Alaska State Legislature

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Senator Linda Menard

Senate District G

February 16, 2010

Honorable Sen. Lyman Hoffman Alaska State Capitol Room 518 Juneau, Alaska 99801

Dear Lyman,

While I know you're supportive of the \$250,000 funding grant in the supplemental budget for the World Trade Center Alaska, I wanted to write you formally about the request.

As you know from our fabulous travels in China this December, the state of Alaska and China have a special relationship in terms of trade.

This appropriation will be used to enable Alaska to participate in the 2010 World Expo in Shanghai, China. The expo runs from May 1 to October 31 with 192 countries involved at their respective pavilions. The organizers of the expo expect upwards of 70 million visitors at the event, making for an extraordinary platform to raise Alaska's visibility among the Chinese and international visitors.

I've spoken to Sen. Joe Thomas, the chair of the Commerce, Community and Economic Development Finance Subcommittee, and he's expressed his support for the supplemental appropriation. I'm very excited about Alaska having a presence in China during the expo, and I feel the appropriation to the World Trade Center Alaska is important.

Please let me know what I can do from here to make sure Alaska has its rightful place at the 2010 World Expo this year.

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Sincerely,

-8cn. Linda Menard

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

• Chair, Labor and Commerce

• Member: Rules, Resources

<u>Session: January – April</u> State Capitol Juneau, AK 99801-1182 Phone: 907-465-2693 Fax: 907-465-3835



Official Business

Interim: May – December 145 Main Street Loop, Ste 221

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February 26, 2010

Senator Lyman Hoffman Alaska State Capitol, Room 518 Juneau, Alaska 99801

Senator Hoffman,

I am writing to express my support for the \$250,000 appropriation in the supplemental budget for the World Trade Center Alaska. As you know from our December trip to China, Alaska and China are important trade partners. World Trade Center Alaska is instrumental in facilitating this economic partnership.

The funding requested in the supplemental budget for World Trade Center Alaska will be used to enable Alaska to participate in the 2010 World Expo in Shanghai, China. The Expo runs from May 1 to October 31 and involves 192 countries. Expo organizers expect more than 70 million visitors at the event, making it an extraordinary platform to raise Alaska's visibility among the Chinese and international visitors.

A vital organization working tirelessly to promote Alaska's economic ties with China, I believe the World Trade Center Alaska is worth funding. Please accept my formal support for the World Trade Center Alaska and its involvement in the 2010 World Expo.

Sincerely,

Representative Kurt Olson

FY '11 Special Appropriation Request

Alaska Participation in 2010 World Expo Shanghai, China

Requestor: World Trade Center Alaska (WTCAK)

Grant Amount: \$250,000

Funding Source(s): General Fund

Background:

Alaska is one of America's most trade-oriented states. While most states have significant domestic markets for their manufactured goods, technologies, or agricultural products, Alaska is heavily dependent on overseas markets for it natural resource and service sector exports. In total exports, Alaska's ranks 44th among the states, however, on a per-capita basis, Alaska ranks 4th; and considering exports as a percentage of Gross State Product (the sum of all goods and services produced in a state in a given year), Alaska ranks 8th among states. Alaska's export industries play an important role in the state's economy (jobs, revenue, etc) and are vital to the state's overall economic well-being.

Alaska's exports reached a record of \$4 billion in 2006, and have remained at historically high levels since then. In 2008, the state's commodity exports to overseas markets totaled \$3.6 billion.

China is currently Alaska's second largest, and fastest growing, trading partner. In 2008, exports for Alaska to China reached \$733 million, a new record. Seafood is the state's largest export category to China, followed by minerals, energy, fishmeal, and forest products. There are also a number of Alaskan companies exporting various services to China, including tourism, aviation technology, and architecture.

With each passing day, China becomes more important to the Alaskan economy, not only as an increasingly important buyer of Alaskan exports, but as a potential investor in the state's natural resource development projects, and as a source of new visitors for the state's tourism industry. At least three Alaskan industry organizations have active marketing programs in China, and plan to participate, if funding for Alaska sponsorship of the USA Pavilion is secured: The World Trade Center Alaska (WTCAK), the Alaska Seafood Marketing Institute (ASMI) and the Alaska Travel Industry Association (ATIA).

Grant Purpose:

The purpose of the appropriation is to enable Alaska to participate in the upcoming 2010 World Expo in Shanghai, China. The Expo commences on May 1, 2010 and concludes on October 31, 2010. The Expo organizers expect nearly 70 million visitors to the event made up of approximately 60 million Chinese visitors and 10 million international visitors. This will be an extraordinary platform to raise Alaska's visibility among the millions of the Chinese and international visitors to the event. The message that participation will convey, on a cost-effective basis, is that Alaska is a great place to do business and invest, that Alaska offers the world's finest seafood, and that Alaska is a world-class tourism destination. It also offers the opportunity to highlight Alaska's unique Native culture and heritage to a global audience.

The appropriation would fund three aspects of Alaska's participation:

1) State of Alaska Sponsorship of the USA Pavilion at the Expo. The cost of state sponsorship is \$150,000 and includes a package of benefits as noted below:

Benefits:

Recognition in all USA Pavilion collateral materials
Recognition on the USA Pavilion web site
Limited distribution of materials at the USA Pavilion site
Exhibiting within the USA Pavilion "Discover the USA" section
Access to the Pavilion VIP facilities for TBD number of senior executives
VIP access to the USA Pavilion for TBD number of people
VIP access to the other Expo Pavilions
Expo tickets of employees, clients, and others (TBD)
One special social event for up to 200 people at the VIP Center

- 2) Marketing and travel-related funds for participating industry organizations. An amount of \$87,500 would be equally divided (\$43,750 each) between the following organizations: World Trade Center Alaska and the Alaska Travel Industry Association. The funds would be used by these organizations to produce special collateral materials reflecting sponsorship of the USA Pavilion at the Expo, to conduct special events in conjunction with the Expo, and to make possible staff travel and other expenditures as needed to facilitate participation at the event.
- 3) Project administration and management funding for World Trade Center Alaska. An amount of \$12,500 would be used by World Trade Center Alaska to cover costs associated with administration and management of the project.

About WTCAK:

Established in 1987, WTCAK is a private, non-profit 501c (6) organization. WTCAK is part of the global network of more than 300 World Trade Centers. An 18-member board of directors governs it. In accordance with an agreement with the University of Alaska relating to the long-term use of the WTC license, the University of Alaska president currently appoints half of the WTCAK board members from among nominees put forward by WTCAK; the other half is elected by the membership. WTCAK receives funding from three primary sources: annual membership dues, grants and contracts, and profits from enterprise activities such as trade missions, trade shows, and publications.

The membership of WTCAK consists of approximately 100 companies, individual and organizations from across the state. Many of Alaska's most important exporters are members, however, the bulk of WTCAK's members are small and medium-sized Alaskan companies seeking to grow their business through international trade.

Contact Information:

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