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SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/93

FURTHER:

DATE TURNED INTO OFFICE: 4-6-93

The Finance Committee considered **SENATE BILL NO. 85**

"An Act extending the termination date of the Alaska Tourism Marketing Council; and providing for an effective date."

and recommends:

- replace with _____ CS SB85 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

*CS (Fin)
coming*

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
<i>DOXED</i>	<i>2-5-93</i>	<i>0</i>	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Tom Kelly

Alvin Klein

 1. *True Water - 10%*
 Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

Best thing - Do Not Pass

 2. *Should Do Pass*
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 85

Revision Date: _____
 Title: An act extending the termination date of the
Alaska Tourism Marketing Council
 Sponsor: _____
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Alaska Tourism Marketing Council
 Component: Alaska Tourism Marketing Council

COMPONENT SERIAL NO. 1026

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0			
TRAVEL	0	0	0			
CONTRACTUAL	0	0	0			
SUPPLIES	0	0	0			
EQUIPMENT	0	0	0			
LAND & STRUCTURES	0	0	0			
GRANTS, CLAIMS	0	0	0			
MISCELLANEOUS	0	0	0			
TOTAL OPERATING	*0	0	0			

CAPITAL	0	0	0			
----------------	---	---	---	--	--	--

REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING:

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

POSITIONS:

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

Estimate of current year (FY 93) impact: 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 M. Lindgren
 Division: Alaska Tourism Marketing Council

Phone: _____
 Date: 2/5/93

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

Date: 2/5/93

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SFC 4-6-93
TK moved
Adopted
4-3
DP GJ SF
JK TK BS
SR

Amendments to CS SB 85(L&C)

Chair provisions

Do not make changes proposed on page 2 lines 21 - 23.

Instead -- revise lines 21-23 to read:

(5) [THE DIRECTOR SERVES AS PRESIDING OFFICER OF THE BOARD; THE BOARD SHALL ELECT] the governor shall appoint a presiding officer from among board members: the board shall elect other necessary officers from among its members annually;

Currently, by statute, the director of the division of tourism serves as chair. The director does not feel it is appropriate to be automatically designated as chair. The board is made up of 21 members. 10 are appointed by the governor, 10 are appointed by the Alaska Visitors Association. 1 is the director of tourism.

This board approves millions of dollars each year for state funded tourism promotion. It would certainly injure the public perception of the ATMC to have the AVA-dominated board selecting their own chair. At the least, the chair should be accountable to the public, not just one private organization. Allowing the governor to appoint the chair will accomplish this.

SENATE FINANCE
COMMITTEE ①
Amendment Number: _____
Bill Number: CS SB 85 L&C
Sponsor: _____ Date: 4/5/93
Logged In By: Bm

JFC 4-6-93
TK
Moved
8-LS0537K.1
Cook
Adopted
4/5/93

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR

TO: CSSB 85(L&C)

Page 1, line 5:

After "Council;"

Insert "establishing the Task Force on Tourism;"

Page 3, after line 20:

Insert the following new bill section:

"* Sec. 3. TASK FORCE ON TOURISM. (a) The Task Force on Tourism is established in the legislature consisting of two senators appointed by the president of the senate, two representatives appointed by the speaker of the house of representatives, one member of the board of directors of the Alaska Tourism Marketing Council appointed by the governor, the commissioner of commerce and economic development, and the president of the Alaska Visitors' Association. The task force shall consider methods to fund tourism marketing using both public and private assets and shall consider methods of providing for the financial self-sufficiency of the Alaska Tourism Marketing Council."

(b) The Task Force on Tourism shall submit a report to the legislature by January 24, 1994, setting out its recommendations. The task force is terminated on January 25, 1994."

Renumber the following bill section accordingly.

SENATE FINANCE
COMMITTEE
Amendment Number: ②
Bill Number: CSS B 85 (L&C)
Sponsor: _____ Date: 4/5/93
Logged in By: Bn

SFC
4-6-93
JK
moved
5-1 TK
DR
GJ
JK
B
CF
SR,
did
not
vote.

SENATE AMENDMENT

By _____

To: CSSB 85 (LTC) SENATE BILL No. _____

To: _____ HOUSE BILL No. _____

PAGE: 3 LINE: 19-20

Replace June 30, 1997, with:
"Dec. 30, 1994."

SENATE FINANCE
COMMITTEE
Amendment Number: 3
Bill Number: SB 85
Sponsor: _____ Date: 4/5/93
Logged In By: (Pam)

AMENDMENT

4-6-93
SFC
SF
moved
Adopted

OFFERED IN THE SENATE

BY FRANK

TO: CSsb 85(L&C)

Page 2, after Line 17, add:

** Sec 2. AS 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 including the promotion of Alaska as a destination and all forms of travel to Alaska, including travel by air, highway, 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; and

(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.

(b) In performing its functions under AS 44.33.700 — 44.33.735, the council may not favor any particular tourism business entity or other person //

Remember the following sections accordingly

SENATE FINANCE
COMMITTEE

Amendment Number: (4)

Bill Number: SB 85

Sponsor: _____ Date: 4/6/93

Logged In By: BW

Fin
CS FOR SENATE BILL NO. 85(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/10/93
Referred: Finance

Sponsor(s): SENATE LABOR & COMMERCE COMMITTEE

Technical Amendment not needed. Title intended to delete requirement for substantial involvement. "Substantial" to remain in title per Sen. Pearce, M4 (for Sen. Kelly)

A BILL

FOR AN ACT ENTITLED

1 "An Act deleting a requirement that certain members of the board of directors
2 of the Alaska Tourism Marketing Council be ~~substantially~~ ^{TK technical} involved in a visitor
3 or recreation industry business; relating to the selection of a presiding officer for
4 the Alaska Tourism Marketing Council; extending the termination date of the
5 Alaska Tourism Marketing Council; and providing for an effective date."

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

7 * Section 1. AS 44.33.705(c) is amended to read:

8 (c) If the commissioner contracts with a qualified trade association under (b)
9 of this section, the governing body of the council is a board of directors consisting of
10 21 members and subject to the following provisions:

11 (1) a board member shall

12 (A) be [SUBSTANTIALLY] involved in a visitor or recreation
13 industry business;

1 (B) have training in a field such as marketing;

2 (C) be an officer or a senior staff member of a local
3 government or nonprofit enterprise established to promote the visitor industry;
4 or

5 (D) have business or government experience that would
6 materially enhance the member's ability to contribute to the planning,
7 execution, or evaluation of a visitor industry promotional marketing campaign;

8 (2) the contract shall provide that the trade association may select up
9 to 10 board members; the governor may remove a member of the board selected under
10 this paragraph on the delivery by the governor to the board of a written statement
11 explaining the reasons for the removal;

12 (3) the director is a member of the board; the governor shall appoint 10
13 other board members; each board member appointed by the governor serves at the
14 pleasure of the governor; in making appointments to the board under this paragraph,
15 the governor shall ensure that the board, including members selected under (2) of this
16 subsection, is broadly representative of the different regions of the state and the
17 various sectors of the visitor industry;

18 (4) eleven members of the board constitute a quorum for the transaction
19 of business and the exercise of the powers and duties of the board, and any action by
20 the board requires 11 affirmative votes;

21 (5) [THE DIRECTOR SERVES AS PRESIDING OFFICER OF THE
22 BOARD;] the board shall elect a presiding officer and other necessary officers from
23 among its members annually;

24 (6) a board member may not participate or vote by proxy;

25 (7) the board shall meet at least four times a year at the call of the
26 presiding officer or upon the written request of seven members of the board;

27 (8) the members of the board appointed by the governor serve
28 staggered three-year terms, subject to continuation of the contract, and may be
29 reappointed;

30 (9) a person appointed to fill a vacancy on the board holds office for
31 the balance of the term of the person's predecessor;

1 (10) board members receive no salary for serving in that position, but
2 are entitled to per diem and travel expenses under AS 39.20.180, except that they are
3 entitled to per diem and travel expenses for travel only for the percentage of total
4 travel that occurs within the state; the contract must provide that the trade association
5 will reimburse the council for per diem and travel expenses paid to those board
6 members appointed by the trade association; reimbursed under this paragraph does not
7 qualify as a part of the association's required contribution under (b) of this section;

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

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

19 (15) Alaska Tourism Marketing Council (AS 44.33.700) - June 30,
20 1997 [1993];

21 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

CS FOR SENATE BILL NO. 85(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

*Not approved
make title
more specific
per Rick.*

A BILL

FOR AN ACT ENTITLED

1 "An Act deleting a requirement that certain members of the board of directors
2 of the Alaska Tourism Marketing Council be substantially involved in a visitor
3 or recreation industry business; relating to the selection of a presiding officer for
4 the Alaska Tourism Marketing Council; requiring that the council's tourism
5 marketing program include promotion of the state as a destination and promotion
6 of all forms of travel to the state; extending the termination date of the Alaska
7 Tourism Marketing Council; establishing the Task Force on Tourism; and
8 providing for an effective date."

left in title language

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

10 * Section 1. AS 44.33.705(c) is amended to read:
11 (c) If the commissioner contracts with a qualified trade association under (b)
12 of this section, the governing body of the council is a board of directors consisting of

1 21 members and subject to the following provisions:

2 (1) a board member shall

3 (A) be [SUBSTANTIALLY] involved in a visitor or recreation
4 industry business;

5 (B) have training in a field such as marketing;

6 (C) be an officer or a senior staff member of a local
7 government or nonprofit enterprise established to promote the visitor industry;

8 or

9 (D) have business or government experience that would
10 materially enhance the member's ability to contribute to the planning,
11 execution, or evaluation of a visitor industry promotional marketing campaign;

12 (2) the contract shall provide that the trade association may select up
13 to 10 board members; the governor may remove a member of the board selected under
14 this paragraph on the delivery by the governor to the board of a written statement
15 explaining the reasons for the removal;

16 (3) the director is a member of the board; the governor shall appoint 10
17 other board members; each board member appointed by the governor serves at the
18 pleasure of the governor; in making appointments to the board under this paragraph,
19 the governor shall ensure that the board, including members selected under (2) of this
20 subsection, is broadly representative of the different regions of the state and the
21 various sectors of the visitor industry;

22 (4) eleven members of the board constitute a quorum for the transaction
23 of business and the exercise of the powers and duties of the board, and any action by
24 the board requires 11 affirmative votes;

25 (5) the governor shall appoint a member of the board to serve
26 [DIRECTOR SERVES] as presiding officer of the board; the board shall elect other
27 necessary officers from among its members annually;

28 (6) a board member may not participate or vote by proxy;

29 (7) the board shall meet at least four times a year at the call of the
30 presiding officer or upon the written request of seven members of the board;

31 (8) the members of the board appointed by the governor serve

1 staggered three-year terms, subject to continuation of the contract, and may be
2 reappointed;

3 (9) a person appointed to fill a vacancy on the board holds office for
4 the balance of the term of the person's predecessor;

5 (10) board members receive no salary for serving in that position, but
6 are entitled to per diem and travel expenses under AS 39.20.180, except that they are
7 entitled to per diem and travel expenses for travel only for the percentage of total
8 travel that occurs within the state; the contract must provide that the trade association
9 will reimburse the council for per diem and travel expenses paid to those board
10 members appointed by the trade association; reimbursed under this paragraph does not
11 qualify as a part of the association's required contribution under (b) of this section;

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

22 * Sec. 2. AS 44.33.720(a) is amended to read:

23 (a) The council shall

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

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

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

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

3 (5) annually submit a proposed operating budget to the director, to be
4 used by the Department of Commerce and Economic Development to prepare and
5 submit the operating budget of the council under AS 44.33.725;

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

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

11 * Sec. 3. AS 44.66.010(a)(15) is amended to read:

12 (15) Alaska Tourism Marketing Council (AS 44.33.700) -
13 December 30, 1994 [JUNE 30, 1993];

14 * Sec. 4. TASK FORCE ON TOURISM. (a) The Task Force on Tourism is established
15 in the legislature consisting of two senators appointed by the president of the senate, two
16 representatives appointed by the speaker of the house of representatives, one member of the
17 board of directors of the Alaska Tourism Marketing Council appointed by the governor, the
18 commissioner of commerce and economic development, and the president of the Alaska
19 Visitors' Association. The task force shall consider methods to fund tourism marketing using
20 both public and private assets and shall consider methods of providing for the financial self-
21 sufficiency of the Alaska Tourism Marketing Council.

22 (b) The Task Force on Tourism shall submit a report to the legislature by
23 January 24, 1994, setting out its recommendations. The task force is terminated on
24 January 25, 1994.

25 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1

Bill Version: SB 85

(S) Publish Date: 2-10-93

Revision Date: _____
 Title: An act extending the termination date of the
Alaska Tourism Marketing Council
 Sponsor: _____
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Alaska Tourism Marketing Council
 Component: Alaska Tourism Marketing Council

COMPONENT SERIAL NO. 1026

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	185.0	194.2	204.0			
TRAVEL	58.0	61.0	64.0			
CONTRACTUAL	7351.8	7719.4	8105.3			
SUPPLIES	4.0	4.2	4.4			
EQUIPMENT	5.0	5.2	5.5			
LAND & STRUCTURES	0	0	0			
GRANTS, CLAIMS	0	0	0			
MISCELLANEOUS	0	0	0			
TOTAL OPERATING	*7603.8	7984.0	8383.2			

CAPITAL	0	0	0			
----------------	---	---	---	--	--	--

REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts	0	0	0			
1003 GF Match	0	0	0			
1004 GF	5873.0	6166.6	6475.0			
1005 GF/Program Receipts	1730.8	1817.3	1908.2			
1006 GF/MHTIA	0	0	0			
OTHER	0	0	0			
TOTAL	*7603.8	7983.9	8383.2			

Changes in SB 85 (L+C)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.
2-10-93
 date Comte Aide (initial)

POSITIONS:

FULL-TIME	3	3	3			
PART-TIME	0	0	0			
TEMPORARY	0	0	0			

Estimate of current year (FY 93) impact: 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 M. Lindgren
 Division: Alaska Tourism Marketing Council

Phone: _____
 Date: 2/5/93

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

Date: 2/5/93

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 85

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."

NOTE

TO: LEGAL SERVICES
FROM: KATHY
SENATE FINANCE
DATE: APRIL 6, 1993
RE: CSSB 85 (FINANCE)

PLEASE DRAFT A SENATE FINANCE COMMITTEE SUBSTITUTE FOR SB 85 BASED ON CSSB 85 (L&C) AND INCORPORATING THE FOUR ATTACHED AMENDMENTS. IN ADDITION TO THE FORMAL AMENDMENTS, PLEASE NOTE DELETION OF THE WORD "SUBSTANTIALLY" FROM TITLE LANGUAGE AT PAGE 1, LINE 2.

AMENDMENT NO. 4, BY SENATOR FRANK, WAS ADOPTED AS A CONCEPTUAL AMENDMENT. HE ASKED THAT THE DRAFTER PROPERLY WORD THE AMENDMENT AND INSERT IT IN THE FINANCE VERSION AT THE APPROPRIATE PLACE.

AGAIN, THIS BILL WAS REPORTED OUT OF COMMITTEE THIS MORNING AND IS ON ITS WAY TO RULES, SO A QUICK TURN AROUND WOULD BE APPRECIATED. PLEASE DELIVER TO KATHY AT ROOM 520. GIVE ME A CALL (465-2816) IF YOU HAVE ANY QUESTIONS. THANK YOU.

*Phone call from Terri Lauterback 6658
re: problem with removal of "substantial" from
title. She also said Sen. Frank's Amend. requires
title change. Rick said to make title
language as specific as possible.*

NOTE

TO: RICK
FROM: KATHY
DATE: APRIL 6, 1993
RE: CSSB 85 (FINANCE)

AMENDMENT NO. 4, BY SENATOR FRANK, REQUIRING THAT THE STATE TOURISM MARKETING PROGRAM INCLUDE PROMOTION OF ALASKA AS A DESTINATION AND ALL FORMS OF TRAVEL TO ALASKA, INCLUDING TRAVEL BY AIR, HIGHWAY, WATER, WILL REQUIRE A TITLE CHANGE FOR THE BILL. LEGAL SERVICES IS ASKING HOW SPECIFIC THAT WORDING SHOULD BE. SHOULD IT MERELY REFER TO "DUTIES OF THE COUNCIL" OR TO "PROMOTION OF TRAVEL BY AIR, HIGHWAY, WATER," ETC. PLEASE GIVE ME A CALL AT 2618.

Rick said to make title specific.

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Drue Pearce
Senator Judy Salo
Senator Georgianna Lincoln



SENATE LABOR AND COMMERCE
COMMITTEE

STATE CAPITOL, SUITE 101
JUNEAU, ALASKA 99801-1182
PHONE: (907) 465-3822
FAX: (907) 465-3756

3111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99503
(907) 561-7612

CS SB 85 (L&C): "An Act Relating to Alaska Tourism Marketing Council

Sectional Analysis

Section 1:

Amends AS 44.33.705(c) to replace the requirement that a member of the board of directors be "substantially involved" in a visitor or recreation industry business with a requirement that a board member be "involved" in a visitor or recreation industry business.

This section also provides that the director of the Division of Tourism is a member of the board of directors, and that the presiding officer is elected by the board of directors. Current statute provides that the Director of the Division of Tourism holds that position.

Section 2:

Amends AS 44.66.010(a)(15) to extend the Alaska Tourism Marketing Council's sunset date from June 30, 1993 to June 30, 1997.

Section 3: Effective date.

COMMITTEE OVERVIEW

The Alaska Tourism Marketing Council is a joint public-private partnership created to stimulate economic growth and diversification in the State through the promotion of Alaska as a visitor destination. The Labor & Commerce Committee substitute broadens the opportunity for those involved in tourism to seek membership on the board, allows the board of directors to elect their presiding officer while retaining the director of the Division of Tourism as a board member, and extends the council's existence to June 30, 1997.

The Alaska Tourism Marketing Council has made significant contributions to the tourism industry in Alaska, and thus favorably impacted the State's economic infrastructure and employment opportunity. The Council should be extended.

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
ALASKA TOURISM MARKETING COUNCIL**

**FISCAL YEAR 1994
BUDGET PRESENTATION**

February 1993

Submitted by:
Tina Lindgren
Executive Director

**ALASKA TOURISM MARKETING COUNCIL
FY94 BUDGET OVERVIEW**

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FY94 Request

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FUNCTIONS

STATUTORY AUTHORITY

The statutory basis for the council is Section 44.33.700-780. Legislative findings regarding the Council state:

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 should 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 insurance 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 and accessible experiences for visitors throughout the state.

The purposes of the Alaska Tourism Marketing Council (ATMC) according to statute are:

1. To encourage the expansion and growth of the state's visitor industry for the benefit of the citizens of the state;
2. To ensure that the economic benefits to be derived from tourism in the state are retained in the state, to the greatest extent possible;
3. To ensure that a maximum number of residents of the state are employed in the tourism industry;
4. To promote cooperation between the state and private sector in planning and execution of a generic visitor marketing campaign in the public interest;
5. To promote the development of visitor industry facilities, both in the public sector and the private sector, through the use of state resources, as appropriate; and
6. To ensure that the visitors experience in the state is and continues to be satisfactory and leads to word-of-mouth advertising and return visits to the state.

The legislation also specifies that in carrying out these functions the council may not favor any particular tourism business entity or person.

DUTIES AND RESPONSIBILITIES

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership whose goal is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination.

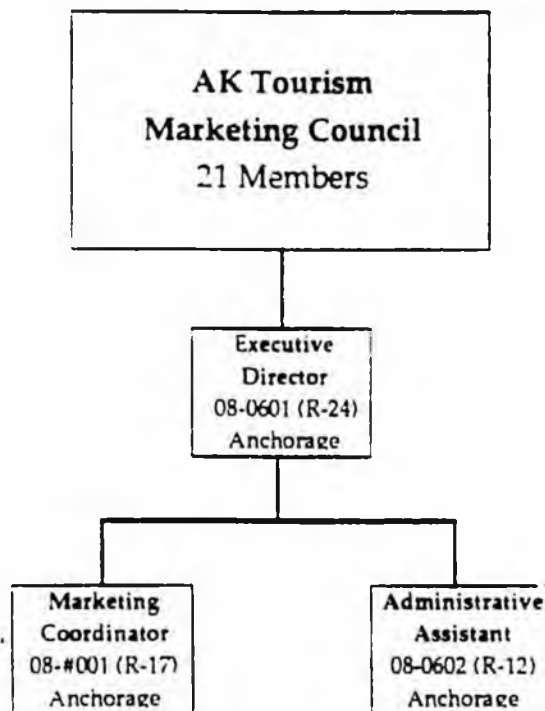
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ORGANIZATIONAL CHART

The ATMC is jointly managed by the Department of Commerce and Economic Development and the Alaska Visitors Association. The council consists of 10 members appointed by the Governor, 10 members appointed by the visitor industry and the Director of the Division of Tourism who serves as the chair. The staff is located in Anchorage.

Alaska Tourism Marketing Council



ISSUES AND ACCOMPLISHMENTS

ACCOMPLISHMENTS IN FY92-93

- Implemented domestic and Canadian marketing programs which helped to increase overall visitation to Alaska by 8% and highway travel by 14%.
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The main issues facing the ATMC are increased competition and decreased market presence. Alaska's main competition continues to be Europe, Mexico, Canada and Hawaii, who all outspend us by a wide margin. There is also increased competition from new emerging destinations that are discovering the economic value of promoting tourism.

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Promotional funding is of great importance since advertising and promotion are essentially a numbers game. The more advertising the State does the greater number of visitors we will be able to attract. The proposed budget is roughly that of 1989. However, since then, media costs have risen an average 8% per year eroding our visibility in a highly competitive market.

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While interest in Alaska is high, the distance and cost of traveling to Alaska versus other destinations calls for continuous reinforcement of Alaska's value. A trip to Alaska is a postponable purchase. Potential visitors need the encouragement and information to take a trip now, not at some distant time in the future. Finally, the recession has meant less discretionary income resulting in a national trend toward shorter vacations taken closer to home.

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LEGISLATION

Legislation has been introduced to extend the ATMC through June 1996.

FY94 REQUEST

FUNDING HISTORY

	<u>FY90</u> <u>AUTH</u>	<u>FY91</u> <u>AUTH</u>	<u>FY92</u> <u>AUTH</u>	<u>FY93</u> <u>AUTH</u>	<u>FY94</u> <u>REQ</u>
Personal Services	147.5	181.6	113.9	120.4	185.0
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Funding Source					
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Total	8455.6	6660.9	6401.3	7545.1	7603.8

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T. N. B. H. H.

ALASKA TOURISM MARKETING COUNCIL
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Newspaper	\$190,925	\$193,505	\$9,010	\$292,762	\$300,000	\$113,800
Direct Mail	\$571,481	\$721,393	\$952,814	\$620,796	\$683,900	
Collateral						
Planner Production	\$564,955	\$849,755	\$739,039	\$690,510	\$738,700	\$682,000
Planner Distribution	\$675,000	\$742,400	\$595,364	\$683,000	\$580,196	\$486,000
Highway Brochures	\$114,974					
Public Relations	\$288,247	\$239,702	\$220,000	\$263,848	\$407,500	\$350,000
Research	\$178,959	\$66,022	\$37,904	\$181,653	\$182,700	\$0
Fall/Winter/Spring	\$275,210	\$99,965	\$87,848	\$103,299	\$155,000	\$0
Special Media & Promotions	\$119,801	\$118,308	\$117,542	\$99,724	\$141,000	\$0
Travel Film					\$205,000	
Travel Agent Seminars					\$154,500	

CONTRACTORS:

Bradley Reid Communications: Broadcast Advertising, Print Advertising, Vacation Planner Production, Highway Brochures, Fall/Winter/Spring, Special Media and Promotions, and Travel Film.

GMA Research Corp.: Research.

**Bernholz & Graham
Public Relations:** Public Relations 1990 - 1993.

**Bradley McAfee Public
Relations :** Public Relations 1989.

AKA Business Services Inc.: Vacation Planner Distribution.

Western Direct Mail Services: Vacation Planner Distribution (Canada).

**McCaulley Marketing &
Associates:** Travel Agent Seminars.



March 26, 1993

Senator Drua Pearce
State Capitol, Room 508
Juneau, AK 99801

Dear Senator Pearce:

You have requested an overview of the relationship between the Alaska Tourism Marketing Council and the Division of Tourism as well as contractual services for the last five years. A brief explanation follows. I would be happy to supply additional details or discuss any of these issues with you next week.

Within the Tourism Appropriation there are two allocations: the Division of Tourism and the Alaska Tourism Marketing Council. These two organizations both work to stimulate statewide economic growth through the expansion and promotion of the states visitor industry.

However, each has a separate role in expanding tourism. The DOT's job can be defined as research and development while the ATMC's is marketing. One essentially develops the product while the other promotes it. Any advertising and promotional expenditures are divided between the ATMC and the DOT based on legislative appropriation with the focus of the ATMC on domestic marketing and promotions and the DOT on developmental markets including international, film production, etc.

Although it is not delineated in statute, the international market is considered to be a developmental market since it currently produces only 6% of all Alaska visitors and 8% of visitor spending. As such it has traditionally fallen within the DOT's purview. The ATMC adopted a policy in the past that should the overseas market ever be developed to the point that it produces visitors at the same rate of return on investment as Canada, that international marketing could be rolled into the program and matched with private sector dollars freeing the DOT to develop additional markets.

ATMC staff assignments and how they relate to the Division of Tourism.

The ATMC operates with a minimum amount of overhead - 3% of the total budget. There are currently only two positions, executive director and administrative assistant. The staff administers a \$7.5 million program as outlined by the council.

ALASKA TOURISM MARKETING COUNCIL
Frontier Building
3601 C Street, Suite 700
Anchorage, Alaska 99503
(907) 563-2289
(907) 563-3575 (FAX)

Senator Drue Pearce
March 26, 1993
Page Two

The executive director is responsible for administering Alaska's Cooperative Marketing Program. According to the bylaws the executive director is the chief administrative officer for the council whose duties include implementing the program as set forth by the council, managing the public and private funds received by the ATMC, overseeing the budgets and managing all aspects of the program including contracts and supervision of contractors. The executive director represents the ATMC before the public and is designated as the council's procurement officer responsible for preparation of requests for proposals.

The administrative assistant is responsible for the management of the ATMC office, providing fact-finding support for council members and executive director, planning and coordinating all meetings, responding to and dissemination of information, bookkeeping and accounting functions such as monitoring and reviewing operational and contractual expenditures for compliance with departmental regulations and applicable statutes. This position also prepares all travel authorizations, types all routine correspondence and is responsible for the solicitation and purchase of division equipment and supplies in compliance with departmental and state purchasing regulations.

As with other state agencies, the Department of Commerce, Division of Administration, provides support services. The DOT administrative assistant also provides additional technical assistance primarily in the area of interim budget reports and state accounting system. These functions are not duplicative rather they augment the ATMC's limited staff.

The marketing and public relations efforts of the ATMC also result in approximately 600,000 inquiries for the vacation planner or other information. The vast majority of these are handled under contract by the ATMC, however, visitors who require special assistance or specific requests are directed to the Division of Tourism's fulfillment department.

Major components and accomplishments.

The program is specifically designed to attract and motivate the greatest number of consumers to visit Alaska and provides a vital link between visitors and the products and services they require. It successfully combines the resources and expertise of the State and private sector for the benefit of Alaskans. A few of the accomplishments for 92-93 are listed below.

Senator Drue Pearce

March 26, 1993

Page Three

Implemented domestic and Canadian marketing programs which helped to increase overall visitation to Alaska by 8%.

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Collecting \$1.4 million from visitor industry contributions for FY93, plus an additional \$2.0 million in donated products and services.

Again, please contact me at 563-2239 to discuss any of these issues.

Sincerely,

**Tina M. Lindgren
Executive Director**

APR 03 1993

SB 85

DITTMAN RESEARCH CORPORATION
DRC BUILDING
8115 JEWEL LAKE ROAD
ANCHORAGE, ALASKA 99502

(907) 243-3345
Fax (907) 243-7172

April 2, 1993

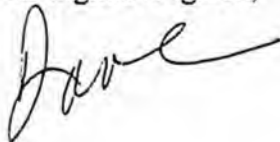
Senator Drue Pearce
Alaska State Senate
State Capital Building
Juneau, AK 99801-1182

Dear Senator Pearce,

Enclosed is a copy of a letter to Representative Ron Larson and Representative Eileen Maclean as co-chairs of House Finance.

I'll probably be in Juneau next week and I'll call for an appointment. I'll keep you informed as things develop.

With highest regards,



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April 2, 1993

Representative Ron Larson
Alaska House of Representatives
State Capital Building
Juneau, AK 99801-1182

Dear Representative Larson,

I understand the House Finance Committee is looking into Alaska's tourism cooperative marketing program. I believe it's a good idea and probably long overdue.

In 1989, we completed a nation-wide survey for the Alaska Tourism Marketing Council (ATMC). The results indicated that Alaska's cooperative marketing programs, beginning with the Official Vacation Planner, may be largely ineffective. We prepared sixty copies of the findings but they disappeared -- and I don't believe any members of the legislature ever learned of the results. However, we maintain an archive copy of most of our work, and the following information is from our archive copy.

To begin, it's a large report, based on over six thousand five hundred interviews among potential visitors to Alaska from every state, so the following is a very small part of the overall findings.

The first question of the interview involved whether or not the respondent had received the State of Alaska's "Official Vacation Planner". Later, at the fourth question, respondents were asked whether or not they had visited Alaska. When we prepared a crosstabulation of the two questions to determine whether receipt of the Planner was associated with a visit to Alaska, it was surprising to see that there didn't seem to be a significant correlation -- respondents who received the Planner were only 1% more likely to visit Alaska than those respondents who didn't receive the Planner, or didn't remember whether they had received it or not.

Nationwide Survey
 March 25-April 24, 1989
 (Sample size n=6.638)

<u>Recall Receiving Official Vacation Planner</u>	<u>Visited Alaska</u>
Yes	11%
No	10%
Unsure	10%

Later, question number thirteen asked about the mode of transportation utilized by those respondents who did come to Alaska. When this question was cross-referenced with the first question regarding receipt of the Planner, we found that there did appear to be a significant correlation in this case -- those respondent who recalled receiving the Planner were more likely to use a cruise ship (37%) than those who didn't recall receiving the Planner or couldn't remember whether they did or did not (29-30%).

Nationwide Survey
 March 25-April 24, 1989
 (Sample size n=6.638)

<u>Recall Receiving Official Vacation Planner</u>	<u>Mode of Transportation to Alaska</u>				
	<u>Cruise Ship</u>	<u>Private Air</u>	<u>Vehicle</u>	<u>Ferry</u>	<u>Other</u>
Yes	37%	40%	18%	4%	1%
No	30%	49%	16%	4%	1%
Unsure	29%	44%	20%	6%	--

As a result, it appears the cooperative marketing program based on the "Official Vacation Planner" does not seem to lead to increased visitation to Alaska -- its primary effect appears to be an increased usage of cruise ships. (For this reason, the members of the Finance Committee will probably be lobbied heavily to continue the program by the AVA lobbyists, ATMC, Carnival Cruises, Holland-America, cruise associated businesses, Gray Line, Westours, Princess Cruises, Westmark Hotels, and other companies and organizations owned or associated with the international cruise lines.)

Question number eleven involved type of travel, and when this was cross-referenced with questions asked regarding the amount of money spent in Alaska, it was evident that the "packaged trip" visitor contributed the least to Alaska's economy.

<u>Type of Trip</u>	<u>Purchases in Alaska</u>
On own	\$1,413.00 - 1,562.95
Packaged trip	\$ 887.96

Similarly, when questions twelve and thirteen concerning mode of entry and mode of departure were cross-referenced with amount of money spent in Alaska, it was evident that cruise passengers provided the least economic contribution to Alaska...

Nationwide Survey
March 25-April 24, 1989
(Sample size n=6,638)

<u>Mode of Entry</u>	<u>Purchases in Alaska</u>
Private Vehicle	\$1,616.52
Ferry	\$1,484.53
Air	\$1,231.37
Cruise ship	\$ 933.56

<u>Mode of Departure</u>	<u>Purchases in Alaska</u>
Private Vehicle	\$1,626.41
Air	\$1,330.84
Ferry	\$1,151.88
Cruise ship	\$ 777.60

In total, the Tourism Marketing Council has known since at least 1989 that there is a good chance that the cooperative marketing program and "Official Vacation Planner" could be mis-directed and largely ineffective. And to the extent that it did have an effect, it was primarily for the benefit of the cruise ship companies.

The report we prepared was entitled "1988 Conversion Study Results -- A Measurement of Alaska's Tourism Direct Marketing Program". If you would like a copy and it's not available in Juneau, please let me know.

With highest regards,

David L. Dittman

cc: Representative Eileen Maclean
Senator Steve Frank
Senator Drue Pearce
Senator Randy Phillips
Commissioner Nancy Bear Usura
Commissioner Paul Flahs
Pat Ryan, Chief of Staff

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
ALASKA TOURISM MARKETING COUNCIL**

**FISCAL YEAR 1994
BUDGET PRESENTATION**

February 1993

Submitted by:
Tina Lindgren
Executive Director

**ALASKA TOURISM MARKETING COUNCIL
FY94 BUDGET OVERVIEW**

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FUNCTIONS

STATUTORY AUTHORITY

The statutory basis for the council is Section 44.33.700-780. Legislative findings regarding the Council state:

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 should 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 insurance 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 and accessible experiences for visitors throughout the state.

The purposes of the Alaska Tourism Marketing Council (ATMC) according to statute are:

1. To encourage the expansion and growth of the state's visitor industry for the benefit of the citizens of the state;
2. To ensure that the economic benefits to be derived from tourism in the state are retained in the state, to the greatest extent possible;
3. To ensure that a maximum number of residents of the state are employed in the tourism industry;
4. To promote cooperation between the state and private sector in planning and execution of a generic visitor marketing campaign in the public interest;
5. To promote the development of visitor industry facilities, both in the public sector and the private sector, through the use of state resources, as appropriate; and
6. To ensure that the visitors experience in the state is and continues to be satisfactory and leads to word-of-mouth advertising and return visits to the state.

The legislation also specifies that in carrying out these functions the council may not favor any particular tourism business entity or person.

DUTIES AND RESPONSIBILITIES

The Alaska Tourism Marketing Council (ATMC) is a public-private partnership whose goal is to stimulate statewide economic growth, diversification, and employment through the promotion of Alaska as a visitor destination.

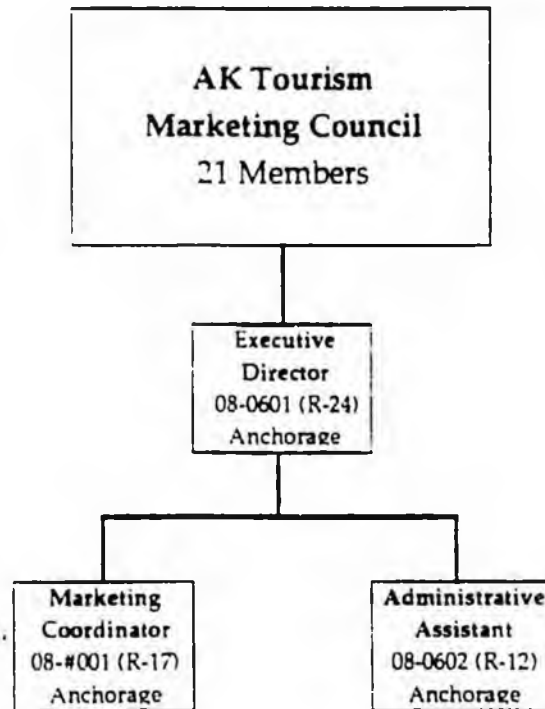
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Canadian Magazines	\$78,832	\$219,899	\$210,285	\$203,251	\$220,000	\$220,000
Newspaper	\$190,925	\$193,505	\$9,010	\$292,762	\$300,000	\$113,800
Direct Mail	\$571,481	\$721,393	\$952,814	\$620,796	\$683,900	
Collateral						
Planner Production	\$564,955	\$849,755	\$739,039	\$690,510	\$738,700	\$682,000
Planner Distribution	\$675,000	\$742,400	\$395,364	\$683,000	\$580,196	\$486,000
Highway Brochures	\$114,974					
Public Relations	\$288,247	\$239,702	\$220,000	\$263,848	\$407,500	\$350,000
Research	\$178,939	\$66,022	\$37,904	\$181,653	\$182,700	\$0
Fall/Winter/Spring	\$275,210	\$99,965	\$87,848	\$103,299	\$155,000	\$0
Special Media & Promotions	\$119,801	\$118,308	\$117,542	\$99,724	\$141,000	\$0
Travel Film					\$205,000	
Travel Agent Seminars					\$154,500	

CONTRACTORS:

Bradley Reid Communications: Broadcast Advertising, Print Advertising, Vacation Planner Production, Highway Brochures, Fall/Winter/Spring, Special Media and Promotions, and Travel Film.

GMA Research Corp.: Research.

**Bernholz & Graham
Public Relations:** Public Relations 1990 - 1993.

**Bradley McAfee Public
Relations :** Public Relations 1989.

AKA Business Services Inc.: Vacation Planner Distribution.

Western Direct Mail Services: Vacation Planner Distribution (Canada).

**McCaulley Marketing &
Associates:** Travel Agent Seminars.



March 26, 1993

Senator Drue Pearce
State Capitol, Room 508
Juneau, AK 99801

Dear Senator Pearce:

You have requested an overview of the relationship between the Alaska Tourism Marketing Council and the Division of Tourism as well as contractual services for the last five years. A brief explanation follows. I would be happy to supply additional details or discuss any of these issues with you next week.

Within the Tourism Appropriation there are two allocations: the Division of Tourism and the Alaska Tourism Marketing Council. These two organizations both work to stimulate statewide economic growth through the expansion and promotion of the states visitor industry.

However, each has a separate role in expanding tourism. The DOT's job can be defined as research and development while the ATMC's is marketing. One essentially develops the product while the other promotes it. Any advertising and promotional expenditures are divided between the ATMC and the DOT based on legislative appropriation with the focus of the ATMC on domestic marketing and promotions and the DOT on developmental markets including international, film production, etc.

Although it is not delineated in statute, the international market is considered to be a developmental market since it currently produces only 6% of all Alaska visitors and 8% of visitor spending. As such it has traditionally fallen within the DOT's purview. The ATMC adopted a policy in the past that should the overseas market ever be developed to the point that it produces visitors at the same rate of return on investment as Canada, that international marketing could be rolled into the program and matched with private sector dollars freeing the DOT to develop additional markets.

ATMC staff assignments and how they relate to the Division of Tourism.

The ATMC operates with a minimum amount of overhead - 3% of the total budget. There are currently only two positions, executive director and administrative assistant. The staff administers a \$7.5 million program as outlined by the council.

ALASKA TOURISM MARKETING COUNCIL
Frontier Building
3601 C Street, Suite 700
Anchorage, Alaska 99503
(907) 563-2289
(907) 563-3575 (FAX)

Senator Drue Pearce
March 26, 1993
Page Two

The executive director is responsible for administering Alaska's Cooperative Marketing Program. According to the bylaws the executive director is the chief administrative officer for the council whose duties include implementing the program as set forth by the council, managing the public and private funds received by the ATMC, overseeing the budgets and managing all aspects of the program including contracts and supervision of contractors. The executive director represents the ATMC before the public and is designated as the council's procurement officer responsible for preparation of requests for proposals.

The administrative assistant is responsible for the management of the ATMC office, providing fact-finding support for council members and executive director, planning and coordinating all meetings, responding to and dissemination of information, bookkeeping and accounting functions such as monitoring and reviewing operational and contractual expenditures for compliance with departmental regulations and applicable statutes. This position also prepares all travel authorizations, types all routine correspondence and is responsible for the solicitation and purchase of division equipment and supplies in compliance with departmental and state purchasing regulations.

As with other state agencies, the Department of Commerce, Division of Administration, provides support services. The DOT administrative assistant also provides additional technical assistance primarily in the area of interim budget reports and state accounting system. These functions are not duplicative rather they augment the ATMC's limited staff.

The marketing and public relations efforts of the ATMC also result in approximately 600,000 inquiries for the vacation planner or other information. The vast majority of these are handled under contract by the ATMC, however, visitors who require special assistance or specific requests are directed to the Division of Tourism's fulfillment department.

Major components and accomplishments.

The program is specifically designed to attract and motivate the greatest number of consumers to visit Alaska and provides a vital link between visitors and the products and services they require. It successfully combines the resources and expertise of the State and private sector for the benefit of Alaskans. A few of the accomplishments for 92-93 are listed below.

Senator Drue Pearce
March 26, 1993
Page Three

Implemented domestic and Canadian marketing programs which helped to increase overall visitation to Alaska by 8%.

Produced and continue to distribute 750,000 Alaska State Vacation Planners to consumers and travel agencies across the country. The planner includes over 1,200 business listings from all regions of the State.

Promoted the 50th Anniversary of the Alaska Highway to national media resulting in hundreds of articles and stories including a nine-minute segment on network television.

Produced and continue to distribute 100,000 copies of Alaska's first Winter Vacation Planner which includes information on over 500 Alaska businesses open during the winter months.

Enhanced Alaska's overall image as a desirable destination through broadcast advertising. Developed and aired new television commercial promoting Alaska as a year-round destination. Increased commercial time on national television over last year by 47% enabling Alaska commercial to air 37 weeks of the year.

Tested the use of an 800 number as a means of generating inquiries.

Developed comprehensive hands-on educational travel agent seminars that will assist in selling all regions of Alaska.

Conducted pro-active public relations campaign which placed national network, magazine and newspaper articles.

Collecting \$1.4 million from visitor industry contributions for FY93, plus an additional \$2.0 million in donated products and services.

Again, please contact me at 563-2289 to discuss any of these issues.

Sincerely,

Tina M. Lindgren
Executive Director

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Drue Pearce
Senator Judy Salo
Senator Georgianna Lincoln



STATE CAPITOL, SUITE 101
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SENATE LABOR AND COMMERCE COMMITTEE

3111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99503
(907) 561-7612

MEMORANDUM

TO: Senator Drue Pearce, Co-Chair
Senator Steve Frank, Co-Chair
Senate Finance Committee

FROM: Senator Tim Kelly, Chair *TDK*
Senate Labor & Commerce Committee

DATE: February 10, 1993

RE: CSSB 85 (L&C) - An Act extending the Alaska Tourism
Marketing Council, and other provisions.

I respectfully request that you schedule CSSB 85 (L&C) for a hearing before the Senate Finance Committee at the earliest opportunity.

This Senate Labor & Commerce Committee legislation would extend the date of termination for the Alaska Tourism Marketing Council (ATMC) to June 30, 1997. Current statute provides for an ATMC sunset date of June 30, 1993.

In addition, the Senate Labor & Commerce CS amends AS 44.33.705(c)(1)(a) so that certain members of the ATMC's board of directors must only be "involved" rather than "substantially involved" in a visitor or recreation industry business.

Lastly, at the request of the Department of Commerce & Economic Development, CSSB 85 provides that the presiding officer of the board be elected among its members rather than mandating the director of tourism hold that position. However, CSSB 85 does maintain the director's membership on the board.

Attached you will find ATMC's FY93-FY93 Program Overview, the Department of Commerce & Economic Development's position statement, and their fiscal note.

Your timely consideration is appreciated.

Alaska State Legislature

Senator Tim Kelly, Chair
Senator Steve Rieger, Vice Chair
Senator Drue Pearce
Senator Judy Salo
Senator Georgianna Lincoln



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SENATE LABOR AND COMMERCE COMMITTEE

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Senator Steve Frank, Co-Chair
Senate Finance Committee

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**SB 85: "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 who serves as the chair.

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/dgllmme044pp.co

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WM/dglnme044pp.co

5B 85

MAR 19 1993

Juneau

March 17, 1993



Dear Senator Pearce :

I am writing in regards to the Alaska Tourism Marketing Council budget and sunset bill, and more generally in terms of visitor industry support. While I currently reside in Juneau, I was born and raised in Fairbanks and keep in touch with Interior issues.

I understand that many constituents in Fairbanks are upset about the "wolf controversy" and are contacting you with requests to reduce tourism marketing funding and reduce support for the visitor industry. Being from Fairbanks, and growing up on moose and other game, I can appreciate the concerns expressed about game management.

However, I believe strongly that your decisions and your votes regarding funding and support for any industry should be firmly focused on future economic benefits and not on past events. The wolf controversy was extremely unfortunate, for everyone. It should not be a basis for funding for tourism marketing, which will significantly impact the economic future of not only Fairbanks, but the entire state.

Currently we are seeing mines close, government jobs cut, and businesses fail. Alaska's visitor industry brings in over a billion dollars to our state, and accounts for 13,500 year round jobs and over 18,000 peak season jobs...a payroll of \$244 million dollars. In state visitation adds substantially to these figures. The return provided by tourism must be supported through a strong marketing budget. Potential visitors will choose destinations that capture their attention in the marketplace. The industry will not sustain itself or grow without marketing.

Please focus on the future and support full funding for the ATMC.

Please support extending the life of the ATMC to oversee these important marketing dollars.

Please encourage your fellow legislators to do the same.

Alaska's economic diversification must continue. Support for tourism marketing is good for Alaska's future.

Sincerely,

Kari Kornfemo Vestlund
President

369 South Franklin
Suite 201
Juneau, Alaska
99801
(907) 586-1737
(907) 463-4961 FAX

5B85

MAR 19 1993

Juneau

March 17, 1993



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Sincerely,

Kari Kornfeind Westlund
President

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Suite 201
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(907) 586-1737
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5B85

ALASKA TOURISM MARKETING COUNCIL

FY92-FY93 PROGRAM OVERVIEW

February 1993

MISSION

The overall goal of the Alaska Tourism Marketing Council (ATMC) is to stimulate statewide economic growth, diversification and employment through the promotion of Alaska as a visitor destination. To accomplish this objective the ATMC designs and executes an integrated marketing program directed at US and Canadian markets determined to have the greatest potential for producing new and repeat visitors. Primary activities of the council include: media advertising, public relations, research and dissemination of visitor information.

HISTORY OF THE COOPERATIVE MARKETING PROGRAM

Since 1975, public and private sectors have joined together to market the state of Alaska as a visitor destination. The industry, represented by the Alaska Visitors Association, a private non profit trade association whose members are tourism related businesses, worked with the Division of Tourism and Department of Commerce and Economic Development in promoting Alaska. This informal partnership, referred to as the Cooperative Marketing Program, led to the creation of the Alaska Tourism Marketing Council.

STRUCTURE

The ATMC was established by the Alaska State Legislature in 1988 as a public corporation of the State of Alaska but with a separate and independent legal existence

"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 ATMC is jointly managed by the Department of Commerce and Economic Development and private industry, represented by the Alaska Visitors Association (AVA) and formally combines the resources and expertise of the public and private sectors.

The ATMC is governed by a 21 member Board of Directors of which 10 are appointed by the Governor, 10 by the AVA, and the Director of the Division of Tourism who serves as the chair. The Council works through a strong committee structure with each member serving on at least one of the following standing committees: Fall/Winter/Spring, Collateral, Public Relations, Research, Advertising and Planning. The Planning Committee serves as an oversight and budget review committee and is comprised of the chairs of each committee, one director at-large and the chair of the Council. A special committee has also been constituted to review and recommend travel trade promotions.

STAFF

The ATMC staff, located in Anchorage, currently consists of an executive director and administrative assistant. The executive director serves at the pleasure of the Council and is responsible for the daily operation and management of the ATMC.

FUNDING

The Council's operating budget is determined by a yearly appropriation from the State of Alaska. State statute requires that the private sector provide a minimum of 15% of the ATMC's operating budget. These funds are raised by the AVA through the sale of mailing labels and advertising space in the State Vacation Planner. The industry must also contribute a pro rata share of the cost of producing the Vacation Planner.

FY92 PROGRAM STRATEGY AND IMPLEMENTATION

The cooperative marketing program executed by the ATMC is specifically designed to attract and motivate consumers to visit by generically marketing the state as a destination; and to provide a vital link between visitors and the products and services they require. Primary activities include:

Media Advertising

Media advertising is the most cost-effective means of increasing consumer awareness and the likelihood consumers will choose Alaska as a travel destination. The council's advertising program has several specific objectives. First, enhancement of Alaska's image primarily through television advertising.

Broadcast Media

Television was used to increase awareness of Alaska, reinforce positive perceptions of the State and motivate consumers to visit Alaska. Network cable ads provided a national umbrella of image advertising. Thirty-second television ads aired between October-December and January-March in three four-week flights. Syndicated television was also utilized on a limited basis. A customized, fishing version of Alaska's TV commercials aired on "Fishing the West," which provided coverage in key areas and a very compatible viewing environment.

Generation of Inquiries

An efficient way to capitalize on the interest generated by television, and provide a mechanism for identifying high potential visitors, is to conduct a direct response campaign. Inquiries for the State Vacation Planner are generated through magazine, newspaper, and direct mail advertising. Names, addresses and demographic information from respondents becomes part of a data base that is made available to Alaska businesses and organizations for their own marketing efforts.

Consumer Magazine

Magazine advertising was used as the primary direct response vehicle. Full-page, color ads ran in 38 US and 9 Canadian publication inviting readers to send away for a free Alaska State Vacation Planner by using an attached business reply card. In a departure from prior years three different magazine ads were used instead of one. Each ad contained a feature photograph aimed at the demographics of the publication it was placed in. Inquiries generated through the magazine ads exceeded goal by 6% for a total of 361,446 responses.

Direct Mail

Direct mail packages containing a business reply card were sent to highly targeted pre-tested mailing lists. 722,500 packages were mailed to potential visitors in three drops: September, November and January. Inquiries generated by the campaign exceed goal by 7% for a total of 140,582 responses.

Newspapers

Newspapers generated editorial support for travel sections and provided additional inquiries. A 2/3 page, black and white ad containing a business reply coupon was placed in 34 newspapers nationwide agreeing to run an Alaska travel section. The State ads provided an "anchor" for smaller space advertisers to use in running their own ads and provided support for state and private sector publicity and news releases. Inquiries generated by the newspaper ads exceed goal by 22% for a total of 22,833 responses.

Collateral

By distributing collateral materials the ATMC reinforces the "sales" message begun in media advertising and provides information needed to close the sale. The State Vacation Planner with information on where to go, what to see and do and where to stay, is the primary collateral piece. The planner is sent to people who write for information or respond to ATMC by returning a business reply card requesting a copy. It is often the critical last step in influencing a decision to visit. In fact research shows that 30% of all Alaska visitors use this publication for planning some portion of their trip.

In September of 1992 700,000 1992 State Vacation Planners were printed. A special travel agent edition of the planner was sent to all travel agencies in the lower 48 with the remainder distributed to consumers. Demand exceed supply and in the spring of 1992 an additional 62,000 Planners were printed and distributed. The Planner included over 1,100 listings of Alaska tourism products and services. Changes from the prior year included new photography and separate sections with additional editorial for the Interior and Far North regions.

Mail Fulfillment

Fulfillment costs included return postage for business reply cards, postage and handling for collateral material, processing of inquiry names and addresses, and compilation of a data base containing demographic information on over 600,000 potential visitors.

Public Relations

Public relations is used to generate positive travel related news and features stories about Alaska in a forum that offers greater credibility than does paid destination advertising. During FY92 stories appeared in national print and broadcast with much greater frequency than in the past. Major travel articles appeared in USA Today, Travel & Leisure, Travel Holiday magazine, the New York Times, CBS Sunday Morning with Charles Kuralt, The Today Show and many others worth over \$6.1 million in exposure. Specific activities included: direct ongoing media assistance and fulfillment of information inquiries via an 800 number, promoting the 50th Anniversary of the Alaska Highway; working with individual travel writers, hosting press trips; supplying editorial copy and photography to newspapers publishing special Alaska travel sections and placing two video news releases on the Alaska Highway and northern lights viewing.

Fall/Winter/Spring

Although all programs of the ATMC seek to expand the visitor season the council mounted additional effort in this areas. In November the first ever statewide Fall, Winter, Spring tour planner was completed and 5,000 copies printed. Planners were distributed to tour operators and wholesalers. In March a familiarization "fam" trip brought tour operators/packagegers to Alaska. The purpose of the fam was to showcase the many products and

services during the winter season and to convince the operators to include these in their itineraries.

Research

The ATMC continued to look at ways to improve the efficiency of the program. A Conversion Study measuring the direct marketing program for 1991 was completed. The study evaluated the efficiency and cost effectiveness of individual magazine and direct-mail sources in producing Alaska visitors. Overall the study showed that 11% of all inquirers visit Alaska the first year with an additional 5% coming the second year. This is consistent with previous studies.

A second research project assessed the year-round occupancy level of lodging in Alaska. The first ever statewide Accommodation Occupancy Study showed that most regions of Alaska still have room available on a year-round basis. Information gathered from the study will be used as a planning tool for further marketing efforts.

800 Number Test

In FY92 ATMC tested the efficiency of combining image and direct response marketing through the use of an 800 number. A customized version of the current image TV spot was produced with an 800 number tag. The commercial ran in the Phoenix spot market in early October and then on national cable in the later half of October. While the spot market test produced a poor showing, the national cable test exceeded goal by 137% for a total of 7,122 responses. In order to know if the cable ad was a success this source will be researched in the current Conversion Study to determine how many of the respondents converted to actual visitors.

In a separate test, two print ads were produced and placed in a split run of Kiplinger's Personal Finance in October. One ad contained the regular business reply card and the other an 800 phone number for requesting the Vacation Planner. In this test, the business reply card pulled considerably better than the phone number.

FY93 PROGRAM STRATEGY AND IMPLEMENTATION

Broadcast Media

National cable television air time has increased by 47% over last year. Thirty second television ads aired between October-December in three, four-week flights., and are schedule to run in three more flights from January-March of 1993. The council has re-edited the current television ads and produced a third year-round commercial which includes scenes from fall, winter and spring. All three ads will rotate throughout the schedule. Syndicated television will also be utilized on a limited basis with commercials on Weekend Travel Update and Fishing the West.

The ATMC is also testing the effectiveness of radio to generate inquiries. A radio commercial which includes an 800 number will be run in two test markets, Sacramento and Cincinnati.

Consumer Magazines

Full-page, color ads are running in 30 US and 9 Canadian publications. The ad invites readers to send away for a free Alaska State Vacation Planner using an attached business reply card. For the first time in many years a new test ad is producing as well as, or better than the control ad. If the trend continues the new layout, which prominently features the cover of the Vacation Planner, will replace the current ad. Strategies used in the selection of this year's magazines included: the ability to use a business reply card, efficient cost per conversion, editorial compatibility, and high concentration of Alaska's target audience.

Direct Mail

The direct mail program contains successful elements of previous campaigns including: the same layout and design for the packages, the use of three proven lists for the bulk of the mailing, expanding the use of the most successful test lists from the previous two years, and continuing to test new mailing lists. The direct mail packages are being sent to 1,040,000 potential visitors in three drops, September, November and January.

Newspapers

A 2/3 page, black and white ad containing a business reply coupon is being placed in 28 local newspapers across the country. Ads are being placed only in papers agreeing to run an Alaska travel sections and that are located in key market areas. Travel section and publication dates were publicized so that industry businesses and tourism organizations could dove-tail their own marketing efforts.

Collateral

A total of 750,000 Alaska State Vacation Planners were printed in September of 1992 with 50,000 of these being distributed to all travel agencies in the lower 48. A new addition to the FY93 Planner was the creation of a "Where to Find More Information" section containing listings of federal, state and municipal agencies; convention & visitor bureaus; and chambers, museums and cultural centers ready to assist the visitors in planning their trip to Alaska. The Planner also contained new year-round weather charts, new photography, and over 1,200 listings of Alaska tourism businesses.

Mail Fulfillment

Fulfillment costs include return postage for business reply cards, postage and handling for collateral materials and the processing of inquiry names and addresses.

Public Relations

In FY93 public relations activities will include disseminating a monthly newsletter to 650 editors around the country, reprinting the popular Guide to Media Resources with a new section on sample travel itineraries, developing new regional feature stories, issuing timely news releases, meeting with key travel editors in major markets and co-hosting the Society of American Travel Writers trip in February.

Travel Film

After 13 years Alaska is producing a new destination film. Footage was shot throughout the State and was completed last fall. Editing will be completed in March of 1993. The benefits of this project will be two-fold. First the consumer will get an updated look at Alaska. And second, the ATMC now has hours of film footage that can be used for a multitude of other projects.

Fall/Winter/Spring

100,000 copies of the State's first Winter Vacation Planner were printed in November and are being distributed to consumers. The Planner features activities and events during the Winter and includes free listings for over 500 Alaska businesses that provide transportation, accommodations and tours during the winter months. In addition, two winter familiarization trips are currently being planned that will bring tour operators and packagers to Alaska in March and May. The purpose of the trips is to give operators a first-hand look at what the State has to offer during the shoulder season and to encourage them to expand or introduce new tour products.

Travel Trade

A pilot program is being introduced this year to better educate travel agents in the lower-48. Through a series of hands-on educational seminars agents will receive the information and knowledge needed to sell Alaska as a visitor destination. Two three-hour seminars will be offered in Boston, Philadelphia, Chicago, San Francisco and Los Angeles. A manual is being designed in conjunction with the seminars and will serve as a future reference for travel agencies, tour operators and wholesalers.

The ATMC is also exploring electronic media. ORG/Travel File, an on-line travel and information service, has been purchased for one year. This system allows professional travel agents, meeting planners, corporate travel managers and personal computer users worldwide to access detailed descriptions of Alaska from their computer terminal.

Research

A conversion study measuring the effectiveness and efficiency of ATMC's 1992 direct response advertising program will be completed. By conducting interviews with a large sample of the inquirers, the conversion study will determine the economic efficiency of individual direct response sources. These sources include business reply cards returned from ads in magazines, newspapers, mailing lists, and from calls and letters generated from public relations efforts. Results of this study will help determine how future media advertising dollars are spent.

Revised 01/19/93
#0191Q

ALASKA TOURISM MARKETING COUNCIL
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ALASKA TOURISM MARKETING COUNCIL

FY92-FY93 PROGRAM OVERVIEW

February 1993

MISSION

The overall goal of the Alaska Tourism Marketing Council (ATMC) is to stimulate statewide economic growth, diversification and employment through the promotion of Alaska as a visitor destination. To accomplish this objective the ATMC designs and executes an integrated marketing program directed at US and Canadian markets determined to have the greatest potential for producing new and repeat visitors. Primary activities of the council include: media advertising, public relations, research and dissemination of visitor information.

HISTORY OF THE COOPERATIVE MARKETING PROGRAM

Since 1975, public and private sectors have joined together to market the state of Alaska as a visitor destination. The industry, represented by the Alaska Visitors Association, a private non profit trade association whose members are tourism related businesses, worked with the Division of Tourism and Department of Commerce and Economic Development in promoting Alaska. This informal partnership, referred to as the Cooperative Marketing Program, led to the creation of the Alaska Tourism Marketing Council.

STRUCTURE

The ATMC was established by the Alaska State Legislature in 1988 as a public corporation of the State of Alaska but with a separate and independent legal existence

"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 ATMC is jointly managed by the Department of Commerce and Economic Development and private industry, represented by the Alaska Visitors Association (AVA) and formally combines the resources and expertise of the public and private sectors.

The ATMC is governed by a 21 member Board of Directors of which 10 are appointed by the Governor, 10 by the AVA, and the Director of the Division of Tourism who serves as the chair. The Council works through a strong committee structure with each member serving on at least one of the following standing committees: Fall/Winter/Spring, Collateral, Public Relations, Research, Advertising and Planning. The Planning Committee serves as an oversight and budget review committee and is comprised of the chairs of each committee, one director at-large and the chair of the Council. A special committee has also been constituted to review and recommend travel trade promotions.

STAFF

The ATMC staff, located in Anchorage, currently consists of an executive director and administrative assistant. The executive director serves at the pleasure of the Council and is responsible for the daily operation and management of the ATMC.

FUNDING

The Council's operating budget is determined by a yearly appropriation from the State of Alaska. State statute requires that the private sector provide a minimum of 15% of the ATMC's operating budget. These funds are raised by the AVA through the sale of mailing labels and advertising space in the State Vacation Planner. The industry must also contribute a pro rata share of the cost of producing the Vacation Planner.

FY92 PROGRAM STRATEGY AND IMPLEMENTATION

The cooperative marketing program executed by the ATMC is specifically designed to attract and motivate consumers to visit by generically marketing the state as a destination; and to provide a vital link between visitors and the products and services they require. Primary activities include:

Media Advertising

Media advertising is the most cost-effective means of increasing consumer awareness and the likelihood consumers will choose Alaska as a travel destination. The council's advertising program has several specific objectives. First, enhancement of Alaska's image primarily through television advertising.

Broadcast Media

Television was used to increase awareness of Alaska, reinforce positive perceptions of the State and motivate consumers to visit Alaska. Network cable ads provided a national umbrella of image advertising. Thirty-second television ads aired between October-December and January-March in three four-week flights. Syndicated television was also utilized on a limited basis. A customized, fishing version of Alaska's TV commercials aired on "Fishing the West," which provided coverage in key areas and a very compatible viewing environment.

Generation of Inquiries

An efficient way to capitalize on the interest generated by television, and provide a mechanism for identifying high potential visitors, is to conduct a direct response campaign. Inquires for the State Vacation Planner are generated through magazine, newspaper, and direct mail advertising. Names, addresses and demographic information from respondents becomes part of a data base that is made available to Alaska businesses and organizations for their own marketing efforts.

Consumer Magazine

Magazine advertising was used as the primary direct response vehicle. Full-page, color ads ran in 38 US and 9 Canadian publications inviting readers to send away for a free Alaska State Vacation Planner by using an attached business reply card. In a departure from prior years three different magazine ads were used instead of one. Each ad contained a feature photograph aimed at the demographics of the publication it was placed in. Inquiries generated through the magazine ads exceeded goal by 6% for a total of 361,446 responses.

Direct Mail

Direct mail packages containing a business reply card were sent to highly targeted pre-tested mailing lists. 722,500 packages were mailed to potential visitors in three drops: September, November and January. Inquiries generated by the campaign exceed goal by 7% for a total of 140,582 responses.

Newspapers

Newspapers generated editorial support for travel sections and provided additional inquiries. A 2/3 page, black and white ad containing a business reply coupon was placed in 34 newspapers nationwide agreeing to run an Alaska travel section. The State ads provided an "anchor" for smaller space advertisers to use in running their own ads and provided support for state and private sector publicity and news releases. Inquiries generated by the newspaper ads exceed goal by 22% for a total of 22,833 responses.

Collateral

By distributing collateral materials the ATMC reinforces the "sales" message begun in media advertising and provides information needed to close the sale. The State Vacation Planner with information on where to go, what to see and do and where to stay, is the primary collateral piece. The planner is sent to people who write for information or respond to ATMC by returning a business reply card requesting a copy. It is often the critical last step in influencing a decision to visit. In fact research shows that 50% of all Alaska visitors use this publication for planning some portion of their trip.

In September of 1992 700,000 1992 State Vacation Planners were printed. A special travel agent edition of the planner was sent to all travel agencies in the lower 48 with the remainder distributed to consumers. Demand exceeded supply and in the spring of 1992 an additional 62,000 Planners were printed and distributed. The Planner included over 1,100 listings of Alaska tourism products and services. Changes from the prior year included new photography and separate sections with additional editorial for the Interior and Far North regions.

Mail Fulfillment

Fulfillment costs included return postage for business reply cards, postage and handling for collateral material, processing of inquiry names and addresses, and compilation of a data base containing demographic information on over 600,000 potential visitors.

Public Relations

Public relations is used to generate positive travel related news and features stories about Alaska in a forum that offers greater credibility than does paid destination advertising. During FY92 stories appeared in national print and broadcast with much greater frequency than in the past. Major travel articles appeared in USA Today, Travel & Leisure, Travel Holiday magazine, the New York Times, CBS Sunday Morning with Charles Kuralt, The Today Show and many others worth over \$6.1 million in exposure. Specific activities included: direct ongoing media assistance and fulfillment of information inquiries via an 800 number, promoting the 50th Anniversary of the Alaska Highway; working with individual travel writers, hosting press trips; supplying editorial copy and photography to newspapers publishing special Alaska travel sections and placing two video news releases on the Alaska Highway and northern lights viewing.

Fall/Winter/Spring

Although all programs of the ATMC seek to expand the visitor season the council mounted additional effort in this areas. In November the first ever statewide Fall, Winter, Spring tour planner was completed and 5,000 copies printed. Planners were distributed to tour operators and wholesalers. In March a familiarization "fam" trip brought tour operators/packagers to Alaska. The purpose of the fam was to showcase the many products and

services during the winter season and to convince the operators to include these in their itineraries.

Research

The ATMC continued to look at ways to improve the efficiency of the program. A Conversion Study measuring the direct marketing program for 1991 was completed. The study evaluated the efficiency and cost effectiveness of individual magazine and direct-mail sources in producing Alaska visitors. Overall the study showed that 11% of all inquirers visit Alaska the first year with an additional 5% coming the second year. This is consistent with previous studies.

A second research project assessed the year-round occupancy level of lodging in Alaska. The first ever statewide Accommodation Occupancy Study showed that most regions of Alaska still have room available on a year-round basis. Information gathered from the study will be used as a planning tool for further marketing efforts.

800 Number Test

In FY92 ATMC tested the efficiency of combining image and direct response marketing through the use of an 800 number. A customized version of the current image TV spot was produced with an 800 number tag. The commercial ran in the Phoenix spot market in early October and then on national cable in the later half of October. While the spot market test produced a poor showing, the national cable test exceeded goal by 137% for a total of 7,122 responses. In order to know if the cable ad was a success this source will be researched in the current Conversion Study to determine how many of the respondents converted to actual visitors.

In a separate test, two print ads were produced and placed in a split run of Kiplinger's Personal Finance in October. One ad contained the regular business reply card and the other an 800 phone number for requesting the Vacation Planner. In this test, the business reply card pulled considerably better than the phone number.

FY93 PROGRAM STRATEGY AND IMPLEMENTATION

Broadcast Media

National cable television air time has increased by 47% over last year. Thirty second television ads aired between October-December in three, four-week flights., and are schedule to run in three more flights from January-March of 1993. The council has re-edited the current television ads and produced a third year-round commercial which includes scenes from fall, winter and spring. All three ads will rotate throughout the schedule. Syndicated television will also be utilized on a limited basis with commercials on Weekend Travel Update and Fishing the West.

The ATMC is also testing the effectiveness of radio to generate inquiries. A radio commercial which includes an 800 number will run in two test markets, Sacramento and Cincinnati.

Consumer Magazines

Full-page, color ads are running in 30 US and 9 Canadian publications. The ad invites readers to send away for a free Alaska State Vacation Planner using an attached business reply card. For the first time in many years a new test ad is producing as well as, or better than the control ad. If the trend continues the new layout, which prominently features the cover of the Vacation Planner, will replace the current ad. Strategies used in the selection of this year's magazines included: the ability to use a business reply card, efficient cost per conversion, editorial compatibility, and high concentration of Alaska's target audience.

Direct Mail

The direct mail program contains successful elements of previous campaigns including: the same layout and design for the packages, the use of three proven lists for the bulk of the mailing, expanding the use of the most successful test lists from the previous two years, and continuing to test new mailing lists. The direct mail packages are being sent to 1,040,000 potential visitors in three drops, September, November and January.

Newspapers

A 2/3 page, black and white ad containing a business reply coupon is being placed in 28 local newspapers across the country. Ads are being placed only in papers agreeing to run an Alaska travel sections and that are located in key market areas. Travel section and publication dates were publicized so that industry businesses and tourism organizations could dove-tail their own marketing efforts.

Collateral

A total of 750,000 Alaska State Vacation Planners were printed in September of 1992 with 50,000 of these being distributed to all travel agencies in the lower 48. A new addition to the FY93 Planner was the creation of a "Where to Find More Information" section containing listings of federal, state and municipal agencies; convention & visitor bureaus; and chambers, museums and cultural centers ready to assist the visitors in planning their trip to Alaska. The Planner also contained new year-round weather charts, new photography, and over 1,200 listings of Alaska tourism businesses.

Mail Fulfillment

Fulfillment costs include return postage for business reply cards, postage and handling for collateral materials and the processing of inquiry names and addresses.

Public Relations

In FY93 public relations activities will include disseminating a monthly newsletter to 650 editors around the country, reprinting the popular Guide to Media Resources with a new section on sample travel itineraries, developing new regional feature stories, issuing timely news releases, meeting with key travel editors in major markets and co-hosting the Society of American Travel Writers trip in February.

Travel Film

After 13 years Alaska is producing a new destination film. Footage was shot throughout the State and was completed last fall. Editing will be completed in March of 1993. The benefits of this project will be two-fold. First the consumer will get an updated look at Alaska. And second, the ATMC now has hours of film footage that can be used for a multitude of other projects.

Fall/Winter/Spring

100,000 copies of the State's first Winter Vacation Planner were printed in November and are being distributed to consumers. The Planner features activities and events during the Winter and includes free listings for over 500 Alaska businesses that provide transportation, accommodations and tours during the winter months. In addition, two winter familiarization trips are currently being planned that will bring tour operators and packagers to Alaska in March and May. The purpose of the fams is to give operators a first-hand look at what the State has to offer during the shoulder season and to encourage them to expand or introduce new tour products.

Travel Trade

A pilot program is being introduced this year to better educate travel agents in the lower-48. Through a series of hands-on educational seminars agents will receive the information and knowledge needed to sell Alaska as a visitor destination. Two three-hour seminars will be offered in Boston, Philadelphia, Chicago, San Francisco and Los Angeles. A manual is being designed in conjunction with the seminars and will serve as a future reference for travel agencies, tour operators and wholesalers.

The ATMC is also exploring electronic media. ORG/Travel File, an on-line travel and information service, has been purchased for one year. This system allows professional travel agents, meeting planners, corporate travel managers and personal computer users worldwide to access detailed descriptions of Alaska from their computer terminal.

Research

A conversion study measuring the effectiveness and efficiency of ATMC's 1992 direct response advertising program will be completed. By conducting interviews with a large sample of the inquirers, the conversion study will determine the economic efficiency of individual direct response sources. These sources include business reply cards returned from ads in magazines, newspapers, mailing lists, and from calls and letters generated from public relations efforts. Results of this study will help determine how future media advertising dollars are spent.

Revised 01/19/93
#0191Q

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STATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/1/93

FURTHER: FINANCE

Date of 5-Day Notice: 2-4-93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-10-93

L&C Committee considered SB 85

~~"An Act extending the termination date of the Alaska Tourism Marketing Council; and providing for an effective date."~~

and a majority of the committee recommends do pass

and recommends:

- replace with _____ CS SB 85 (LRC) same title
- attaches amendment(s) do pass new title
- adopts _____ Letter of Intent technical title change (HB only)
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

FBI attack

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
EDCED	2/5/93		71038

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

DO PASS:
1) Tom Rouse
2) Alan R. Riege
3) [Signature]

1) J. E. Sale No Rec

1) Tim Kelly - Do Pass

Chair: Signature and Recommendation