

HVB

342

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 5, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/19/94

The FINANCE Committee considered:

HB 342

HOUSE BILL NO. 342

EXTEND TOURISM MARKETING COUNCIL

"An Act extending the termination date of the Alaska Tourism Marketing Council."

RECOMMENDATIONS:

be replaced with CS HB 342 (FIN) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

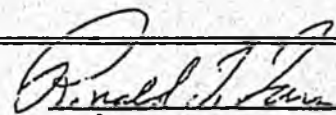
fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) DCED 1/21/94

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>EP Maclean</i> <small>Maclean</small>	✓				
<i>Ronald J. Larson</i> <small>Larson</small>	X	<i>Mark Henley</i> <small>Henley</small>		X	
<i>[Signature]</i>		<i>Terry Martin</i> <small>Martin</small>		X	
<i>Ben Grussman</i> <small>Grussman</small>	✓	<i>Karl Parnell</i> <small>Parnell</small>			X
<i>Tom Hoffmann</i> <small>Hoffmann</small>	✓	<i>Gene Thurnquist</i> <small>Thurnquist</small>			X
<i>Fay Brown</i> <small>Brown</small>	✓				
<i>Richard [Signature]</i> <small>Foster</small>	X				
<i>[Signature]</i> <small>NAVARO</small>	✓				


 CO-CHAIRMAN'S SIGNATURE
EP Maclean
Larson Maclean

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 342

Revision Date: _____
Title: Extending the Alaska Tourism Marketing Council

Department Affected: Commerce and Economic Development
BRU: Tourism
Component: _____

Sponsor: Rep. Kott
Requestor: House Labor and Commerce

COMPONENT SERIAL NO. _____

Expenditures/Revenues:

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUND SOURCE

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of current year (FY 94) cost: \$ 0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary.)

The expenditures are contained in the proposed operating budget and the revenues are reflected in revenue projections.

Prepared by: Tina Lindoren
Division: Alaska Tourism Marketing Council

Phone: 465-2500
Date: January 18, 1994

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 1/21/94

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 342

ANALYSIS: (continued)

The passage of Senate Bill 478 (SLA 1988, Chapter 78) created the Alaska Tourism Marketing Council which became law, effective July 1, 1988. Legislative findings regarding SB 478 stated:

"The Legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. The Legislature further finds that this cooperative effort would inure to the benefit of the visitor industry in the state and that some of the costs of maintaining the effort be borne by the industry. The Legislature further finds that expansion of the economic benefit of tourism is in the public interest and the state should take an active interest in the ensurance of a quality experience for visitors to the state, cooperate with the private sector in improving the amenities available to visitors to the state, and seek to ensure authentic accessible experience for visitors throughout the state."

8-LS1426N
Lauterbach
4/18/94

amended

#1 ADP
#2 APP
#3 ADP
#4

CS FOR HOUSE BILL NO. 342()

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Hudson, Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Tourism Marketing Council; increasing to at least
2 38 percent the share of the council's expenses that must be paid through
3 contributions by an association that contracts to jointly manage the council; and
4 providing for an effective date."

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

6 * Section 1. AS 44.33.705(b) is amended to read:

7 (b) If the commissioner determines that it is in the best interests of the state
8 to promote the state as a destination through the cooperative marketing program, the
9 commissioner shall contract with a single qualified trade association to jointly manage
10 the council if the trade association agrees that, before the end of each fiscal year that
11 the contract covers, the association will contribute in cash at least ²⁵20 [15] percent of
12 the total operating expenses of the council for that fiscal year and the association will
13 furnish the council with evidence of additional contribution the form of
14 products ^{or} and services so that the total contribution of cash, products, and services

ADP
#3
cash



1 is at least 50 percent of the total operating expenses of the council for that fiscal
 2 year. A product or service qualifies as a contribution under this subsection if it
 3 is provided by the association in a mutual undertaking with a state agency to
 4 advertise, market, or promote the state as a visitor destination. For purposes of
 5 this subsection, the value of a contribution other than cash is the lowest retail unit
 6 value of the product or service or the value of the discount given to the state for
 7 that product or service, whichever is less. ~~plus the actual cost of administrative~~
 8 time and expenses if the administrative costs are not ~~already~~ included in the cost
 9 of the product/or service.] The term of a contract under this section may not exceed
 10 two years.

adp
 Amend #4

DELETE
 Amend #2
 adp

11 * Sec. 2. AS 44.66.010(a)(15) is amended to read:

12 (15) Alaska Tourism Marketing Council (AS 44.33.700) -
 13 December 30, 1998 [1994];

14 * Sec. 3. TRANSITIONAL PROVISION. Notwithstanding AS 44.33.705(b), as amended
 15 by sec. 1 of this Act, if the commissioner of commerce and economic development contracts
 16 with a single qualified trade association to jointly manage the Alaska Tourism Marketing
 17 Council, the contract must provide that before the end of the following fiscal years, the
 18 association will provide evidence of contributions of products and services, in addition to its
 19 required cash contribution of 20 percent, so that the total contributions of cash, products, and
 20 services are at least the following percentages of the total operating expenses of the council
 21 for those fiscal years:

- 22 (1) fiscal year 1995, 38 percent;
- 23 (2) fiscal year 1996, 42 percent;
- 24 (3) fiscal year 1997, 45 percent.

25 * Sec. 4. APPLICABILITY. This Act applies to contracts under AS 44.33.705 that are
 26 entered into or renewed on or after July 1, 1994.

27 * Sec. 5. This Act takes effect July 1, 1994.

8-LS14260
Lauterbach
4/11/94

CS FOR HOUSE BILL NO. 342()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES KOTT, Hudson, Ulmer

A BILL

FOR AN ACT ENTITLED

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2 38 percent the share of the council's expenses that must be paid by an
3 association that contracts to jointly manage the council."

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7 to promote the state as a destination through the cooperative marketing program, the
8 commissioner shall contract with a single qualified trade association to jointly manage
9 the council if the trade association agrees that, before the end of each fiscal year that
10 the contract covers, the association will contribute at least 50 [15] percent of the total
11 operating expenses of the council for that fiscal year. The term of a contract under
12 this section may not exceed two years.

13 * Sec. 2. AS 44.66.010(a)(15) is amended to read:

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1 December 30, 1998 [1994];

2 * **Sec. 3. TRANSITIONAL PROVISION.** Notwithstanding AS 44.33.705(b), as amended
3 by sec. 1 of this Act, if the commissioner of commerce and economic development contracts
4 with a single qualified trade association to jointly manage the Alaska Tourism Marketing
5 Council, the contract must provide that before the end of the following fiscal years, the
6 association will contribute at least the following percentages of the total operating expenses
7 of the council for those fiscal years:

8 (1) fiscal year 1995, 38 percent;

9 (2) fiscal year 1996, 42 percent;

10 (3) fiscal year 1997, 45 percent.

AMENDMENT

*I passed
6-4*

OFFERED IN THE HOUSE

BY REPRESENTATIVE MACLEAN

TO: CSHB 342() Draft 8-LS1426V

Page 1, line 11:

Delete "20"

Insert "25"

Page 2, line 19:

Delete "20"

Insert "25"

Alaska State Legislature
House of Representatives

COMMITTEES:
HEALTH, EDUCATION
& SOCIAL SERVICES
JUDICIARY
STATE AFFAIRS

SPECIAL COMMITTEES:
MILITARY & VETERANS AFFAIRS
OIL & GAS



INTERIM:
EAGLE CENTER, SUITE 141
EAGLE RIVER, AK 99577
PHONE (907) 694-8944
FAX 694-8945

SESSION:
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3777

Representative Pete Kott

SPONSOR STATEMENT

It is in the best interest of the State of Alaska to accept HB 342, and extend the life of the Alaska Tourism Marketing Council (ATMC) to December 30, 1998. This legislation conforms to the recommendations of the 1993 Budget and Audit Report.

ATMC falls under the Department of Commerce and Economic Development, Division of Tourism. Ten of ATMC's members are appointed by the Governor, while ten others are appointed by the Alaska Visitor Association. The Director of the Division of Tourism is automatically a member. ATMC works to "promote the state as a destination and promote all forms of travel to the state, including travel by air, highway, and water" (AK Statute 44.33.720 a) 1.)

An example of ATMC activities is the publication of "The Alaska Vacation Planner's Guide," which lists 1,300 Alaskan businesses and is mailed all over the United States and the world. This is a vital vehicle for Alaska in promoting the tourism industry. The Planner has also provided needed advertisement to businesses located in the outer regions of the state, and to those that do not have a large promotional budget. Other ATMC activities include TV and print advertising, research, and providing advice to the Division of Tourism.

ATMC plays a substantial part in bringing over \$52 million each year to the State of Alaska (McDowell Group, 1992.) If we want to continue to compete successfully in the national and international tourism market, we need to support extending the Alaska Tourism Marketing Council's term.



SPONSOR STATEMENT

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

COPY

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 7, 1994

SUBJECT: Sectional Summary of HB 342 (8-LS1426E)
TO: Representative Pete Kott
FROM: Terri Lauterbach
Legislative Counsel

You have requested a sectional summary of the above bill.

Section 1. Extends the termination date of the Alaska Tourism Marketing Council to December 30, 1998.

TML:pl
94-015.plm

Sectional Summary

HB 342: "An Act extending the termination date of the
Alaska Tourism Marketing Council"

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership that combines the resources and expertise of the state and private industry. It is jointly managed by the Department of Commerce and Economic Development and Alaska Visitors Association. The council consists of ten members appointed by the Governor, ten members appointed by the visitor industry, and the Director of the Division of Tourism.

The goal of the ATMC is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination. To achieve this goal, the ATMC designs and executes a marketing campaign directed at domestic and Canadian markets with the greatest potential for producing new and repeat visitors. Primary elements of the program include media advertising, public relations, and distribution of the State Vacation Planner. These elements are designed to interest people in Alaska and influence their decision to visit. The program also provides the final link between local businesses and consumers on a scale that is possible only through a cooperative effort.

If the ATMC program did not exist, the economic impact of the visitor industry would be significantly reduced and the larger-tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program, everyone in the state benefits, including other state agencies who receive revenues from visitor spending.

WM/dglmme041pp.co

December 23, 1993

Tina Lindgren
Alaska Tourism Marketing Council
3601 C Street, Suite 700
Anchorage, Alaska 99503

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

DEC 23 1993

ALASKA TOURISM
MARKETING COUNCIL

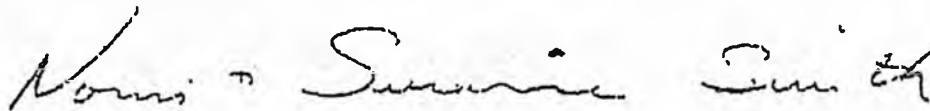
Dear Tina,

Just a quick note to say "thank you" for conducting the recent survey, and by providing us with some informative words on who/what ATMC actually is & does.

My husband and I have run a small business here in Haines for 15 years, and greatly appreciate and depend upon the state's/private sector's co-operative marketing program. Without you we could not exist! Thanks again for all your efforts, and if you're ever in our neighborhood, we'd be happy to put you up!

BEST WISHES FOR THE HOLIDAYS!

Sincerely,



Norm & Suzanne Smith
Owners/Operators, Fort Seward B & B

12-23-93 ATMC Letter

Downtown Deli And Cafe

P.O. Box 2653, Anchorage, Alaska 99510

Phone (907) 274-0027

January 7, 1994

Brad Phillips
Phillips Cruises and Tours
509 W. 4th Ave.
Anchorage, Alaska 99501

Dear Brad,

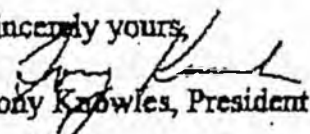
I am writing to you in your capacity as the Chair of the Alaska Tourism Marketing Council. I want to express to you my total support of the Council's public/private marketing efforts. My business is the Downtown Deli and Cafe, which has been operating for 18 years in the same location. During this time I have seen the visitor business grow from a negligible portion of my sales to in excess of two thirds of my total receipts. There is no question that the aggressive marketing of Alaska has played an essential part in this growth.

I am deeply disturbed that a severe reduction in the state's part of the program is being proposed by the Governor. It is well known that tourism, currently one of Alaska's top employers, has the greatest potential growth for both employment and Alaskan small business opportunities. It is also well known that this potential is at risk, as there is intense global competition for the tourism and visitor dollar.

At a time when there is an immediate need to develop private sector jobs to compensate for fewer public revenue based jobs, it is not sensible to turn away from the most logical source of future employment - an expanding visitor industry. Indeed, at a time when Alaska is being attacked through the media, a reduction in our marketing efforts may cause long term damage to Alaska tourism. The bottom line is that we should consider a strategic reassessment of our marketing approach and, in light of the current situation, significantly increase both the public and private marketing efforts for this proven Alaskan job development industry.

Thank you, Brad, for all of your efforts to keep the visitor industry strong.

Sincerely yours,


Tony Knowles, President

1-7-94 Phillips Cruises & Tours



6812 KATMAI CIRCLE
ANCHORAGE, ALASKA 99517-1024
(907) 243-1238

cc: Kameron Jones

- * KENAI FJORDS NATIONAL PARK *
- WILDLIFE AND GLACIER TOUR
- * EXCLUSIVE & OVERNIGHT *
- CHARTERS
- * DROP OFF/ PICK-UP *
- * FISHING *

1/12/94

Rick Halford
Alaska State Legislature
Room 111
Juneau, AK 99801-1182

Dear Mr. Halford,

I would like to voice my concern regarding the proposed \$3 million cut to the Cooperative Marketing Budget. As a small businessman directly dependent on tourism dollars during a short summer season, being able to participate in a highly visible cooperative marketing program as has been put together by ATMC has been very productive for us. The Vacation Planner is the single most productive vehicle we have to market ourselves nationally and internationally at a price we can afford. However, even the cost of a small narrative ad has doubled for the 1995 Planner. This is in response to past and proposed cuts to the Cooperative Marketing Budget.

We all realize times are getting leaner and subsidies are being cut because of decreased oil revenues and other factors. One bright, consistent light in the gloom however, has been the inflow of tourism dollars to the state. A definite renewable resource that shows positive growth every year and benefits virtually everyone in the state at one level or another! As strong as tourism is becoming, it definitely needs nurturing and attention and not taken for granted. Cutting the ATMC budget will be felt right down to my level and this is a most important level to me and many other companies, and our employees, and their families! It gets right down to the basics.

Please consider increasing funding for the Cooperative Marketing Budget, not decreasing. We are trying to pull our weight on this small business level, but we do need some assistance before the load gets prohibitive.

Thank you for your consideration.

Sincerely,

John Shaedy
John Shaedy
Owner/operator

KLEF FM 98
Your Radio Concert Hall

January 9, 1994

Hon. Cynthia Toohey
Alaska State House of Representatives
State Capitol Building MS 3100
Juneau, Alaska 99802

Dear Cynthia,

I understand there's some question as to whether the state should continue helping fund the marketing of Alaska as a tourist destination.

My answer is a resounding, "Yes!"

The growth of the visitor industry is one of the best things that's ever happened to Alaska, and the state's financial participation is critical to this continued success.

The millions of dollars which tourists leave in Alaska make a difference to us all. Even in a business such as mine, which is hardly at the center of the visitor industry, their importance is very real. In my opinion, if Anchorage had no visitor industry, KLEF could not continue as a viable enterprise.

Sincerely,



Rick Goodfellow
President and General Manager

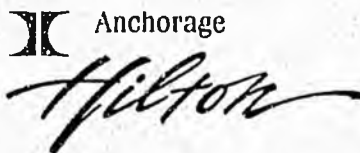
/jrg

3601 C Street, Suite 290

Anchorage, Alaska 99503

(907) 361-5556

1-9-94 Cynthia Toohey Letter

 Anchorage

February 2, 1994

FEB 07 1994

Mr. Al Vezey
Chairman-State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

As one of the many thousand employees who is directly employed in the tourism industry, I would like to state to you that the tourism industry as a whole is a very important asset to our community and the people it represents. The Anchorage Hilton, in which I work for, depends on the cooperative marketing program to promote our product and service. Not only would many organizations be out of business but myself and others would be without a job.

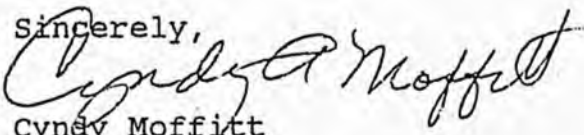
As we all know, oil prices keep plummeting lower and lower and I feel that this is not an appropriate time to cut the Alaska Tourism Marketing Council's budget. This organization has been very successful in the development of our tourism industry. The ATMC reaches the entire traveling market nationwide and has proven its capability in producing monies through the years.

Please do not put an end to the funding of this organization. History has repeated itself. ATMC and all of Alaska's tourism industry partners are a success story among economic development programs.

If you cut off the funds to this organization, you will be cutting off an "education system". Many outside tourist are inquisitive and undecided about that special vacation spot they want to go to. Demographics have proven that visual advertising is one of the best means of selling a product. Other than word of mouth, scenic photographs and an enticing narrative are the keys to TV and magazine advertising. That 30 second TV spot featuring Prince William Sound or Denali National Park could be the "final straw" in a decision made by many people desiring to explore our wonderful state. Do not cut our special visitor short of an opportunity of a lifetime by reducing the funding to this wonderful organization!!

With shrinking oil and fish revenues, our number three state revenue maker is swiftly becoming our number one money maker. The past 3-4 years has proven that we are in the beginning stages of a wonderful uphill growth pattern. Please do not stifle tourism's growth pattern and progress now!

Sincerely,


Cyndy Moffitt

cc: Karen Cowart, AVA

BACK UP LETTERS

FEB 10 1994

February 8, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Representative,

I am writing to ask you to support continued funding for the Alaska Tourism Marketing Council.

I work in the tourism industry for Denali Park Hotels at Denali National Park, a company which employs approximately 700 people each year. We provide hotel rooms, tours and many other guest services to visitors to our state who spend millions of dollars each season in the Denali Park area. A majority of our business is generated, directly or indirectly, from the exposure we receive in the State Travel Planner and other cooperative marketing programs of the Alaska Tourism Marketing Council. I am told that every dollar we spend on cooperative marketing comes back one hundredfold to the Alaskan economy in the form of visitor, business and employee dollars spent. Tourism is Alaska's great renewable natural resource and an industry we would be wise to encourage.

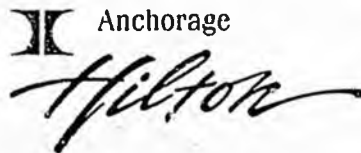
Again, I urge you to support the Alaska Tourism Marketing Council and to maintain their current funding level. Thank you.

Sincerely,



Tracy Alexander
3637 Thompson Avenue #4
Anchorage, AK 99508

FEB 07 1994



February 2, 1993

Al Vezey
Alaska State Legislature
Chair - State Affairs
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

Thank you for your consideration of this letter and the action you will take!

I work for the Anchorage Hilton Hotel and the jobs we have in the Alaskan Tourism Industry are extremely important to us all.

As you are probably aware, the Alaska Tourism Marketing Council's budget has been cut. The ATMC had a dream of assisting in the development of Alaska's tourism. Without tourists and visitors to Alaska our hotel would not exist or most certainly be in dire straights. The ATMC and its industry partners have worked together and been successful over the years to promote summer tourism.

Our hotels are now at capacity in the summer. However, Fall, Winter and Spring are greatly lacking. The Anchorage Hilton Hotel as with other hotels in the city lay off a lot of individuals each winter.

My recommendation is that alternate action be taken to reinstate funds through the ATMC to promote Fall, Winter, and Spring (October through April). Our economy would be healthier, people would be employed and the visitors from the outside could appreciate the true Alaska.

Please support this alternative action plan. It will make a tremendous difference to the hospitality industry.


Sincerely,

A handwritten signature in cursive script that reads 'Kathleen Cox'.

Kathleen Cox
Sales Manager

CC: Karen Cowart, Alaska Visitors Association

FEB 07 1994

 Anchorage

Hilton

FEB 07 1994

FEB 07 1994

February 2, 1994

Al Vezey
Alaska State Legislature
State Affairs Chair
State Capitol
Juneau, AK 99801-1182

Dear Mr. Vezey:

The astronomical budget cut being considered for Alaska's Tourism Industry must not happen. With oil monies projected to get leaner, this is no time to cut the Alaska Tourism Marketing Council's budget.

ATMC is important in promoting Alaska as a travel destination and has been a major factor in the successful development and growth of the tourism industry.

With the support of ATMC's marketing, I will continued to be employed in the tourism industry. My job is very important to me and to the many visitors the Anchorage Hilton Hotel serves each year. Furthermore, the entire industry is important to this community and to the people you represent.

Thank you for your consideration and understanding in the importance the tourism industry impacts Anchorage and the State of Alaska.

Sincerely,

Toni Walker

Toni Walker
Tour and Travel Sales Manager

CC: Karen Cowart, AVA Statewide

FEB 07 1994

 Anchorage

Hilton

February 2, 1994

Representative Al Vezey
Chairman - State Affairs
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Rep. Vezey:

I am writing to you to encourage you to make the Alaskan tourism industry a priority when you vote on the State budget this legislative session.

In Alaska, tourism industry ranks as either the second or third strongest and largest industry in the economy. Tourism is a renewable resource that when managed well, fostered to grow, and protected from budgetary cut backs, will strengthen the states economic profile.

With oil revenues continuing to be an unreliable source of monies for a capital budget, the legislature must recognize tourism as a viable source of revenue for the state, and support that recognition through careful budgetary allocation efforts. If the adverstising dollars set aside for marketing this very important resource are taken away, the legislature will have been responsible for setting the Alaskan economy back even further.

Thank you for your support. We are all trying to make Alaska a good place to live. Make sure you help us do so by voting to support the tourism industry through budgetary support!

Sincerely,

THE ANCHORAGE HILTON

Keri A. Gatke

Keri A. Gatke
Sales Manager

cc: Karen Cowart, AVA



February 7, 1994

Representative Al Vezey
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Rep. Vezey,

I am writing on behalf of myself and all of the members of the visitor industry who are counting on your support to retain and properly fund The Alaska Tourism Marketing Council.

This body over the last 10 years has added fuel to the flames of Alaska tourism and has helped grow the industry to the second largest private employer in the State. The partnership that has flourished between the private sector and the Government has had positive effects on this industry and all the others which directly or indirectly contact it on a daily basis.

The obvious effect of this program especially for the smaller businesses which are unable to support large marketing programs will take a dramatic toll if the ATMC is allowed to dwindle or die.

I have been in Tourism for the past 15 years starting as a housekeeper at a National Park lodge. I have seen the dramatic growth of this industry and the positive effects it has had on me, my family and the state in general. I urge you to continue support of this vital program. If anything, funding must be increased to insure that Alaska continues to be a premiere destination for visitors into the next century.

Thank you for your support. Alaska is counting on you!

Sincerely,



Steve Halloran
Tour & Marketing General Manager
Denali Park Resorts

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

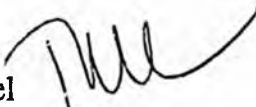
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 20, 1994

SUBJECT: Alaska Tourism Marketing Council (CSHB 342(FIN))

TO: Representative Eileen MacLean
Representative Ron Larson
Co-Chairs, House Finance Committee

FROM: Terri Lauterbach 
Legislative Counsel

Enclosed is CSHB 342(FIN).

I have made a change that was not specifically requested by the committee. In section 3, I have made the same kind of change that the committee made in section 1 so that the association could provide additional cash as its contribution to the council during the transitional years covered by section 3. Compare page 1, lines 13 - 14, with page 2, lines 16 - 17, of the enclosed CS.

Please let me know if you have questions about this change or if I can be of other assistance.

TML:mi
94-092. iai

Enclosure

Gray Line of Alaska

GRAY LINE

March 31, 1994

Al Vezey
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Al:

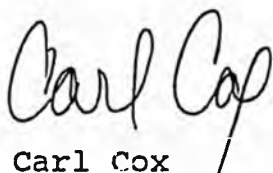
I am writing to ask your support of the industry that has shaped my life and my career - Tourism.

Working my way up from a coach driver in Skagway 12 years ago, I know how this industry has shaped the lives of hundreds of friends, acquaintances and associates.

Tourism is vital to the livelihood of thousands of Alaskans and demands your support.

Please use the influence vested in your position to support this vital and growing industry by re-instating funding for ATMC and voting for HB342.

Sincerely,



Carl Cox
Regional Manager
Anchorage/Fairbanks

CC/kg

Total Revenues to the State of Alaska Generated by the Visitor Industry

Revenues to the General Fund

Non-resident Visitor Spending

State Parks, FY91 ¹	
Camping Permits, Historical Guided Tours, Other	\$273,000
Department of Fish and Game, CY91 ²	
Non-resident and Alien Tags and Permits	\$7,607,000
Alaska Marine Highway System, AVSP89-90 ³	
Non-resident Spending on Ferry Transportation	\$14,900,000
Gasoline Taxes Paid by Visitors, AVSP89-90 ⁴	\$517,000
State and University Museums, FY91 ⁵	
Non-resident Visitor Admission Fees	\$240,000

Taxes and Fees from Visitor Industry Businesses

Department of Motor Vehicles Fees, CY90 ⁶	
Tour Bus Vehicle Registration Fees	\$43,000
Corporate Income Tax, FY91 ⁷	\$4,169,000
Business License Fees, FY91 ⁸	\$125,000
Aviation Fuel Taxes, FY90 ⁹	\$2,000,000
Tour Bus Fuel Tax, CY1991 ¹⁰	\$41,000

Agencies Promoting the Visitor Industry

Alaska Division of Tourism, FY91 ¹¹	
Program Receipts and ATMC	\$1,269,000

Subtotal: Revenues to the General Fund **\$31,184,000**

Revenues to Other State Entities

Alaska Railroad, CY91 ¹² Pull Revenues, Specials, and Estimated Non-resident Ticket Receipts	\$7,400,000
Alaska International Airport System, FY91 ¹³	\$13,385,000
Subtotal: Revenues to Other State Entities	\$20,785,000
 Grand Total	 \$51,969,000

Note: All numbers are rounded. CY = calendar year. FY = fiscal year. AVSP 89-90 = June 1989 through May 1990.

- 1 Alaska Department of Natural Resources, Division of Parks.
- 2 Alaska Department of Fish and Game, Division of Administration, Fish and Game Licensing.
- 3 AVSP II, Alaska Visitor Expenditures, Summer 1989 and Fall/Winter/Spring 1989-90.
- 4 Expenditure data from AVSP II and gasoline price from Runzheimer International. See p. 5 of this report for method of calculation.
- 5 Revenue data from Alaska State Museum and University of Alaska Museum. See p. 5 of this report for McDowell method of calculating share attributable to visitor industry.
- 6 Department of Motor Vehicles.
- 7 Data from Alaska Department of Revenue and Institute of Social and Economic Research. See p. 8 of this report for method of calculation.
- 8 Data from Department of Commerce Occupational Licensing Division, and Alaska's Visitor Industry. An Economic Profile. See p. 8 of this report for method of calculation.
- 9 Please refer to the explanation on p. 10.
- 10 Fuel purchase data from industry sources. Calculation by McDowell Group.
- 11 Alaska Division of Tourism.
- 12 Data from the Alaska Railroad. See p. 13 of this report for method of calculation.
- 13 Data from Alaska International Airport System and AVSP II. See p. 14 of this report for method of calculation.

Revisor's notes. — Formerly AS 45.65.150. Renumbered in 1980.

Secs. 44.33.530 — 44.33.550. Alaska Foreign Offices. [Repealed, E.O. No. 65, § 3 (1987).]

Secs. 44.33.600 — 44.33.630. Power Development Revolving Loan Fund. [Repealed, E.O. No. 75, § 5 (1989). For current law, see AS 44.83.500 — 44.83.530.]

Article 8. Alaska Tourism Marketing Council.

<p>Section 700. Alaska Tourism Marketing Council established 705. Management of council 710. Employees 715. Powers of the board 720. Duties of the council 723. Information and data</p>	<p>Section 725. Executive Budget Act 727. Fund transfer and required contribution 730. Accounting and disposition of receipts 735. Definitions</p>
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Sec. 44.33.700. Alaska Tourism Marketing Council established. The Alaska Tourism Marketing Council is established as a public corporation of the state. It is an instrumentality of the state in the Department of Commerce and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the council of the powers conferred by AS 44.33.700 — 44.33.735 is an essential governmental function of the state. (§ 9 ch 78 SLA 1988)

Cross references. — For purpose, see § 1, ch. 78, SLA 1988 in the Temporary and Special Acts. AS 44.33.119; for legislative findings, see

Sec. 44.33.705. Management of council. (a) Unless the commissioner contracts with a qualified trade association under (b) of this section, the governing body of the council is a board of directors consisting of the director of tourism, the commissioner of commerce and economic development, and the commissioner of another principal executive department designated by the governor.

(b) If the commissioner determines that it is in the best interests of the state to promote the state as a destination through the cooperative marketing program, the commissioner shall contract with a single qualified trade association to jointly manage the council if the trade association agrees that, before the end of each fiscal year that the contract covers, the association will contribute at least 15 percent of the total operating expenses of the council for that fiscal year. The term of a contract under this section may not exceed two years.

(c) If the commissioner contracts with a qualified trade association under (b) of this section, the governing body of the council is a board of

(11) notwithstanding AS 39.52, a board member who is a member of the qualified trade association that has contracted with the department under (b) of this section may vote or take action on a matter that might benefit the trade association or members of the trade association, including the issuance of contracts or the granting of rights to the trade association, but shall disclose the person's membership in the trade association before the vote or action; this paragraph may not be interpreted to allow a board member or an immediate family member of a board member to receive, apply for, be a party to, have a personal or financial interest in, or attempt to acquire a grant or contract made by the council; in this paragraph, "immediate family member" has the meaning given in AS 39.52.960.

(d) A contract or grant entered into by the council is not effective until signed by the director. (§ 9 ch 78 SLA 1988; am § 1 ch 32 SLA 1990; am § 1 ch 15 SLA 1993)

Revisor's notes. — Enacted as AS 44.33.710. Renumbered in 1988.

Effect of amendments. — The 1990 amendment, effective May 10, 1990, added paragraph (c)(11).

The 1993 amendment, effective May 8, 1993, in subsection (c), deleted "substantially" following "be" in subparagraph (1)(A), inserted "the director is a member

of the board" and "other board members" in paragraph (3), and substituted "the governor shall appoint a member of the board to serve" for "the director serves" in paragraph (c)(5).

Editor's notes. — Section 5, ch. 32, SLA 1990 provides that (c)(11) of this section is retroactive to July 1, 1988.

Sec. 44.33.710. Employees. The board of directors of the council may employ and determine the salary of the staff of the council, which may include an executive director and no more than two other employees. The executive director and the employees of the council shall be paid salaries that are comparable to salaries paid to employees of the state. If there is no executive director, the staff of the council is supervised by the presiding officer of the board. (§ 9 ch 78 SLA 1988)

Revisor's notes. — Enacted as AS 44.33.720. Renumbered in 1988.

Sec. 44.33.715. Powers of the board. (a) The board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws relating to the internal management and operations of the council;
- (3) sue and be sued in the name of the council;
- (4) enter into agreements necessary to perform its functions;
- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the council, including entering into contracts for joint programs of tourism advertising and marketing;
- (6) receive contributions of money;

Revisor's notes. — Formerly AS 45.65.150. Renumbered in 1980.

Secs. 44.33.530 — 44.33.550. Alaska Foreign Offices. [Repealed, E.O. No. 65, § 3 (1987).]

Secs. 44.33.600 — 44.33.630. Power Development Revolving Loan Fund. [Repealed, E.O. No. 75, § 5 (1989). For current law, see AS 44.83.500 — 44.83.530.]

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Cross references. — For purpose, see § 1, ch. 78, SLA 1988 in the Temporary AS 44.33.119; for legislative findings, see and Special Acts.

Sec. 44.33.705. Management of council. (a) Unless the commissioner contracts with a qualified trade association under (b) of this section, the governing body of the council is a board of directors consisting of the director of tourism, the commissioner of commerce and economic development, and the commissioner of another principal executive department designated by the governor.

(b) If the commissioner determines that it is in the best interests of the state to promote the state as a destination through the cooperative marketing program, the commissioner shall contract with a single qualified trade association to jointly manage the council if the trade association agrees that, before the end of each fiscal year that the contract covers, the association will contribute at least 15 percent of the total operating expenses of the council for that fiscal year. The term of a contract under this section may not exceed two years.

(c) If the commissioner contracts with a qualified trade association under (b) of this section, the governing body of the council is a board of

directors consisting of 21 members and subject to the following provisions:

- (1) a board member shall
 - (A) be involved in a visitor or recreation industry business;
 - (B) have training in a field such as marketing;
 - (C) be an officer or a senior staff member of a local government or nonprofit enterprise established to promote the visitor industry; or
 - (D) have business or government experience that would materially enhance the member's ability to contribute to the planning, execution, or evaluation of a visitor industry promotional marketing campaign;
- (2) the contract shall provide that the trade association may select up to 10 board members; the governor may remove a member of the board selected under this paragraph on the delivery by the governor to the board of a written statement explaining the reasons for the removal;
- (3) the director is a member of the board; the governor shall appoint 10 other board members; each board member appointed by the governor serves at the pleasure of the governor; in making appointments to the board under this paragraph, the governor shall ensure that the board, including members selected under (2) of this subsection, is broadly representative of the different regions of the state and the various sectors of the visitor industry;
- (4) eleven members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board, and any action by the board requires 11 affirmative votes;
- (5) the governor shall appoint a member of the board to serve as presiding officer of the board; the board shall elect other necessary officers from among its members annually;
- (6) a board member may not participate or vote by proxy;
- (7) the board shall meet at least four times a year at the call of the presiding officer or upon the written request of seven members of the board;
- (8) the members of the board appointed by the governor serve staggered three-year terms, subject to continuation of the contract, and may be reappointed;
- (9) a person appointed to fill a vacancy on the board holds office for the balance of the term of the person's predecessor;
- (10) board members receive no salary for serving in that position, but are entitled to per diem and travel expenses under AS 39.20.180, except that they are entitled to per diem and travel expenses for travel only for the percentage of total travel that occurs within the state; the contract must provide that the trade association will reimburse the council for per diem and travel expenses paid to those board members appointed by the trade association; reimbursed under this paragraph does not qualify as a part of the association's required contribution under (b) of this section;

(11) notwithstanding AS 39.52, a board member who is a member of the qualified trade association that has contracted with the department under (b) of this section may vote or take action on a matter that might benefit the trade association or members of the trade association, including the issuance of contracts or the granting of rights to the trade association, but shall disclose the person's membership in the trade association before the vote or action; this paragraph may not be interpreted to allow a board member or an immediate family member of a board member to receive, apply for, be a party to, have a personal or financial interest in, or attempt to acquire a grant or contract made by the council; in this paragraph, "immediate family member" has the meaning given in AS 39.52.960.

(d) A contract or grant entered into by the council is not effective until signed by the director. (§ 9 ch 78 SLA 1988; am § 1 ch 32 SLA 1990; am § 1 ch 15 SLA 1993)

Revisor's notes. — Enacted as AS 44.33.710. Renumbered in 1988.

Effect of amendments. — The 1990 amendment, effective May 10, 1990, added paragraph (c)(11).

The 1993 amendment, effective May 8, 1993, in subsection (c), deleted "substantially" following "be" in subparagraph (1)(A), inserted "the director is a member

of the board" and "other board members" in paragraph (3), and substituted "the governor shall appoint a member of the board to serve" for "the director serves" in paragraph (c)(5).

Editor's notes. — Section 5, ch. 32, SLA 1990 provides that (c)(11) of this section is retroactive to July 1, 1988.

Sec. 44.33.710. Employees. The board of directors of the council may employ and determine the salary of the staff of the council, which may include an executive director and no more than two other employees. The executive director and the employees of the council shall be paid salaries that are comparable to salaries paid to employees of the state. If there is no executive director, the staff of the council is supervised by the presiding officer of the board. (§ 9 ch 78 SLA 1988)

Revisor's notes. — Enacted as AS 44.33.720. Renumbered in 1988.

Sec. 44.33.715. Powers of the board. (a) The board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws relating to the internal management and operations of the council;
- (3) sue and be sued in the name of the council;
- (4) enter into agreements necessary to perform its functions;
- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the council, including entering into contracts for joint programs of tourism advertising and marketing;
- (6) receive contributions of money;

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

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

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

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

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

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

(13) provide space to a qualified trade association in publications and promotional materials developed by the council if the trade association has contracted with the department under AS 44.33.705(b) and pays its pro rata share of the production costs for the publication or promotional material; payment under this paragraph is not part of the association's required contribution under AS 44.33.705(b); and

(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 department under AS 44.33.705(b).

(b) The board may not use funds appropriated by the legislature to employ a lobbyist. (§ 9 ch 78 SLA 1988; am § 2 ch 32 SLA 1990)

Revisor's notes. — Enacted as AS 44.33.730. Renumbered in 1988.

Effect of amendments. — The 1990 amendment, effective May 10, 1990, deleted "including the granting of distribution rights to tourism mailing lists" at the end of paragraph (a)(2); deleted "any" be-

fore "agreements" in paragraph (a)(4); and added paragraph (a)(14).

Editor's notes. — Section 5, ch. 32, SLA 1990 provides that the 1990 amendment to (a) of this section is retroactive to July 1, 1988.

Sec. 44.33.720. Duties of the council. (a) The council shall

(1) conduct a tourism marketing program designed to accomplish the purposes of AS 44.33.700 — 44.33.735; the marketing program must include promotion of the state as a destination and promotion of all forms of travel to the state, including travel by air, highway, and water;

(2) prepare and implement plans for the promotion of Alaska tourism, including necessary research;

(3) submit an annual report to the governor and the legislature describing the activities of the council;

(4) make available to all interested persons, including tourism businesses, a quarterly report of the council's actions and activities;

(5) annually submit a proposed operating budget to the director, to be used by the Department of Commerce and Economic Development

to prepare and submit the operating budget of the council under AS 44.33.725;

(6) provide advice, on the request of the director of tourism, on the programs of the division;

(7) submit a report to the legislature, by the 10th day of each regular session, describing how the contractual money was spent in the first half of the year and explaining the plan for expenditures during the second half of the year;

(8) consider methods to fund tourism marketing using both public and private assets; and

(9) consider methods of providing for the financial self-sufficiency of the council.

(b) In performing its functions under AS 44.33.70C — 44.33.735, the council may not favor any particular tourism business entity or other person. (§ 9 ch 78 SLA 1988; am § 2 ch 15 SLA 1993)

Revisor's notes. — Enacted as AS 44.33.740. Renumbered in 1988.

Effect of amendments. — The 1993 amendment, effective May 8, 1993, added "the marketing program must include

promotion of the state as a destination and promotion of all forms of travel to the state, including travel by air, highway, and water;" to the end of paragraph (a)(1) and added paragraphs (a)(8) and (a)(9).

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 sold or leased without discrimination to any individual or business for the purpose of promoting an Alaska tourism product or service. The qualified trade association may restrict the subsequent sale or lease of the tourism mailing lists by purchasers or lessees. (§ 3 ch 32 SLA 1990)

Editor's notes. — Section 5, ch. 32, SLA 1990 provides that this section is retroactive to July 1, 1988.

Sec. 44.33.725. Executive Budget Act. The operating budget of the council shall be prepared and submitted under AS 37.07 (Executive Budget Act). (§ 9 ch 78 SLA 1988)

Revisor's notes. — Enacted as AS 44.33.750. Renumbered in 1988.

Sec. 44.33.727. Fund transfer and required contribution. All of the funds obtained by the qualified trade association from the sale of space in publications and promotional materials under AS 44.33.715(a)(13) and from the sale or lease of tourism mailing lists under AS 44.33.715(a)(14), less the association's expenses related to those sales and leases, shall be transferred to the council for deposit in the general fund. The amount of the 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). (§ 4 ch 32 SLA 1990)

Editor's notes. — Section 5, ch. 32, SLA 1990 provides that this section is retroactive to July 1, 1988.

Sec. 44.33.730. Accounting and disposition of receipts. (a) The tourism marketing council shall deposit money collected under AS 44.33.700 — 44.33.735 in the general fund.

(b) *[Repealed, § 28 ch 90 SLA 1991.]* (§ 9 ch 78 SLA 1988; am § 28 ch 90 SLA 1991)

Revisor's notes. — Enacted as AS amendment, effective July 3, 1991, repealed subsection (b).
44.33.760. Renumbered in 1988.

Effect of amendments. — The 1991

Sec. 44.33.735. Definitions. In AS 44.33.700 — 44.33.735

(1) "board" means the board of directors of the Alaska Tourism Marketing Council;

(2) "commissioner" means the commissioner of commerce and economic development;

(3) "council" means the Alaska Tourism Marketing Council;

(4) "director" means the director of tourism;

(5) "qualified trade association" means a private, nonprofit organization whose primary purpose is the promotion of tourism to and within the state and which has a statewide membership comprised of representatives of all major sectors of the visitor industry, including without limitation hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, and convention and visitors bureaus. (§ 9 ch 78 SLA 1988)

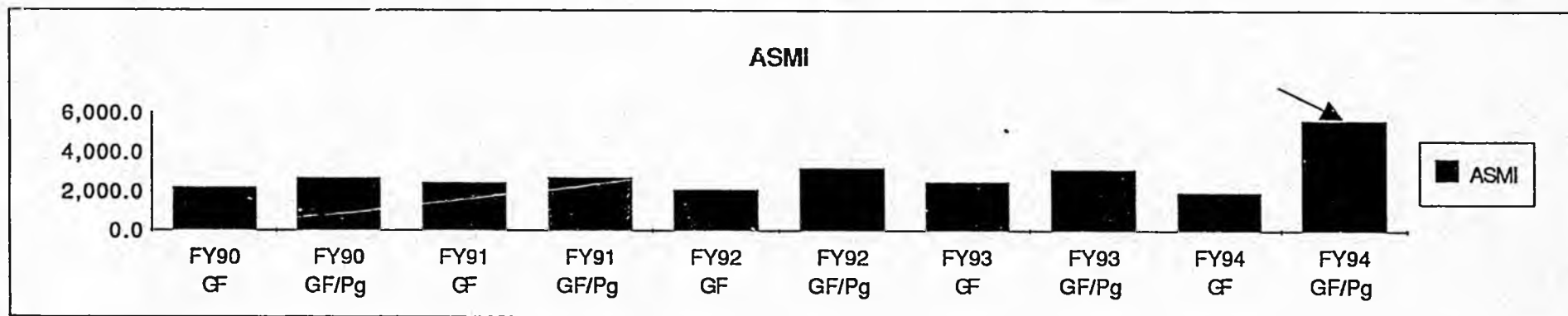
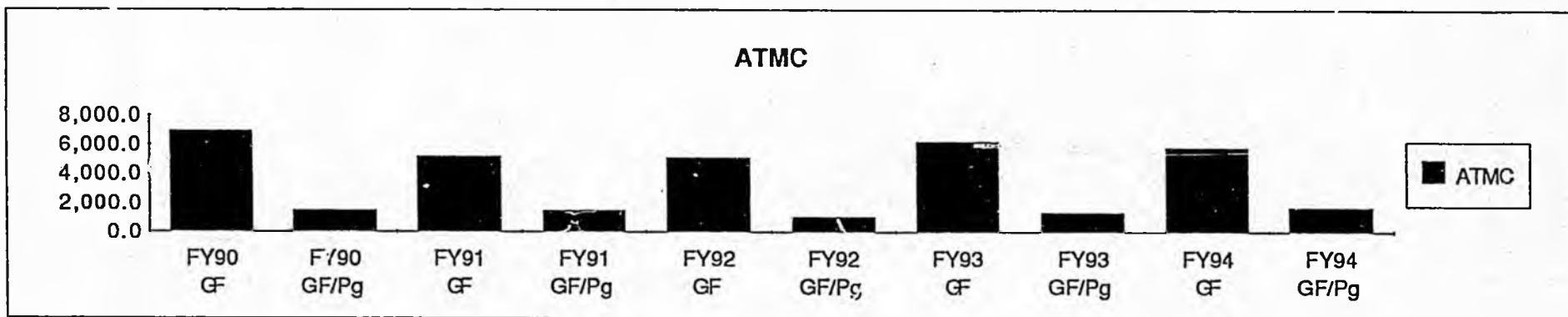
Revisor's notes. — Enacted as AS
44.33.780. Renumbered in 1988.

Article 9. Division of International Trade.

Section
800. Division of international trade

Comparison of Funding Histories of ASMI and ATMC

ATMC	FY90 GF 6,955.6	FY90 GF/Pg 1,500.0	FY91 GF 5,160.9	FY91 GF/Pg 1,500.0	FY92 GF 5,070.3	FY92 GF/Pg 1,051.0	FY93 GF 6,218.2	FY93 GF/Pg 1,326.9	FY94 GF 5,785.4	FY94 GF/Pg 1,706.2
ASMI	FY90 GF 2,188.4	FY90 GF/Pg 2,700.0	FY91 GF 2,453.6	FY91 GF/Pg 2,703.3	FY92 GF 2,108.6	FY92 GF/Pg 3,199.1	FY93 GF 2,527.8	FY93 GF/Pg 3,127.3	FY94 GF 1,947.7	FY94 GF/Pg 5,640.3



Note: There was a GF increase for ASMI in FY91 and FY93 because of the match requirement to obtain additional federal dollars.

FOR PINE 3/2/94

Visitor industry should ante up

Hickel's budget cut is realistic

There's no doubt that tourism is a vital, growing industry in Alaska. In Southeast especially, the number of summer visitors has grown steadily in recent years. More tourists mean more traffic for businesses, more people with jobs and, ultimately, more spending throughout the community.

Obviously, Alaska's tourism industry must remain strong. That's why it's disappointing to see representatives of the industry - namely, the Alaska Tourism Marketing Council - react so stingily to the governor's call for help. He wants the industry to pay a bigger share of the state's marketing budget.

This year, the state contributed \$5.8 million of the \$7.5 million total; the industry paid the remaining \$1.7 million. But the governor, facing a potentially huge deficit, is proposing a \$3 million state cut next year. If the industry contribution doesn't change, only \$4.5 million would be available for tourism marketing.

At stake is a national newspaper and television advertising campaign that has lured many visitors to Alaska.

Industry officials say they want to help, but have been less than enthusiastic. Despite pleas from lawmakers, the industry so far only has proposed a politically unrealistic solution - a constitutional amendment that would dedicate tourism-related taxes to the industry. Other ideas - like a simple bed tax, or per-head taxes on cruise ship passengers and airport arrivals - have generated little support among tourism officials.

They keep promising they'll devise a plan to pay more, but they're really sending an opposite signal. In the real world of Alaska politics, their proposal to amend the constitution - which takes a two-thirds vote of the Legislature and statewide approval from voters - is akin to doing nothing.

Then, to suggestions that the marketing council should be run more like Alaska's seafood promotions agency - where fishers and processors pick up nearly half the tab - tourism officials say their industry is too complicated.

Yeah, right.

It's really not complicated at all: Many tourism companies apparently just don't want to pay more to help promote Alaska. They may be willing to spend a lot to promote their own individual businesses, but cooperative, generic advertising for the entire state falls much lower on their list.

That's disappointing, and a little confusing. Not only will a shrunken promotions budget hurt the Alaska economy in general, it specifically will hurt the businesses that have made millions off tourism.

Given those stakes, industry officials should be more willing to pay a bigger share.

OVERVIEW
OF
ALASKA'S
VISITOR
INDUSTRY



Published by the Alaska Visitors Association



FOCUS YOUR MARKETING EFFORTS WITH HELP FROM AVA



THE INVALUABLE VACATION PLANNER

Alaska's Official State Vacation Planner puts your ad in the hands of 500,000 potential visitors, who are serious about visiting Alaska. In fact, 19% of these people will come to Alaska within 24 months. And 30% of those visitors will use the Planner as a travel guide while they're here.

The Vacation Planner is sent to more than a half-million of your best prospects—individuals who've already shown interest in traveling to Alaska. These prospective visitors took time to fill out a business reply card in exchange for a copy of the Planner. And they will take the time to read your ad in the Planner.

The Vacation Planner is a 100+ page, four-color publication, produced in conjunction with the Alaska Tourism Marketing Council. It is the flagship of Alaska's multimillion-dollar national advertising program.

Planners are sent out all year long, so your ad's exposure continues month after month.

The Vacation Planner is an invaluable marketing tool for any company associated with Alaska's visitor industry. Ads are sold from February through May. To place your ad, or get more information, call the Alaska Visitors Association at (907)561-5733.

"We're impressed by the number of people who say they heard about us through the Alaska Vacation Planner. It's one of our largest sources of clients."

Richard Beneville, Norms Custom Adventures

THE NAMES ARE THE GAME

Imagine knowing the names and addresses of people who are genuinely interested in the specific services you provide. You could send each person a brochure or a letter, and be confident that every penny is well-spent.

The Alaska Visitors Association Mailing Label Program makes it easy to get those names. Here's how it works.

To get a Vacation Planner, people fill out a business reply card, and supply all sorts of information about themselves, their interests, and travel plans. All of these facts are tracked by computer.

"The AVA label program is an efficient tool for selecting potential visitors. It's allowed us to strategically target customers through our direct mail program—a key part of our marketing equation that continues to bring us success."

Jim Walls, Alaska Wildland Adventures

When you're ready to order mailing labels, the computer lets you set the guidelines. For example, you can select people who are under 60, and will drive their own car, and are interested in wildlife viewing, and live in Montana.

The computer prints just the mailing labels you select, so there's no wasted circulation or postage.

New names are added to the list all year long. You can't get a more current mailing list specifically targeted at Alaska visitors. To buy labels, or get more information, call the Alaska Visitors Association at (907)561-5733.

A REEL AVA ADVANTAGE

Commercials and videos are a great marketing tool. But before you spend a lot of time and money to shoot your own commercial or video, take a look at the AVA's Stock Footage library.

The AVA has a vast collection of fresh images, including those perfect shots you can't live without, at a price you can live with.

Summer shots cover a wide variety of scenic and wildlife footage. We also have scenes of visitors enjoying cruises, bus and highway travel, sightseeing, rafting, fishing, flightseeing, gold panning, as well as indoor activities.

If you're looking for winter footage, the AVA has dramatic snow and ice shots, cross-country and downhill skiing, dog mushing, and many other winter scenes.

All of the footage is on 35 mm film, so you can get top-quality images, without top-dollar production costs.

You can preview the footage for free before you make any commitments, or receive a demo tape at nominal cost. Fees range, depending upon actual usage, and are well below typical stock footage fees.

To take a closer look, or get more information, call the Alaska Visitors Association at (907)561-5733.

"The film footage is excellent—good quality, good variety and reasonably priced. I'd recommend the AVA film footage to any business looking for top quality images of Alaska at an affordable rate."

Cindy Chomes, Holland America Line-Westours

THE AVA WORKS FOR YOU

For more than 40 years, the Alaska Visitors Association has been inviting our guests to enjoy the experience to the fullest.

The AVA is a privately funded, statewide, non-profit trade association. There are more than 700 AVA members, from every region of the state, consisting of all kinds of businesses, from small family-owned shops to major tour operators.

Through the sale of ads, labels and footage, the AVA generates the private industry matching funds necessary for the state's cooperative marketing program (one of the world's

most aggressive marketing programs, producing nearly a million visitors a year). The AVA co-manages the Alaska Tourism Marketing Council, which produces the state's domestic public relations and marketing programs.

By uniting hundreds of private businesses, the AVA turns competitors into a single force with the power to promote favorable tourism legislation, and increase the \$1.1 billion tourism brings to Alaska each year.

For more information about the Alaska Visitors Association, call (907)561-5733. © 1993 Alaska Visitors Association

The Alaska Visitors Association
3201 C Street, Suite 403
Anchorage, Alaska 99503
(907) 561-5733 FAX 561-5727



"My AVA membership is one of my most valuable tools allowing me exposure to other visitor industry participants. AVA keeps me informed of industry happenings and is the united voice of the industry."

Mart Staur, The Great Alaskan Bowl Company

ATMC

Alaska Tourism Marketing Council

3601 C Street, Suite 700

Anchorage, Alaska 99503

(907) 563-2289

ATMC

ALASKA

TOURISM

MARKETING

COUNCIL

A Cooperative Program for Alaska Tourism Promotion

This publication was released by the Alaska Tourism Marketing Council at a cost of \$57 per copy to provide information about the ATMC mission and activities. Printed in Anchorage, Alaska.

The Alaska Tourism Marketing Council (ATMC) is a unique joint venture between the state and private industry. The ATMC's primary goal is to attract visitors from the United States and Canada through a targeted national advertising and public relations program. The ATMC works to stimulate economic growth, diversification, and employment by promoting Alaska as a visitor destination.

The ATMC is an independent state agency governed by a 21-member board, including ten members who are appointed by the Governor, ten who are appointed by the Alaska Visitors Association (AVA), and the Director of the Division of Tourism (DoT). ATMC board members serve on at least one of the six standing committees shown in the organizational chart. The program is administered on a day-to-day basis by the ATMC Executive Director, Marketing Coordinator, and Administrative Assistant, all located in Anchorage. In carrying out its mission, the ATMC works closely with the Division of Tourism and the Alaska Visitors Association.

The Division of Tourism is a state agency under the Department of Commerce and Economic Development, responsible for tourism development, research, and international promotion.

The Alaska Visitors Association is a statewide non-profit trade association that represents the visitor industry. The AVA jointly manages the ATMC and raises the required visitor industry contribution.



WHAT WE DO

The ATMC executes a national marketing campaign that is specifically designed to interest consumers in Alaska and motivate them to visit. The ATMC board of directors constantly investigates new marketing opportunities while relying upon elements that have been tested and fine-tuned for more than a decade. The link between visitors and Alaska's products and services is created through the following elements:

- **Official State Vacation Planner**
A comprehensive travel guide with information on Alaska tourism businesses is distributed to approximately 650,000 potential visitors and travel agents each year.
- **Television Advertising**
A national image campaign using 30-second commercials is shown on network cable and syndicated television programs.
- **National Magazine Advertising**
Full-page color advertisements, offering potential visitors a free Vacation Planner, are featured in U.S. and Canadian magazines.
- **Direct Mail Campaign**
Over 700,000 direct mail packages, offering a free Vacation Planner, are distributed using targeted mailing lists.
- **Public Relations**
A national public relations effort to assist travel writers is conducted, resulting in positive broadcast and editorial coverage on Alaska.
- **Fall, Winter, Spring Marketing**
Specific programs are designed to expand the peak season and increase winter travel.
- **Research**
Studies are conducted to measure the cost efficiency of individual print ads in generating visitors, and to test the effectiveness of other promotional material developed by the ATMC.
- **Alaska Travel Sections**
Editorial coverage about Alaska is generated through the placement of large ATMC ads in select U.S. newspapers that feature special Alaska Travel sections.
- **Mailing Labels**
A database is created from over 150,000 highly targeted prospective visitors who request a Vacation Planner.

THE BIG PICTURE

The ATMC works closely with a number of tourism organizations. In the big picture, the ATMC's job is to generically "market" Alaska as a whole and acquire names of potential visitors. Local and regional tourism groups rely upon the program to provide a pool of visitors from which they can draw leads. Combined with the developmental efforts of the DoT and private sector participation by the AVA, this multi-layered tourism structure benefits businesses statewide.

The Division of Tourism (DoT)

The state agency primarily responsible for tourism development.

- Develops international markets (approximately 6% of total visitors and growing).
- Responds to requests for information.
- Compiles visitor research.
- Provides business assistance.
- Markets Alaska as a film production location.

Alaska Visitors Association (AVA)

A statewide non profit trade association that represents the visitor industry.

- Provides a unified voice for the visitor industry and businesses.
- Lobbies the Legislature on issues that affect tourism.
- Jointly manages the ATMC by raising the required industry contribution and making appointments to the board.

Regional Marketing Organizations

Groups that focus on a region or segment in the state.

- Market the region as a destination.
- Organizations such as Alaska's Southwest, Kenai Peninsula Tourism Marketing Council, Native Tourism Marketing Council, Prince William Sound Tourism Coalition, and Southeast Alaska Tourism Council.

Local Visitor Organizations

Organizations that focus on a single location.

- Promotes visitation to a specific community.
- Operates visitor information centers.
- Markets the location to meeting and convention planners.
- Usually funded through municipal bed taxes and membership dues.
- Primarily convention and visitor bureaus (CVBs).

HOW TO TAKE ADVANTAGE OF ATMC PROGRAMS

There are a variety of ways that individual businesses or regions in the state can piggyback on the ATMC's programs. By participating in the following, businesses are assisting with the private sector contribution and ensuring the ongoing success of the Cooperative Marketing Program. Membership is not required to take advantage of programs available through the AVA.

- **The Official State Vacation Planner**
The Vacation Planner is the primary vehicle used by Alaska's small businesses to gain affordable advertising access to a national marketplace. This comprehensive travel guide is designed specifically for people who have indicated a strong interest in traveling to Alaska, providing advertisers with access to a highly receptive audience. Research shows that of those who request the Vacation Planner, 12% will visit Alaska within the first year and 6-8% will follow the next year. In addition, over 30% of Alaska's visitors use the Vacation Planner prior to and during their trip. For information on placing an ad, contact the ATMC at 563-2289 or the AVA at 561-5733.
- **Mailing Labels**
The ATMC marketing program is structured to provide businesses and local tourism organizations with direct access to a large pool of potential visitors. The names and addresses of travelers who have indicated they are coming to Alaska are available for purchase. These labels can be sorted by a variety of interest and activity categories and may be used for private sector marketing efforts. For information contact the ATMC at 563-2289 or the AVA at 561-5733.
- **Public Relations**
Tourism-related businesses can participate in the ATMC's statewide public relations efforts. One of the primary ways to get involved is to provide your local convention and visitor bureau (CVB) or regional marketing organization with information about your business. These groups, in turn, communicate with the ATMC. Businesses can also submit newsworthy information for possible inclusion in the ATMC's monthly "Tips and Trends" sheet, which is mailed to hundreds of national travel writers. For more information contact the ATMC at 563-2289.
- **Familiarization Tours**
"Fam" tours provide an opportunity for businesses to showcase their product or service first-hand. Many businesses are willing to host tour operators or travel writers at a reduced or complimentary rate.

Tour operators develop itineraries based upon their experience, and travel writers and photographers influence large numbers of potential visitors. To participate in future ATMC familiarization tours, contact your local CVB, regional marketing group, or call the ATMC at 563-2289.

- **Alaska Travel Sections**
Each year the ATMC advertises in newspapers nationwide between January and April. In addition to generating editorial coverage, the ATMC's large ad serves as an anchor for smaller Alaska advertisers. For a list of newspapers that will run Alaska travel sections, contact the ATMC at 563-2289. Lists for the following year are available beginning in mid-December.
- **Film Footage**
Over the years, the ATMC has compiled an extensive library of 35mm film footage. Tourism businesses may use the footage in commercials, videos, and other projects by purchasing usage rights. For more information contact the AVA at 561-5733.

THE RESULTS

The Cooperative Marketing Program has resulted in unprecedented growth in Alaska's visitor industry. Tourism in Alaska has grown from 78,000 visitors in 1964 to the one-million mark in 1993. Alaska's visitors spend nearly \$550 million annually in the state and an additional \$620 million on transportation to and from the state. As the fastest growing industry in Alaska, tourism will continue to be a major economic force in the future.

The Visitor Industry:

- Is Alaska's second largest private-sector employer.
- Directly employs 19,000 Alaskans. Of these, 84% are Alaska residents, the highest percentage of all basic industries.
- Impacts 52,000 Alaskan jobs.
- Contributes \$626 million in primary and secondary wages.
- Generates \$1.1 billion in revenues.
- Generates over \$50 million return to state government.

All in all, the Cooperative Marketing Program is a good investment providing necessary income and jobs for Alaskans.