

HJR

82

CORRECTION

Discard HJR 82

and retain this corrected version.

HOUSE JOINT RESOLUTION NO. 82**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - SECOND SESSION****BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE HOUSE SPECIAL COMMITTEE ON
INTERNATIONAL TRADE AND TOURISM****Introduced: 2/28/92****Referred: House Special Committee on International Trade and Tourism, Labor & Commerce****A RESOLUTION**

1 **Requesting the federal Office of Management and Budget to revise the Standard Industrial**
2 **Classification system so that distinct statistics for the travel and tourism industry are**
3 **compiled.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS** the federal Office of Management and Budget maintains a Standard Industrial
6 **Classification system (SIC) that is used to measure activity in various sectors of the economy; and**

7 **WHEREAS** statistics for the travel and tourism industry are not distinctly identified in the SIC,
8 **but are split up into many different categories that include other retail sales and services; and**

9 **WHEREAS** the failure to separately identify travel and tourism as an industry inhibits
10 **recognition of the importance of this segment of the economy, both in terms of its contribution to the**
11 **gross domestic product and in terms of its positive effect on the nation's balance of trade; and**

12 **WHEREAS** the travel and tourism industry is a significant segment of Alaska's economy and
13 **should become one of the top money-producing industries for the nation within the next 10 years; and**

14 **WHEREAS** separate SIC recognition of the travel and tourism industry would aid policy makers
15 **in fashioning appropriate measures that promote this very important industry;**

16 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the federal Office of

1 Management and Budget to work with the U.S. Travel and Tourism Administration to develop
2 appropriate SIC listings that will give due regard to the importance of the travel and tourism industry;
3 and be it

4 **FURTHER RESOLVED** that the legislature encourages the federal government to include travel
5 and tourism expenditures when it calculates the national trade balance.

6 **COPIES** of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the
7 United States and President of the U.S. Senate; the Honorable Robert C. Byrd, President Pro Tempore
8 of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; the
9 Honorable Robin Tallon, U.S. Representative, chair of the Congressional Travel and Tourism Caucus;
10 Richard Darman, Director, federal Office of Management and Budget; John Keller, Director, U.S. Travel
11 and Tourism Administration; and to the Honorable Ted Stevens and the Honorable Frank Murkowski,
12 U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation
13 in Congress.

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811
(907) 465-2973



MEMORANDUM

DATE: April 24, 1992

TO: Senator Drue Pearce, Chair
Senate Labor and Commerce Committee

FROM: Representative Tom Moyer, Chair
House Special Committee on
International Trade and Tourism

RE: HJR 82 (Relating to the Standard Industrial
Classification (SIC) listings by the U.S. Office of
Management and Budget)

I would like to respectfully request that you schedule HJR 82, requesting the federal Office of Management and Budget to revise the Standard Industrial Classification (SIC) system, for a hearing at your earliest convenience. Attached is background information for the resolution.

OMB maintains the Standard Industrial Classification system, which is used to measure industrial activity or material resources in various sectors of our economy. However, the SIC statistics for travel and tourism are not clearly and distinctly identified and are therefore not identifiable within the gross national product or the national trade balance figures.

The U.S. Travel and Tourism Administration is currently advocating for this revision and it appears that OMB is favorably disposed. Revising SIC listings is a lengthy process. Although changes are not scheduled until 1997, we should go on record early and often given that tourism is vital to Alaska's economy.

Thanks for your prompt scheduling of this resolution.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

No. 1
Bill Version: HJR 82
(H) Publish Date: 3-4-92

Revision Date: _____ Department Affected: _____
Title: Requesting the federal OMB BRU: _____
to revise the SIC system Component: _____
Sponsor: House ITT
Requestor: _____ COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					
CAPITAL	0					
REVENUE						
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Tom Moyer *Tom Moyer* Phone: 465-4930
Division: Chair, House ITT Date: 3-3-92
Approved by Commissioner: _____
Agency: _____ Date: _____

ALASKA STATE LEGISLATURE
HOUSE JOINT RESOLUTION NO. 82

HISTORY IN THE HOUSE

HISTORY IN THE SENATE

1992
Read first time and referred to:
ITT, L&C

2/28

3/4
ITT RPT CS() New Title
6 DP ~~DNP~~ ~~NR~~ ~~AM~~
FN 1 OFN Previous FN

3/20
L&C RPT CS() New Title
4 DP DNP NR AM
FN OFN / Previous FN

3/30
Read second time
CS() Adopted

Amended

3/30 Advanced

3/30 Read third time

Return to second for specific amendment

3/30 PASSED EFD Same ___ or
Yeas 37 Yeas
Nays 0 Nays
Excused 2 Excused
Absent 1 Absent

___ Intent adopted

Reconsideration
Reconsideration not taken up

PASSED ON RECON. EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

___ Intent adopted

3/30 Reported correctly engrossed
Signed by Speaker, to the Senate
Justin Gray
Chief Clerk of the House

1992
4/1
4/2
4/6
4/23
Read first time and referred to:
Return to technical staff
Change & return to S
ITT, L&C

ITT RPT() CS 3 DP NR DNP AM
New Title Same Title HP Previous FN
FN OFN To L&C

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To

Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time
___ CS Adopted () ___ New Title
___ Amended ___ Advanced

Read third time

___ Letter of Intent adopted
___ Return to second for specific amendment

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same ___ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to the House

Secretary of the Senate

4/2 change sponsor; return to Senate

CODE CHANGE?

Proposed Revision in U.S. Industry Statistics Could Benefit Travel in the Long Run

BY PETER HAMM

WASHINGTON— In what could turn out to be one of the most crucial victories the travel industry has ever had in federal lobbying, it appears a major revision of government statistics on business will include more specific numbers on travel and tourism.

The revised statistics, called the Standard Industrial Classification (SIC), could have a profound effect on how travel and tourism bodes in both federal and state lobbying efforts, how government policymakers treat the travel industry, and how travel agents—whose sales are now virtually invisible in government statistics—are viewed as part of the overall retailing industry. Getting more recognition through the SIC system could also lead to more political clout for the industry, more government attention and tax relief in lean years.

Though such a revision probably won't show up on paper for five years (1997 is the next time the system can be revised), industry officials are already celebrating positive signs from the Office of Management and Budget (OMB). Tourism's sway with the OMB and the White House has never been particu-

larly great. President Jimmy Carter, for example, once called tourism "frivolous."

But clearer SIC listings, according to John Keller, director of the U.S. Travel and Tourism Administration (USTTA), are "really the only way that tourism is ever going to be legitimately included in the economic statistics of this country."

Rep. Robin Tallon (D-S.C.), chairman of the Congressional Travel and Tourism Caucus, says the move would be a good one for government as well as the industry. "More and more, we're seeing tourism regarded as an important factor in economic models and forecasts," he says.

"We can't afford to ignore the contribution that tourism makes to our economy and our balance of trade. Including tourism...will certainly recognize this industry as a rapidly growing and increasingly important sector of our economy."

Big Payoff

If the groundwork laid by private sector advisors to Keller (and begun by his predecessors, Donna Tuttle and Rockwell Schnabel) pays off in the OMB's 1997 revision of the SIC system, the end result could be the most significant contribution any USTTA

director has made to travel in the agency's 30-year history.

SIC data is used to calculate gross national product and the extent of the nation's trade deficit. Travel and tourism could benefit from a more distinct inclusion in the nation's balance sheet. The industry contributed a \$9 billion trade surplus last year, but since there's no such line on the ledger, only industry-generated publicity led to anyone knowing about it.

According to Robert Juliano, a labor lobbyist and a member of the advisory board of the USTTA, a revised SIC statistic would answer Capitol Hill critics who say travel does not contribute that much and who doubt the sales figures submitted by the industry.

Travel and tourism industry sales figures are currently "split up among lots of categories," Keller says. "The issue is [travel and tourism] is not recognized as an industry. Airplanes are one place, restaurants are someplace else, hotels someplace else."

More government recognition could be a major boost for travel agents, who are perhaps the biggest losers under the current classification system. The earnings of agents are buried deeply inside the stan-

dard umbrella classifications of either "Retail Sales" or "Services." With a separate travel and tourism line item, however, retailers could say they are the principal sales and distribution system of that government-reported economic figure. A subclassification in the listings could even show agency sales specifically.

Outlook Good

Unless cracks develop in the industry's lobbying efforts to change the SIC system, prospects appear strong that the new classification will be adopted. But a critical public comment period would precede the adoption of any change.

One reason OMB is finally reacting favorably, officials say, is that its analysts think the entire SIC system needs an overhaul in 1997.

USTTA's advisory board drafted a report on arguments in favor of an SIC line that has been submitted to the OMB, and most industry observers believe chances for a revision in the code in 1997 are good. "It's going to happen in the '90s," says James Gaffigan, an American Hotel and Motel Association vice president. "Tourism will be there."