

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT,
INTERNATIONAL TRADE AND TOURISM**

February 24, 2003

5:25 p.m.

MEMBERS PRESENT

Representative Cheryll Heinze, Chair
Representative Lesil McGuire, Vice Chair
Representative Nancy Dahlstrom
Representative Vic Kohring
Representative Harry Crawford
Representative Sharon Cissna

MEMBERS ABSENT

Representative Pete Kott

COMMITTEE CALENDAR

OVERVIEW: TOURISM

- HEARD

HOUSE BILL NO. 95

"An Act relating to permits for aquatic farming of geoducks."

- BILL HEARING POSTPONED

TAPES

03-2, SIDE(S) A & B

CHAIR CHERYLL HEINZE convened the meeting of the House Special Committee on Economic Development, International Trade and Tourism at 5:25 p.m. Representatives Heinze, McGuire, Kohring, Dahlstrom, and Crawford were present at the call to order. Representative Cissna arrived as the meeting was in progress.

SUMMARY OF INFORMATION

LEN LAURANCE, independent consultant for the Alaska tourism industry, was present by teleconference to discuss a restructuring proposal for the Alaska tourism industry. He provided a handout [titled "Alaska Tourism Promotion: A Restructuring Proposal"] of the information he discussed. His

proposal revolved around the development of a new agency called the Alaska Tourism Authority, which would incorporate some of the agencies currently in force. This new organization would be funded by a 2-percent tax on statewide transient accommodations. This would be in addition to the current taxes on the industry.

BRUCE BUSTAMANTE, President and Chief Executive Officer (CEO), Anchorage Convention and Visitors Bureau (ACVB), spoke of the need for increased funding of the tourism industry. He stated the support of ACVB for the Alaska Travel Industry Association (ATIA) and their mutual agreement on priorities for the industry. He also mentioned the general community support in Anchorage for a larger civic convention center. This issue will again be on the ballot in April of 2004.

MARGY JOHNSON, Director, Division of International Trade and Market Development, Department of Community & Economic Development (DCED), provided a handout and discussed the importance of tourism to Alaska, mentioning that tourism touches all of Alaska's citizens. As director, Ms. Johnson is in charge of ATIA and ASMI [Alaska Seafood Marketing Institute]. She has seen overlap in some of the work of these two groups. To increase inefficiency and decrease some cost, she hopes to consolidate some of the functions of these two groups. Alaska Host also comes under her purview. Last year this group trained 333 people. She plans to dramatically expand the numbers trained and wants involvement at all levels of society to encourage tourism to the state. She also noted that Alaska has fallen far behind other states in numbers of tourists coming to the state, now standing in 38th place. She attributes much of the problem to lack of marketing.

RON PECK, President and Chief Executive Officer, Alaska Travel Industry Association, provided an overview of tourism in Alaska. He stated that tourism provides 36,000 jobs to Alaska and generated income in the year 2000-2001 of \$1.8 billion. He noted that tourism is now the second largest private industry in Alaska, second only to the oil industry. He described ATIA as a combination of three groups: Alaska Visitors Bureau (AVA), Alaska Tourism Marketing Council (ATMC), and DCED. ATIA is responsible for publishing the "Alaska Vacation Planner," which has worldwide distribution. ATIA also develops leads on potential tourists for the state, which it provides to others, such as the cruise industry, to help them develop mailing lists and contacts. Mr. Peck emphasized the overall decline in tourism in the state. All areas have seen a decrease, with the exception of the cruise industry.

PAMELA LABOLLE, President, Alaska State Chamber of Commerce, described tourism as a renewable resource and one of Alaska's best resources. She expressed great concern that without support, the tourism industry in Alaska will fall further behind as tourists seek other destinations. The need for marketing is urgent.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Economic Development, International Trade and Tourism meeting was adjourned at 6:36 p.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.