

HB

442

SENATE COMMITTEE REPORT

DATE: 2/15/90

FURTHER:

DATE TURNED INTO OFFICE: 3/29/90

Labor and Commerce Committee considered CSHB 442 (L&C) am

Alaska Tourism Marketing Council; efd.

and recommended:

replace with SCS CS HB 442 (L+C)
 or adopt _____ CS _____

same title
 new title
 technical title change (HB only)

attached amendment(s)
 _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

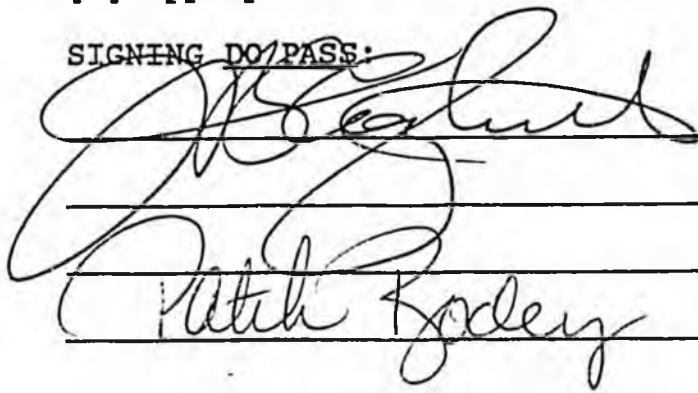
Dept/Date:

fiscal note(s) _____

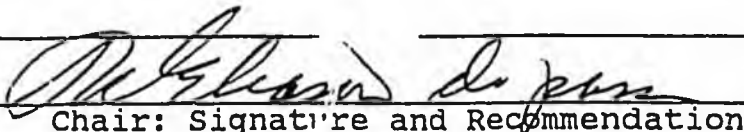
zero fiscal note(s) Dept of Commerce 1/29/90

Governor's bill w/fiscal note

SIGNING DO/PASS:



OTHER RECOMMENDATIONS:


Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

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

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: 
 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)

MEMORANDUM

State of Alaska
Department of Law

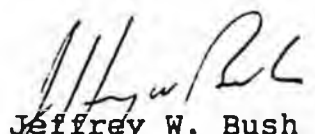
TO Designated Supervisor

DATE February 20, 1990

FILE NO 663-90-0288

TEL NO 465-3600

SUBJECT Right of member to bid on
contracts
(Executive Ethics Act --
AS 39.52)


FROM Jeffrey W. Bush
Assistant Attorney General
Commercial Section-Juneau

A representative of an advertising and public relations agency is a member of the Alaska Tourism Marketing Council (ATMC) appointed by the governor under AS 44.33.705(c)(3). The agency is now interested in submitting proposals on advertising and public relations contracts let by the ATMC. You have asked whether the agency may submit a proposal while its representative is on the ATMC.

Briefly, we conclude that the agency is prohibited from submitting a proposal so long as its representative remains on the ATMC. We have also concluded that his membership on the board does not impact the right of the agency to bid on contracts with the Alaska Visitors Association (AVA). Finally, we will briefly discuss the impact of CSHB 442(L&C)am on the conclusions reached in this memorandum.

The Alaska Executive Ethics Act, AS 39.52, prohibits a public officer or a member of his immediate family from attempting to acquire a personal or financial interest in, */ or otherwise become a party to, a state contract, if the public officer is in a position to potentially take or withhold official action with respect to the award, execution, or administration of the contract. AS 39.52.150(a). A "public officer" is defined to include a member of a board or commission. AS 39.52.960(21)(B). As a member of the ATMC, the agency's representative squarely falls under this prohibition and, unless some statutory exclusion can be found, is prohibited from attempting to acquire or submitting a proposal on any contract issued by the ATMC.

AS 39.52.150(b) sets out the only possible exclusion applicable in this case. This subsection provides that a public officer otherwise prohibited from acting under the provisions of AS 39.52.150(a) is permitted to bid on a contract if the contract is competitively solicited,

*/ As the term is defined in AS 39.52.960(9)(B), the public officer in this case has a "financial interest" in the agency.

unless the officer

(1) is employed by the administrative unit awarding the grant, contract, or lease or is employed by the administrative unit for which the grant, contract, or lease is let; or

(2) takes official action with respect to the award, execution, or administration of the grant, contract, or lease.

AS 39.52.150(b). Were the ATMC member to avoid any involvement with the awarding or execution of an ATMC contract with his agency, he would not be subject to AS 39.52.150(b)(2). The issue, then, would be whether he falls under the exclusion to the prohibition in AS 39.52.150(b)(1).

Although the ATMC member is not technically "employed" by the ATMC, we believe that the appropriate application of AS 39.52.150(b)(2) to board members is to deem them employed by the board on that they serve. Otherwise, the prohibition in AS 39.52.150(a) would never apply to board members, an interpretation which would be inconsistent with the language used in this section. The prohibition in AS 39.52.150(a) specifically applies to "public officers," which by definition include board members, rather than to "public employees." Had the legislature not intended this prohibition to apply to board members, it would have limited this section's applicability to public employees, as it did when it adopted AS 39.52.170. Therefore, we conclude that the agency may not bid or otherwise submit a proposal on any contracts let by the ATMC so long as its representative remains on the ATMC board.

You have also asked whether the existence of the contract between the state and the AVA creating the ATMC in any way restricts the agency's ability to bid on Alaska contracts with the AVA while its representative sits on the ATMC board. We are aware of no reason why the existence of this state/AVA contract would restrict the agency's ability to bid on a contract with the AVA, which is a private nonprofit organization not subject to the Executive Ethics Act.

Finally, we note that the conclusions reached in this memorandum would be overturned if CSHB 442(L&C)am passes the legislature and becomes law. Section 1 of that bill provides that notwithstanding the prohibitions of the Ethics Act, an ATMC member may vote or take action on a matter that might benefit the AVA or members of the AVA. By making this very broad exemption, a board member would be able to submit a contract proposal to the ATMC and

Designated Supervisor
Our file: 663-90-0288

February 20, 1990
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even vote or take action, such as sitting on the contract review committee, with respect to the awarding of that contract.

I have discussed this situation with representatives of the Division of Tourism and the ATMC, who agree that the exemption in section 1 of CSHB 442(L&C)am was not intended to go this far. I would suggest that section 1 of the bill be revised to add a new paragraph to read:

(12) a board member, or an immediate family member, may not attempt to acquire, receive, apply for, be a party to, or have a personal or financial interest in a grant or contract issued by the council.

We hope this answers your questions.

JWB:jf

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 26, 1990

SUBJECT: Constitutionality of CSHB 442 (L&C) am
TO: Senator Dick Eliason
FROM: Theresa L. Bannister ²³
 Legislative Counsel

You have asked whether the above-referenced bill has constitutional problems. There do not appear to be constitutional problems with the bill. Although the language in sec. 4 of the bill requires examination in light of the constitutional prohibition against the creation of dedicated funds, the language does not appear to create a dedicated fund. The reference to certain funds appears to be solely for the purpose of establishing how much credit will be applied against the marketing association's required contribution. The section requires that the funds be turned over to the Alaska Tourism Marketing Council for deposit in the general fund. Therefore, the funds are not diverted to other purposes, but are placed in the general fund from which the legislature may make the appropriations that it determines to be appropriate. The use of the phrase "amount of the funds" in conjunction with "shall be applied", rather than "paid" or a similar word, supports the conclusion that the funds are being used solely to provide a reference point for calculating a credit to be applied to the required contribution. The section does not direct that the funds be paid out for any purpose, and they are available for appropriation. This availability of the funds is the purpose of the dedicated fund provision. Therefore, the language of sec. 4 does not appear to be constitutionally defective. Nor does the rest of the bill. If I may be of further assistance, please advise.

TLB:lmb
L9/130



SPECIAL COMMITTEE ON TOURISM

House of Representatives
Alaska State Legislature

P.O. Box V, Juneau, Alaska 99811
465-2435 • FAX (907) 465-2718

Rep. David Finkelstein, Chair
Rep. Johnny Ellis
Rep. Richard Foster
Rep. Curt Menard
Rep. Richard Shultz
Rep. Fran Ulmer
Rep. Jim Zawacki

March 20, 1990

To: Senate Labor and Commerce Committee members

From: David Finkelstein *DF*

Re: CS HB 442 (L & C) am, relating to the Alaska Tourism
Marketing Council

The House version of HB 442 addresses three issues that surfaced recently with regard to provisions in ATMC's enabling law. This legislation will allow the ATMC to continue operating under their current policies.

1) Should ATMC board members, whose businesses are also members of the "qualified trade association," be barred from active participation on matters that might benefit the association?

The House version of HB 442 makes it clear that such activity is not prohibited under the ethics law (AS 39.52). The law allows ATMC to take action (such as providing space to the qualified trade association in publications and promotional material) which might be construed to be of benefit to the association. Denying members of the association the ability to vote on matters "benefitting" the association would cripple the ATMC's ability to effectively pursue the state's cooperative marketing program. HB 442 does require that any potential conflict be made part of the public record.

2) Should the ATMC be able to grant exclusive distribution rights for marketing information produced by the program?

Current law (AS 44.33.715 (a) (2)) provides that the ATMC board may:

"prescribe, adopt, amend, and repeal bylaws relating to the internal management and operations of the council, including the granting of distribution rights to tourism mailing lists."

DURING INTERIM:

3111 C Street, Anchorage, Alaska 99503
(907) 561-7626 • FAX (907) 562-4376

The House version of HB 442 clarifies the original intent of the Legislature by making it more explicit that the distribution rights for tourism mailing lists granted by ATMC are exclusive.

3) How should monies raised through the cooperative marketing program be handled by the trade association?

The exact procedure for the management of funds raised by the qualified trade association from their participation in the cooperative marketing program is not dealt with in the law. HB 442 provides that funds obtained by the qualified trade association from the sale of space in publications and promotional materials and from the sale of mailing labels will be transferred to the ATMC for deposit in the General Fund. The trade association receives credit for this deposit towards the satisfaction of its required contribution to the cooperative marketing program.

The continuation of Alaska's cooperative tourism marketing program depends on these amendments. Thank you for your consideration.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

January 10, 1990

Hon. H. A. "Red" Boucher
House of Representatives
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: Tourism mailing lists
Our file: 663-90-0214

Dear Representative Boucher:

You have asked for our comments on certain practices of the Alaska Tourism Marketing Council (ATMC) and the Alaska Visitors Association (AVA) related to the distribution of mailing lists, or labels, generated through the ATMC's cooperative marketing program. We conclude that the lists are public records and must be produced to those who request them, for cost.

Pursuant to AS 44.33.705(b), the commissioner of the Department of Commerce and Economic Development (DCED) has entered into a contract with the AVA to jointly manage the ATMC. As required under AS 44.33.705(b) and the contract, the AVA contributes to the state 15 percent of the total operating expenses of the ATMC. These contributions are received by the state, deposited in the general fund, and then appropriated back each year by the legislature to the ATMC for operations. See AS 44.33.730 and secs. 27 & 29, ch. 116, SLA 1989, at 49, 108.

The primary responsibility of the ATMC is to manage the state's multi-million dollar cooperative tourism marketing program. AS 44.33.720. As part of this program, the ATMC places advertisements in various magazines and newspapers and on television. With respect to the print media ads, business reply cards (BRCs) are also placed in the ads, and a potential tourist may then clip out the BRC and mail it back to the state. A respondent also can provide certain information and demographic data on the BRC, such as age, probable mode of travel (RV, cruise ship, etc.), and interests (sport fishing, hiking, photography, etc.).

The ATMC has entered into a contract with a private company to handle BRC responses. When a BRC or a general request for tourism information is received by the state, it is forwarded

REPLY TO:

1031 W 4th AVENUE SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 276-3550
FAX: (907) 276-3697

1st NATIONAL CENTER
100 CUSHMAN ST. SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 452-1568
FAX: (907) 456-1317

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

to the contractor. The contractor first inputs onto computer tape all the information provided by the person who sent in the BRC or information request -- name, address, interests, and demographic information. The contractor sends to the person a copy of the ATMC's principal publication, the official state Vacation Planner. The computer tape is then used to produce mailing labels identifying potential tourists by demography or stated areas of interest.

The Vacation Planner is produced by the ATMC. The ATMC sells space in the Planner to the AVA at cost, which in turn the AVA sells to its marketing partners at a premium in order to raise money for its required 15 percent contribution to the program. As a further incentive to encourage marketing partners to participate in the program, the AVA offers each partner a certain number of "free" mailing labels based upon the size of the ad purchased. 1/ With the contractor's ability to sort labels based upon the potential tourists' stated interests, a purchaser may request and receive labels for potential tourists who have expressed an interest in the purchaser's particular business (i.e., a lodge owner may request 1000 labels of persons who expressed an interest in fishing or hunting), or profile (i.e., a cruise ship operator may request persons over age 50). If a purchaser wants more labels than the "free" number offered as part of its ad purchase, or if a nonpurchaser wants labels, these may be bought for a fee significantly more expensive than the actual cost of producing the labels. 2/ All funds generated from these label sales are sent

1/ The ATMC has voted to purportedly grant to the AVA the exclusive distribution rights for these mailing lists. See AS 44.33.715(a)(2). This distribution, however, is provided and paid for pursuant to the ATMC's contract with the private contractor. For a number of reasons not relevant to this discussion, we do not believe this grant is binding on the state.

2/ In general, we have held that distribution of state records to private parties that wish to use the information to produce mailing lists may violate the privacy rights of the persons whose names and addresses are released. 1979 Inf. Op. Att'y Gen. (April 17; J66-642-79); 1987 Inf. Op. Att'y Gen. (July 15; 663-87-0598). In this case, however, where those submitting the information do so for the purpose of obtaining tourism information, and where the use of these records for mailing lists is well-established and will benefit the public through increased tourism, we do not believe that there is an expectation of privacy sufficient to protect the information.

Hon. H. A. "Red" Boucher
House of Representatives
Our file: 663-90-0214

January 10, 1990
Page 3

to the AVA and are also used by the AVA to make up part of its required 15 percent contribution to the program.

You have asked whether these practices with respect to the mailing lists comport with Alaska law. Specifically, you have asked whether it is permissible for the AVA to sell these mailing labels at a premium, or if the information must be treated as public records and distributed to whomever requests it at cost.

As indicated above, the data used to compile the computer tapes, and the actual labels themselves, are in the possession and control of the ATMC's private contractor. These tapes and labels are not directly controlled by any state agency.

Not all records in the possession of a private contractor are public records. For example, the general business records of a corporation do not become subject to the same rules as a state agency's records merely because the corporation is a successful bidder on a state contract.

We conclude, however, that where a contractor is essentially performing a state function, all records produced as a result of that performance are public documents. ^{3/} Although we are aware of no Alaska cases discussing this issue, other jurisdictions that have looked at the question have held that, when a state contracts with a corporation to perform a public function, records related to that particular contract or function are treated as public records. Fox v. News-Press Publishing Co., 545 So. 2d 941 (Fla. App. 1989); Fritz v. Norflor Construction Co., 386 So. 2d 899 (Fla. App. 1980); Westchester Rockland Newspapers v. Kimball, 408 N.E.2d 904 (N.Y. 1980). This is also consistent with language contained in the state's standard contract form, which was used by the parties in this case. Article 10 of the standard contract provides, in relevant part:

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to

^{3/} To the extent that this conclusion is inconsistent with our earlier advice, contained in 1988 Inf. Op. Atty. Gen (Aug. 8; 663-88-0464), we overrule that opinion at this time.

establish any claim under the design patent or copyright laws.

Thus, we conclude that the data tapes, mailing labels and other documents created as a result of the state's contract for handling BRC responses are subject to the state's public disclosure laws, AS 09.25.110--09.25.120 and 6 AAC 95. 4/

Because the computer tapes are public documents, they must be produced at cost for anyone who requests them (6 AAC 95.130). Since these records are presently kept in computer tape form, they must be produced in that form. Szikszy v. Buelow, 436 N.Y.S.2d 558, 563 (N.Y. Super. 1981); State v. Harder, 641 P.2d 366, 374 (Kan. 1982). Also, to the extent that the agency chooses to make available these records in some other form, such as hard copy or sorted mailing labels, it must do so for all members of the public. We presume that the ATMC will want to continue making mailing labels available to tourism businesses, and if so, such labels must be available for all.

Further, because these are state records, any costs recovered from the distribution of these records by the ATMC through label sales are state program receipts and should be deposited directly into the general fund. These cost recovery receipts should not be credited to the AVA as part of its required contribution to the cooperative marketing program. See 1987 Inf. Op. Att'y Gen. (Sept. 15; 663-88-0080).

We caution that this opinion is based solely on our analysis of the applicable law in this area. We know there are significant arguments that can be made that distribution of these labels to the general public at cost may be detrimental to either the cooperative marketing effort (since these lists will now be available to competitor destinations) or the contractual arrangement between DCED and the AVA that created the ATMC (because the AVA may find it more difficult to raise its required contribution to the program). On the other side are arguments that the easy, wide-spread distribution and availability of these labels can only enhance Alaska's overall tourism efforts, by allowing more businesses to distribute their tourism fliers. It will be up to the legislature and the governor to weigh these competing arguments and decide if a statutory exception to the general open-records policy and laws is appropriate for these public records.

4/ These records are also subject, of course, to otherwise generally recognized exceptions to those laws.

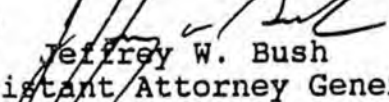
Hon. H. A. "Red" Boucher
House of Representatives
Our file: 663-90-0214

January 10, 1990
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We hope this answers your questions. If this office can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL

By: 
Jeffrey W. Bush
Assistant Attorney General

JWB:jf

cc: Larry Mercurieff, Commissioner, DCED
Jane Angvik,, Assistant Commissioner, DCED
Dana Brockway, Director, Division of Tourism and Chair, ATMC
Bob Miller, Executive Director, ATMC
Bob Dindinger, President, AVA

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FILE COPY

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701-4679

January 29, 1990

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600

Donald L. Smith
Smith Enterprises, Inc.
3002 Spenard Rd., Ste. 1
Anchorage 99503

Re: Request for ATMC computer tapes

Dear Mr. Smith:

Bob Miller, Executive Director of the Alaska Tourism Marketing Council (ATMC), has requested my assistance in responding to your letter of January 22, 1990, in which you request copies of computer tapes maintained by the ATMC containing names, addresses and demographic information of people who have requested tourism information. You have requested this information pursuant to the state's public records statute, AS 09.25.110, and you cite for authority my informal attorney general opinion of January 10, 1990 (#663-90-0214).

Unfortunately, I cannot approve release of this information to you at this time. In response to my informal opinion, the House Special Committee on Tourism introduced House Bill 442, which if passed will create an exception to the general public records statute for all marketing information and data generated by the ATMC, including the information you seek. Although this is still a bill and not law, we believe that the status quo should remain in effect while the legislature has a reasonable opportunity to consider this legislation. This is especially true in light of the fact that the release of this information to you or anyone else at this time might make any subsequent legislation meaningless, at least in the short term.

Therefore, by copy of this letter to Mr. Miller, I am advising him not to release to you the information you requested,

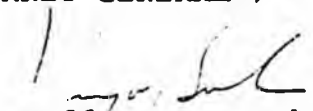
Donald L. Smith
Smith Enterprises, Inc.

January 29, 1990
Page 2

until such time as the legislative session ends or it becomes apparent that HB 442 or similar legislation will not pass.

Sincerely yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL .

By: 
Jeffrey W. Bush
Assistant Attorney General

JWB:jf

cc: Bob Miller, Executive Director, ATMC
Dana Brockway, Chair, ATMC and director, Division of Tourism

2/26/90

PROPOSED AMENDMENTS TO CSHB 442(L&C) am:

I. Amend new subparagraph (14) [Page 2, lines 26-29] to read:

(14) grant exclusive rights to a qualified trade association to sell or lease tourism mailing lists developed by the council if the trade association has contracted with the deparatment under AS 44.33.705(b).

II. Amend new AS 44.33.723 [Page 3, lines 2-9] to read:

Sec. 44.33.723. INFORMATION AND DATA. Marketing information and data generated by the council, including tourism mailing lists containing consumer names, addresses, and demographic information, are not public writings or records under AS 09.25.110 or 09.25.120. Tourism mailing lists sold or leased by the qualified trade association under AS 44.33.715(a)(14) shall be made available without discrimination [FOR SALE] to any individual or business for the purpose of promoting an Alaska tourism product or service. The qualified trade association may impose restrictions to prohibit subsequent sale or lease of the lists by purchasers.

III. Amend new AS 44.33.727 [Page 3, lines 11-18] to read:

Sec. 44.33.727. FUND TRANSFER AND REQUIRED CONTRIBUTION. (a) All of the funds obtained by the

qualified trade association from the sale of space in publications and promotional materials under AS 44.33.714(a)(13) and from the sale or lease of tourism mailing lists under AS 44.33.715(a)(14) shall be transferred to the council for deposit in the general fund, less the association's expenses related to the sale of space in publications and promotional materials and the sale or lease of tourism mailing lists. The amount of funds turned over to the council under this section shall be applied to the required contribution of the association under AS 44.33.705(b).

6-1975D
Bannister
3/27/90

Original sponsor(s): House Special Committee On Tourism

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 442 (L&C)

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, but shall disclose the person's
17 membership in the trade association before the vote or action; this
18 paragraph may not be interpreted to allow a board member or an immedi-
19 ate family member of a board member to receive, apply for, be a party
20 to, have a personal or financial interest in, or attempt to acquire a
21 grant or contract made by the council; in this paragraph, "immediate
22 family member" has the meaning given in AS 39.52.960.

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

24 (a) The board may

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

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

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

1 (4) enter into [ANY] agreements necessary to perform its
2 functions;

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

7 (6) receive contributions of money;

8 (7) establish offices in the state and otherwise incur
9 expenses incidental to the performance of its duties;

10 (8) appear on behalf of the council before boards, commis-
11 sions, departments, or other agencies of municipal, state, or federal
12 government except as provided under (b) of this section;

13 (9) acquire, hold, lease, sell, or otherwise dispose of
14 property, but such property is limited to that which is necessary to
15 the administrative functioning of the council;

16 (10) appoint committees comprised of board and nonboard
17 members; the presiding officer of each committee shall be a board
18 member;

19 (11) prepare and implement plans for the promotion of
20 travel to and inside the state;

21 (12) sell, at fair market value, tourism advertising space
22 in publications and promotional materials developed by the council;

23 [AND]

24 (13) provide space to a qualified trade association in
25 publications and promotional materials developed by the council if the
26 trade association has contracted with the department under AS 44.33.-
27 705(b) and pays its pro rata share of the production costs for the
28 publication or promotional material; payment under this paragraph is
29 not part of the association's required contribution under AS

1 44.33.705(b); and

2 (14) grant exclusive rights to a qualified trade associa-
3 tion to sell or lease tourism mailing lists developed by the council
4 if the trade association has contracted with the department under
5 AS 44.33.705(b).

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

7 Sec. 44.33.723. INFORMATION AND DATA. Marketing information and
8 data generated by the council, including tourism mailing lists con-
9 taining consumer names, addresses, and demographic information, are
10 not public writings or records under AS 09.25.110 or 09.25.120.
11 Tourism mailing lists sold or leased by the qualified trade associa-
12 tion under AS 44.33.715(a)(14) ^{originally was "be made available"} shall be sold or leased without dis-
13 crimination to any individual or business for the purpose of promoting
14 an Alaska tourism product or service. The qualified trade association
15 may restrict the subsequent sale or lease of the tourism mailing lists
16 by purchasers or lessees.

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

18 Sec. 44.33.727. FUND TRANSFER AND REQUIRED CONTRIBUTION. All of
19 the funds obtained by the qualified trade association from the sale of
20 space in publications and promotional materials under AS 44.33.-
21 715(a)(13) and from the sale or lease of tourism mailing lists under
22 AS 44.33.715(a)(14), less the association's expenses related to those
23 sales and leases, shall be transferred to the council for deposit in
24 the general fund. The amount of the funds turned over to the council
25 under this section shall be applied to the required contribution of
26 the association under AS 44.33.705(b).

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

28 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).
29

Sitka

Sitka Convention & Visitors Bureau
P.O. Box 1226
Sitka, Alaska 99835
(907) 747-5940

February 16, 1990

Senator Dick Eliason
Alaska State Legislature
P.C. Box V (MS 3100)
Juneau, Alaska 99811

Dear Senator Eliason:

I am writing in regard to Senate Bill 419 relating to the Alaska Tourism Marketing Council and the distribution of labels produced as a product of that program.

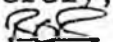
I support the legislation on a number of grounds. #1, the labels are the product of a legislatively mandated cooperative marketing program. The enabling legislation stipulates that the private sector match State funding at a rate of 15%. To make the labels available to those private businesses which do not contribute to the 15% match devalues the investment made in the program by those who support the cooperative marketing effort.

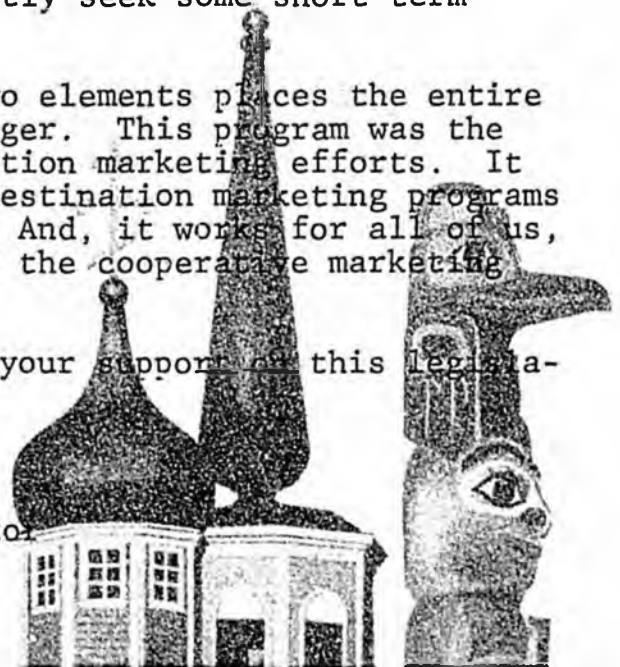
#2, the inherent value of the label program is the integrity of the mailing list. I have recently returned from a travel show in California where the number of people refusing to give their address to our staff so that we could send them Alaska information was incredible. Their fear was that they would be placed on some mailing list for a time share in Mexico. Should our list be made available to anyone, including potential destination competitors, those people requesting information on Alaska could also receive unwanted literature from travel insurance companies, luggage manufacturers, shock absorber salesmen, etc.. This makes these once valuable names of potential Alaska visitors less attractive to everyone, including those who currently seek some short term advantage from their use.

Finally, the combination of these two elements places the entire cooperative marketing program in danger. This program was the forerunner of public/private destination marketing efforts. It remains the model upon which other destination marketing programs are fashioned. In short, it works! And, it works for all of us, large or small. We all will lose if the cooperative marketing program is lost.

The visitor industry is counting on your support of this legislation.

Sincerely,


Robert W. Ward Jr., Executive Director
Sitka Convention & Visitors Bureau



Anchorage Daily News


Gerald E. Grilly, Publisher

Howard Weaver, Managing Editor

Michael Carey, Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1948 by Norman C. Brown



The seal is circular with the text 'WINNER PULITZER PRIZE' at the top and 'GOLD MEDAL FOR PUBLIC SERVICE 1976' at the bottom. The center features a figure holding a torch and a scroll, with the words 'JOURNALISM' and 'TRUTH' visible.

Sell 'em cheap

Visitor lists should be offered at a token price. The state of Alaska does many things to promote tourism. It spends millions of dollars to run the ever-popular state ferries. It spends millions more to convince the world Alaska is not a wasteland of glaciers and igloos. It spends thousands of dollars to help compile names of people who are interested in visiting Alaska. But one thing the state doesn't do is allow cheap, easy access to those names.

That list is a tourist marketer's dream. It can be broken down by where in Alaska visitors might come, when, and what they'd like to do. It's invaluable to any Alaska tourist business, but especially those that can't afford to develop their own lists.

But the state allows the list to be treated as a hot commodity. Buyers must pay \$150 per 1,000 names, or 15 cents each. (Big advertisers in the state travel planner qualify for discounts.) And that price, high as it is, was only recently cut by 50 percent. By comparison, other non-proprietary state lists, such as registered voters, can be purchased for a few cents a name from commercial vendors.

In other words, the state acts more like a business jealously guarding trade secrets than a friendly partner willing to share valuable data.

The visitor list needn't be treated as public information, available to any comer. The state can properly decide to sell the list only to firms promoting Alaska tourism — as the House of Representatives recently voted to do.

But the House measure says nothing about what buyers must pay for the list. Lawmakers should consider the visitor list an investment in "information infrastructure." Selling the list at nominal cost is one concrete way the state can help almost any tourist business, big or small.

Small

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE SUITE 200
ANCHORAGE, ALASKA 99501-1694
PHONE: (907) 278-3650
FAX: (907) 278-3697

161 NATIONAL CENTER
100 CUSHMAN ST. SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 452-1568
FAX: (907) 456-1317

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

January 10, 1990

Hon. H. A. "Red" Boucher
House of Representatives
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: Tourism mailing lists
Our file: 663-90-0214

Dear Representative Boucher:

You have asked for our comments on certain practices of the Alaska Tourism Marketing Council (ATMC) and the Alaska Visitors Association (AVA) related to the distribution of mailing lists, or labels, generated through the ATMC's cooperative marketing program. We conclude that the lists are public records and must be produced to those who request them, for cost.

Pursuant to AS 44.33.705(b), the commissioner of the Department of Commerce and Economic Development (DCED) has entered into a contract with the AVA to jointly manage the ATMC. As required under AS 44.33.705(b) and the contract, the AVA contributes to the state 15 percent of the total operating expenses of the ATMC. These contributions are received by the state, deposited in the general fund, and then appropriated back each year by the legislature to the ATMC for operations. See AS 44.33.730 and secs. 27 & 29, ch. 116, SLA 1989, at 49, 108.

The primary responsibility of the ATMC is to manage the state's multi-million dollar cooperative tourism marketing program. AS 44.33.720. As part of this program, the ATMC places advertisements in various magazines and newspapers and on television. With respect to the print media ads, business reply cards (BRCs) are also placed in the ads, and a potential tourist may then clip out the BRC and mail it back to the state. A respondent also can provide certain information and demographic data on the BRC, such as age, probable mode of travel (RV, cruise ship, etc.), and interests (sport fishing, hiking, photography, etc.).

The ATMC has entered into a contract with a private company to handle BRC responses. When a BRC or a general request for tourism information is received by the state, it is forwarded

to the contractor. The contractor first inputs onto computer tape all the information provided by the person who sent in the BRC or information request -- name, address, interests, and demographic information. The contractor sends to the person a copy of the ATMC's principal publication, the official state Vacation Planner. The computer tape is then used to produce mailing labels identifying potential tourists by demography or stated areas of interest.

The Vacation Planner is produced by the ATMC. The ATMC sells space in the Planner to the AVA at cost, which in turn the AVA sells to its marketing partners at a premium in order to raise money for its required 15 percent contribution to the program. As a further incentive to encourage marketing partners to participate in the program, the AVA offers each partner a certain number of "free" mailing labels based upon the size of the ad purchased. 1/ With the contractor's ability to sort labels based upon the potential tourists' stated interests, a purchaser may request and receive labels for potential tourists who have expressed an interest in the purchaser's particular business (i.e., a lodge owner may request 1000 labels of persons who expressed an interest in fishing or hunting), or profile (i.e., a cruise ship operator may request persons over age 50). If a purchaser wants more labels than the "free" number offered as part of its ad purchase, or if a nonpurchaser wants labels, these may be bought for a fee significantly more expensive than the actual cost of producing the labels. 2/ All funds generated from these label sales are sent

1/ The ATMC has voted to purportedly grant to the AVA the exclusive distribution rights for these mailing lists. See AS 44.33.715(a)(2). This distribution, however, is provided and paid for pursuant to the ATMC's contract with the private contractor. For a number of reasons not relevant to this discussion, we do not believe this grant is binding on the state.

2/ In general, we have held that distribution of state records to private parties that wish to use the information to produce mailing lists may violate the privacy rights of the persons whose names and addresses are released. 1979 Inf. Op. Att'y Gen. (April 17; J66-642-79); 1987 Inf. Op. Att'y Gen. (663-87-0598). In this case, however, where those submitting the information do so for the purpose of obtaining tourism information, and where the use of these records for mailing lists is well-established and will benefit the public through increased tourism, we do not believe that there is an expectation of privacy sufficient to protect the information.

to the AVA and are also used by the AVA to make up part of its required 15 percent contribution to the program.

You have asked whether these practices with respect to the mailing lists comport with Alaska law. Specifically, you have asked whether it is permissible for the AVA to sell these mailing labels at a premium, or if the information must be treated as public records and distributed to whomever requests it at cost.

As indicated above, the data used to compile the computer tapes, and the actual labels themselves, are in the possession and control of the ATMC's private contractor. These tapes and labels are not directly controlled by any state agency.

Not all records in the possession of a private contractor are public records. For example, the general business records of a corporation do not become subject to the same rules as a state agency's records merely because the corporation is a successful bidder on a state contract.

We conclude, however, that where a contractor is essentially performing a state function, all records produced as a result of that performance are public documents. ^{3/} Although we are aware of no Alaska cases discussing this issue, other jurisdictions that have looked at the question have held that, when a state contracts with a corporation to perform a public function, records related to that particular contract or function are treated as public records. Fox v. News-Press Publishing Co., 545 So. 2d 941 (Fla. App. 1989); Fritz v. Norflor Construction Co., 386 So. 2d 899 (Fla. App. 1980); Westchester Rockland Newspapers v. Kimball, 408 N.E.2d 904 (N.Y. 1980). This is also consistent with language contained in the state's standard contract form, which was used by the parties in this case. Article 10 of the standard contract provides, in relevant part:

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to

^{3/} To the extent that this conclusion is inconsistent with our earlier advice, contained in 1988 Inf. Op. Atty. Gen (Aug. 8; 663-88-0464), we overrule that opinion at this time.

establish any claim under the design patent or copyright laws.

Thus, we conclude that the data tapes, mailing labels and other documents created as a result of the state's contract for handling BRC responses are subject to the state's public disclosure laws, AS 09.25.110--09.25.120 and 6 AAC 95. 4/

Because the computer tapes are public documents, they must be produced at cost for anyone who requests them (6 AAC 95.130). Since these records are presently kept in computer tape form, they must be produced in that form. Szikszay v. Buelow, 436 N.Y.S.2d 558, 563 (N.Y. Super. 1981); Stare v. Harder, 641 P.2d 366, 374 (Kan. 1982). Also, to the extent that the agency chooses to make available these records in some other form, such as hard copy or sorted mailing labels, it must do so for all members of the public. We presume that the ATMC will want to continue making mailing labels available to tourism businesses, and if so, such labels must be available for all.

Further, because these are state records, any costs recovered from the distribution of these records by the ATMC through label sales are state program receipts and should be deposited directly into the general fund. These cost recovery receipts should not be credited to the AVA as part of its required contribution to the cooperative marketing program. See 1987 Inf. Op. Att'y Gen. (Sept. 15; 663-88-0080).

We caution that this opinion is based solely on our analysis of the applicable law in this area. We know there are significant arguments that can be made that distribution of these labels to the general public at cost may be detrimental to either the cooperative marketing effort (since these lists will now be available to competitor destinations) or the contractual arrangement between DCEL and the AVA that created the ATMC (because the AVA may find it more difficult to raise its required contribution to the program). On the other side are arguments that the easy, wide-spread distribution and availability of these labels can only enhance Alaska's overall tourism efforts, by allowing more businesses to distribute their tourism fliers. It will be up to the legislature and the governor to weigh these competing arguments and decide if a statutory exception to the general open-records policy and laws is appropriate for these public records.

4/ These records are also subject, of course, to otherwise generally recognized exceptions to those laws.

Hon. H. A. "Red" Boucher
House of Representatives
Our file: 663-90-0214

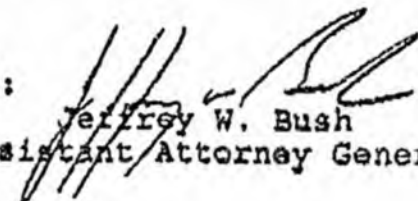
January 10, 1990
Page 5

We hope this answers your questions. If this office can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL

By:


Jeffrey W. Bush
Assistant Attorney General

JWB:jf

cc: Larry Mercurieff, Commissioner, DCED
Jane Angvik,, Assistant Commissioner, DCED
Dana Brockway, Director, Division of Tourism and Chair, ATMC
Bob Miller, Executive Director, ATMC
Bob Dindinger, President, AVA

Smith Enterprises, Inc.

Donald L. Smith
President

Kollette Schroeder
Secretary/Treasurer

February 10, 1990

*Distributed by
request so back up
by Rep. Terry
Martin*

TO: State House of Representatives
RE: House Bill 442

I would strongly urge you to vote against HB 442.

You are being asked to pass a bill which is unconstitutional. I understand that the letter attached to this bill from the lawyer in Legislative Affairs that drafted the bill clearly indicates that the bill is unconstitutional.

The reason HB 442 is before you is because on January 10th of this year the Attorney General issued an opinion which indicated that the Visitor Mailing List is a public record and as such must be made available to the public at cost.

I realize that millions of State dollars are spent each year to develop these names. No different I might add than the millions spent to maintain and up-date voter files, business licenses mailing lists and other State data bases which by law are made available to the public at cost.

HB 442 is being fast tracked through the Legislature so that the MONOPOLY held by a handful of outside travel companies for the past several years can be maintained!

The losers are the THOUSANDS of small Alaskan Tourism businesses who cannot afford to make use of the lists because of their costs. The smoke screen being used that Hawaii would use these names is phoney. This is just a basic list of responses to the State Ad campaign and simply are names of people who have indicated an interest in possibly visiting Alaska.

How ironic that a FEW outside travel firms can exercise such influence!

These massive companies with their ships, hotels, railroad cars and buses can tie up ALL the business and then parcel it out to the local Alaskan Tourism firms IF they are willing to pay a 20% FINDER FEE.

Up until November of last year the AVA sold the visitor lists for \$300.00 per thousand - that's 30 cents per name! How would you like to pay 30 cents per name so you could mail out a newsletter to voters in your district?

Page Two

In October last year I raised Hell and they (the AVA Board) agreed to lower the rate to \$150.00 per thousand. They feared a challenge under Freedom of Information. \$150.00 per thousand is really still too high but a lot better than \$300.00 per thousand. I might add that \$150.00 per thousand is still one of the most expensive lists in the United States. You wouldn't pay that much for a list of names of the Presidents of the Fortune 500 companies.

The Alaska Travel Planner should have a stand alone advertising rate that reflects the value of what the ad is worth. Today the large outside travel companies pay \$174,000 for a two page ad in the planner. Over 700,000 planners are distributed each year and I would guess that each has a readership of 3 or 4 people. This means that a two page ad costs between 4 cents and 8 cents per person looking at the planner. I'll bet that's not considered a bad ratio in the industry.

The gimmick being used to limit access to the visitor names is that advertisers are being given a label for each dollar of advertising placed in the planner. This lets the large outside travel companies have access to the best names and through prohibitive pricing keeps the small Alaskan tourism firms from utilizing or only mailing to a very small number of names.

Imagine what would happen if several hundred Alaskan firms were able to afford to mail out their promotional literature to the visitor names. My guess is that we would see a lot more people coming up here as well as seeing more independent travelers.

Independent travelers spend more money and generally would stay in the state longer. These people would be coming up to stay in Lodges, Bed & Breakfasts and other Alaskan facilities. These Alaskan tourism attractions would not have to be paying 20% of their gross to the handful of outside travel companies.

I have a list of over 2,400 Alaskan owned and operated tourism businesses. There are HUNDREDS in each of your districts. These are the people you will be voting against if you pass this bill.

I would also bring to your attention the fact that conversions are down from previous years. Conversions are lower because our potential visitors who respond to the state tourism advertising campaign are receiving only a few letters and brochures. Those that are sent are basically from the large tour operators and thus the interest in visiting Alaska is not as high as it should be.

Page Three

Please do not allow yourself to be rushed into passing this illegal act. You cannot make an unconstitutional document legal by simply voting to call the visitor names something they are not.

I realize that many of you have received contributions from the AVA Pac and from various tourism companies. I also realize that the AVA Lobbying team of Gruening and Kito are very powerful. Think about the thousands of small Alaskan tourism firms who are going to be cut out of using this state resource.

I personally have plans which would utilize the tourism names to promote Alaskan manufactured products as well as to assist many small Alaskan tourism firms in reaching their potential customers through cooperative advertising. Many other Alaskan tourism firms would use these lists if they were available and were cost effective.

Please do not violate Alaska's Freedom of Information Law!

Thank you very much for reading this memo.

Sincerely,

Don Smith

Smith Enterprises, Inc.

Donald O. Smith
President

Kollette Schroeder
Secretary/Treasurer

March 20, 1990

The Printin' Place
Impressions
Smith Computer Services
The Old Anchorage Salmon Bake

TO: Senate Labor & Commerce Committee

RE: House Bill 442

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I personally have plans which would utilize the tourism names to promote Alaskan manufactured products as well as to assist many small Alaskan tourism firms in reaching their potential customers through cooperative advertising. Many other Alaskan tourism firms would use these lists if they were available and were cost effective.

The solution to the problem would be for the Legislature to change the financial matching formula in the Statutes that created the Alaska Tourism Marketing Council. Make the dollar match 8% or 10% rather than 15%. Force the Alaska Travel Planner to stand alone on its advertising revenues. Let the mailing labels be sold for \$25.00 to \$30.00 per thousand. You might be surprised how many Alaskan firms would buy the lists and REALLY promote Alaska.

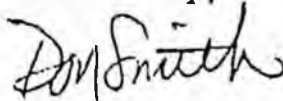
Tourism is Alaska's best hope for the future. Let it open up to Alaskans rather than continue the Monopoly currently enjoyed by the major Seattle tour companies.

If you look closely at the make up of the AVA Board of Directors, you will see the heavy influence of the Seattle based companies. Many of the directors rely on the major companies for much of their business.

Please do not violate Alaska's Freedom of Information law! These lists are a public record of the State and no bill can change that fact. I'm convinced that the Judicial System would clearly find that these names are a State public record and as such, like the business license lists and other, must be made available to anyone at cost.

Thank you very much for reading this memo.

Sincerely,



Don Smith

Appendix A

Re: Proposed Amendment by Lobbyist Gruening

I am not an Attorney so I'm not quite sure what is being attempted by this amendment.

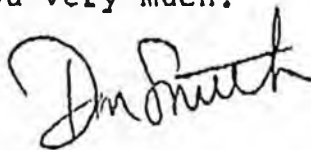
I've never heard of anyone "leasing" a mailing list. Normally a mailing list house will clearly state in their sale documents that the list can only be used one time.

Any names generated by the use of a list, ie a person buying an advertised product, would become the property of the person or company who sent out the mailing. I am enclosing a copy of my Alaska Visitor's Brochure. I fully expect to sell my products as well as receive a sizeable response to my Visitor Survey. These names will belong to my company and I can use them in any way I wish.

I might add that the Alaska Tourism Advertising Campaign each year buys mailing lists from List Houses. Many of the people that appear in the Alaska Tourism Mailing list were generated from the purchased lists. The names are then sold as part of the State list. *They paid \$50 per M to \$80 per M.*

As I mentioned in my memo, you should change the Statutes that govern the ATMC. For all the money the State of Alaska spends, the tiny amount put into Tourism is probably the best investment we can make. Lower the match required by the Tourism Industry. Make all parts of the Tourism Advertising Campaign stand on their own. The Ads in the Travel Planner should NOT be tied to the label program. Insist that the Visitor Labels be made available to Alaska Tourism businesses at COST!

Thank you very much.



*This is a
sample of
eleven (11)
names from
the state
tourism mailing
list -*

*can you really
believe that
this list is
worth \$150⁰⁰ per M
of 15¢ EACH!*

DENNIS BUSINESS
6688 ZACHARY LANS
OSSEU MN 55369

KAREN D. MUIZKO
118 RIVERVIEW
ROCKFORD MN 55373

CLYDE VELDHUIZEN
13580 LYNN AVE S
SAVAGE MN 55378

JOHN P HAGEN
4748 WEST ARM RD
SPRING PARK MN 55384

JAMES B PETTEY
12385 FREMONT LN
ZIMMERMAN MN 55398

CLARENCE SARKIS
3500 12 AVE SO
MINNEAPOLIS MN 55407

DEWEY WALLACE
3024 GRAND AVE S
MINNEAPOLIS MN 55408

JIM STRICKLAND
1609 N DUPONT AVE
MINNEAPOLIS MN 55411

THERESA CESAFSKY
1426 WASHINGTON ST NE
MINNEAPOLIS MN 55413

NICOLE KRUEGER
2223 FRANCE AVE S
MINNEAPOLIS MN 55416

JOHN DAHMEN
2403 CENTRAL NE #1
MINNEAPOLIS MN 55418

FREE

Begin your Alaska adventure right now by sending for your free 1990 Official Alaska Vacation Planner. This colorful 124 page book has all the facts, information and travel tips you need to plan the perfect Alaska vacation.



Alaska Vacation Planner - 124 pages of beautiful color photographs, maps, travel tips and listings of restaurants, hotels, campgrounds and things to do.

Please allow 4 to 6 weeks.

622

Please make address corrections here.

Ms. Virginia L. Acton
130 Church Street
Jackson, California 95642

Phone number: (209) 223-1574

A L A S K A

So we can help you plan your Alaska vacation, please answer these questions.

Send for your free Vacation Planner.

You've dreamed about discovering for yourself Alaska's timeless beauty. Now begin the adventure by sending for your free 1990 Official Alaska Vacation Planner.



- Have you already decided to visit Alaska?
 a Yes b No
- When are you likely to visit Alaska?
 a 1990
 b 1991
 c Likely, but don't know when
 d Not likely
- When are you likely to travel?
 a Jan-Mar
 b April-May
 c June-Sept
 d Oct-Dec
- What regions of Alaska will you be visiting?
 a Interior/Far North
 b Southeast
 c Southcentral
 d Southwest
 e Underdeveloped
- Have you taken a vacation at a destination 2,000 miles or more from your home in the last five years?
 a Yes
 b No
- Have you previously visited Alaska?
 a Yes, plan to go again
 b Yes, but not planning to go again
 c No
- Educational background
 a High School
 b Attended College
 c Graduated College
 d Post Graduate
- What is your age? 60
- Also, I'm interested in:
9. Travel to Alaska
 a. By Cruise/ship
 b. By Air
 c. By Car or RV/Camper
 d. By Ferry/liner
 e. Packaged Tour
- Accommodations
 a. Lodges, Resorts & Cabins
 b. Hotels & Motels
 c. Camping Facilities
 d. Bed & Breakfast
- Activities in Alaska
 a. Trips/Excursions
 b. Sport Fishing
 c. Charter Boats
 d. Guided Hiking, Canoeing and Raft Trips
 e. Guided Bird-watching, Wildlife and Photo Trips

(Offer good while supply lasts. Expires 8/31/90)

This matter came back as a part of a list bought by the state of this name will be sold by the state as part of its remaining list.

	Quantity	Price Per 'M'
*THE UPPER 1% With Phone Numbers	906,000	\$85.00M
	384,000	\$115.00M

*THE UPPER 5%, 3% & 1% Will Generally Vary Geographically Across The United States:
 IE The UPPER 1% In A State Such As Arkansas Will Generally Be Lower Than The UPPER 1% In A State Such As Connecticut.

NOTE: A GOVERNMENT SURVEY OF CONSUMER FINANCES & WEALTH DISTRIBUTION, CONDUCTED BY FEDERAL AGENCIES, REVEALS THE FOLLOWING:

- A. The Top 5% Of American Families Hold Approximately 28% Of The Nation's Wealth
- B. The Wealthiest 5% Owned 71% Of All Tax Exempt Municipal Bonds, 38% Of All Taxable Bonds, 22% Of The Individual Checking Accounts, 19% Of The Money Market Accounts, 29% Of Certificates Of Deposit & 10% Of The Money In Savings Accounts. They Also Owned 62% Of All Stocks In Private Hands & 42% Of All The Real Estate Purchased As An Investment
- C. The Top 5% Of American Families Reported AVERAGE Financial Holdings Of \$123,000
- D. More Than 15% Of All American Households Had A Net Worth Of Over \$100,000
- E. They Are Estimated To Give An Average Of \$2,000 Per Household, To Various Charitable Causes.
- F. In A Survey Conducted By Cigna Insurance Company, It Was Shown That The Vast Majority Are Products Of The Work Ethic, With The Entrepreneurial Urge Coming Later In Life. They Continue To Add To Their Nest Egg.

THE BASIC TREND OF THE SURVEY INDICATES A GROWING CONCENTRATION OF WEALTH IN THE COFFERS OF A SMALL NUMBER OF FAMILIES, WITH HIGH ANNUAL INCOMES

	Quantity	Price Per 'M'
"YUPPIE," HIGH INCOME EXECUTIVES & PROFESSIONALS (MOSTLY UNDER THE AGE OF FORTY), WHO GENERALLY EARN WELL OVER \$65,000 PER YEAR, AT HOME ADDRESSES, WHO INVEST EITHER THEIR OWN OR THEIR COMPANY'S MONEY IN STOCKS, BONDS, TREASURY BILLS, C.D.'s, MONEY MARKET FUNDS, COMMODITIES OR REAL ESTATE	2,932,000	\$75.00M
With Phone Numbers	2,242,000	\$95.00M

	Quantity	Price Per 'M'
WOMEN INVESTORS	543,000	\$75.00M
At Home	383,000	\$75.00M
At Home, With Phone Numbers	155,000	\$95.00M
At Large Corporations	60,000	\$75.00M
At Large Corporations, With Phone Numbers	45,000	\$95.00M

	Quantity	Price Per 'M'
WOMEN SMALL BUSINESS OWNERS & ENTREPRENEURS, MOSTLY IN SMALL BUSINESSES, WITH UNDER EIGHT EMPLOYEES, WHO INVEST IN STOCKS, BONDS, TREASURY BILLS, C.D.'s, MONEY MARKET FUNDS, PRECIOUS METALS OR REAL ESTATE	379,000	\$75.00M
With Phone Numbers	324,000	\$95.00M

I.R.A. LISTS

	Quantity	Price Per 'M'
IRA HOLDERS/INQUIRERS & PROSPECTS-Individuals, Who Previously Inquired, Have Been Prospected Or Hold & Have Indicated A Willingness To Still Continue Investing In IRA's, Despite Losing The Tax Advantage	3,718,000	\$75.00M
With Phone Numbers	3,484,000	\$95.00M

	Quantity	Price Per 'M'
IRA HOLDERS/INQUIRERS & PROSPECTS-Individuals, Who Previously Inquired, Have Been Prospected Or Hold & Should Still Be Qualified To Take The IRA Deduction, Under The New Tax Laws	2,216,000	\$75.00M
With Phone Numbers	1,964,000	\$95.00M

CONSERVATIVE TYPE INVESTORS LISTS

	Quantity	Price Per 'M'
AFFLUENT OLDER INVESTORS Above Fifty Years Of Age-Net Worth Of \$500,000 & Over-Names Above Sixty Years Of Age May Be Selected	3,962,000	\$75.00M
Above Fifty	1,701,000	\$85.00M
Above Sixty	1,903,000	\$95.00M
With Phone Numbers		

	Quantity	Price Per 'M'
CONTROLLING STOCKHOLDERS, AT HOME ADDRESSES, IN PUBLIC & PRIVATE CORPORATIONS	71,000	\$75.00M
With Phone Numbers	27,000	\$95.00M

	Quantity	Price Per 'M'
COUNTRY CLUB MEMBERS, WHO INVEST IN STOCKS, BONDS, C.D.'s, TREASURY BILLS, MONEY MARKET FUNDS OR REAL ESTATE	432,000	\$75.00M

	Quantity	Price Per 'M'
DENTISTS, AT OFFICE, WHO ARE HEAVY INVESTORS	128,000	\$75.00M
With Phone Numbers	56,000	\$95.00M

	Quantity	Price Per 'M'
DENTISTS, MOSTLY AT HOME ADDRESSES, WHO ARE HEAVY INVESTORS	15,000	\$75.00M

	Quantity	Price Per 'M'
DISCOUNT STOCK SERVICE BUYERS/INQUIRERS & PROSPECTS	3,211,000	\$75.00M
With Phone Numbers	2,413,000	\$95.00M

	Quantity	Price Per 'M'
DOCTORS, AT HOME ADDRESSES, WHO ARE HEAVY INVESTORS	108,000	\$75.00M
With Phone Numbers	94,000	\$95.00M

	Quantity	Price Per 'M'
DOCTORS, AT OFFICE, WHO ARE HEAVY INVESTORS	412,000	\$75.00M
With Phone Numbers	198,000	\$95.00M

	Quantity	Price Per 'M'
ENTERTAINMENT & SPORTS FIGURES, WHO INVEST IN STOCKS, BONDS, C.D.'s, MONEY MARKET FUNDS, COMMODITIES OR REAL ESTATE	5,600	\$85.00M
TOP WEALTHIEST OF THE GROUP	2,400	\$289.60
ENTIRE LIST		

	Quantity	Price Per 'M'
FORBES TOP LARGEST "PUBLICLY HELD" CORPORATIONS, WITH THE CHIEF EXECUTIVE OFFICER, AT BUSINESS ADDRESSES-These Ratings Were Established By Combining Assets, Sales & Market Value-Total Sales Exceed Two & One Half Trillion Dollars & These Companies Are Responsible For Approximately 17% Of All The Jobs In The United States-This List Is Alphabetized & Zip Coded, But Not In Sequence	798	\$149.60M
With Phone Numbers		
ENTIRE LIST		
ENTIRE LIST		

	Quantity	Price Per 'M'
FORTUNE'S TOP 3,000 LARGEST CORPORATIONS, WITH THE PRESIDENT, CHAIRMAN OF THE BOARD & CHIEF FINANCIAL OFFICER, AT BUSINESS ADDRESSES-They Would Be Responsible For Mergers Or Other High Level Stock Transactions, If Any Should Occur	9,000	\$75.00M
All Per Company	6,000	\$75.00M
Two Per Company	3,000	\$75.00M
One Per Company	9,000	\$95.00M
With Phone Numbers		

	Quantity	Price Per 'M'
GNMA BUYERS/INQUIRERS & PROSPECTS	639,000	\$75.00M

	Quantity	Price Per 'M'
GROWTH MUTUAL FUND (NO LOAD) BUYERS/INQUIRERS & PROSPECTS	572,000	\$75.00M

These would be considered "Hot" names

Anchorage Daily News

Gerald E. Grilly
Publisher

Howard Weaver
Managing Editor



Michael Carey, Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983

Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

Sell 'em cheap

Visitor lists should be offered at a token price. The state of Alaska does many things to promote tourism. It spends millions of dollars to run the ever-popular state ferries. It spends millions more to convince the world Alaska is not a wasteland of glaciers and igloos. It spends thousands of dollars to help compile names of people who are interested in visiting Alaska. But one thing the state doesn't do is allow cheap, easy access to those names.

That list is a tourist marketer's dream. It can be broken down by where in Alaska visitors might come, when, and what they'd like to do. It's invaluable to any Alaska tourist business, but especially those that can't afford to develop their own lists.

But the state allows the list to be treated as a hot commodity. Buyers must pay \$150 per 1,000 names, or 15 cents each. (Big advertisers in the state travel planner qualify for discounts.) And that price, high as it is, was only recently cut by 50 percent. By comparison, other non-proprietary state lists, such as registered voters, can be purchased for a few cents a name from commercial vendors.

In other words, the state acts more like a business jealously guarding trade secrets than a friendly partner willing to share valuable data.

The visitor list needn't be treated as public information, available to any comer. The state can properly decide to sell the list only to firms promoting Alaska tourism — as the House of Representatives recently voted to do.

But the House measure says nothing about what buyers must pay for the list. Lawmakers should consider the visitor list an investment in "information infrastructure." Selling the list at nominal cost is one concrete way the state can help almost any tourist business, big or small.

THE Alaska TRAVEL SWEEPSTAKES

MY TOURISM MAILER -
you were sent an actual copy yesterday!

Yes! You can win 2 free round trip tickets to Alaska simply by filling out our Visitor Survey.* No purchase required. What a deal!



You can earn extra chances in our airline ticket giveaway ordering any of the 4 Alaska travel guides described inside this brochure. Help us get ready for our summer visitors by replying promptly. Surveys mailed back within 10 days will get an extra entry in our Alaska Travel Sweepstakes. Don't delay!

* Survey respondents must be at least 18 years old to win. Tickets not transferable. Travel to Alaska must begin by December 31st, 1990. The winner will be drawn in our raffle June 30, 1990 in Anchorage, Alaska. The winner will be notified immediately. Once again, no purchase is needed to win. Just fill out and return the Visitor Survey form to us. Do it right away and earn your extra chance.

VISITOR SURVEY

1. Have you made travel arrangements to visit Alaska this summer? _____ yes _____ no
- 2.a. If your answer is yes, when are you traveling? leave _____ return _____
- b. How many will be traveling in your party? Number _____
3. Tell us in a few words why you chose to visit Alaska: _____

4. Which of the following best describes your mode of travel?
 - A pre-paid package including transportation, lodging or sightseeing.
 - Completely on your own WITHOUT any sightseeing purchases in Alaska.
 - Completely on your own WITH a purchase of some sightseeing trips while in Alaska.
5. How are you traveling to Alaska?
 - Cruise ship Airline Car or Camper (Private vehicle)
 - Ferry Other. _____
6. Have you made reservations for accommodations yet? _____ yes _____ no
7. If yes, what kind of accommodations?
 - Hotels and motels Camping facilities
 - Bed & breakfasts Lodges, resorts, and cabins
8. If not would you like someone to contact you? _____ yes _____ no
9. Have you made arrangements for optional tours? _____ yes _____ no
10. If you have NOT made plans to visit Alaska this summer, are you still thinking about visiting? _____ yes _____ no
11. If your answer was yes, would you like someone to contact you about planning your trip? _____ yes _____ no
12. How many different brochures have you received from Alaskan tourism firms? _____ Number
13. Were these mailers helpful to you? _____ yes _____ no
14. If not, why: _____
15. Did you receive a copy of the Alaska Travel Planner? yes no not sure
16. If your answer was yes, on a scale of 1-7, with 7 meaning "very useful" and 1 meaning "not useful at all," how would you rate the Alaska Travel Planner (Circle the appropriate number). _____

OLD ANCHORAGE SALMON BAKE



Over 200 years ago, Captain James Cook surveyed the bluff where the Old Anchorage Salmon Bake now nestles, just steps away from Anchorage's historic downtown.

Savor succulent salmon or halibut in a rustic setting reminiscent of the brawling teni city of yesteryear. Enjoy lunch or dinner at the Salmon Bake, which overlooks Ship Creek and Cook Inlet.

Stop by! The Old Anchorage Salmon Bake is a must see for visitors to Alaska's largest city.

ALASKA

the last frontier

1990

Dear Visitor,

Please allow me to introduce myself. My name is Don Smith, I'm a third generation Alaskan and 50 year resident.

I've put together a package of 4 Alaska travel guides that I hope you will find both interesting and useful in planning your Alaska vacation.

My videotape, "Alaska A Video Experience," gives you a 32 minute view of our spectacular state from the perspective of a visitor. This video is a must see for anyone who wants to know and see what a tour of Alaska is all about.

My two directories are handy tools for the visitor who wants an out-of-the-ordinary, bed & breakfast experience or to get out and see outdoor Alaska.

My staff and I have listed all the exciting things to do while in the state plus we include discount coupons worth many times the price of the directories.

Our third publication is a booklet called, "How to Visit Alaska... On a Limited Budget." This is probably the best investment you could make in putting together your dream vacation to Alaska.

I've tried it all: Roads, camping and RV parks, hunting and fishing, wilderness experiences, cruise ship and ferry schedules, calendars of special events as well as guides to prices and accommodations.

I also own and operate the popular Old Anchorage Salmon Bake. Stop by and say "Hi!" when you get to town.

Don't forget to fill out and return the Visitor Survey, which makes you eligible to win 2 free, round trip airline tickets to Alaska.

Good luck. I hope to see you here in the Last Frontier.

Sincerely,

Don Smith

P.S. All of my travel guides come with my pledge of satisfaction, or your money back.

Also, if you would like help in planning your adventure to Alaska, check the box on the order form.



DIRECTORIES

The **Outdoor Alaska Directory** by Don Smith, is THE reference book for the real Alaska.

Including hundreds of adventure possibilities and exciting places to visit, it is a listing of resorts and cabins.

The "Outdoor Directory" gives you a hand where to go in Alaska - in one convenient place.

The directory, which lists all establishments region as well as by category of activity.

While Alaska's outdoor tourism businesses advertise in our directory, advertising is not a thing is listed.

As a part of "Outdoor Alaska Directory," coupons, each worth \$5 off participating attractions.

Price includes \$2.00 for shipping and handling.

ORDER FORM



For each item purchase you earn an extra sweepstakes entry. Buy all 4 items and get 5 sweepstakes entries. This brochure is designed to be mailed back. Fold over and staple or tape shut. If you are enclosing a check, please staple or tape it to the order form.

LASKA... A VIDEO EXPERIENCE

Minutes of Alaska's breathtakingly beautiful wilderness.



Starting in Southeastern Alaska with stunning shots of calving glaciers and shy wildlife, the camera follows an ideal tour, from Ketchikan, Juneau and Sitka to Skagway, the gateway to Klondike gold, then on through to Fairbanks, McKinley Park, Anchorage, the Arctic, and Prince William Sound.

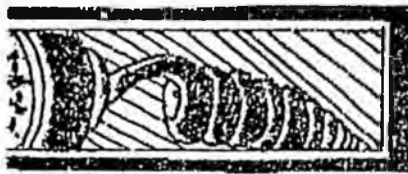
It's all here! Sweeping vistas of towering mountains, high meadows alive with wildflowers, berries and bears, endless grassy plains teeming with wild animals, salmon-choked streams and much, much more.

Don Smith, a third-generation Alaskan, produced "Alaska... A Video Experience" and is pleased to offer you this glimpse of his state, America's last frontier.

"Alaska... A Video Experience" will show you what a trip to Alaska can be like. It's a great tool to help plan your trip.

Price includes \$3.50 for shipping and handling.

Only **\$23.95**



The Alaska Bed and Breakfast Directory

by Don Smith lists over 300 bed and breakfasts in 40 communities across the state. Bed and Breakfast travel can provide you with a comfy way to see the real Alaska - and meet real Alaskans!

Staying in Alaska's bed and breakfast accommodations can not only save you money, but gives you an introduction to some of the state's most interesting people. You will find that Alaska's B & B hosts can guide you in finding places to go and see while filling you in on local history and the best places to eat and be entertained.

The "Alaska Bed and Breakfast Directory" lists ALL establishments and each Alaskan community is listed separately.

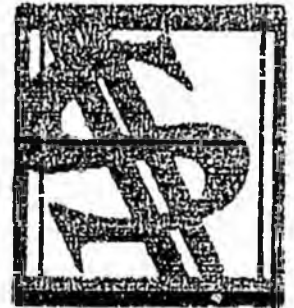
As a bonus, we include 10 discount coupons, each worth \$2.50 toward a night's stay in participating bed & breakfasts.

price includes \$1.50 for shipping and handling.

Only **\$11.45**

Interested in seeing
hundreds of unique
Alaska's lodges,
what to do and
broken down by
encouraged to
ment. Every
over 10 discount
Only **\$14.95**

HOW TO VISIT ALASKA... ON A LIMITED BUDGET



Planning a trip

to Alaska can be a major undertaking.

Few travel agents know where to go and what to see around the state. About all they can do is sell you a package tour that hustles you past the sights you'd rather linger over, at a price that could break the bank. We've compiled a booklet that can save you time and money in planning your trip. We tell you when you should travel, discuss the different modes of transportation, help you find economical lodgings and offer suggestions on what to see and do.

With our guide, you can shave hundreds of dollars from the price of a package tour and see Alaska at your own leisurely pace.

Don Smith has lived in Alaska for 50 years and knows his home state. If you are planning a trip or are thinking about visiting Alaska, his guide could be the wisest investment you make.

Sold only through this mailer. Price includes \$1.00 for shipping and handling.

Only **\$8.95**

Print Clearly

Satisfaction Guaranteed or Your Money Back

Name _____
Address _____
State _____ Zip _____

Quantity	Description	Item Price	Total Cost
	How to Visit Alaska on a Limited Budget	8.95	
	Alaska — A Video Experience	23.45	
	Outdoor Alaska Directory	14.95	
	Alaska Bed & Breakfast Directory	11.45	
	All 4 Items for "Only"	49.95	
Please call — I'd like some help in planning my trip to Alaska.		Total Order Amount	

Phone Number _____

Thank you for your order

Date _____

- Check enclosed (Sorry No C.O.D.)
 Visa Mastercard American Express

Credit Card Number

Expiration Date _____

Name of Bank _____

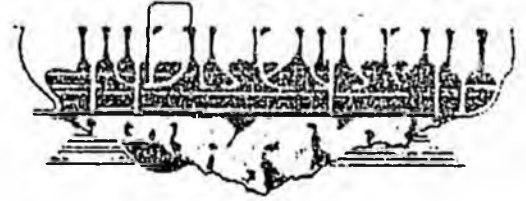
X _____
Signature for Credit Card Orders

(Free and no purchase required)

2 ROUND TRIP TICKETS TO ALASKA



3002 Spenard Road, Suite One
Anchorage, Alaska 99503



BULK RATE
U S POSTAGE
PAID
Permit No. 443
Anchorage, AK

There is NO QUESTION....



Morris Air Service has changed the Alaskan Marketplace and will continue to do so.

When Morris Air Service entered the Alaska Marketplace with regularly scheduled flights in December 1988, the response was immediate and overwhelming. Alaskans were ready for lower air fares and fewer travel restrictions.

Morris Air Service, based in Salt Lake City, is part of one of the largest travel companies in the United States. What began as an air charter for tour groups to Mexico and Hawaii eventually evolved into additional daily service between Salt Lake City, Los Angeles and San Francisco, and most recently with chartered Continental aircraft and crew between Anchorage and Seattle.

Since Morris Air Service has been operating scheduled flights, travelers now have affordable travel choices not only to Seattle but also to over 120 cities in the lower 48 states.

The benefits of flying the Morris Shuttle include not only low fares

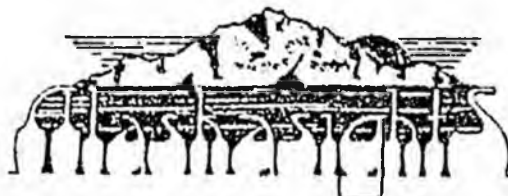
to Seattle, which begin at \$198.00 OW to \$298.00 RT, but also the no-advance purchase requirements and up to 48 hours prior to flight departure for cancellation or change of itinerary. A \$20 change fee is issued for either contingency.

Also available for travel to and from Alaska are low "through fares" to over 120 cities. These airfares are for travel through Seattle with connections to other carriers. For example, a passenger can fly the Morris charter to Seattle then board a connecting flight to Boston for a one way fare of \$349.00.

1 (800) 444-5660

* All flights to Seattle are via Charter Air. Charter flights are via Continental Airlines and are subject to the terms of the Operator/Participant contract. Flights from Seattle to cities other than Anchorage are via U.S. Air. Please add \$30-\$50 for peak fares. Prices are subject to change without notice. Restrictions apply. Please call for complete details.

STAMP



3002 Spenard Road, Suite One
Anchorage, Alaska 99503

Smith Enterprises, Inc.

Donald L. Smith
President

Kellita Schroeder
Secretary/Treasurer

March 20, 1990

The Printon' Place
Impressions
Smith Computer Services
The Old Anchorage Salmon Bake

TO: Senate Labor & Commerce Committee Members

RE: HB 442

Just today I received a copy of next years prices for advertising in the Alaska Travel Planner.

The two page ad with BRC (business reply card) cost \$174,000.00 in this year's planner. Next year that same ad will cost \$150,000.00 or \$24,000.00 less. This reduction reflects a discount of approximately 14%.

The \$174,000.00 Ad entitled the purchaser to 174,000 free labels. Non Marketing Partners (advertisers) would have had to pay \$300.00 per M for labels.

This next year AVA will be charging \$150.00 per M for labels. This means that the same two page ad will cost \$176,100.00 with 174,000 labels ordered.

It has been estimated that Ad sales for this years planner would generate \$1,237,048.00 in gross sales. Calculating a 14% over all reduction in ad sales to reflect the new prices will mean that gross revenues from ad sales next year, if everything stayed equal, would be \$173,000.00 less than this year.

The bottom line is that I am fighting AVA over \$173,000.00 which needs to be made up in either additional ads being sold or from label sales. You would need to sell 1,153,000 labels at \$150.00 per M to raise \$173,000.00.

I have a Division of Tourism report dated 9/15/88 which shows that the FY89 vacation planner sold 4,204,000 labels to it's Marketing Partners. If 4.2 million labels are sold next year like in 1988, the revenue at \$150.00 per M would generate \$630,000.00.

Said another way, if 4.2 million labels were sold at \$50.00 per M the revenue generated would be \$210,000.00. That would be \$38,000.00 more than is needed to fund the difference between ad sales and needed revenues.

A \$50.00 per M rate would be an acceptable rate for this list. I would also guess that at \$50.00 per M many, many more of the small Alaskan Tourism Companies would consider using the State Tourism Mailing List.

Page Two

Another point to consider is that this mailing list has over 600,000 names. If 4 million names are run, it only means that each person on the list is receiving 6 or 7 mailers.

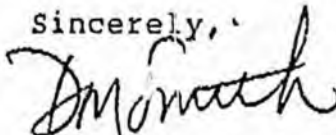
Enclosed is a copy of the DOT Report which listed the tourism companies, their ad size plus the number of labels ordered. I might add that from my research I cannot find any records or anyone who knows of a single label being sold to anyone other than a Marketing Partner. No one has ever bought labels at the \$300.00 rate and as of this moment no one has purchased labels at the new \$150.00 per M rate. It must mean that they are too expensive!

Were you also aware that there is a new policy which will require that everyone listed in the Travel Planner will pay a minimum of \$150.00 for a narrative ad? The current Travel Planner has 1,600 listings. If only 1,200 list their tourism business in next years Planner the new revenue generated at \$150.00 would raise an additional \$180,000.00 of new money.

You should really let HB 442 Die or amend it so any Alaskan Tourism Business could have access to the Alaska Tourism Mailing List at cost.

Again, thank you for taking the time to review all the material I've sent.

Sincerely,



Don Smith

Enclosure

1991 Alaska Vacation Planner

Advertising Rates and Conditions

(circ. 750,000)

Alaska Vacation Planner Rates—FY 91

Rates quoted are for ads only, labels must be rented separately

Ad Size	Rates	1990
2 pages (Display ad) + BRC	\$150,000	174,000
1 page (Display ad)	\$ 57,000	62,100
1/2 page (Display ad)	\$ 28,500	34,080
1/4 page (Display ad)	\$ 15,000	29,700
2-Inch (Display ad)	\$ 1,000	1,600
Narrative Ad	\$ 150	

Where to Ask

Chambers of Commerce
 Convention & Visitors Bureau
 Disabled Visitors Information
 Alaska Travel Agents & Trip Planners
 Guides and Outfitters
 Fish and Game Information
 Guidebooks, Charts and Maps

14%
 9%
 16%

Payment & Materials Schedule

May 1, 1990	Contract, completed Narrative ad form and full payment for Narrative ad.
June 15, 1990	Contract & Payment deadline. 100% of space cost for 2" display ads. Initial 33% payment due for one-fourth page and larger ads with 3-payment plan. Deadline for all 2-inch directory ad materials which require production work by the Vacation Planner staff.
July 10, 1990	Deadline for all finished advertiser materials. Firm!
August 1, 1990	33% of space cost due for ads one-fourth page or larger.
January 2, 1991	34% of space cost due for ads one-fourth page or larger.

A monthly interest rate of 1.5% will be charged on all overdue accounts.

Conditions of Advertising

Ad positioning cannot be guaranteed, however, you are encouraged to indicate which section of the Directory you want your ad to appear in. Unless stated otherwise ads under full-page size will be placed within the category in which your Narrative ad appears, if you order one. One-fourth page and smaller ads will be placed adjacent to your Narrative ad wherever possible.

The Directory is organized as follows:

Regions:	Statewide	South Central
	Southeast	Interior/Far North
	Southwest	

Within each Region will be (where appropriate):

How to Get There (Statewide only—travel to and from Alaska)

How to Get Around (Statewide and regions—travel within the state)

- By Air
- By Sea
- By Highway
- By Train
- By Package Tour

Where to Stay

- Hotels, Motels, Inns, Bed & Breakfast
- Wilderness Lodges and Resorts
- Camping Facilities / RV Parks / Service Centers

What to Do

- Regionwide Attractions
- Local Attractions
- Restaurants
- Gift Shops

Multiple buys of ads are allowed under these conditions:

Narrative ads—Only one ad is allowed per category unless the name of the service/attraction is different.

Two-inch ads—first ad is purchased at published rate. Subsequent ads purchased for same firm are purchased at \$3,800 each.

One-quarter page and larger—all ads are purchased at published rates.

Business reply cards for two-page spread ads are black and white only, non-bleed, and will be jogged at the bottom of the spread. Call for BRC specifications.

Sharing of advertising space by two or more companies is not permitted. All orders for the purchase of advertising space are subject to approval by the Alaska Tourism Marketing Council.

Bleed ads allowed only on one page or larger size. Color at no extra charge on ads one-fourth page or larger. Two-inch Display ads are black and white only.

All rates quoted are net. Media and production commissions are not included in these rates.

Bingo Card Numbers

All Display ads will be assigned a Bingo Card number unless specified otherwise by the advertiser. For this purpose, display ads must leave space at the bottom for one line of type within the ads. Bingo Card numbers will be placed below display two-inch ads.

Advertising Space Dimensions

	Horizontal x Vertical Spread
(gutter bleed)	15" x 10"
Full page	7-7/16" x 10"
One-half page (horizontal only)	7-7/16" x 5"
One-fourth page (vertical only)	2-1/4" x 7-1/2"
Two-inch directory (b&w only)	2-1/4" x 2"
Narrative Ad	30 words

Bleed Ad Dimensions

Spread	16-3/4" x 11-1/8"
Full page	8-1/2" x 11-1/8"
Trim Size: 8-3/8" + x 10-3/4" +	Provide at least 1/8" + bleed beyond 8-3/8" + x 10-3/4" + to ensure full bleed. Live matter should be no closer than 5/16" + to trim size.

Address Code

All camera-ready ads must include AK after their address on the ads. Example: P.O. Box 615-AK or 615-AK Cordova St.

(continued on reverse side)

Direct Mail Label Rental Rates and Conditions FY 91

Rent 1,000's of Names and Addresses by Geographic Region of Interest as well as by likelihood of Travel, Age, Activity Interest, Season, Education, and other categories.

Selection of Direct Mail Names and Addresses is more valuable than ever before! Consumers sending for the Planner can indicate which regions of Alaska they would like to visit. **Southeast, Southwest, South Central, and Interior/Far North.** This makes your selection of labels easier and more highly qualified. Choose only names and addresses of consumers interested in your part of the State.

Last year over 12% of all Consumers requesting the Vacation Planner came to Alaska the following year. 20% came to Alaska over a 2-year period. Average traveling party size was 2.5 persons.

The geographical selection may be used in combination with other selection criteria like, year and season of visit, education, mode of travel, type of accommodation, and specific activity.

Label Rental Rates

Businesses may rent demographically sorted labels for the purpose of promoting an Alaska tourism related product or service at the following rates.

Non-Sorted Labels \$ 70 per thousand
Sorted Labels \$150 per thousand

Here's How to Order

1. Everyone who receives this sales kit will automatically receive a Label Order form in September, 1990.
2. Or you can request one from the Alaska Visitors Association at (907) 276-6663.
3. Between October, 1990 and May, 1991 you may rent your labels generated by the Campaign for your own direct mail purposes.

Conditions of Use

- All prices are per thousands labels ordered (minimum 1,000).
- Labels are available to any business promoting an Alaska tourism product or service.
- No volume discounts.
- Rates are for single product mailings with a single response address/reservation number.
- Multiple Products (with multiple response address/phone number) mailings may be done. Labels are charged as follows:
First Product \$150 per thousand
Each subsequent Product \$ 30 per thousand.
- Labels may not be resold.

Label rate

1991 Alaska Vacation Planner Advertising Rates and Conditions

(circ. 750,000)
(continued from reverse side)

Printing Materials Specifications

Please furnish color film as follows:

1. Emulsion up right reading negative.
2. 133 line screen recommended, 150 line screen maximum acceptable.
3. Density: 260 percent tone density recommended. 300 percent maximum acceptable.
4. Furnish chromalins or match print in accordance with SWOP standards.
5. Film to be stable base of .004 thickness, each piece of film identified for color with register marks in the center of head, foot, and both sides. Color progression should be black, blue, red, yellow.
6. Inks used in press proofing should be AAAA/MPS web offset standards. Densities of color should be run to within $\pm .05$ of the standard offset color references.
7. We recommend first generation film for quality reproduction. Film for multiple page advertising must be numbered sequentially.
8. Paper stock used in the Planner is 40 lb. pub coated stock.
9. Conversion of positives to negatives, and materials supplied with the emulsion on the wrong side will be billed to the advertiser. If original artwork is furnished the advertisers will be billed for camera work. All corrections will be charged extra at standard rates.

Bluelines of all 4-color ads are sent to advertisers for approval. If not signed and returned within the date specified on the blueline, publisher is not responsible for errors therein. If film is delivered after July 10, 1990, blueline will not be submitted for approval and publisher is not responsible for errors therein.

HERE'S HOW TO ORDER

1. Choose the size ad you want from the rate card on the reverse side of this card.
2. Fill out the Advertising Contract and mail it with your check to the address on the contract.
3. Prepare your finished ad or gather your copy and artwork and send them to the address on the contract. If necessary, we will prepare your finished ad from your materials and bill you.
4. You will receive Bingo Card names and addresses automatically beginning in November, 1990.

Shipping Instructions

Send your ad space contract, initial payment and ad materials to: 1991 Official Alaska State Vacation Planner/Alaska Visitors Association, 501 W. Northern Lights Blvd. Suite 201, Anchorage, AK 99503 Telephone: (907) 276-6663.

Sales Information: Call In Alaska—Alaska Visitors Association, (907) 276-6663, In Lower 48 States—AVA Marketing Facilitator, (906) 236-2305.

9/15/88
9:40 AM

108 x 11 =
1,188,000
3,016.6
4,204.6

Fy 89 Alaska Vacation Planner Sales

<u>Marketing Partner</u>	<u>Committment</u>	<u>Space</u>	<u>Free Labels</u>	<u>\$60 Labels</u>	
Afognak Wilderness Lodge	750	1"	5,000	6,000	11
Alaska Airlines	52,000	full-page	52,000	99,000	157
Alaska B&B Assoc.	750	1"	5,000	6,000	11
Alaska Discovery	750	1"	5,000	6,000	11
Alaska Marine Hwy.	1,400	2"	6,000	6,000	12
Alaska Motel	750	1"	5,000	6,000	11
Alaska Naturalist & Photography	1,400	2"	6,000	6,000	12
Alaska NW Publishing	750	1"	5,000	6,000	11
Alaska Panorama RV Rentals	750	1"	5,000	6,000	11
Alaska Private Lodgings	750	1"	5,000	6,000	11
Alaska Publishing Properties	1,400	2"	All labels at \$60/m (special situation)		
Alaska Railroad	12,800	1/6 page	12,800	24,000	36.8
Alaska Rainbow Lodge	750	1"	5,000	6,000	11
Alaska Rainforest Treks	750	1"	5,000	6,000	11
Alaska Recreation Network	750	1"	5,000	6,000	11
Alaska Riverways	750	1"	5,000	6,000	11

9/13/88
12:26 PM

Alaska Sightseeing	17,668	1/6 page 2"(2)	27,878	30,000	57.8
Alaska Sportfishing Lodge Assoc.	750	1"	5,000	6,000	11
Alaska Sportfishing Packages(2nd Keene ad)	1,734	1"	9,078	-0-	9
Alaska Travel Adv.	750	1"	5,000	6,000	11
Alaska Travel Bureau	750	1"	5,000	6,000	11
Alaska Travel Guide	750	1"	5,000	6,000	11
Alaska Video Publishing	750	1"	5,000	6,000	11
Alaska Village Tours	2,484	1" (2)	9,539	6,000	15.5
Alaska Wildland Adventures	1,400	2"	6,000	6,000	12
Alaska Yukon &V Caravans	28,400	1/2 page	28,400	54,000	82
Alaskabound	1,400	-0-	-0-	-0-	
Alaskan Hotel	750	1"	5,000	6,000	11
Alaskan Sojourns	750	1"	5,000	6,000	11
Alaskan Wilderness Outfitting Co.	750	1"	5,000	6,000	11
Alaskan Wilderness Sailing Safaris	750	1"	5,000	6,000	11
Alaska's Wilderness Lodge	750	1"	5,000	6,000	11
Alyeska Resort	1,400	2"	6,000	6,000	12
Anchorage CVB	1,400	2"	6,000	6,000	12
Anchorage Days Inn	750	1"	5,000	6,000	11
Anchorage Hotel	750	1"	5,000	6,000	11
Atlas Tours	750	1"	5,000	6,000	11
Avis	750	1"	5,000	6,000	11
Baycrest Motel	750	1"	5,000	6,000	11
B.C. Ferries	1,400	2"	5,000	6,000	11
Best Western Lake Lucille Lodge	750	1"	5,000	6,000	11
Bettles Lodge	750	1"	5,000	6,000	11
Biological Journeys	750	1"	5,000	6,000	11

9/13/88
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Bob & Sally's Lodge Brooks Range	750	1"	5,000	6,000	✓
Wilderness Trips	750	1"	5,000	6,000	✓
Camp Alaska Tours	750	1"	5,000	6,000	✓
Camp Denali	2,484	1"(2)	9,539	6,000	15.5
Captain Bartlett	750	1"	5,000	6,000	✓
Captain's Choice	750	1"	5,000	6,000	✓
Chinook Charters	750	1"	5,000	6,000	✓
Clarion Hotel	750	1"	5,000	6,000	✓
Clippership Motorhome	750	1"	5,000	6,000	✓
CompuTours	750	1"	5,000	6,000	✓
Cruise Alaska Tours	750	1"	5,000	6,000	✓
Cruise Masters	750	1"	5,000	6,000	✓
Cunard Lines	52,000	full-page	52,000	99,000	151
Custom Alaska	750	1"	5,000	6,000	✓
Denali Grizzly Bear Cabins & Campground	750	1"	5,000	6,000	✓
Denali Nat'l Park Central Res.	750	1"	5,000	6,000	✓
Elfin Cove	750	1"	5,000	6,000	✓
Sportfishing Lodge					
ERA Aviation	4,868	2" (1) 1" (2)	15,078	6,000	21.
Evergreen Lodge	750	1"	5,000	6,000	✓
Exploration	67,272	full-page 2" (1) 1" (8)	103,392	105,000	208
Fairbanks CVB	4868	2" (2)	15,078	6,000	21
Gray Line of Alaska	1,400	2"	42,314	6,000	48
	13,872	1"(8)			
Great Alaska Fish Camp	1,400	2"	6,000	6,000	12
Great Alaskan Holidays	750	1"	5,000	6,000	✓
Gustavus Inn	750	1"	5,000	6,000	✓
Haines CVB	750	1"	5,000	6,000	✓
Hatcher Pass Lodge	750	1"	5,000	6,000	✓

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12:26 PM

HeliTour/Alaska Helicopters, Inc.	1,400	2"	6,000	6,000	12
Holland Am. Westours	145,000	4-pages	145,000	278,000	423
Hook-M-Up Tours	750	1"	5,000	6,000	✓
Hotel Captain Cook	750	1"	5,000	6,000	✓
Hotel Halsingland	1,400	2"	6,000	6,000	12
Ingersoll Hotel	1,400	2"	6,000	6,000	12
Juneau CVB	750	1"	5,000	6,000	✓
Juneau Lodges	1,400	2"	6,000	6,000	12
Kachemak Bay Wilderness Lodge	750	1"	5,000	6,000	✓
Kantishna Roadhouse	1400	2"	6,000	6,000	12
Kantishna Wilderness Trails	750	1"	5,000	6,000	✓
Katmailand	750	1"	5,000	6,000	✓
Kenai Guide Service	750	1"	5,000	6,000	✓
Kenai Rivers Sport-fishing Guide, Inc.	750	1"	5,000	6,000	✓
Kennicott Glacier Lodge	1,400	2"	6,000	6,000	12
Ketchikan VB	750	1"	5,000	6,000	✓
Ketchum Air Service	750	1"	5,000	6,000	✓
King Ko Inn	750	1"	5,000	6,000	✓
Kobuk Motel-Hotel	750	1"	5,000	6,000	✓
L.A.B. Flying Service	750	1"	5,000	6,000	✓
Leisure Tours	750	1"	5,000	6,000	✓
Mariah Charters	750	1"	5,000	6,000	✓
MarkAir	28,400	1/2 page	34,400	60,000	94
	1,400	2"			
Mat-Su CVB	750	1"	5,000	6,000	✓
McKinley/Denali Salmon Bake	1,400	2"	6,000	6,000	12
MidnightSunTours	1,400	2"	6,000	6,000	12
National Car Rental	750	1"	5,000	6,000	✓
Nature Expeditions	750	1"	5,000	6,000	✓
Nome CVB	750	1"	5,000	6,000	✓
North To Alaska	750	1"	5,000	6,000	✓
OomingmakMuskOx	750	1"	5,000	6,000	✓
Outdoor World	1,400	2"	6,000	6,000	12
Petersburg COC	750	1"	5,000	6,000	✓
Phillips Cruises	750	1"	5,000	6,000	✓

9/13/88
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& Tours						
Pt. South R.V. Tours	1,400	2"	6,000	6,000	12	
Potpourri	750	1"	5,000	6,000	✓	
Prince Rupert CVB	750	1"	5,000	6,000	✓	
Prince William Sound Charters	750	1"	5,000	6,000	✓	
P&O Princess	52,000	full page	52,000	99,000	151	
Princess Cruises/ Tours	145,000	4-pages	145,000	278,000	423	
Quest Charters	750	1"	5,000	6,000	✓	
Quinnat Landing Hotel	1400	2"	6,000	6,000	12	
Regency Cruises	28,400	1/2 page	28,400	54,000	82	
Regency Fairbanks Hotel	750	1"	5,000	6,000	✓	
Royal Viking	52,000	full-page	52,000	99,000	151	
Rural Route Tours	750	1"	5,000	6,000	✓	
Salmon Falls Resort	1,400	2"	6,000	6,000	12	
Select Sportfishing Pkgs.	750	1"	5,000	6,000	✓	
Sheep Mt. Lodge	750	1"	5,000	6,000	✓	
Sheraton Anchorage	750	1"	5,000	6,000	✓	
Sitka CVB	750	1"	5,000	6,000	✓	
Sitmar	56,800	1/2 page(2)	56,800	108,000	164	
Skagway CVB	750	1"	5,000	6,000	✓	
Skwentna Roadhouse	750	1"	5,000	6,000	✓	
Sourdough Bed & Brkfast	750	1"	5,000	6,000	✓	
Sourdough Camper Rentals	750	1"	5,000	6,000	✓	
Sourdough Outfitters	750	1"	5,000	6,000	✓	
Southeast Marketing Council	52,000	full-page	58,000	105,000	163	
Spirit Walker Exped.	750	1"	5,000	6,000	✓	
St. George Tanaq Corp.	750	1"	5,000	6,000	✓	
Stan Stephens Charters	750	1"	5,000	6,000	✓	

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Stay With A	750	1"	5,000	6,000	✓
Friend B&B					
Super Eight Motels	1,400	2"	6,000	6,000	12
Sweet Retreat	750	1"	5,000	6,000	✓
Motorhome Rentals					
Talkeetna Air Taxi	750	1"	5,000	6,000	✓
Tanadgusix Corp.	1,400	2"	6,000	6,000	12
Temsco Helicopters	750	1"	5,000	6,000	✓
Tides Inn	750	1"	5,000	6,000	✓
Top of the World Hotel	750	1"	5,000	6,000	✓
Tourism Yukon	187,100		97,100	-0-	97
Travel Associates	750	1"	5,000	6,000	✓
Tutka Bay Lodge	750	1"	5,000	6,000	✓
University of AK Museum	750	1"	5,000	6,000	✓
Viking Travel	750	1"	5,000	6,000	✓
Waterfall Resort	1400	2"	6,000	6,000	12
Westmark Hotels	28,400	1/2 page	28,400	54,000	82
Whale Pass Resort	750	1"	5,000	6,000	✓
Whaler's Cove Lodge	750	1"	5,000	6,000	✓
White Pass RR	28,400	1/2 page	28,400	54,000	82
Wilderness Place Lodge	750	1"	5,000	6,000	✓
Wings of Alaska	750	1"	5,000	6,000	✓
Wood River Lodge	750	1"	5,000	6,000	✓
World Explorer Cruises	12,800	1/6 page	12,800	24,000	36
W.T. Fugarwe Lodge	750	1"	5,000	6,000	✓

Planner Totals \$1,194,050

4,204,600 labels
@ 150⁰⁰ =
\$ 630,600⁰⁰

Smith Enterprises

3002 Spenard Road #1
Anchorage, Alaska 99503

□ THE PRINTIN' PLACE

FAX (907) 272-1220
Office (907) 276-4325

□ SMITH COMPUTER SERVICES

□ *impressions*

FAX (907) 344-9323
Office (907) 522-3144

TO SENATOR DICK ELIASON
SENATE LABOR & COMMERCE COMMITTEE

FROM ADAM SMITH

RE HB 442

Dick — The following three pages are
lists which show the potential businesses
in Sitka that are involved in tourism.

I believe that many of these businesses
would consider using the tourism lists if
they were available at a "reasonable price"

94 Businesses with 1 or more employees
who derive all or part of their income from
tourism.

FAX TRANSMISSION

PAGES TO FOLLOW 3

IF FAX IS NOT CLEARLY RECEIVED PLEASE CALL

SITKA BUSINESS LISTS

16.43.36 27 MAR 1990

PH. F. BUSINESS	OWNER	STREET	CITY	ST ZIP
057597 AK MCHD CATERING/CAKES	HONEYCUTT D/FRANILEY D	236 LINCOLN ST	SITKA	AK 99835
023170 AKK B-B-Q EXPRESS	LARUE CLIFFORD C	801 LINCGLN	SITKA	AK 99835
051981 AMERICAN LEGION POST 013		P. O. BOX 13	SITKA	AK 99835
076284 BARANUF SEAFOOD CAFE		BOX 64	SITKA	AK 99835
041512 BAYVIEW RESTAURANT INC		407 LINCOLN ST	SITKA	AK 99835
035466 BURGER BUCCY JIM'S	DAHL JAMES L	BOX 2042	SITKA	AK 99835
051902 CHANNEL CLUB THE	CHANNEL CLUB INC	2906 HPR	SITKA	AK 99835
030577 CHIEF EXPRESS	WINFIELD/DURHAM JUYCE	BOX 2801	SITKA	AK 99835
059805 COLUMBIA BAR	NESS, PATRICK AND LORETT	326 LINCGLN ST	SITKA	AK 99835
	n			
062078 CUSTER GREGORY R		327 SEWARD ST	SITKA	AK 99835
104515 DELL'S SITKA CAFE	GERARDO, A. JUAN	P O BOX 866	SITKA	AK 99835
108495 DIP N SIP ICE CREAM PARK	WOOD, VIRGINIA & NORMAN	236 LINCOLN STREET	SITKA	AK 99835
035396 EL DORADO	VASQUEZ, ANTONIO AND DOR	1311 27 SAWMILL CREEK RD	SITKA	AK 99835
	A			
004214 ERNIES BAR	ERNIES BAR, INC.	BOX 777	SITKA	AK 99835
080549 HAWAII	DEHAAS KATHY	BOX 1746	SITKA	AK 99835
050026 HAWAII THE	HOWARD R S	BOX 850	SITKA	AK 99835
008568 JUDYS VALLEY RESTAURANT	GALLACHER JUDY	327 SEWARD PLAZA	SITKA	AK 99835
040143 KEIKO OF KYOTO	FREDRICK EMIS INC	BOX 1641	SITKA	AK 99835
015259 KIKSADJ CLUB	SAM'S CLUB, INC.	BOX 77	SITKA	AK 99835
042793 LUIS AMIGUS	KARRAGAN, JUAN ANTONIO	BOX 475	SITKA	AK 99835
056488 MCDONALDS	DIGGER, INC.	BOX 2967	SITKA	AK 99835
067529 MOVING FEAST CATERG SVC	SCHAEFER DORAZMAX VIVIAN	717 SAWMILL CK HWY	SITKA	AK 99835
032207 MUGGET SALOON	HINWARD RAYMOND S SR	BOX 850	SITKA	AK 99835
035651 MUGGET SALOON	GREGG LAWRENCE SANDRA	600A AIRPORT RD	SITKA	AK 99835
058422 PIONEER BAR AND LIQUOR STORE	PIONEER LIQUOR, INC	BOX 599	SITKA	AK 99835
033165 PIONEER BAR/LIQUOR STORE	SILVER HARRY	BOX 599	SITKA	AK 99835
009747 RENNICK'S	RENNICK ROSE	BOX 806	SITKA	AK 99835
011329 REWARDS RESTR	REWARD E.I.	BOX 1051	SITKA	AK 99835
078671 ROSE CATERERS	RUISE FRANK	BOX 1395	SITKA	AK 99835
069657 SEAFOOD MAMAS OF SITKA	BAUER MARY JANE	BOX 3021	SITKA	AK 99835
016576 SILVER SPOON CATERING	CRASKE, KATHERINE	107 FISH ALLEY	SITKA	AK 99835
004481 SITKA CAFE	HINWARD RAYMOND S SR	BOX 850	SITKA	AK 99835
073921 SITKA CAFE	DIEGO ANDRE JUAN GERALDO	116 LINCOLN ST	SITKA	AK 99835
054081 SITKA COMMUNITY ASSOCIATION		BOX 1450	SITKA	AK 99835
055398 VALLEY RESTAURANT	LUCIANO EDDIE E	327 SEWARD ST	SITKA	AK 99835

37 ITEMS LISTED.

SITKA TOURISM BUSINESSES

3/27/20

FIRST NAME	LAST NAME	ADDRESS COMPANY	ADDRESS 2	CITY	STATE	ZIP CODE
Tarleton	Smith		Box 1132	Sitka	Alaska	99834
		Alaska Adventures Unlimited	1809A Edgewater Dr.	Sitka	Alaska	99835
		Alaska Arts S.F. Fine Arts	P.O. Box 2131	Sitka	Alaska	99834
		Alaska Holiday Charter	P.O. Box 1792	Sitka	Alaska	99834
Oliver	Bickar	Alaska Logging Championships	Box 1017	Sitka	Alaska	99834
		Alaska Hydrowind Charters	P.O. Box 617	Sitka	Alaska	99835
Robert	Allen	Allen Marine Tours	Box 1049	Sitka	Alaska	99835
		Apple Island Charter/Lodging	P.O. Box 541	Sitka	Alaska	99835
		Skidarka Boats	P.O. Box 2156	Sitka	Alaska	99835
Ken	Bellows	Bellair	P.O. Box 371	Sitka	Alaska	99834
		Connie Lyn Charters	1101 Edgewater Dr.	Sitka	Alaska	99835
		Daves Marine Charters	P.O. Box 3014	Sitka	Alaska	99835
William	Edgewood	Edgewood's Sitka Arts & Crafts	P.O. Box 138	Sitka	Alaska	99835
		Explore Alaska Charter	P.O. Box 1477	Sitka	Alaska	99835
		Foolish Pleasure Cruises	Box 1194	Sitka	Alaska	99834
Ken	Farbes	Farbes Marine Service	Box 557	Sitka	Alaska	99834
		Greater Sitka Chamber of Com.	Box 638	Sitka	Alaska	99835
Roger	Hanus	Hanus Corporation	P.O. Box 1960	Sitka	Alaska	99835
		Isabel Miller Museum	330 Harbor Drive	Sitka	Alaska	99835
		Mountain Air	P.O. Box 875	Sitka	Alaska	99835
Allen	Cunningham	New Archangel Dancers	Box 1657	Sitka	Alaska	99834
		Pacific Charters	P.O. Box 1194	Sitka	Alaska	99835
William	Peterson	Peterson's Guide & Charter Ser	Box 1402	Sitka	Alaska	99834
		Potters House	P.O. Box 58	Sitka	Alaska	99835
	Wilkinson	Raven Copters	Box 2247	Sitka	Alaska	99835
		Rockwell Lighthouse	P.O. Box 277	Sitka	Alaska	99834
		Rusty's Charter Service	108 Shellfish	Sitka	Alaska	99835
Paul Jr	Haug	am's Club, Inc.	P.O. Box 17	Sitka	Alaska	99835
William	Campbell	Carar Fine Arts Camp	Box 2133	Sitka	Alaska	99835
		Seafish Alaska	P.O. Box 1885	Sitka	Alaska	99835
		Sealaska Cruises, Inc.	P.O. Box 1479	Sitka	Alaska	99835
		Sealing Cove	304 Lake Street	Sitka	Alaska	99835
Steve	Liebertz	Shee Atika Lodge	501 Seward Street	Sitka	Alaska	99834
Steve	Hulbert	Sheldon Jackson Museum	Box 479	Sitka	Alaska	99835
		Silver Bay Tour	P.O. Box 1049	Sitka	Alaska	99835
		Sitka Chamber Commerce	P.O. Box 638	Sitka	Alaska	99835
		Sitka Historical Tour	P.O. Box 1001	Sitka	Alaska	99835
		Sitka Hotel	P.O. Box 679	Sitka	Alaska	99835
		Sitka Nat'l Historical Park	Box 738	Sitka	Alaska	99835
		Sitka Summer Music Festival	P.O. Box 1443	Sitka	Alaska	99834
		Sitka Visitor Museum	Box 1220	Sitka	Alaska	99834
		Sitka Youth Hostel	P.O. Box 2645	Sitka	Alaska	99834
		Sitka's Secrets	500 Lincoln Street 6641	Sitka	Alaska	99834
		Sitka Charters	315 Peterson	Sitka	Alaska	99835
		The Observatory	227 Marlian Street	Sitka	Alaska	99835
		Toten Travel	Box K	Sitka	Alaska	99834
		U.S. Forest Serv. Seb, Cagwin	Box 1980	Sitka	Alaska	99835
		U.S. Fish & Wildlife	201 Sigirawa Way	Sitka	Alaska	99835
		Wastmark Inn	P.O. Box 41	Sitka	Alaska	99835
		Western Lake Atika	P.O. Box 115	Sitka	Alaska	99835

Clia	Duchan	The Korper House	Box 724	Seward	Alaska	99664	274-3231
		The White House Bed & Breakfast	Box 1157	Seward	Alaska	99664	724-3614
		Bed Inn 518 Monastery	518 Monastery Street	Sitka	Alaska	99835	907-747-3305
		Riorka Bed & Breakfast	611 Riorka Street	Sitka	Alaska	99835	747-3111
		Creek's Edge Guest House	Box 2941	Sitka	Alaska	99835	747-6484
Donna	Burnett	Dondonn House	Box 262	Sitka	Alaska	99835	747-6357
Carol	Siapsen	Eagle's Nest Bed & Breakfast	Box 405	Sitka	Alaska	99835	747-5501
		Edgecube View Bed & Breakfast	1715 Edgecube Drive	Sitka	Alaska	99835	747-3675
		Hannahs Bed/Breakfast	504 Monastery Street	Sitka	Alaska	99835	907-747-8309
		Helen's Bed & Breakfast	Box 345	Sitka	Alaska	99835	747-8578
		Helga's Bed & Breakfast	P.O. Box 1865	Sitka	Alaska	99835	907-747-5697
Gertha	Karras	Karras Bed & Breakfast	230 Kogwanton Street	Sitka	Alaska	99835	747-3978
		Karras Bed/Breakfast	230A Kogwanton Street	Sitka	Alaska	99835	987-747-3978
		Mountain View Bed & Breakfast	Box 119	Sitka	Alaska	99835	747-8966
		The Eagles Nest Bed/Bkfst	P.O. Box 405	Sitka	Alaska	99835	907-747-5501
		Heigas Bed/Breakfast	P.O. Box 1885	Sitka	Alaska	99835	907-747-5497
		Harry's Bed & Breakfast	Box 72	Skagway	Alaska	99840	983-2875
Carl & Alice	Mundell	Bed & Breakfast on the Kenai	655 Ripley	Soldotna	Alaska	99669	262-4286

13 - Bed & Breakfasts in Sitka

Smith Enterprises

3002 Spenard Road #1
Anchorage, Alaska 99503

THE PRINTIN' PLACE

FAX (907) 272-1220
Office (907) 276-4325

SMITH COMPUTER SERVICES

impressions

FAX (907) 344-9323
Office (907) 522-3144

TO SENATOR DICK ELIASON
SENATE LABOR & COMMERCE COMMITTEE

FROM DON SMITH

RE RE - HB 442

Attached are TWO checks which show the
ATMC Revenue for FY 89-90 & 91 Plus
the expenditures for 1989 & 90

I will be attending the Teleconference
in Anchorage today at 3:30 pm.

FAX TRANSMISSION

PAGES TO FOLLOW 2

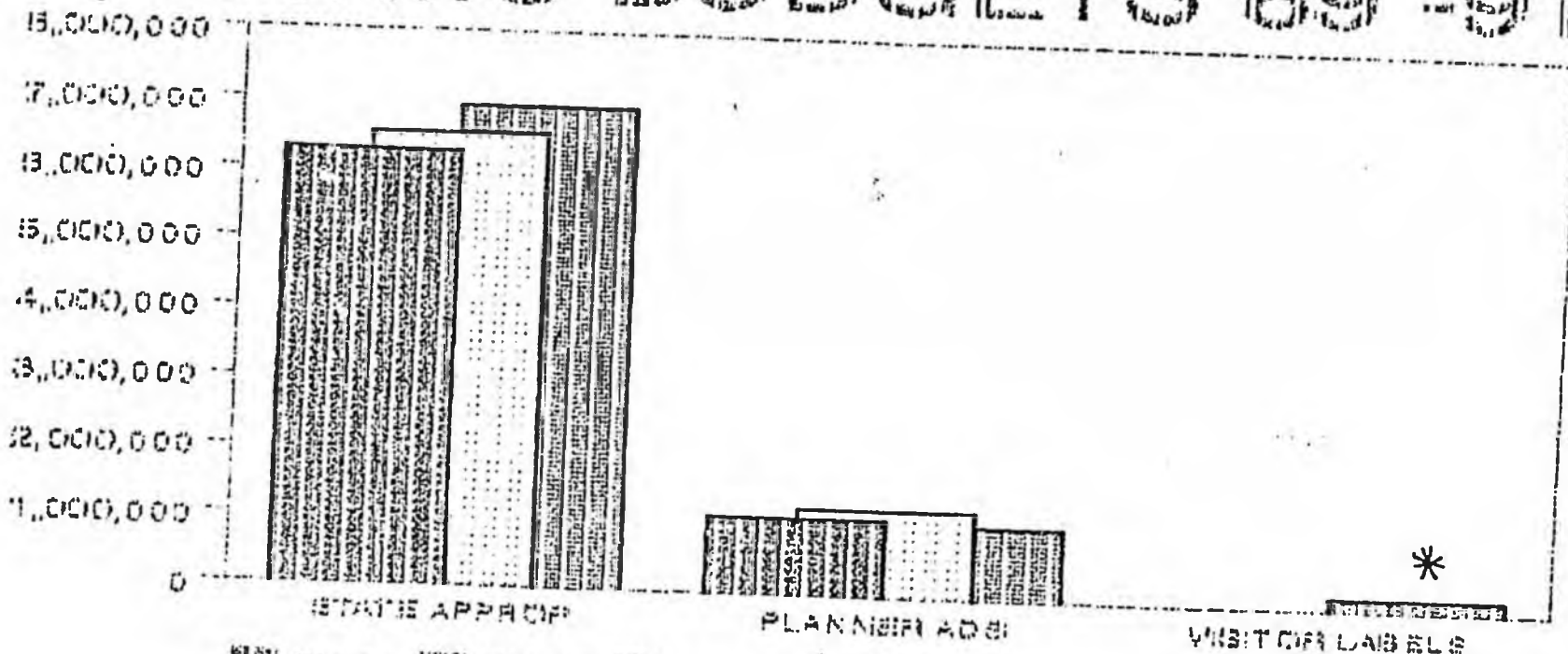
IF FAX IS NOT CLEARLY RECEIVED PLEASE CALL

Smith Enterprises

TEL No. 272-1220

Mar 21-90 15:10 No. 006 P.02

ATMIC BUDGETS 89-91



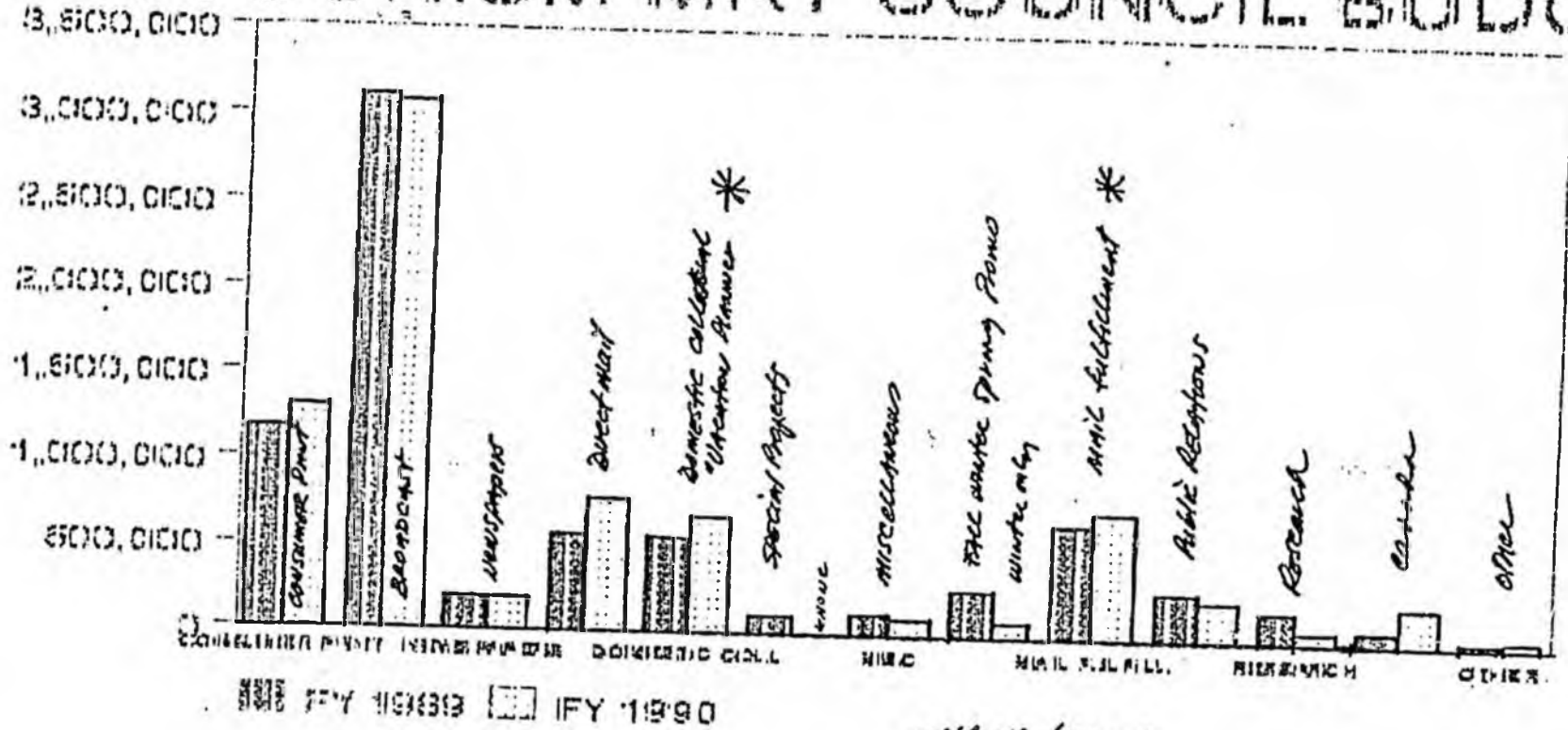
■ FY 89 ■ FY 90 ■

■ FY 91
Projected & Estimated

REVENUE

By Dan Smith

AK TOURISM MKT COUNCIL BUDGETS



EXPENDITURES

By Don Smith

April 6, 1990

To: Senator Mike Szymanski

From: Clark Gruening

Re; Senate SC for CS for House Bill No. 442(L&C) an Act relating to the Alaska Tourism Marketing Council

Mike, the main purpose of this bill is to allow the ATMC to continue to work with the statewide trade association to conduct cooperative marketing of Alaska tourism in the same successful way it has in the past and in the way the legislature envisioned when it established the ATMC two years ago.

Both Legislative Legal Counsel(Terry Bannister) and The AG(Jeff Bush) have signed off on the constitutional issue of dedicated funds which was raised briefly in the House. The bill has had three hearings - two in the House and L&C in the Senate. All were teleconferenced and the only testimony in opposition was that of Don Smith who has a subcontract with AVA to produce tourism mailing list labels from computer tapes. The bill passed the House on reconsideration 38-0 (Ulmer and Shultz absent). Don would like to get the labels cheap and resell them for a profit as part of a package printing deal for businesses.

Under the present arrangement, money from the sale of tourism mailing labels or lists goes back into the cooperative marketing program as a substantial part of the industry match. This is consistent with what the legislature intended in establishing the ATMC- it is away smaller businesses can contribute to the program and it encourages private participation and funding. Presently, and by law if this bill passes, no business has to be a member of AVA in order to get the labels at the rate of \$150 per thousand for sorted labels. This rate, while not as cheap as Don would like, is not expensive and constitutes a relatively small part of the total cost of a tourism business mail out. Small businesses can and do use this program for marketing. Without this legislation the Legislature's original intent is frustrated and the cooperative marketing program itself cannot be carried out.

Thank you for your continuing support of tourism.

A M E N D M E N T #1

OFFERED IN THE SENATE

BY SEN. FAIKS

TO: SCS CSHB 442(L&C)

Page 3, line 5, following "AS 44.33.705(b)":

Insert "; the amount for which the qualified trade association may sell or lease the tourism mailing lists is

(A) a maximum \$50 for each 1,000 listings, if the listings are provided as labels; fewer than 1,000 listings may be sold or leased under this subparagraph, but the minimum charge is \$50;

(B) a maximum \$30 for each 1,000 listings, if the listings are not provided as labels; fewer than 1,000 listings may be sold or leased under this subparagraph, but the minimum charge is \$30"

Dick,
This amendment would gut the bill it would reduce by $\frac{2}{3}$; The money available from the label sales and reduce the money from the source which goes towards the 15% mandatory match. approx 40% of the 15% match is raised from label sales. The remaining 60% is raised from ad sales in the ^{AK} travel planner. This is a Don Smith amendment - the present rate is reasonable - the ATMC was the authority to keep the rates at a reasonable level.

Smith Enterprises, Inc.

Donald H. Smith
President

Kollette Schroeder
Secretary/Treasurer

The Pentam' Place
Impressions
Smith Computer Services
The Old Anchorage Salmon Bake

April 7, 1990

The Honorable Dick Eliason
Alaska State Senate
Pouch V - State Capitol
Juneau, Alaska 99811

Dear Dick,

I am writing to express my concern over CSHB 442 which I believe will be on the floor for consideration this coming week.

I have attached to this letter my views on this bill. While I would prefer that the bill be killed, I understand the pressure that is being brought by the AVA and would suggest that you consider amending the bill.

You could amend HB 442 on page 2 - line 26 by stipulating that the names could not be re-sold by the contractor (AVA) for more than:

\$50.00 per M on labels with a minimum order of 1,000, or
\$30.00 per M on computer tape when 10,000 or more names
are purchased

This amendment would assure that ALL Alaskan Tourism firms would have access to the State produced list at a fair price. Please remember that NO ONE has ever purchased names from the tourism mailing list at the \$300.00 per M rate or now at the \$150.00 per M rate.

Finally the amendment on line 7 of page 3 offered by Rep. Rieger during floor debate eliminates the list from being purchased by anyone that doesn't promote an Alaskan product or service.

I appreciate your taking the time to consider my views.

Sincerely,


Don Smith

Enclosure

APRIL 7, 1990

SUBJECT: CSHB 442 (L&C) am

ON JANUARY 10TH OF THIS YEAR THE ATTORNEY GENERAL, IN RESPONDING TO A LEGISLATIVE REQUEST, MADE A RULING THAT THE ALASKA TOURISM MAILING LIST IS A PUBLIC RECORD OF THE STATE AND AS SUCH MUST BE MADE AVAILABLE TO THE PUBLIC AT COST. FOLLOWING THAT RULING, I REQUESTED UNDER FREEDOM OF INFORMATION, A COPY OF THE TOURISM MAILING LIST ON COMPUTER TAPE FROM BOB MILLER OF THE ALASKA TOURISM MARKETING COUNCIL.

TWO THINGS IMMEDIATELY HAPPENED:

1ST. THE AVA STARTED HAVING HEART PALPITATIONS AND IMMEDIATELY GOT OUT THEIR HIRED GUNS AND HAD HB 442 INTRODUCED.

2ND. THE SAME ATTORNEY GENERAL, THAT RULED ON JANUARY 10TH, SPOKE OUT OF THE OTHER SIDE OF HIS MOUTH AND MADE AN ABSOLUTELY MIND BOGGLING ANALYSIS OF MY FREEDOM OF INFORMATION REQUEST. HE SURMISED THAT SINCE HIS RULING OF JAN 10TH THAT A BILL RELATED TO THE ISSUE HAD BEEN INTRODUCED AND THEREFORE RECOMMENDED DENIAL OF MY REQUEST UNTIL THE LEGISLATURE ACTED ON THE BILL.

IN PASSING, DOES THAT MEAN IF A LEGISLATOR INTRODUCES A BILL TO OUTLAW ABORTIONS OR MARIJUANA IN ALASKA THAT THOSE

ACTIVITIES WOULD HAVE TO CEASE UNTIL THE LEGISLATURE FINISHES
IT'S DELIBERATIONS ON THE BILLS?

THE ALASKA TOURISM MAILING LIST IS NO DIFFERENT THAN THE LIST
OF ALASKA VOTERS OR THE ALASKA BUSINESS LICENSE LIST OR ANY
OTHER DATA BASE CREATED BY STATE AGENCIES.

I CAN UNDERSTAND THE PANIC SHOWN BY MY FRIENDS IN THE RULING
CLIQUE OF THE ALASKA TOURISM INDUSTRY. THEIR COZY
ARRANGEMENT, ONE THEY CREATED A FEW YEARS AGO THAT FAVORS A
HANDFUL OF MAJOR OUTSIDE TOUR COMPANIES, IS GOING TO HAVE TO
BE CHANGED.

FOR YEARS THE AVA HAS PLACED AN UNREALISTIC VALUE ON THE
TOURISM LIST. UP UNTIL OCTOBER OF LAST YEAR WHEN I FIRST
STARTED MY PUSH TO ACQUIRE THE LIST THEY CHARGED \$300.00 PER
THOUSAND OR 30 CENTS PER NAME! COMMERCIAL MAILING LISTS
GENERALLY SELL FROM \$30.00 PER THOUSAND TO A HIGH OF AROUND
\$110.00 PER M. THE \$100.00 PER M LISTS ARE GENERALLY LISTS
OF PROVEN RESPONSE OR ARE LISTS LIKE CORPORATE PRESIDENTS
WITH HOME ADDRESSES AND PHONE NUMBERS. FOR THE PAST TWO
YEARS THE ALASKA TOURISM ADVERTISING CAMPAIGN HAS PURCHASED
OVER 500,000 NAMES EACH YEAR FOR THEIR DIRECT MAIL PROMOTION.
THEY PAID ANYWHERE FROM \$59.00 TO \$89.00 PER M FOR THOSE
LISTS.

THE AVA BOARD IN OCTOBER, REALIZING THAT THEIR OUTRAGEOUS

POLICY WAS GOING TO COME DOWN AROUND THEIR EARS, DECIDED TO CUT THE LIST RATE IN HALF TO \$150.00 PER M OR 15 CENTS PER NAME.

THAT NEW PRICE HAS BEEN IN EFFECT SINCE OCTOBER AND NO ONE - NOT ONE COMPANY HAS YET BOUGHT A LABEL AT \$150.00 PER THOUSAND AND THE 1990 TOURISM SEASON IS JUST FIVE WEEKS AWAY. THE ONLY TOURISM COMPANIES THAT ARE USING LABELS ARE THOSE SAME COMPANIES WHO GET FREE LABELS FOR ADVERTISING IN THE ALASKA TRAVEL PLANNER. IT'S CLEAR TO ME THAT THE PLAN TO KEEP THE LISTS FOR THE USE OF A SELECT FEW IS STILL WORKING!

NEXT YEAR THE AVA POLICY WILL BE TO SELL THE PLANNER ADS SEPARATELY FROM THE MAILING LIST. THEY HAVE REDUCED THE AD RATE BY APPROXIMATELY 14% FROM THE RATE CHARGED THIS YEAR AND I GUESS ARE EXPECTING TO MAKE UP THE DIFFERENCE FROM LABEL SALES. MY PREDICTION IS THAT VERY FEW LABELS WILL BE SOLD IF COMPANIES ARE STILL REQUIRED TO PAY THE \$150.00 PER M RATE. UNFORTUNATELY, ONLY TIME WILL TELL HOW THIS WORKS OUT.

THERE IS NO COMPELLING REASON FOR THE LEGISLATURE TO BE MADE A PARTY TO THIS GAME THAT THE AVA WANTS PLAYED. YOU ARE BEING ASKED BY THE AVA TO MAKE LEGITIMATE A PROCEDURE THAT IS CLEARLY ILLEGAL AND WILL BE JUDGED BY THE ALASKA COURT SYSTEM AS ILLEGAL IF THIS BILL IS PASSED AND SIGNED BY THE GOVERNOR. THE ALASKA TOURISM MAILING LIST IS NOT A EXTRA ORDINARY LIST. NO STATE SECRETS ARE BEING GIVEN AWAY. ALL THE ATTORNEY GENERAL HAS RULED IS THAT THESE NAMES ARE LIKE ANY OTHER

STATE DATA BASE AND SHOULD BE AVAILABLE TO THE PUBLIC AT COST.

THE STATE TOURISM EFFORT WILL NOT BE HARMED IF THESE LISTS ARE MADE AVAILABLE TO THE PUBLIC AT THE COST OF REPRODUCTION.

AS OF TODAY THERE ARE ONLY 189 TOURISM COMPANIES THAT HAVE PARTICIPATED IN THE COOPERATIVE MARKETING PROGRAM. WHEN YOU CONSIDER THAT THERE ARE OVER 5,000 BUSINESSES IN ALASKA THAT ARE INVOLVED IN THE TOURISM INDUSTRY IT MAKES YOU WONDER IF MAYBE THE AVA APPROACH IS WRONG OR VERY WELL CALCULATED!

LET ME BRING THESE FIGURES CLOSER TO HOME. FOR EXAMPLE, MY DATA BASES SHOW THAT THERE ARE 94 BUSINESSES IN SITKA THAT ARE INVOLVED IN TOURISM. THERE ARE:

13 BED & BREAKFASTS

31 BARS & RESTAURANTS

11 CHARTER BOAT OPERATORS

4 LODGES OR HOTELS

4 TOUR OR TRAVEL COMPANIES

3 AIR OPERATORS, AND

28 MISC. TOURISM RELATED FIRMS.

THESE 94 TOURISM BUSINESSES ARE 8% OF THE 1,145 BUSINESS LICENSED IN SITKA.

I DIDN'T HAVE TIME TO CALCULATE THE NUMBERS IN ANCHORAGE, FAIRBANKS, SOUTHEASTERN AND OTHER AREAS OF ALASKA BUT IT'S

OBVIOUS TO ME THAT TOURISM BUSINESSES ARE A LARGE SEGMENT OF EACH TOWN IN ALASKA.

WHY DO THESE 5,000 ALASKAN BUSINESSES HAVE TO FIGHT FOR USE OF A STATE PUBLIC RECORD. LOOK AT THE MAKEUP OF THE LIST OF THE 189 TOURISM BUSINESSES THAT MAKE UP THE AVA MARKETING PARTNERS. HOW MANY OF THOSE COMPANIES ARE HEADQUARTERED IN SEATTLE AND POINTS SOUTH AND EAST! I UNDERSTAND WHY THEY ARE FIGHTING SO HARD BUT IS IT FAIR TO THE 4,800 PLUS OTHER ALASKAN FIRMS WHO ARE TRYING TO MAKE A LIVING AND EXPAND THEIR BUSINESSES IN THE TOURISM INDUSTRY. WE ALL LIVE HERE YEAR ROUND AND MANY HAVE ONLY THE REVENUE FROM TOURISM TO MAKE IT THROUGH THE YEAR. MOST OF THESE SMALL ALASKAN TOURISM FIRMS DO NOT HAVE LARGE ADVERTISING BUDGETS TO PROMOTE THEIR BUSINESSES.

PLEASE DO NOT PARTICIPATE IN THIS EFFORT BY THE MAJOR SEATTLE TOUR OPERATORS TO LOCK OUT LEGITIMATE ALASKAN TOURISM FIRMS! MY TOURISM BUSINESSES WANT TO HOPEFULLY MAIL TO OVER 100,000 POTENTIAL VISITORS THIS SPRING. I'M WORKING WITH OTHER SMALL ALASKAN TOURISM FIRMS TO HELP THEM MAIL THEIR PROMOTIONAL LITERATURE TO OUR PROSPECTIVE VISITORS. MY VISITOR COOP BROCHURE WILL HOPEFULLY SELL MY ALASKAN MADE PRODUCTS PLUS BRING A FEW PEOPLE TO MY "OLD ANCHORAGE SALMON BAKE". BOTTOM LINE IS THAT A FEW MORE ALASKANS WILL HAVE JOBS.

I BELIEVE THAT IF THE ALASKA TOURISM MAILING LIST WERE ALLOWED TO BE FREELY USED THAT HUNDREDS OF ALASKAN TOURISM

COMPANIES WOULD MAIL OUT THEIR FLYERS AND BROCHURES. RIGHT NOW OUR POTENTIAL VISITORS ONLY RECEIVE FROM 1 TO 6 MAILERS FROM ALASKA AND THAT'S A SHAME.

CONVERSIONS ARE DOWN FROM PAST YEARS AND I BELIEVE IT'S BECAUSE FEWER MAILERS ARE GOING OUT TO OUR POTENTIAL VISITORS. WE NEED TO "MINE" THE VISITOR LIST - NOT HIDE IT AWAY FOR A SELECT FEW TO USE. CONVERSIONS BY THE WAY ARE THE NUMBER OF PEOPLE WHO RESPOND TO THE ALASKA ADVERTISING CAMPAIGN THAT ACTUALLY COME UP TO ALASKA ON A VISIT.

I'M NOT A MATH EXPERT BUT I BELIEVE THAT THE TOURISM LIST WOULD PROBABLY GENERATE A MUCH LARGER RETURN TO THE STATE IF IT WERE SOLD FOR \$25.00 TO \$30.00 PER THOUSAND. IF 8 MILLION LABELS WERE SOLD AT \$25.00 PER M THE REVENUE GENERATED WOULD BE \$200,000.00.

THE PLAN FOR NEXT YEAR CALLS FOR LABELS TO GENERATE 14% OF THE INDUSTRY MATCH TO THE ATMC PROGRAM. AT TODAY'S MATCH THAT MEANS THE LABELS WOULD HAVE TO GENERATE \$173,000.00. AT \$150.00 PER M THAT MEANS THAT 1,153,000 LABELS MUST BE SOLD. SINCE THE AVA HAS NEVER SOLD A LABEL AT THE \$300.00 OR \$150.00 PER THOUSAND RATE, I WONDER JUST HOW MUCH MONEY WILL BE RAISED?

THE LOWER AD RATE IN THE PLANNER NEXT YEAR WILL PROBABLY ENCOURAGE A FEW NEW ADVERTISERS PLUS THE SIGNATURE ADS IN THE

PLANNER WILL COST \$150.00 PER AD NEXT YEAR. THIS YEAR THERE ARE APPROXIMATELY 1,800 FREE SIGNATURE ADS IN THE PLANNER. IF ONLY 1,200 TOURISM FIRMS PAY THEIR \$150.00 THERE WILL BE \$180,000.00 OF NEW MONEY GENERATED.

PLEASE LET THE LAW PREVAIL! AMEND THIS BILL SO IT SIMPLY REQUIRES THAT LISTS BE MADE AVAILABLE TO ALASKAN TOURISM BUSINESSES OR JUST ALASKAN BUSINESSES. THAT WILL ELIMINATE THE WORRY OR EXCUSE USED BY THE AVA THAT HAWAII OR SOME OTHER TRAVEL DESTINATION WILL TRY AND USE "OUR" VISITOR NAMES.

LEAVE THE REST OF THE LAW ALONE. I WOULD RECOMMEND THAT YOU AMEND HB 442 BY DOING THE FOLLOWING:

- A. 1. DELETE PARAGRAPH 14 IN SECTION 2
2. DELETE SECTION 3
3. ELIMINATE THE TOURISM MAILING LISTS FROM SEC. 44.33.727 AS PART OF THE ASSOCIATION'S REQUIRED CONTRIBUTION.
4. AMEND THE BILL TO REQUIRE A 12% INDUSTRY MATCH INSTEAD OF THE CURRENT 15% REQUIREMENT. ~~-OR-~~
- B. 1. AMEND THE BILL TO FIX THE RATE THAT THE AVA CAN CHARGE ALASKAN TOURISM FIRMS. I WOULD SUGGEST A RATE OF NO MORE THAN \$50.00 PER M FOR SMALL LIST ORDERS OF 1,000 NAMES OR MORE ON LABEL AND \$30.00 PER M ON ORDERS OF 10,000 NAMES ON COMPUTER TAPE.

IN CONCLUSION, THE ANCHORAGE DAILY NEWS IN IT'S EDITORIAL OF FEBRUARY 21, 1990, ENTITLED "SELL'EM CHEAP" URGED THAT THE

VISITOR LISTS BE OFFERED AT A TOKEN PRICE. I QUOTE FROM THE EDITORIAL, "THE STATE ACTS MORE LIKE A BUSINESS JEALOUSLY GUARDING TRADE SECRETS THAN A FRIENDLY PARTNER WILLING TO SHARE VALUABLE DATA". THE EDITORIAL GOES ON TO SAY THAT "LAWMAKERS SHOULD CONSIDER THE VISITOR LIST AN INVESTMENT IN "INFORMATION INFRASTRUCTURE." "SELLING THE LIST AT NOMINAL COST IS ONE CONCRETE WAY THE STATE CAN HELP ALMOST ANY TOURIST BUSINESS, BIG OR SMALL"

WHILE I SELDOM AGREE WITH THE "NEWS" AND IT'S EDITORIAL POLICY, THEY ARE 100% CORRECT ON THIS ISSUE!

I UNDERSTAND THAT WHEN THIS BILL WAS ORIGINALLY DRAFTED THERE WAS A LETTER FROM THE DRAFTER THAT EXPRESSED CONCERN AS TO THE CONSTITUTIONALITY OF THE ISSUE. THIS ISSUE SHOULD BE LOOKED AT.

THIS BILL ALSO HAS FINANCIAL IMPLICATIONS TO THE STATE AND HAS NOT BEEN GIVEN A PROPER FINANCIAL REVIEW. IT REALLY SHOULD BE SENT TO THE FINANCE COMMITTEE FOR CONSIDERATION!

PLEASE PROVE THAT LOGIC, COMMON SENSE AND FAIRNESS WILL PREVAIL.

I APPRECIATE YOUR TAKING THE TIME TO REVIEW MY CONCERNS.

Anchorage Daily News

Gerald E. Grilly
Publisher



Howard Weaver
Managing Editor

Michael Carey, Editorial Page Editor

Katherine Fenning, Editor and Publisher 1971 to 1983
Lawrence Fenning, Editor and Publisher 1967 to 1971

Founded in 1948 by Norman C.

Sell 'em cheap

Visitor lists should be offered at a token price. The state of Alaska does many things to promote tourism. It spends millions of dollars to run the ever-popular state ferries. It spends millions more to convince the world Alaska is not a wasteland of glaciers and igloos. It spends thousands of dollars to help compile names of people who are interested in visiting Alaska. But one thing the state doesn't do is allow cheap, easy access to those names.

That list is a tourist marketer's dream. It can be broken down by where in Alaska visitors might come, when, and what they'd like to do. It's invaluable to any Alaska tourist business, but especially those that can't afford to develop their own lists.

But the state allows the list to be treated as a hot commodity. Buyers must pay \$150 per 1,000 names, or 15 cents each. (Big advertisers in the state travel planner qualify for discounts.) And that price, high as it is, was only recently cut by 50 percent. By comparison, other non-proprietary state lists, such as registered voters, can be purchased for a few cents a name from commercial vendors.

In other words, the state acts more like a business jealously guarding trade secrets than a friendly partner willing to share valuable data.

The visitor list needn't be treated as public information, available to any comer. The state can properly decide to sell the list only to firms promoting Alaska tourism — as the House of Representatives recently voted to do.

But the House measure says nothing about what buyers must pay for the list. Lawmakers should consider the visitor list an investment in "information infrastructure." Selling the list at nominal cost is one concrete way the state can help almost any tourist business, big or small.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

- 1031 W 4th AVENUE SUITE 200
ANCHORAGE, ALASKA 99501-1594
PHONE: (907) 276-3550
FAX: (907) 276-3627
- 1st NATIONAL CENTER
100 CUSHMAN ST. SUITE 400
FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 452-1568
FAX: (907) 456-1317
- P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-3600
FAX: (907) 463-5295

January 10, 1990

Hon. H. A. "Red" Boucher
House of Representatives
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: Tourism mailing lists
Our file: 663-90-0214

Dear Representative Boucher:

You have asked for our comments on certain practices of the Alaska Tourism Marketing Council (ATMC) and the Alaska Visitors Association (AVA) related to the distribution of mailing lists, or labels, generated through the ATMC's cooperative marketing program. We conclude that the lists are public records and must be produced to those who request them, for cost.

Pursuant to AS 44.33.705(b), the commissioner of the Department of Commerce and Economic Development (DCED) has entered into a contract with the AVA to jointly manage the ATMC. As required under AS 44.33.705(b) and the contract, the AVA contributes to the state 15 percent of the total operating expenses of the ATMC. These contributions are received by the state, deposited in the general fund, and then appropriated back each year by the legislature to the ATMC for operations. See AS 44.33.730 and secs. 27 & 29, ch. 116, SLA 1989, at 49, 108.

The primary responsibility of the ATMC is to manage the state's multi-million dollar cooperative tourism marketing program. AS 44.33.720. As part of this program, the ATMC places advertisements in various magazines and newspapers and on television. With respect to the print media ads, business reply cards (BRCs) are also placed in the ads, and a potential tourist may then clip out the BRC and mail it back to the state. A respondent also can provide certain information and demographic data on the BRC, such as age, probable mode of travel (RV, cruise ship, etc.), and interests (sport fishing, hiking, photography, etc.).

The ATMC has entered into a contract with a private company to handle BRC responses. When a BRC or a general request for tourism information is received by the state, it is forwarded

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House of Representatives
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to the contractor. The contractor first inputs onto computer tape all the information provided by the person who sent in the BRC or information request -- name, address, interests, and demographic information. The contractor sends to the person a copy of the ATMC's principal publication, the official state Vacation Planner. The computer tape is then used to produce mailing labels identifying potential tourists by demography or stated areas of interest.

The Vacation Planner is produced by the ATMC. The ATMC sells space in the Planner to the AVA at cost, which in turn the AVA sells to its marketing partners at a premium in order to raise money for its required 15 percent contribution to the program. As a further incentive to encourage marketing partners to participate in the program, the AVA offers each partner a certain number of "free" mailing labels based upon the size of the ad purchased. 1/ With the contractor's ability to sort labels based upon the potential tourists' stated interests, a purchaser may request and receive labels for potential tourists who have expressed an interest in the purchaser's particular business (i.e., a lodge owner may request 1000 labels of persons who expressed an interest in fishing or hunting), or profile (i.e., a cruise ship operator may request persons over age 50). If a purchaser wants more labels than the "free" number offered as part of its ad purchase, or if a nonpurchaser wants labels, these may be bought for a fee significantly more expensive than the actual cost of producing the labels. 2/ All funds generated from these label sales are sent

1/ The ATMC has voted to purportedly grant to the AVA the exclusive distribution rights for these mailing lists. See AS 44.33.715(a)(2). This distribution, however, is provided and paid for pursuant to the ATMC's contract with the private contractor. For a number of reasons not relevant to this discussion, we do not believe this grant is binding on the state.

2/ In general, we have held that distribution of state records to private parties that wish to use the information to produce mailing lists may violate the privacy rights of the persons whose names and addresses are released. 1979 Inf. Op. Att'y Gen. (April 17; J66-642-79); 1987 Inf. Op. Att'y Gen. (663-87-0598). In this case, however, where those submitting the information do so for the purpose of obtaining tourism information, and where the use of these records for mailing lists is well-established and will benefit the public through increased tourism, we do not believe that there is an expectation of privacy sufficient to protect the information.

Hon. H. A. "Red" Boucher
House of Representatives
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to the AVA and are also used by the AVA to make up part of its required 15 percent contribution to the program.

You have asked whether these practices with respect to the mailing lists comport with Alaska law. Specifically, you have asked whether it is permissible for the AVA to sell these mailing labels at a premium, or if the information must be treated as public records and distributed to whomever requests it at cost.

As indicated above, the data used to compile the computer tapes, and the actual labels themselves, are in the possession and control of the ATMC's private contractor. These tapes and labels are not directly controlled by any state agency.

Not all records in the possession of a private contractor are public records. For example, the general business records of a corporation do not become subject to the same rules as a state agency's records merely because the corporation is a successful bidder on a state contract.

We conclude, however, that where a contractor is essentially performing a state function, all records produced as a result of that performance are public documents. ^{3/} Although we are aware of no Alaska cases discussing this issue, other jurisdictions that have looked at the question have held that, when a state contracts with a corporation to perform a public function, records related to that particular contract or function are treated as public records. Fox v. News-Press Publishing Co., 545 So. 2d 941 (Fla. App. 1989); Fritz v. Norflor Construction Co., 386 So. 2d 899 (Fla. App. 1980); Westchester Rockland Newspapers v. Kimball, 408 N.E.2d 904 (N.Y. 1980). This is also consistent with language contained in the state's standard contract form, which was used by the parties in this case. Article 10 of the standard contract provides, in relevant part:

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to

^{3/} To the extent that this conclusion is inconsistent with our earlier advice, contained in 1988 Inf. Op. Atty. Gen (Aug. 8; 663-88-0464), we overrule that opinion at this time.

Hon. H. A. "Red" Boucher
House of Representatives
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establish any claim under the design patent or copyright laws.

Thus, we conclude that the data tapes, mailing labels and other documents created as a result of the state's contract for handling BRC responses are subject to the state's public disclosure laws, AS 09.25.110--09.25.120 and 6 AAC 95. 4/

Because the computer tapes are public documents, they must be produced at cost for anyone who requests them (6 AAC 95.130). Since these records are presently kept in computer tape form, they must be produced in that form. Szikszy v. Buelow, 436 N.Y.S.2d 558, 563 (N.Y. Super. 1981); State v. Harder, 641 P.2d 366, 374 (Kan. 1982). Also, to the extent that the agency chooses to make available these records in some other form, such as hard copy or sorted mailing labels, it must do so for all members of the public. We presume that the ATMC will want to continue making mailing labels available to tourism businesses, and if so, such labels must be available for all.

Further, because these are state records, any costs recovered from the distribution of these records by the ATMC through label sales are state program receipts and should be deposited directly into the general fund. These cost recovery receipts should not be credited to the AVA as part of its required contribution to the cooperative marketing program. See 1987 Inf. Op. Att'y Gen. (Sept. 15; 663-88-0080).

We caution that this opinion is based solely on our analysis of the applicable law in this area. We know there are significant arguments that can be made that distribution of these labels to the general public at cost may be detrimental to either the cooperative marketing effort (since these lists will now be available to competitor destinations) or the contractual arrangement between DCED and the AVA that created the ATMC (because the AVA may find it more difficult to raise its required contribution to the program). On the other side are arguments that the easy, wide-spread distribution and availability of these labels can only enhance Alaska's overall tourism efforts, by allowing more businesses to distribute their tourism fliers. It will be up to the legislature and the governor to weigh these competing arguments and decide if a statutory exception to the general open-records policy and laws is appropriate for these public records.

4/ These records are also subject, of course, to otherwise generally recognized exceptions to those laws.

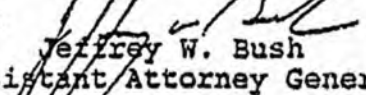
Hon. H. A. "Red" Boucher
House of Representatives
Our file: 663-90-0214

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We hope this answers your questions. If this office can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL

By: 
Jeffrey W. Bush
Assistant Attorney General

JWB:jf

cc: Larry Mercurieff, Commissioner, DCED
Jane Angvik,, Assistant Commissioner, DCED
Dana Brockway, Director, Division of Tourism and Chair, ATMC
Bob Miller, Executive Director, ATMC
Bob Dindinger, President, AVA