

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ARCTIC POLICY,
ECONOMIC DEVELOPMENT, AND TOURISM**

April 1, 2021
11:03 a.m.

MEMBERS PRESENT

Representative Grier Hopkins, Chair
Representative Sara Hannan
Representative Liz Snyder
Representative Harriet Drummond
Representative Tom McKay

MEMBERS ABSENT

Representative Josiah Patkotak
Representative Mike Prax

COMMITTEE CALENDAR

PRESENTATION: ALASKA TOURISM - COVID & BEYOND

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

SARAH LEONARD, President/CEO
Alaska Travel Industry Association
Anchorage, Alaska

POSITION STATEMENT: Gave a PowerPoint focused on the Alaska Travel Industry Association during the presentation, entitled "Alaska Tourism - COVID & Beyond."

PATTI MACKEY, President/CEO
Ketchikan Visitors Bureau
Ketchikan, Alaska

POSITION STATEMENT: Gave a PowerPoint, entitled "Ketchikan's Tourism Industry and COVID-19 Impacts" during the presentation, entitled "Alaska Tourism - COVID & Beyond."

JULIE SAUPE, President/CEO
Visit Anchorage Alaska

Anchorage, Alaska

POSITION STATEMENT: Gave a PowerPoint during the presentation regarding Anchorage tourism during the presentation, entitled "Alaska Tourism - COVID & Beyond."

DEB HICKOK, President/CEO

Explore Fairbanks

Fairbanks, Alaska

POSITION STATEMENT: Gave a PowerPoint during the presentation, entitled "Alaska Tourism - COVID & Beyond."

WENDY ANDERSON, Information Specialist

Skagway Convention & Visitors Bureau

Skagway, Alaska

POSITION STATEMENT: Spoke of impacts of the pandemic to Skagway tourism during the presentation, entitled "Alaska Tourism - COVID & Beyond."

ACTION NARRATIVE

[11:03:10 AM](#)

CHAIR GRIER HOPKINS called the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting to order at 11:03 a.m. Representatives Hannan, Snyder (via teleconference), Drummond, McKay (via teleconference), and Hopkins were present at the call to order.

[Committee members introduced themselves and spoke to their interest in House Special Committee On Arctic Policy, Economic Development, and Tourism issues.]

PRESENTATION: Alaska Tourism - COVID & Beyond

[11:09:41 AM](#)

CHAIR HOPKINS announced that the only order of business would be a presentation, entitled "Alaska Tourism - COVID & Beyond."

[11:11:15 AM](#)

SARAH LEONARD, President and CEO, Alaska Travel Industry Association, Gave a PowerPoint focused on the Alaska Travel Industry Association (ATIA) during the presentation, entitled "Alaska Tourism - COVID & Beyond." She turned to slide 2 and related that ATIA is the leading statewide association for travel-related businesses and partners. The mission of ATIA is

to promote Alaska as a top visitor destination and [tourism] as one of the state's economic contributors. She said ATIA has more than 600 tourism business members and community partners representing businesses of all sizes from around the state. There is a 24-member elected board of directors; Alaska's lieutenant governor is an ex-officio member of the board. She noted that ATIA has long-managed the state's tourism marketing program, Travel Alaska.

[11:13:43 AM](#)

MS. LEONARD directed attention to slides illustrating the global and local struggles resulting from COVID-19. She related that according to the World Tourism Organization, destinations received 900 million fewer tourists between January and October [2020] as compared to the same period in 2019. This translated into a loss of \$935 billion - more than 10 times the loss as during the global economic crisis of 2009. She said international arrivals fell by 72 percent over the first 10 months of 2020. She stated that travel restrictions, low consumer confidence, and the global struggle to manage the virus generated a statement by the World Tourism Organization that [2020] was the worst year on record in the history of tourism. According to the U.S. Travel Association, in 2019, "the Mexican international travelers spent \$1.1 trillion in the U.S.," spending which supported 9 million jobs, 7 percent of total private industry employment in the U.S. at that time, and generated \$277 billion in payroll income and \$180 billion in tax revenues for federal, state, and local government. From the beginning of March 2020, the pandemic has resulted in over \$500 billion in cumulative losses for the U.S. travel economy; at the current pace, the industry is not expected to recover until 2025.

MS. LEONARD said pre-pandemic, Alaska's summer visitors arrived as follows: [56] percent by cruise ship, [36] percent by air, and the remaining [4] percent by land or ferry. More than 2.5 million visitors in 2019 generated over \$4.5 billion in economic activity for the state and supported over 50,000 direct and indirect jobs - one in ten jobs attributed to the tourism industry. She said tourism in Alaska has generated \$215 million in tax revenues for state and local governments.

MS. LEONARD reported that since March 2020, almost 100 percent of cruise sailings were canceled in Alaska, air travel has been significantly impacted, and the extended closure of the highway

into Canada to March 2022 continues to impact large ship cruise itineraries and highway travel.

[11:16:48 AM](#)

MS. LEONARD showed a series of slides with statistics comparing 2019 to 2020. Anchorage, Fairbanks, and Juneau saw 59 percent decreases across the board; there were almost 250,000 fewer travelers by land, and the Alaska Marine Highway also saw decreases. She said ATIA would be implementing a study in partnership with the McKinley Research Group to assess comprehensive economic impact from COVID-19 on the industry. She showed a graph illustrating "Percentage Change in Leisure and Hospitality Employment, June 2019-June 2020." She reported that overall Alaska was down 37 percent in employment in the industry. Similar job losses occurred in related air transportation employment. She said overall Alaska was down 35 percent in the food service and accommodation sectors; the Denali Borough and community of Skagway were significantly impacted, showing 87 and 80 percent employment losses, respectively. In the area of sightseeing, Ms. Leonard said 85 percent employment losses occurred in Anchorage, Juneau, and Ketchikan. She mentioned a blog that reported February employment was down 7 percent from February 2020, with a loss of over 22,000 jobs, with leisure and hospitality continuing to record the largest losses, and with over 7,000 fewer jobs as compared with the prior February. She said these devastating losses translate into people's jobs - their livelihoods.

[11:19:55 AM](#)

MS. LEONARD moved on to the next group of slides and stated that since the pandemic, ATIA has employed a multi-pronged approach toward moving and keeping Alaska's tourism industry on the economic path to recovery. She said the health and safety of its teams and visitors has remained the association's priority. She spoke of high-level industry safety protocols being implemented in April 2020 that businesses can incorporate and market to travelers. She stated that ATIA advocates for a safe return of cruises to Alaska. She said Canada's continuing its prohibition of cruise vessels to February 2022 has threatened the already fragile tourism industry, and ATIA has worked with Alaska's congressional delegation to brainstorm solutions toward safely resuming cruising operations, especially relating to conversations with the Center for Disease Control (CDC) and complicated federal regulation changes, such as a temporary waiver of the Passenger Vessel Services Act. She said ATIA is

watching for updated timelines from the CDC related to the conditional sailing order. She acknowledged the House and Senate for their resolutions urging U.S. Congress to exempt cruise ships from "threat provisions" of the Canada Border Services Agency (CBSA). She said there was another 30-day extension by the Canadian Government to keep the land borders closed; these orders "continue to be confusing by province." She said ATIA has also partnered with the Department of Health and Social Services (DHSS) on travel guidelines at the state level during the pandemic. She stated, "We support the governor to be able to have the tools available in a public health emergency; at the same time, our industry is moving forward and letting visitors know now we are ready to safely provide Alaska experiences." She related that vaccine availability has been "a hot topic" and has changed the conversation for travel, and Alaska is perceived as "an even more safe destination and one that is open for business." With the availability of the vaccine to residents and nonresidents 16 and older, ATIA is encouraging businesses to make the vaccine available within their workforce so that "our teams are safe."

[11:23:27 AM](#)

CHAIR HOPKINS, regarding the resolutions, asked Ms. Leonard whether she has any idea about [whether] the effort in Washington, D.C., would allow the waiver related to cruise ships stopping in Canada.

MS. LEONARD said she hears that the congressional delegation is in constant conversation in Congress and with the CDC. She said she is not a cruise ship executive, thus cannot comment on their timeline; however, she offered anecdotally that ATIA is hearing that "the window is closing on timing for that."

CHAIR HOPKINS said he has heard the same.

[11:24:28 AM](#)

PATTI MACKEY, President/CEO, Ketchikan Visitors Bureau, gave a PowerPoint, entitled "Ketchikan's Tourism Industry." She directed attention to the second slide, which read as follows [original punctuation provided]:

Founded in 1976

- The mission of the Ketchikan Visitors Bureau is to promote Ketchikan, attract visitors and enhance the economy.

MS. MACKEY spoke about expansion of cruises into Alaska and the efforts of Ketchikan to maximize that potential for the economy. She then turned to the next slide, a list of numbers showing a typical tourism year for Ketchikan, which read as follows [original punctuation provided]:

A Typical Tourism Year for Ketchikan

- TOURISM TRAFFIC 2019:
- cruise ships 46
- cruise ship stops 570
- cruise ship passengers 1,188,915
- Airline visitors 38,764
- AMHS ferry visitors 3,623
- TOTAL Visitors 1,231,302

MS. MACKEY said the bureau had anticipated growth in the market for 2020 and 2021. She noted that the cruise economy makes up approximately 96 percent of the industry. She pointed out that the numbers listed for airline and Alaska Marine Highway System (AMHS) visitors have been extracted from totals to include visitors only - not residents - and budget issues for AMHS resulted in numbers about half of what they would have been the prior year.

MS. MACKEY showed the next slide, which read as follows [original punctuation provided]:

A Typical Tourism Year for Ketchikan

- Accommodations \$27.4 Million
- Restaurants \$20.7 Million
- Retail (Jewelry, Curios, Gifts) \$63.8 Million
- Tours \$35.8 Million
- Marine/Charter \$ 6.5 Million
- Bus/Taxi/Car rentals \$ 4.9 Million

gross sales as reported to Ketchikan Gateway Borough
on sales tax reports

MS. MACKEY noted that Ketchikan is quite a distance from other tourist destinations in Alaska, and more often than not it is the final destination rather than the first for cruise itineraries, which benefits the retail aspect of the economy because tourists engage in last-chance purchasing of souvenirs.

[11:28:50 AM](#)

MS. MACKEY turned to the next two slides, entitled "What we lost in 2020," which lists typical earnings from tourism [that were lost when cruise ships were not allowed in port in 2020]. The slides read as follows [original punctuation provided]:

- 52 cruise vessels
- 606 Port calls
- 1.25 Million passenger visits

- Passenger spending: \$190 million
- Crew member purchases: \$7 million
- State/local fees: \$19 million
- Misc. Cruise line purchases \$10 million
- Sales taxes on purchases- passengers, etc. \$4.3 million

MS. MACKEY moved on to the next slide, entitled "Employment." [The slide shows statistics of unemployment]. It read as follows [original punctuation provided, with some formatting changes]:

\$76 Million in total labor income attributable to visitor industry

	• 1350 Direct jobs + 400 Indirect jobs		
Month	2019	2020	% change
April	6.8%	17.4%	61%
May	5.8	15.4	62%
June	5.6	14.5	61%
July	4.8	12.7	62%
August	4.6	7.6	39%
September	4.9	7.7	36%

[11:31:59 AM](#)

MS. MACKEY turned to a slide regarding survey responses in 2020, which read as follows [original punctuation provided]:

- 26% of businesses remained closed
- 31% operated with reduced hours/days
- 11% were closed to public but offered limited services
- 70% reported revenues down 50-75% or more

MS. MACKEY next showed a slide with two comments, which read as follows [original punctuation provided]:

"We lost all our cruise ship traffic like everyone else and 99% of our independent bookings cancelled as well." (Gross sales from 2019 to 2020 were)

"approximately 60% lower, as we had expanded operations in preparation for the 2020 season, which didn't happen. It has been disastrous. I pray we can hang on till 2022"

MS. MACKEY talked about the length of time businesses in the industry have been without income because of the pandemic, and that they still need to make purchases to maintain their businesses, even while income is greatly reduced. She then moved on to the next slide, which gives the outlook for 2021, and which read as follows [original punctuation provided]:

- 601 port calls have declined by 55% to 330
- 1.3 million passenger estimate down 56% to 744,000
- Flights added back to Alaska Airlines' seasonal schedule
- Pent up demand for travel
- Alaskan destinations can position as safe alternatives

[11:35:35 AM](#)

MS. MACKEY brought attention to another slide showing survey responses, where businesses were asked in 2021 whether they could endure a delayed restart and, if so, for how long? The answers are shown on the slide as follows [original punctuation provided]:

18% if cruise/FIT travel is back in May
35% if cruise resumes by July 1
24% if the 2021 season is canceled

"we are hoping to get some independent travelers but are banking on zero and are in talks with our lender to restructure our loan so we don't lose the business, the results of that conversation are unknown still"

"My employees got other jobs - just hoping they come back so we can have a 2022 season."

MS. MACKEY showed the next slide, entitled "Moving Forward," which read as follows:

- Independent traveler opportunities and challenges
- Resources to provide planning assistance
- Marketing/promotion tools above the noise
- Cruise
- Support to restart the industry
- Alaskan Businesses
- Recognition of seasonality
- Owner operator challenges
- Assistance + getting back to work

MS. MACKEY, regarding the first bullet point, said tourism is limited by the number of seats on planes and boats that bring travelers to Ketchikan; however, some business owners are striving to market more to independent travelers. Regarding the second bullet point, she noted it is important that those planning trips for others are knowledgeable about the limitations in traveling to a remote Southeast locale, and the bureau, which has reduced its staff to four, tries to provide as much one-on-one assistance as it can.

[11:38:51 AM](#)

MS. MACKEY closed by emphasizing the challenges that Alaska businesses have faced in the last year. She pointed out that some of the funding programs and aid did not recognize the seasonality of businesses in the tourism industry. The other issue is the number of small businesses operated and the difficulty small business owners had in "being recognized as employees." She said the assistance has been "a godsend" for business whose goal is to return to entertaining folks, showcasing Alaska, and helping to drive the economy.

[11:40:09 AM](#)

CHAIR HOPKINS remarked that it would help if AMHS was reliable, so he expressed hope that "we can get you that, as well."

[11:40:30 AM](#)

REPRESENTATIVE DRUMMOND, regarding the 2020 outlook numbers, noted that 601 port calls have declined by 55 percent to 330, and she asked if that was before Canada made its announcement or if that was something the bureau has "to look forward to right now should nothing change with Canada."

MS. MACKEY confirmed that "that's exactly what happened." She said the initial cruise ship schedule that came out had a full season. She remarked that Canada's decision to close port has been a challenge. She stated that cruise lines have canceled sailings because they have neither received sufficient guidelines nor had their questions answered by the CDC. She said the cruise lines have indicated it takes 60-90 days to get a ship "up and running again," so the early season sailings of late April, May, and up to July have been canceled.

REPRESENTATIVE DRUMMOND concluded that "those 330 still stand, but only if the CDC gets its act together in terms of what the cruise lines need, and ... the Canada piece has to be taken care of." She asked whether the 330 vessels include the smaller vessels that fly under the U.S. Flag.

MS. MACKEY answered no. She said those ships are still scheduled to come through Alaska, as long as they can get through Canada without having to stop.

[11:42:53 AM](#)

CHAIR HOPKINS asked whether, when the initial funds came through from the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act"), the Ketchikan Visitors Bureau was able to work well with the municipality to get the funds to itself and its members.

MS. MACKEY answered yes, regarding the funds getting to its members. Regarding the money getting to the bureau, she explained that unfortunately when Congress passed the CARES Act, it did not include industry groups such as visitor bureaus or other groups testifying on behalf of ATIA. She said the Ketchikan Visitors Bureau is a nonprofit organization classified as a 501(c)(6), and she explained that 501(c)(3) nonprofits organizations were the only ones eligible. In response to a follow-up question, she talked about the COVID-19 mitigation guidelines being offered through the bureau, and she emphasized that the State of Alaska has been helpful in addressing the needs of the bureau when requested.

[11:46:47 AM](#)

JULIE SAUPE, President & CEO, Visit Anchorage, offered a PowerPoint highlighting the impacts of COVID-19 on tourism in Anchorage. She said Visit Anchorage Alaska began in 1975. She

stated that the pandemic has taken a toll on the industry, and it will take the assistance of municipalities, the legislature, and the congressional delegation to rebuild, and she expressed appreciation to those entities for their support of tourism in Alaska. She noted that Anchorage hosts travelers both for leisure and business, nearly \$50 million in taxes are earned from this economy.

[11:49:31 AM](#)

MS. SAUPE turned to a slide showing 2020 numbers compared to 2019: 59 percent fewer air arrivals; 33 percent decrease in hotel demand; 55 percent less hotel revenue; an estimated economic impact (EEI) of \$4 million; and a 25 percent loss in tourism jobs. Ms. Saupe allowed that a 33 percent decrease in hotel use does not seem terrible compared to other cities' statistics. She explained that Anchorage was the quarantine area for fisheries workers who had 14-day stays, then pointed out that the feasible rate charge was lower than normal. She indicated that while a \$4 million EEI may not seem bad, it reflects bookings rescheduled in the future; therefore, the loss for 2020 is considerable. She noted that Anchorage lost Iceland Air in 2020, and now 2021, and is hopeful to get its services back. She said getting an international airline to commit to a new market takes years of work. She talked about the risks associated with loss and determining how long it will take to recuperate. Further, she expressed concern that small businesses with local flair may be lost and replaced with businesses that do not exemplify local character. She said during a normal summer, 40-50 percent of overnight visitors in Anchorage are cruise passengers who have just debarked or are about to embark.

[11:55:03 AM](#)

MS. SAUPE turned to the next slide, regarding the impact of relief funds, which read as follows [original punctuation provided]:

RELIEF FUNDS MAKE THE DIFFERENCE Lessons from CARES, Guidelines for ARPA [American Rescue Plan Act of 2021]

- Design and delivery of new publications, advertising creative, website, photos, video
- State/local business relief grant programs
- Healthy Anchorage Pledge program
- Business best practices, preparation, education

MS. SAUPE said [the Municipality of Anchorage] was able to get \$2 million from the allotment the federal government gave the state, which allowed the monitoring of research to determine when it made sense to spend money on marketing. Images have changed to reflect servers and chefs wearing masks while diners eat outside. She talked about a \$7 million grant for which tourism businesses with a 50 percent or greater loss from 2019 to 2020 were eligible; the goal is to sustain the businesses so that they are not permanently lost.

[11:59:09 AM](#)

MS. SAUPE turned to her final slide, which addresses the future prospects for tourism in Anchorage. The slide read as follows [original punctuation provided]:

2021 AND BEYOND What's Ahead?

THREATS

- National vaccine implementation
- New strains
- Return to cruise unlikely
- Drive trips reign (for now)
- Long travel recovery
- Other hazards

OPPORTUNITIES

- Increasing traveler optimism and planning
- Pent-up consumer demand
- High interest in Alaska
- Our strengths line up with traveler desires
- Positive perception of state, local response
- Strong airlift into Anchorage
- Some cruise lines shift to Alaska land product

MS. SAUPE spoke about the impact of cruise ships not being allowed through Canada and about the work done to convince people who wanted to see Alaska that it was still worth doing without being on a cruise. She expressed "cautious optimism" going forward.

[12:02:17 PM](#)

REPRESENTATIVE SNYDER asked if the presenters have recognized any patterns among states, whether some are worse off, and

whether there are any aspects of Alaska that give it any advantages.

MS. SAUPE answered that Alaska has open lands and wide open spaces, which give it an advantage during the pandemic. Other places of appeal are beach destinations. One disadvantage for Alaska is that people are hesitant to travel by plane. The timing of the national vaccination roll out caused delay in commencing the season, which was distressing, she explained.

REPRESENTATIVE SNYDER asked about Alaska offering vaccines to travelers coming to Alaska.

MS. MACKEY acknowledged that has been discussed and thinks it could be marketed. She emphasized the focus on safety of Alaska communities.

[12:07:26 PM](#)

REPRESENTATIVE DRUMMOND asked about vaccine passports.

MS. MACKEY indicated the issue is "a mixed bag across the country," and she said she is not hearing a lot of support for the idea.

[12:09:10 PM](#)

DEB HICKOK, President/CEO, Explore Fairbanks, stated that Explore Fairbanks is the largest destination marketing organization in the Interior and the second-largest in the state, in terms of budget and staffing. She said Fairbanks' seasons are summer, winter, and aurora, and Fairbanks is the gateway to Denali National Park and Preserve. Ms. Hickok showed a series of slides with the heading, "Travel: The Hardest Hit Industry." The first slide shows a photo of the Explore Fairbanks Board, with the following information [original punctuation provided]:

2020 Board of Directors as a microcosm of industry:

6% released from employment
40% furloughed
27% shut down business
27% employed

MS. HICKOK said those who are still employed are involved in academia and retail businesses that can survive on local

business. She then brought attention to the next slide, which read as follows [original punctuation provided]:

A re-cap of some of the numbers for 2020 compared to 2019 (key Indicators):

♣ Employment -The Leisure and Hospitality sector accounted for 40% of all the job losses in Fairbanks; the second biggest job loss was in Transportation sector - both sectors include and are fueled by tourism

♣ Fairbanks International Airport - The Main Terminal had a total passenger loss of 59%

♣ Alaska Railroad - Ridership between Fairbanks and Anchorage decreased by 85%

♣ Cruise - Alaska's cruise industry was non-existent for summer 2020 due to the various bans imposed on the industry. Cruise land tours typically account for 41% of Fairbanks summer visitation.

♣ Border Crossings - With the U.S./Canada border closed to non-essential travel, the AlCan traffic decreased by 78%. Longhaul road travelers typically account for 9-10% of Fairbanks summer visitation.

♣ International Travel - Ceased by end of March. International travelers typically account for 16% of Fairbanks summer visitation, the highest percentage of international in the state (9% aver.); based on dated data, Fairbanks typically hosts 64% of all international leisure travelers to the state in winter - primarily driven by aurora tourism.

♣ Meetings and Conventions - The estimated lost economic impact of cancelled or postponed meetings and conventions that Explore Fairbanks has been directly engaged in is \$12.2 million

♣ Hotel/Motel Tax Collections - Collections in the Fairbanks North Star Borough, including the cities of Fairbanks and North Pole, decreased by 55%

MS. HICKOK noted that both Princess and Holland America would be operating land tours in summer 2021. When referring to the penultimate bullet point, regarding the economic impact of cancelled or postponed meetings and conventions, Ms. Hickok read the amount as being \$2.2 million. The next slide shows the motel/hotel tax in the Fairbanks North Star Borough since 2008, with growth the five years prior to 2020, then a significant loss in 2020.

12:13:32 PM

MS. HICKOK talked about measures taken, shown on the next slide, "2020 Amended Expense Budget." The budget was cut from the projected \$4.2 million to \$2.9 million; the number of employees was reduced from 26 to 12; and wages were cut in increments of 10, 15, and, for Ms. Hickok, 25 percent. Ms. Hickok said \$1 million of the reserve funding was used.

MS. HICKOK drew attention to a slide, entitled "Revenue Loss," which read as follows [original punctuation provided, with some formatting changes]:

Revenue Loss Actual Operating Revenue as of November 30, 2020:

	2019	#1 w/o CARES Act Funding 2020	#2 w/ CARES Act Funding 2020
Bed Tax/Grant Revenue	\$3,315,732	\$1,748,055	\$1,748,055
CARES Act Funding Grants			\$686,250
Communication Revenue	\$66,892	\$58,189	\$58,189
Partnership Development Revenue	\$129,057	\$97,288	\$97,288
Meetings & Convention Revenue	\$112,638	\$9,930	\$9,930
Tourism Revenue	\$48,699	\$0	\$0
Visitors Services Revenue	\$119	\$0	\$0
Miscellaneous Revenue	\$2,003	\$0	\$
In-Kind Donations/Trade Out Revenue	\$336,301	\$55,929	\$55,929
Total Revenue	\$4,011,440	\$1,969,391	\$2,655,641
Revenue Loss percentage to-date:		-50.91%	-33.80%

MS. HICKOK addressed the next slide, a "Stimulus Funding Recap," which read as follows [original punctuation provided, with some formatting changes]:

CARES Act Funding received as of December 31, 2020

Source	Funding	% of CARES
SBA EIDL Grant	\$10,000	1%
COF Cares Act Funding	\$426,950	62%
FNSB BIG	\$40,000	6%
State of AK Cares	\$100,000	15%
AK Community Foundation Grant	\$25,300	4%
North Pole Cares Funding	\$84,000	12%
FNSB CARES Act Funding	\$0	0%
TOTAL	\$686,250	100%

2021 passed on December 20, 2020

PPP eligibility expanded to 501(c)(6)s - received a first draw of \$285,915 in February

MS. HICKOK said she is on the U.S. Travel Board. She said she and some of her colleagues have given Alaska's congressional delegation a heads up that the industry would be asking for another extension to the PPP because the industry will be so hard hit. She said she anticipates asking for an extension to the end of the year and perhaps a third draw of PPP.

[12:17:19 PM](#)

MS. HICKOK emphasized the impact of social media, segueing into three slides addressing "2020 Highlights," which read as follows [original punctuation provided]:

www.explorefairbanks.com website

- ♣ Hosted 490,289 new visitors, a 15% increase
- ♣ Blog Pages had 117,174 page visits, up 161%
- ♣ Total page views were 1,232,385, a 6% decrease
- ♣ Number of returning visitors was 90,612, a 8% decrease

Social Media

- ♣ Facebook "likes" were at 306,060, a 16% increase
 - ♣ Twitter followers were at 6,940, a 3% increase
 - ♣ Instagram followers were at 23,890, a 31% increase
- Instagram likes hovers around 6% engagement

April Campaign: Start Your Virtual Vacation Now

- To engage potential future visitors with Fairbanks imagery (new 360⁰ stills and video) during COVID-19 lockdown.

Phase One: Explore Local

- "Explore Local" in Alaska's Golden Heart
- Encourage locals to participate in activities, attractions and tours as well as eating and drinking establishments normally focused on travelers to Alaska

Phase Two: Statewide Recovery

- Take a Road trip to the Golden Heart of Alaska
- Encourage statewide residents to come to Fairbanks

Phase Three: National Recovery

- Imagine Yourself Here. Explore Fairbanks Responsibly.

- Incorporate current travel restrictions as well as travel responsibly themes - face coverings, social distancing, hand sanitizing - systemically into all content throughout all marketing channels and efforts.
- Where Caribou Outnumber People
- Highlighting the Fairbanks region as a lowdensity destination
- Aurora Season Has Arrived
- Promoting seeing the northern lights - virtually or in person
- Winter Rocks!

[12:19:07 PM](#)

MS. HICKOK directed attention to the next slide, entitled "Explore Responsibly," which read as follows [original punctuation provided]:

By taking the "Explore Fairbanks Responsibly" Pledge, I commit my business to honor the following guidelines:

- Wear Masks
- Practice Physical Distancing
- Keep Clean
- Encourage Contactless Payment
- Follow Expert Advice
- Stop the Spread

MS. HICKOK noted that the pledge mimics the one in Anchorage and Denali, for the sake of consistency. She then covered the next slide, entitled "Long Road for Recovery of Travel Industry," which read as follows:

Reasons for optimism:

- ♣ Anecdotally, independent and small group travel this past summer and increasing in winter, especially this month of March
- ♣ Increased vaccinations especially among older populations and now gradually expanding state-by-state for 16 and older
- ♣ While cancelling one-way, cross-Gulf cruises, both Princess and Holland America are offering land -based tours this summer
- ♣ Increased lift from current and new carriers to FAI - 33% more air lift than summer 2019

Most recent from Delta Air Lines:

Launching a new daily nonstop flight from Salt Lake City beginning May 5 Adding a third nonstop flight from Seattle beginning June 19 Doubling service with a second nonstop flight from Minneapolis beginning June 19 Resuming daily from Chicago In addition to flying Fairbanks/Seattle year-round, Delta is extending the Minneapolis and Salt Lake City service to year-round

Other air service currently scheduled for Fairbanks for summer 2021 include:

Alaska Airlines with multiple daily flights from Seattle and Anchorage American Airlines with daily flights from Dallas-Fort Worth and Chicago United Airlines with daily flights from Denver by way of Anchorage Sun Country Airlines with weekly flights from Minneapolis Condor Airlines with weekly flights from Frankfurt

MS. HICKOK talked about putting a "best face forward." She said vaccinations have helped. She reported that at the Fairbanks International Airport, "we have 35 percent more lift than summer of 2019." She said this creates opportunity for independent and smaller group travel. Bringing attention to the next slide, she talked about analysis done in the Western states, which shows on the slide that Fairbanks ranked first, with all three top spots held by Alaska destinations.

[12:22:26 PM](#)

MS. HICKOK talked about all the videos made and said YouTube is the second biggest search engine next to Google. She ended her presentation with a short video illustrating the safety and sanitation protocol of Explore Fairbanks.

[12:24:25 PM](#)

CHAIR HOPKINS mentioned the legislature's current efforts to get a disaster declaration passed. He noted that Alaska is one of only two states in the nation currently without one. He asked Ms. Hickok, "Do you feel there would be a positive or negative impact, for not having a disaster declaration in place, to attract visitors here to Fairbanks or to Alaska as a whole?"

MS. HICKOCK, in reply, noted that all the presenters thus far are on the ATIA Board of Directors and have discussed the issue and "are leaving that in the capable hands of the legislature."

She stated, "We no longer want strict social districting; we don't see the need for that." She noted it was required and implemented, but said, "We've been assured that that won't happen again." She continued:

We do believe that the governor needs the powers in an emergency situation. In general, we would not like to see testing required, but if there is a health emergency in the state of Alaska, and testing has to be required from visitors, we understand that. So, ... we would defer to you ... to pick out the components of those that are necessary to have the benefits from federal governments, as well as keeping our state safe in an emergency.

[12:26:38 PM](#)

WENDY ANDERSON, Information Specialist, Skagway Convention & Visitors Bureau, credited those who had spoken before for covering the topic well. She said she does not think there is a single community in Alaska that has not been impacted by [the effect of the pandemic on] income from tourism. Ms. Anderson noted the committee had been given [a hardcopy of a PowerPoint, entitled "ECONOMIC IMPACT OF COVID-19 ON SKAGWAY, ALASKA MARCH 30, 2021," included in the committee packet]. She emphasized the lack of income in Skagway lately and said, "There's no way around how rough that is." She commended the Municipality of Skagway for doing a great job distributing funds from the CARES Act and "other Acts that they have started." That said, she informed the committee that the funds are rapidly dwindling. She indicated that businesses are promoting Skagway as an independent travel destination, but she emphasized the community needs help getting visitors to Skagway in 2021. She thanked [Chair Hopkins] for bringing up AMHS, because reliable ferry transportation is vital to residents and tourism.

MS. ANDERSON shared that she had been procrastinating all morning, because today is the deadline for removing businesses that have not renewed their licenses for the 2021 season from the municipality's web site. She said she knows once she removes them, there is "a fully good likelihood that they're not going to come back." She indicated she is talking about mom and pop businesses, and she expressed her hope that enough tourism can be stimulated in Skagway to keep year-round businesses open. She named the Fairbanks family, who owns the grocery store. She said the owner of Skagway Hardware is the town's oldest resident, whose family has roots back to the goldrush. She said

these are long-standing families being impacted, and she acknowledged that this is happening all over the state. She said it is not just the tourism businesses that are affected but all the smaller businesses that get "trickle down money" from visitors. She stated, "We have to support tourism marketing and the infrastructure around tourism destinations if we're going to keep that real spirit of Alaska alive and well for our visitors and our residents." She expressed her thanks for the advocacy for tourism shown by the legislature.

[12:29:27 PM](#)

REPRESENTATIVE HANNAN commented on Skagway's performance during the loss of 90 percent of its government revenue. She noted that Skagway had been "the only growing community in Southeast over the last decade." She talked about the fear of not being able to restore the economy. She promoted Skagway as "the sunniest part of Southeast Alaska" and urged Alaskans to visit and support the economy there while enjoying the town.

CHAIR HOPKINS thanked the presenters.

[12:31:29 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting was adjourned at 12:31 p.m.