lodges in Alaska, if not the world.

We have grown our operation deliberately and without the help of any tourism dollars from the state of Alaska. I have been a member of ATIA and the ACVB in the past, but more recently felt that our marketing dollars would be better used going at it alone. Although my experience with ATIA is not recent, I do watch Alaskan marketing campaigns and spending, fairly closely. They are antiquated, old school and do not serve the smaller Alaskan business in any way.

We do not support House/Senate bills 110 & 383. Why should we? So much of the tourism budget spend is dominated by cruise, rail and airlines. To make things even worse for the small operator like ourselves, it is my understanding that many of the "heavy" tourism providers will be exempt from the proposed taxes. These bills have not been adequately evaluated and analyzed. How will the lodging tax be administered? Will it be a component of gross revenue? What expenses can be backed out of taxation?

In our business, 90% of our revenue goes back into the states economy. The services I mentioned above take the lions share of the revenue as COGS. Applying a tax to our top line is unfair. Especially sense we have not seen any help from the State to promote winter tourism, independent travel and build upon shoulder seasons when the states businesses could really use the help. The legislature has no plan for how these monies raised with the proposed tax, will be allocated fairly. It tough, because I am not sure how you can achieve parity and not favor those whom are proposed as exempt.

As a 25 year Alaskan outfitter who has contributed to the tourism effort and growth, this proposed bill feels like we have been singled out for our own successes. Its unfair and unbalanced. Possibly unconstitutional. Please consider our plea to vote no on the current bills.

Best regards,

MikeOvercast/ Triumvirate LLC  
Owner and General Manger



March 14, 2018

Representative John Lincoln  
State Capitol room 432  
Juneau, AK 99801

Representative Lincoln,

I'm writing to express my opposition to HB 383.

As the owner of businesses providing shore excursions to Alaska visitors and nearly 300 year-round & seasonal jobs I fully appreciate the value of marketing our State to visitors.

This bill and tax however is the wrong way to accomplish this worthy objective.

This legislation is unnecessarily vague; it fails to clearly identify what tourism segments will be taxed, the level of taxation, and even how this tax, once collected will be spent. Based on what we've heard, a number of business segments benefitting from out-of-state visitors including those owned and operated by non-state residents will be excluded from this unfair tax burden, raising issues of fairness and discrimination.

Ask any tour operator who relies on the cruise lines for the bulk of their business and they will confirm the chances of our being able to pass this tax along to out-of-state visitors or the cruise lines is non-existent.

Our business is highly competitive, all Alaska operators have seen their margins decline precipitously over the past years. There is simply no way for our seasonal tour business to pass along or absorb even a "nominal" tax calculated on the gross retail sales price of a tour.

While seasonal tour operations account for the lion's share of my business, Taquan air also operates a year-round air taxi business connecting 14 remote southeast Alaska communities. We transport passengers to see their families, secure medical services as well as supporting industry in these communities and keeping their residents connected by providing freight and mail services. I can see no reasonable justification for increasing costs to southeast Alaskan residents on these critical services to support tourism marketing.

Thank you for your consideration and continued service on behalf of all of us in the Great State of Alaska.

Sincerely,

Brian Salazar

Owner & Chief Executive Officer  
Taquan Air Alaska Rainforest Sanctuary  
Ketchikan, Alaska

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## Ravynn Nothstine

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**From:** Angela Head <angela@belugaaair.com>  
**Sent:** Sunday, March 18, 2018 8:44 PM  
**To:** Ravynn Nothstine  
**Subject:** Public Testimony for HB 383

Hello Ravynn,

I was encouraged to pass along my thoughts as public comments in opposition to HB 383 by Elizabeth Diamant of Paul Seaton's office.

My name is Angela Head and my husband Wes Head and I own and operate Beluga Air Homer. We rely heavily on tourism dollars to make our business work and be year-round members of the community. Wes is an active member of HVFD and I have two small children I am extremely grateful to be raising in a community like Homer.

We learned through the grapevine of House bill HB 383, which was heard in the Special Committee on the Arctic, Economic Development and Tourism; and a Senate bill, SB 110, which was up in Senate Labor and Commerce.

An early version of the plan was introduced last year in SB 110, but the House bill, which is new is the product of work done through the summer to refine the proposal. Senate Labor and Commerce did a Committee Substitute with the same language that is now in HB 383.

We are definitely aware that the cut to budgets will impact our business without some sort of tourism marketing, but this plan seems premature and was formulated by the cruise industry. They are proposing a 2% GROSS tax (they say it's not a tax) that would be collected and administered by the state. I don't see the state having the administrative resources to do this efficiently, nor do I think the cruise industry speaks for small businesses such as myself.

Additionally, any collection based on GROSS is unfairly biased towards operations that have huge overheads (air taxis, lodges, etc). Keep in mind that some of our gross also includes activities that are not tourism related such as Alaska resident hunters, commercial fishermen, etc.

Please voice the concerns of the small business owner in regards to these bills.

Thank you,

Angela and Wesley Head  
Homer, AK

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