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# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 31, 1990

FURTHER REFERRALS:

Date of Committee Action: 2/1/90

The LABOR & COMMERCE Committee considered:

HB 442

HOUSE BILL NO. 442

ALASKA TOURISM MARKETING COUNCIL

"An Act relating to the Alaska Tourism Marketing Council; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with CS HB 442 (LHC)  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS: \_\_\_\_\_  
(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

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 \_\_\_\_\_

**SIGNING:**  
(Check Approp. column)

	Do Not Pass	No Rec	Amend
<i>Dr. A. ...</i>		✓	
<i>Drew A. ...</i>		✓	

*Mr. ...*  
 \_\_\_\_\_  
 Chairman's Signature

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
 Title: Relating to the Alaska Tourism Marketing Council; and providing an effective date.  
 BRU: Alaska Tourism Marketing Council  
 Sponsor: House Spec. Comm. on Tourism Components: \_\_\_\_\_  
 Requestor: House Spec. Comm. on Tourism

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Passage will not increase FY90 expenses.

Prepared by: Robert Miller, Executive Director  
 Division: Alaska Tourism Marketing Council  
 Approved by Commissioner: [Signature]  
 Agency: Department of Commerce & Economic Development

Phone: 563-2239  
 Date: January 26, 1990  
 Date: 1/26/90

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 24, 1990

FURTHER REFERRALS:  
LABOR & COMMERCE

Date of Committee Action: \_\_\_\_\_

The House Special Committee on Tourism considered:

HB 442

HOUSE BILL NO. 442

ALASKA TOURISM MARKETING COUNCIL

"An Act relating to the Alaska Tourism Marketing Council; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 442  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:  
(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:  
(Check approp. column)

*[Handwritten signatures]*

	Do Not Pass	No Rec	Amend

*[Handwritten signature]*  
Chairman's Signature

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
 Title: Relating to the Alaska Tourism Marketing Council; and providing an effective date. BRU: Alaska Tourism Marketing Council  
 Sponsor: House Spec. Comm. on Tourism Components: \_\_\_\_\_  
 Requestor: House Spec. Comm. on Tourism

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

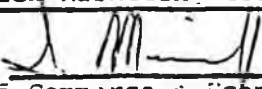
**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)  
 Passage will not increase FY90 expenses.

Prepared by: Robert Miller, Executive Director  
 Division: Alaska Tourism Marketing Council  
 Approved by Commissioner:   
 Agency: Department of Commerce & Economic Development

Phone: 563-2239  
 Date: January 26, 1990  
 Date: 1/26/90

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

HB442

Mikes' Good Times Charters  
191 E. Swanson Ave  
Wasilla, Ak. 99687  
(907) 376-7809

Attn: Ginger Baim and Chairman Dave Donley

Re: HB 442

Please read the following for the hearing Feb. 1, 1990:

As a small fishing charter business involved in the tourism for our state, we are concerned that the House Bill 442 will unfairly restrict the resources generated by the State Division of Tourism from availability of the small businesses, of which the state abounds.

The mailing lists should be state property and should be made available to any tourist oriented business requesting the lists for a nominal charge to cover the basic cost of providing the lists. No organization should be making money from the sale of those lists.

Thank you for your consideration.

Michael Janecek  
Fishing Guide

Park Plaza Bldg.  
191 E. Swanson Ave., Suite 102  
Wasilla, Alaska 99687  
(907) 376 5231



To: Labor and Commerce  
From: Cindy Bettine, ABC Travel Time, Inc.  
Attn: Ginger Baim and Chairman Dave Donley  
Feb. 1, 1990

Barb Hunt, Rep. Larsons aid suggested I have you read the following into the record at the 3pm hearing on HB442.

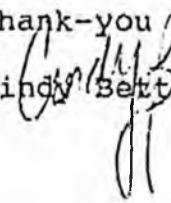
FOR THE HEARING

I do not agree with HB 442. The Alaska Visitors Association, the Tourism Marketing Council and the Division of Tourism have for years made the labels too expensive for the small tourism businesses to purchase.

Section 14 of HB 442 grants exclusive rights to a qualified trade association to sell tourism mailing list. I believe the mailing list should remain the property of the State of Alaska, and should be available at a rate similar to the voters registration list.

The tourism list should not be a vehicle for any organization to make money. It should remain the property of the State and used to promote tourism.

Thank-you for the opportunity to be heard.

  
Cindy Bettine, President

cc. Rep. Ron Larson  
cc. Rep. Curt Menard



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 \* DELIVER TO: LIOCBL5 \*  
 \* \*  
 \* ORIGINAL \*  
 \* SENT: 01/29/90 TIME: 15:25 \*  
 \* FROM: LTCCFBX \*  
 \* SUBJECT: SC TOURISM;FL#1;HB442;1-29-90 \*  
 \* PRINT DATE: 01/29/90 TIME: 15:25 \*  
 \* \*  
 \*\*\*\*\*

T/C NO: 90-01-193

DATE: JANUARY 29, 1990  
 SPONSOR: SPECIAL COMMITTEE ON TOURISM  
 SUBJECT: HB 442: ALASKA TOURISM MARKETING COUNCIL  
 MODERATOR: FRAN  
 SITE: FAIRBANKS

PARTICIPANT LIST  
 FINAL STATS

\*\*\*\*\*  
 TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. STAN STEPHENS			
2.			
3.			
4.			
5.			

\*\*\*\*\*  
 OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			
2.			
3.			
4.			
5.			

\*\*\*\*\*

TESTIFIED:  
 UNABLE

\*\*\*\*\*  
 \*  
 \* DELIVER TO: LIOCBL5 \*  
 \* \*  
 \* \*  
 \* ORIGINAL \*  
 \* SENT: 01/29/90 TIME: 15:29 \*  
 \* FROM: LIOCTOM \*  
 \* SUBJECT: 90-01-193; PL; TOURISM; 1-29 \*  
 \* PRINT DATE: 01/29/90 TIME: 15:29 \*  
 \* \*  
 \*\*\*\*\*

TAC NO: 90-01-193  
 DATE: JANUARY 29, 1990  
 SPONSOR: SPECIAL COMMITTEE ON TOURISM  
 SUBJECT: 90-01-193  
 MODERATOR: TOM FILLIFANT  
 SITE: ANCHORAGE

PARTICIPANT LIST

\*\*\*\*\*  
 TO TESTIFY:

1. BOB MILLER
2. CHARLES MCKEE

- ~~3. DENISE BELKOSKI~~
4. ALLAN LEMASTER
5. DON SMITH

\*\*\*\*\*  
 TO OBSERVE:

1. KAREN COWART
2. TINA LINGREN
4. JAMES WRIGHT

BACKUP NUMBER - 561-1199  
 EMAIL ADDRESS - LIOCTOM

oral & written  
testimony

Testimony to the House Special Committee on Tourism

January 29, 1991

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Good afternoon. My name is Tom Garrett. I am President of the Juneau Convention & Visitors Bureau and I am testifying today on behalf of the Southeast Alaska Tourism Council in support of HB 442.

Tourism is big business in Southeast Alaska. 70% of all Alaskan pleasure visitors spend part of their trip in Southeast and when they leave, they have left behind \$74 million dollars. SATC was formed to increase independent visitation to our region and to increase the economic impact of tourism. The organization is the state's oldest and largest regional tourism marketing organization and its membership includes seven southeast Alaskan cities, 38 private sector marketing partners and 101 member businesses.

Each year, SATC spends more than \$450,000 promoting our region. We purchase an ad in the Vacation Planner. We produce a four-color brochure which we mail to potential visitors and we buy large quantities of labels based on responses to the ATMC advertising campaign.

A few years ago we had two ways of generating names of potential visitors: we advertised in consumer magazines and we purchased labels from the vacation planner list. GMA Research recently concluded a conversion study which looked at the efficacy of each method and the results were clear: it is much more efficient for us to mail to the

Testimony to the House Special Committee on Tourism, page 2

vacation planner respondents list than to try to generate our own names through consumer magazine advertising.

One ad in Sunset magazine cost \$65,667 and generated 6,429 potential visitors at a cost of \$10.21 per lead. By comparison, our ad in the Vacation Planner and the additional labels that we purchased came to \$59,400 and generated 173,845 potential visitors - a cost of \$.34 per lead.

Because of the efficiency of using the vacation planner list, we no longer do direct consumer advertising and are concentrating our resources on responding to people who have been pre-qualified by the cooperative marketing program.

These names have great value to us because they are pre-qualified and because access to the list is restricted to other participants in the cooperative marketing program. We know that the people who are on the receiving end will only be getting information about Alaskan travel opportunities.

-- We don't have to worry about designing our message to compete with British Columbia -- a place that has everything that we've got and is easier and cheaper to get to;

-- We don't have to worry about the possibility that our brochure will arrive on the same day that the "Celebrate France" and "Visit Hawaii" brochure arrives;

Testimony to the House Special Committee on Tourism, page 3

-- We don't have to worry that our message will be lost in a mind-boggling deluge of junk mail and bogus sweepstakes special offers.

SATC believes that the legislature should take any and all actions necessary to preserve the cooperative marketing program. During the first eleven years of its existence, the cooperative marketing program made Alaska the envy of the tourism world. Even today, there is only one other state in the union with a program similar to ours -- Hawaii.

However, the past two years have seen an increasing amount of energy directed just at keeping the program together. Instead of being proactive about promoting Alaska, we are being reactive about defending the cooperative marketing program.

HB442 addresses all of the poltergeists that have been threatening the continued existence of this program and the legislation does so in a clear and direct fashion.

One issue in this legislation deserves special comment -- the question of access to the vacation planner list and the public's right to know.

We believe that the intent of public disclosure laws was to protect the people of Alaska from its government. The law guarantees citizens an open door, or at least a window, into the workings of state government so that at no time will the state take any action affecting its citizens without their knowledge.

However, it was not the intent of the public disclosure law to give away the farm.

Testimony to the House Special Committee on Tourism, page 4

There are many instances when it is in the public interest for the state to protect our investment. When a state employee or contractor develops computer software, the results of that work become property of the state. Though the software was produced with public money, it is not distributed to the public for merely the cost of duplicating the tape because that would not be an accurate reflection of the value of this product.

Similarly, the names, addresses and demographic information collected on business reply cards are a product of the cooperative marketing program and that information should not be distributed merely because someone can afford the cost of duplicating the tape.

Millions of dollars are invested in image and response advertising for the sole purpose of generating qualified responses -- why would the state turn around and give that away?

And in considering the question of freedom of information, at what point do we draw the line? If the names are not a product of the cooperative marketing program but are public records, then what about the television ads themselves? Should I be able to request a copy for the price of dubbing a tape and then have the ability to use that ad for my own unrestricted commercial purposes?

You created the ATMC to direct the state's tourism marketing program and you also created a mechanism for making a partnership with private industry. The 21 members of this council have unanimously agreed that the labels are an integral part of the

Testimony to the House Special Committee on Tourism, page 5

cooperative marketing program and have asked you to adopt legislation which will lay these questions to rest once and for all.

SATC believes strongly that the vacation planner respondent list is a product of the cooperative marketing program and cannot be separated from it without the destruction of the entire program and the loss of a valuable public/private partnership.

We urge you to take quick action on HB442 and to pass it out of committee with a "Do Pass" recommendation so that we can get on with the business of promoting Alaska as a visitor destination.

Thank you.



# Southeast Alaska Tourism Council

"representing Southeast Alaska and our Canadian neighbors"

P.O. Box 20710 Juneau, Alaska 99802-0710 (907) 586-4777 FAX: (907) 463-4961

January 25, 1990

The Honorable David Finkelstein  
Chairman, House Special Committee on Tourism  
Rm. 607, Court  
PO Box V  
Juneau, AK 99811

Dear Representative Finkelstein,

The Southeast Alaska Tourism Council supports the Alaska Tourism Marketing Council's resolution to protect names and other products of the Cooperative Tourism Marketing Program, just introduced. We further urge the administration and the legislature to proceed expeditiously with revisions as indicated by the resolution:

## ATMC RESOLUTION TO PROTECT NAMES AND OTHER PRODUCTS OF COOPERATIVE TOURISM MARKETING PROGRAM

1. All information collected by the ATMC is a product of the cooperative marketing program;
2. All products of the cooperative marketing program are the property of the Council; and
3. Granting distribution rights to all products of the cooperative marketing program is the exclusive right of the Council.

This was passed unanimously January 24, 1990 in Juneau by the SATC Board Members. Your action on this matter would be most appreciated.

Sincerely,

Chip Waterbury  
President

Original Sponsor(s): THE HOUSE SPECIAL COMMITTEE ON TOURISM

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE ON TOURISM

2 CS FOR HOUSE BILL NO. 442 (Tourism)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Tourism Marketing  
7 Council; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 44.33.705(c) is amended by adding a new paragraph to  
10 read:

11 (1) notwithstanding AS 39.52, a board member who is a  
12 member of the qualified trade association that has contracted with the  
13 department under (b) of this section may vote or take action on a  
14 matter that might benefit the trade association or members of the  
15 trade association, including the issuance of contracts or the granting  
16 of rights to the trade association.

17 \* Sec. 2. AS 44.33.715(a) is amended to read:

18 (a) The board may

19 (1) adopt, alter, and use a corporate seal;

20 (2) prescribe, adopt, amend, and repeal bylaws relating to  
21 the internal management and operations of the council [, INCLUDING THE  
22 GRANTING OF DISTRIBUTION RIGHTS TO TOURISM MAILING LISTS];

23 (3) sue and be sued in the name of the council;

24 (4) enter into [ANY] agreements necessary to perform its  
25 functions;

26 (5) cooperate with a public or private board, organization,  
27 or agency engaged in work or activities similar to the work or act-  
28 ivities of the council, including entering into contracts for joint  
29 programs of tourism advertising and marketing;

- 1 (6) receive contributions of money;
- 2 (7) establish offices in the state and otherwise incur  
3 expenses incidental to the performance of its duties;
- 4 (8) appear on behalf of the council before boards, commis-  
5 sions, departments, or other agencies of municipal, state, or federal  
6 government except as provided under (b) of this section;
- 7 (9) acquire, hold, lease, sell, or otherwise dispose of  
8 property, but such property is limited to that which is necessary to  
9 the administrative functioning of the council;
- 10 (10) appoint committees comprised of board and nonboard  
11 members; the presiding officer of each committee shall be a board  
12 member;
- 13 (11) prepare and implement plans for the promotion of  
14 travel to and inside the state;
- 15 (12) sell, at fair market value, tourism advertising space  
16 in publications and promotional materials developed by the council;
- 17 [AND]
- 18 (13) provide space to a qualified trade association in  
19 publications and promotional materials developed by the council if the  
20 trade association has contracted with the department under AS 44.33.-  
21 705(b) and pays its pro rata share of the production costs for the  
22 publication or promotional material; payment under this paragraph is  
23 not part of the association's required contribution under AS 44.33.-  
24 705(b); and
- 25 (14) grant exclusive rights to a qualified trade associa-  
26 tion to sell tourism mailing lists developed by the council if the  
27 trade association has contracted with the department under AS 44.33.-  
28 705(b).

29 \* Sec. 3. AS 44.33 is amended by adding a new section to read:

1           Sec. 44.33.723. INFORMATION AND DATA. Marketing information and  
2 data generated by the council, including tourism mailing lists con-  
3 taining consumer names, addresses, and demographic information, are  
4 not public writings or records under AS 09.25.110 or 09.25.120.

5 \* Sec. 4. AS 44.33 is amended by a new section to read:

6           Sec. 44.33.727. FUND TRANSFER AND REQUIRED CONTRIBUTION. All of  
7 the funds obtained by the qualified trade association from the sale of  
8 space in publications and promotional materials under AS 44.33.-  
9 715(a)(13) and from the sale of tourism mailing lists under AS 44.33.-  
10 715(a)(14) shall be transferred to the council for deposit in the  
11 general fund. The association shall receive credit towards the satis-  
12 faction of its required contribution under AS 44.33.705(b) in the  
13 amount of the funds turned over to the council under this section.

14 \* Sec. 5. This Act is retroactive to July 1, 1988.

15 \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).  
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