

SB

272

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FILE

SB 272

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

* Companion bill HB 359
reported from Committee

Alaska Tourism Industry Crisis Recovery Plan

December 12, 2001

**Alaska Travel Industry Association, 2600 Cordova Street, Ste. 201,
Anchorage, Alaska 99503 Phone: (907) 929-2842 Fax: (907) 561-5727**

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SUMMARY

The terrorist attacks that occurred on September 11, 2001 are having an extraordinary impact on the travel industry throughout the world. As a result, consumers are more reluctant to fly, are planning to travel closer to home, are uncertain about the future and are less willing to commit to long-term travel plans. This will have a profound impact on Alaska's visitor industry and the state's economy.

WHAT DOES THIS MEAN FOR ALASKA? The forecast is bleak. A survey of Alaska travel businesses shows a 30 to 46 percent decline in bookings for major sectors of the industry, including: airlines 30%, cruise ships 39%, motorcoaches 34%, and RV rentals 46%.

Research also indicates current marketing efforts may yield significantly fewer visitors. To protect our market share and strive to maintain visitation, adjustments are being made to current marketing efforts to bolster programs that stimulate inquiries and attract more visitors.

IMPACT ON ALASKA. A decrease in visitors coming to the state will mean less revenue for Alaska visitor industry businesses and municipalities that are funded in part through bed taxes. This in turn, will trickle through all areas of the state's economy. Businesses have indicated they are cutting back on business upgrades and improvements to lessen their debt load in anticipation of an extremely tight year. The impact of reduced development spending on top of reduced visitor spending will effect many sectors of the Alaskan economy that benefit from visitor spending.

WHAT NEEDS TO BE DONE? Marketing efforts need to be increased immediately in order to increase interest in visiting Alaska this year. Competition for those visitors willing to fly has become extremely competitive with destinations around the world marketing furiously to maintain their share of the pie. If Alaska is going to compete, additional financial resources are needed in order to get Alaska's message into the national marketplace. Recent surveys indicate consumers are most likely to travel domestically and inclined to stay closer to home, so marketing efforts will be focused wholly on domestic markets.

ATIA REQUEST AND EXPECTED RESULTS. The Alaska Travel Industry Association (ATIA) is requesting \$12.5 million for implementation of emergency marketing programs to lessen the impact of the September 11 terrorist attacks. This campaign will generate an additional 182,850 visitors to the state this season, each spending an average of \$726 per trip. This equates to an overall economic impact of \$332 million in direct and indirect spending. This is a return rate of more than 26:1.

\$332 million return

\$12.5 million request



SITUATION OVERVIEW

Unquestionably, the events of September 11 severely impacted the travel and tourism industry nationwide. The total U.S. job losses are estimated to be up to one million. Estimates by the World Travel & Tourism Council indicate a 10% reduction in the volume of business would result in 8.8 million job losses out of 207 million employed worldwide.

National surveys taken over the last two months paint a negative forecast. According to the Travel Business Roundtable (10/31/01):

- 17% of all travelers say they are traveling less
- One out of every 20 trips is being cancelled
- 13% of leisure travelers have either cancelled, put on hold, or are still uncertain about whether they will take an upcoming trip

Closer to home, a December 1 survey of Alaska businesses throughout the state, conducted by GMA Research, shows a sharp decline in bookings compared to last year:

- Major travel modes indicate a drop of:
 - 34% Motorcoach
 - 46% RV Rental
 - 39% Cruise ship
 - 30% Airlines

Results from a separate survey of respondents to the state marketing program, conducted November 28, suggest:

- 1-in-3 people who indicated they were definitely planning to visit the state prior to 9/11 now indicate they are less committed to visiting, with 1-in-10 having made the decision not to visit this year
- Only 1-in-10 who have decided to visit, have actually made reservations or finalized their travel plans
- 10% of survey respondents say they are less likely to travel on vacation in general

POSSIBLE OUTCOMES OF THESE REDUCTIONS IN ALASKA

- 10% decrease in visitors → loss of 140,000 visitors → loss of \$101.6 million in visitor spending and 1,564 travel related jobs
- 20% decrease in visitors → loss of 280,000 visitors → loss of \$203.3 million in economic impact and 3,127 travel related jobs

There is no timeline on the war against terrorism and this will undoubtedly have a negative impact on the psychology of future travelers. Add to this a recession in the U.S. and there is a great likelihood that Americans will spend less on travel and stay closer to their own homes.

Destinations continue to implement supplemental marketing plans to minimize losses. The impacts vary among the states but it is anticipated that destinations more accessible by cars and trains will benefit at the expense of destinations primarily accessible by plane, such as Alaska.

The Air Transport Association reports domestic revenue passenger miles have dropped by 21.1% and International by 37.3%. According to the Travel Industry Association of America (TIA), U.S. travel in the fourth quarter dropped significantly and the projections are soft for the first quarter. Over 50 percent of Alaska's non-resident visitors arrive or depart by plane. Because the majority of travelers to Alaska arrive by air, visitation to the state may be impacted to a greater degree than those states that are easily reached by road or rail. According to NFO Plog Research's Travel Confidence Survey, conducted October 3-8, total air passengers are down by 23% over last year.

International flight itineraries to Alaska from Asian markets have been cut. Alaska Airlines flights were reduced by 15%. Delta Airlines ended service to Fairbanks in October.

The cruise industry has repositioned ships to Alaska but a significant number of cancellations to the industry, as a whole, could reach the \$2 billion mark according to industry analyst Lazard Freres. Even with increased ship activity to Alaska, there are no guarantees that these vessels will operate at near capacity and incentive discounts could translate to significant reductions in land-based expenditures in Alaska.

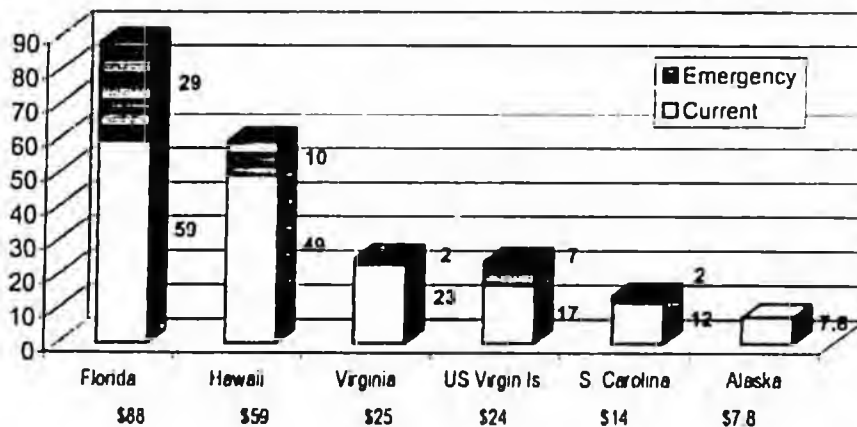
The result is that more Americans will travel closer to home, or not at all. Inbound international travel is also expected to decline. Travel and tourism related operations will suffer business declines or erosion of profits in 2002 with small businesses particularly vulnerable. Long-term predictions will depend upon a return of consumer spending, the public's willingness to travel and Alaska's ability to compete with other destinations for market share.

Competition

Within 60 days of the attacks, many destinations were already in the marketplace with multi-million dollar marketing plans in order to lessen the impact of September 11 on travel to their destination. Some of these destinations are shown below.

To understand the overall competitive marketing picture for Alaska you must understand the state's pre-September 11 position. Before the attacks, Alaska was at a significant marketing disadvantage compared to other states. Alaska's current marketing budget – \$7.8 million – is far below the average state marketing budget of \$13.7 million for 2000-2001. Alaska is also low in terms of state funding for tourism, ranking 36th out of 50 states.

Compounding the problem, countries, states and even cities have received emergency state funds to bolster their tourism marketing efforts. The Alaska Travel Industry Association is requesting \$12.5 million from the state for a national emergency marketing campaign so Alaska can compete against destinations that are aggressively targeting U.S. consumers.



COUNTRY	Emergency Funds*
Travel Industry Association of America	\$20
Caribbean	\$16
Canadian Tourism Commission	\$20
Puerto Rico	\$15
Mexico	\$6 - 8
Barbados	\$6
European Travel Commission	\$3

CITY	Emergency Funds*
New York City	\$40
Las Vegas	\$13
Miami	\$2

*Rounded to nearest million

Opportunity

Due to state department warnings about potential dangers to Americans traveling overseas, consumers with European or Australian travel plans may consider a trip within the United States this year instead.

Within our own country, significant portions of the population may hesitate to travel to the East Coast. Significant numbers of travelers from the West Coast and Canada may show renewed interest in visiting Alaska.

Targeted marketing efforts to the lower 48 states could also encourage people who are thinking of postponing a trip to Alaska to visit this year.

VALUE OF TOURISM TO ALASKA AND ITS ECONOMY

Visitors spend about \$949 million annually in Alaska. Therefore, if there is a decline in the number of visitors, businesses will feel the impact in the form of lower sales.

WHAT IS A VISITOR WORTH?

- Visitors spend an estimated \$726 per-person, per-trip
- Total direct full-year spending for all visitors is \$949 million
- Visitor industry accounts for approximately 30,700 Alaska jobs, or 1-in-8 private sector jobs

Tourism Revenue

Prior to September 11, Alaska received - by current estimations - approximately 1.4 million visitors per year. These visitors injected over \$124 million directly into state and local treasuries in the form of taxes, fees and other assessments.

Jobs for Alaskans

Tourism is Alaska's second largest private sector employer, accounting for one-in-eight private sector jobs. This means that 30,700 Alaskans are directly or indirectly employed in the tourism industry (full-time, year-round equivalent). The visitor industry has a 78% resident hire rate, the highest of all industries.

Many visitor-related companies throughout the U.S. have laid-off employees due to the downturn in travel and the economic belt-tightening occurring across America. By aggressively promoting travel to Alaska, we hope to maintain the number of Alaskans employed in the visitor industry and the economic benefit of visitor spending within the state.

RECOVERY PLAN OBJECTIVES

The overall purpose of the campaign will be to preempt the dramatic decline in travel to Alaska this year and the devastating effect it will have on the state's economy. Preserving small businesses that make up the backbone of Alaska's tourism industry will be a priority.

RECOVERY PLAN OBJECTIVES

- Encourage previous inquirers to proceed with their travel plans
- Increase efforts to convince those "willing to travel" to come to Alaska
- Target various sectors of trade that are in key positions to affect destination choices
- Remind consumers that Alaska is part of the United States

The recovery plan will rely on advertising, public relations, Internet, research, travel trade and resident travel campaigns to accomplish the recovery plan objectives.

Timing

It is crucial that Alaska increase its presence in the national marketplace immediately. Each day delay translates to lost bookings and lost revenue. Bookings for Alaska travel are down significantly – some businesses are reporting reservations for next summer are down more than 50% over last year.

ATIA Images 2000 research indicates about half (49%) of all visitors DECIDED to visit Alaska within six months of actual travel. **We are now in that critical decision-making time period.** In addition, roughly half (49%) of Alaska's actual visitors BOOKED their Alaska trip within 3-6 months prior to travel. If aggressive efforts are not taken immediately, the impact could be devastating to many of Alaska's small tourism businesses. The time to act is now.

RECOVERY PLAN AND DELIVERABLES

This crisis recovery plan - by necessity – is considered dynamic and may be adjusted based on changing market conditions and updated research results.

ADVERTISING

- Aggressive television advertising campaign launched to elevate interest in visiting Alaska this year and enhance performance of other marketing efforts. Data indicates the effectiveness of other marketing such as magazine and direct mail greatly increases when TV advertising runs concurrently.
 - TV campaign will generate 100,000 requests for trip-planning information and bring 42,100 visitors to the state.
 - Television ads will include a toll-free 800# and website address so potential visitors may request Alaska trip-planning information. This will generate exposure for the more than 1,000 Alaska businesses with advertisements in the Planner and on the website.
 - Existing film footage will be used in production of television ads to ensure Alaska's message can be placed on the air as soon as funding is available.
 - Television ads will run on national cable network stations.
- Page-dominant Alaska newspaper advertisements placed in 25 national markets and sub-markets.
 - Newspaper campaign will generate 13,000 responses and bring 10,400 visitors to the state.
 - Newspaper advertising placements will leverage travel sections, thereby increasing editorial exposure for Alaska. Research indicates newspaper articles are highly credible, and therefore a very effective method to communicate Alaska's message.
 - Alaska's small tourism businesses partner directly with ATIA to participate in the national newspaper campaign. This partnership provides greater media exposure for smaller tourism businesses than they could achieve on their own.
 - Toll-free 800# and the website address will be included in newspaper advertising, allowing potential visitor to access specific information on more than 1,000 Alaska tourism businesses.
- 2.5 million direct mail packages delivered to targeted independent travel prospects to encourage them to visit Alaska and persuade visitors not to postpone travel plans.
 - Direct mail campaign will generate 135,000 responses and bring 33,400 visitors to the state.
 - A modified direct mail package will be sent to roughly 452,000 potential visitors that have already indicated they are interested in visiting Alaska to encourage them to travel this year.

- An additional 2 million direct mail packages will be sent to individual consumers using targeted direct mail lists with proven track records.
- Direct mail packages will include multiple response options including a toll-free 800#, URL, postage-paid return request card and write-to address to assist potential visitors in obtaining Alaska travel information.
- Printed information, including the Official State Vacation Planner, will be produced in order to respond to inquiries.
 - It will be necessary to send additional trip planning information in order to generate the same number of actual visitors as in previous years.

PUBLIC RELATIONS

- Whistle Stop promotion conducted to spotlight Alaska and generate news coverage that will capture the imagination of people of all ages.
 - Whistle Stop promotion will result in \$200,000 in national editorial coverage for Alaska and bring 1,400 visitors to the state.
 - ATIA will directly reach 20 key editorial publications and/or broadcast stations, along with 150 key travel agencies over the course of the promotion.
 - ATIA will partner with the Alaska Railroad to transport a railcar to Vancouver, BC for travel along the West Coast. Stops along the way will generate news events targeting media and travel trade in order to boost awareness and knowledge of Alaska.
 - Well-known Alaska dignitaries and celebrities will be invited to travel on the train and attend media/trade events to boost interest in Alaska and generate news exposure.
 - Tie-in marketing may include trip and merchandise give-aways, travel press receptions featuring Alaska food and drink, and distribution of Alaska trip-planning information.
- West Coast Editor Briefings scheduled with 60 key travel editors from influential consumer and travel trade publications along the West Coast.
 - Elevate awareness of Alaska and establish ATIA as a resource for editors so they will consider writing Alaska stories.
 - One-on-one editor briefings will leverage ATIA's ongoing media relations efforts and ensure greater editorial reach in those markets.
 - Extensive follow-up efforts with editors will ensure editor needs for story ideas, photography and other information are being met. This follow-up greatly facilitates the process for getting Alaska stories into the marketplace.
- Two-minute television advertorial (combination of advertisement message and editorial comment) placed on West Coast cable stations to showcase the beauty and splendor of Alaska.
 - Advertorial will result in 25,700 responses and generate 10,800 visitors to the state.

- Advertorial will air on West Coast cable stations, reaching more than 500,000 viewers.
- Messages contained in the advertorial will echo those included in the Official State Vacation Planner and Invitation to Alaska brochure and will also include testimonials from well-known celebrities who have visited Alaska.
- An online micro site will link to the Official State Travel Website. This will allow ATIA to capture relevant information from potential visitors for use in future marketing efforts.

INTERNET

- Additional multi-media features will be added to the official Alaska travel site to increase traffic to the site and elevate interest in Alaska.
 - Enhanced features will encourage longer online visits and lead to more extensive search of the website. This increases exposure for Alaska businesses.
 - Incorporating messages from other media campaigns will enhance overall performance of all marketing efforts by providing reinforcement of key messages.
- Utilize Internet advertising and opt-in email – also referred to as permission email – to complement traditional advertising programs and achieve an efficient level of national reach.
 - Internet advertising campaigns will generate 96,000 responses and bring 51,500 visitors to the state.
 - Placement of banner advertisements and pop-up ads on websites and search engines will encourage click-through to
 - Targeted opt-in email lists will reach approximately 800,000 individual consumers already indicating they are interested in receiving travel-related information.
 - Opt-in email messages featuring the Governor will be tested, with the most favorable messages being used for larger mailings.
 - Messages will reflect current events and traveler attitudes/concerns.
 - Tests will be conducted against the current Governor message and evaluated on regular basis to ensure the most effective version is used.
- Implement an interactive Travel Alaska television series and Internet promotion to boost interest in travel to Alaska in West Coast markets.
 - Campaign will generate 62,500 responses and bring 26,300 visitors to the state.
 - Partnering with highly rated West Coast morning television programs, a six-week series of Alaska segments will be produced featuring Alaska trips (i.e., camping adventure, fishing trip, cultural expedition).
 - Alaska trips will be promoted on television and station websites, allowing viewers to learn about different adventures Alaska has to offer. Selected families will be profiled and viewers will be asked to vote for the family they would like to see 'win' the Alaska vacation.

- Promotion will include the message "travel close to home" to boost interest from consumers living in the Western U.S. that may be interested in a vacation closer to home.

RESEARCH

- To ensure Alaska is positioned to react to changes in the marketplace, continual travel trend research will be conducted to measure the terrorist attack impact on attitudes and travel plans among potential visitors.
 - Provide a constant barometer of changes in travel plans to help the state and tourism businesses assess the upcoming travel season.
 - Will allow ATIA to modify its marketing message and approach to optimize success in convincing consumers to travel to Alaska this year.
 - Travel agents will be contacted to gauge attitudes and trends among travel trade and their clients.

TRAVEL TRADE

- Conduct retail travel agent training programs.
 - Partner with quality, high producing travel agencies in known productive markets to conduct Alaska travel training in their regional offices.
- Place advertising in U.S. trade publications to ensure Alaska is foremost in the mind of travel agents when they suggest possible travel destinations to their clients.
 - Partner with leading trade publications to produce cooperative marketing inserts to reach travel agencies throughout the U.S. with Alaska's message. Alaska information will also be posted simultaneously on publication websites.
 - Partner with trade marketing organizations, to produce Alaska travel planners for distribution to group leaders, tour operators, motor coach operators and travel professionals.
- Direct mail campaign to travel agencies across the U.S.
 - Send Alaska travel information to U.S. travel agents, using targeted mailing lists, in order to put Alaska trip-planning tools into the hands of those selling travel. A postage paid card will be included so individual requests may be facilitated.
 - Engage in cooperative mailing programs with tour operators specializing in Alaska travel in order to reach their prospective Alaska clients.
- Participate in trade shows to elevate interest in Alaska and establish direct relationships with travel agents so further marketing and education may be conducted.
 - Attend U.S. trade shows to increase awareness of Alaska, provide product information and offer trip-planning tools to those actively booking Alaska travel.

- Forge cooperative promotions with leading tour companies to facilitate direct contact with highly qualified tour guides and encourage new Alaska packages being marketed and sold.
- Share leads with businesses so they may conduct their own marketing.

RESIDENT TRAVEL

- Encourage residents and visiting friends and relatives to travel in-state.
 - Television campaign will reach more than 110,000 viewers and result in 20,000 visitors traveling within Alaska.
 - Television spots will encourage residents to invite their friends and relatives to visit the state and experience a true Alaskan adventure.
 - TV advertisements will augment current marketing efforts. By extending the campaign, we can ensure the "stay home - discover your own back yard" message reaches a greater number of residents and leads to higher visitation.
- Conduct a statewide newspaper advertising campaign targeted at Alaskan residents, to elevate interest in Alaska vacations accessible by car, train, ferry or short plane trips.
 - Newspaper advertising will be placed in major publications throughout the state and reinforce messages being delivered through television.
 - The State Vacation Planner will be offered free-of-charge to residents and their friends and relatives by calling a unique 800#, writing or visiting the website. Residents will be driven to an online Alaska Resident interface page tied to the Official Alaska Travel Website.
- Implement an aggressive Public Relations outreach to local media, in order to promote Alaska vacations and encourage residents and visiting friends and relatives to visit near-by communities.
 - Press kit will supply feature and business writers comprehensive information about Alaska tourism and facilitate publication of Alaska travel stories.
 - Resident Travel promotion will increase awareness among residents of the many wonders Alaska has to offer and encourage exploration of Alaskan communities.

RECOVERY BUDGET

A 28 member broad-based committee charged with developing the marketing plan believes \$12.5 million is needed to implement this crisis recovery plan. Without additional funding Alaska will continue to lose market share to destinations that are aggressively reaching out to those consumers willing to travel this year. As more destinations receive emergency marketing funds to counter the effects of September 11, Alaska becomes even more vulnerable to losing visitors to destinations that are actively marketing.

Adjustments are already being made to the current core marketing program, but it won't be enough to offset the decrease in inquiries and visitation to Alaska. It is also worth noting that **the travel industry has already contributed \$1.2 million ABOVE the required state match in FY02** in an effort to boost Alaska's marketing position among competing destinations

Television Campaign	\$8,080,000
Newspaper Campaign	425,000
Direct Mail Campaign	975,000
Online Campaign	650,000
State Vacation Planner/800#	464,000
Public Relations Campaign	722,000
Website Development/Promotion	300,000
TV Advertorial	250,000
Research	54,000
Travel Trade Training/Marketing	280,000
Instate Travel Campaign	<u>300,000</u>
TOTAL:	\$12,500,000

RETURN ON INVESTMENT

Overall, the campaign will:

- Generate an estimated 182,850 visitors to the state this year.
- Result in a direct economic impact of \$132.7 million as a based on each visitor spending an average of \$726 on their Alaska vacation. This translates into 2,042 jobs.
- Total economic impact of \$332 million (direct and indirect spending) based on data indicating the average visitor dollar circulates through the Alaska economy about two and a half times before leaving the state.
- Replace those visitors who decide not to travel to Alaska this year as a result of economic or crisis impacts. Current estimates suggest that Alaska visitation could decline 10-20% from its present estimated level of 1.4 million. Economic impacts could be:
 - 10% decrease in visitors ➤ loss of \$101.6 million in visitor spending ➤ 1,564 jobs
 - 20% decrease in visitors ➤ loss of \$203.3 million in visitor spending ➤ 3,127 jobs

RESULTS OF \$12.5 MILLION TOURISM MARKETING CAMPAIGN

- Delivers 182,850 visitors to the state **THIS** year
- Generates **\$132.7 million** in direct revenue
- Saves 2,042 jobs
- Translates to **\$332 million** in direct/indirect spending

RECOVERY SCHEDULE 2002

COMPONENT	Details	2001	2002					
		December	January	February	March	April	May	June
RESEARCH								
Track Travel Trends	8-10 min phone survey. Each wave = 1200 Interviews				■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■
PUBLIC RELATIONS								
Whistle Stop Promotion	5 markets: Canada, WA, OR, CA							
West Coast Editor Briefings	8 Markets: Canada, WA, OR, CO, CA							
Television Advertorial	Portland, OR + Cable							
ADVERTISING								
Television (:30 sec. Spots)	Cable: A&E, TNT, Discovery, Home & Garden, History Chnl, Travel Chnl		■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Cable: 45%	A Markets: Seattle, Portland, San Fran.							
A markets: 33%	SLC, San Diego, Sacramento, Denver							
B Markets: 22%	B Markets: W. Palm Beach, Mpls. L.A., Tampa, Phoenix							
Newspaper	25 newspapers in A and B Markets		■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Direct Mail	2 mil/outside lists; .5 mil/inside lists		■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■				
Vacation Planners	Print additional 150,000			■ ■ ■ ■ ■ ■ ■ ■ ■ ■				
TRAVEL TRADE								
Travel Agent Training			■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Trade Advertising			■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Direct Mail			■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Trade Shows			■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
RESIDENT TRAVEL								
Television	ARCS, GCI Cable (17 cable stations)				■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Newspaper	Statewide							
Public Relations	Statewide				■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
INTERNET								
Website Development								
Online Ads/Opt-in Email	Banner Ads, 800,000 Opt In Emails							
Interactive Travel Series								

December 20, 2001

Senator Lyda Green
Alaska State Legislature
600 E Railroad Avenue, Ste. 1
Wasilla, AK 99654

Dear Senator Green,

Alaska's travel industry is deeply concerned in the aftermath of the Sept. 11 terrorist attacks in our country. Between the general fear of travel and the subsequent economic downturn, it is no understatement to say that many of Alaska's visitor businesses are facing a crisis and, without action, may not survive the coming year.

Enclosed is a copy of the Alaska Travel Industry Association's "crisis recovery plan". As you know, ATIA has requested \$12.5 million in emergency marketing funding. The plan outlines how this appropriation would go to work for Alaskans to save not only jobs but help small, Alaskan businesses survive the coming year. I know that you are well aware of the positive impacts, both direct and indirect, that visitor dollars make to all of Alaska's economic sectors.

In addition to the statewide research contained within ATIA's document, I am enclosing the results of a poll conducted among Mat-Su CVB's membership. With over 16% response you'll see that many of our own Mat-Su Valley businesses are trying to overcome decreased revenues and are anticipating workforce reductions.

In the coming days we'll be hearing more from the Governor's Task Force on Jobs and the Economy. This group of business leaders from all economic sectors singled out tourism as the industry in Alaska most affected by the events of September 11.

I understand that the start of the session is a very busy time for all legislators, but for the tourism industry time is a critical element in capturing next summer's visitors. The competition from other destinations is particularly fierce right now. I hope that you and your fellow lawmakers will make this a priority immediately upon arriving in Juneau.

Thanks for attention to these documents. I have left a phone message with your office in the hopes that we can meet in early January, prior to the start of the session.

Sincerely,

Julie Saupe
Executive Director



ALASKA
NATIVE
HERITAGE
CENTER

RECEIVED

JAN 14 2002

January 10, 2002

Honorable Governor Tony Knowles
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

I am writing on behalf of the Board of Directors of the Alaska Native Heritage Center.

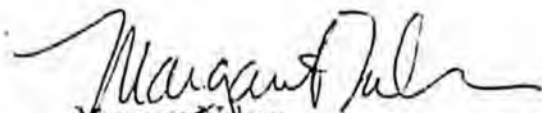
The Alaska Native Heritage Center is a unique cultural attraction and educational facility in Anchorage. I know you agree, that in our short 3-year history we have made many strides in educating and informing Alaska's people and world travelers about the rich heritage of Alaska's Native people. Additionally, we have made significant progress in helping to develop the pride and self-esteem of our Native people. Indeed, we have a Center in which all Alaskans can be proud.

Yet, we are still an institution in its infancy. We heavily depend upon visitors to support our summer programs, which in turn allow us to operate our educational facility in the winter.

A strong and viable visitor industry, the second largest industry in the state, is important for the continued well being of the Center. Maintaining a strong presence in the minds of travelers through a strong marketing campaign is of utmost importance. Many other US destinations have already pursued and received emergency funding to stabilize their tourism programs. We need to move forward expeditiously.

Therefore, the Board of Directors of the Alaska Native Heritage Center strongly urge your support and efforts in securing \$12.5 million in emergency tourism marketing funding.

Sincerely,


Margaret Nelson
President & CEO



RECEIVED

JAN 08 2002

January 3, 2002

Senate President Rick Halford
Office of Senate President
Alaska State Legislature
PO Box 110001
Juneau, AK 99811-0001

Dear *Rick* Senator Halford:

I am writing you on behalf of the Alaska visitor industry and the Alaska Travel Industry Association to request your support for a supplemental appropriation of \$12.5 million dollars to fund the Alaska Tourism Industry Crisis Recovery Plan.

As a former governor of this state and as a private individual with an extensive association with the Alaska visitor industry, I have witnessed the rise of tourism as one of the most important economic engines of the state.

Tourism's importance cannot be understated. It is the second largest private sector employer in our state generating well over a billion dollars annually to Alaska businesses and contributes nearly \$125 million in taxes, fees and assessments. It stands to increase in economic primacy in the times to come.

In a downturn like this big and small businesses are hurt. Small "mom and pop" B&B's, restaurants, etc., go out of business. Big ones will not invest in more infrastructure and everyone suffers.

In recent years Alaska has endured declines in government and oil patch jobs. The legislature has an opportunity to save jobs in the visitor industry if it acts sooner, rather than later. It will take the State years to create a thousand jobs. I can tell you from experience that it is easier to save a job than to create one.

Many prominent Alaskan business leaders agree with my assessment that the state's tourism industry is vital to Alaska, but that it needs immediate financial assistance. The cause is right, the time is now and I ask that you and your esteemed colleagues make this request a priority matter in the coming legislative session.

Sincerely,

Bill Sheffield
Port Director

cc: The Honorable Tony Knowles, Governor for the State of Alaska
The Honorable Brian Porter, Speaker of the House
Tina Lindgren, President of the Alaska Travel Industry Association

Crisis Recovery Marketing Funds Appropriated

Entity	Amount
	\$(Millions)

Domestic

Arizona	\$5.5
Detroit	\$0.1
Florida	\$20.0
Florida-Lottery Earnings	\$9.0
Hawaii	\$10.0
Las Vegas	\$13.0
Massachusetts	\$10.0
Miami	\$2.2
New York City - Immediate	\$40.0
New York City-2002	\$25.0
South Carolina	\$2.0
Travel Industry of America	\$20.0
Washington D.C.	\$5.0

Foreign

Alberta	\$1.0
Barbados	\$6.0
Canada	\$20.0
Caribbean	\$16.0
European Travel Commission	\$3.0
Mexico	\$6.0-\$8.0
Puerto Rico	\$15.0
U.S. Virgin Islands	\$6.5

GREATER * FAIRBANKS CHAMBER OF COMMERCE

250 Cushman St., Suite 2D, Fairbanks, AK 99701-4663
phone: (907) 452-1105, fax: (907) 456-6963

e-mail: staff@fairbankschamber.org
website: www.fairbankschamber.org

Introduced By: Transportation
Other Review: Governmental Affairs
Date Introduced: January 21, 2002
Date Passed: January 21, 2002
Date Transmitted: January 24, 2002

RESOLUTION 02-0121

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE IN SUPPORT OF SUPPLEMENTAL FUNDING FOR THE ALASKA TOURISM INDUSTRY CRISIS RECOVERY PLAN

WHEREAS the visitor industry plays a vital part in the economic well-being of the Fairbanks community and beyond; and

WHEREAS the terrorist attacks of September 11, 2001 have had a profound impact on the Alaska travel industry; and

WHEREAS there is continued decline in travel activity to the state resulting from declines in long-distance travel plans and bookings; and

WHEREAS maintaining Alaska's presence as a visitor destination in the national media is the utmost importance in recovering business lost as a result of the September 11 attacks; and

WHEREAS a number of other U.S. states and cities have adopted and funded emergency marketing plans to help stabilize their own tourism programs:

NOW THEREFORE BE IT RESOLVED that the Greater Fairbanks Chamber of Commerce supports the Alaska Travel Industry Association's request of the State of Alaska to secure \$12.5 million in supplementary funding to bolster our existing marketing program and to assist the state in recovering the losses experienced by Alaskan businesses in the wake of recent terrorist attacks.

BE IT FURTHER RESOLVED that this resolution be distributed to:

Governor Tony Knowles
Alaska State Legislature
Mayor Rhonda Boyles, Fairbanks North Star Borough
Fairbanks North Star Borough Assembly
Mayor Steve Thompson, City of Fairbanks

[This column contains a list of names and organizations, which is extremely faint and difficult to read. It appears to be a list of stakeholders or recipients of the resolution.]

Mat-Su!

MATANUSKA-SUSITNA CONVENTION & VISITORS BUREAU

A RESOLUTION IN SUPPORT OF FUNDING FOR THE
ALASKA TRAVEL INDUSTRY ASSOCIATION TO IMPLEMENT AN
EMERGENCY MARKETING PLAN FOR FY2002

Mat-Su CMB Resolution FY02-04

Whereas the Mission of the Mat-Su Convention & Visitors Bureau is to promote economic development through tourism; and

Whereas, a healthy, growing visitor industry is vital to the economic well-being of the State of Alaska and the Matanuska-Susitna Borough; and

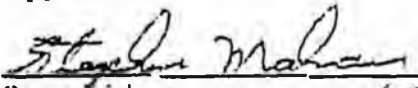
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

Whereas maintaining a media presence through marketing Alaska as a visitor destination is of the utmost importance in recovering tourism business lost as a result of September 11; and

Whereas other U.S. destinations have already pursued and received emergency funding to help stabilize their own tourism programs.

Now therefore be it resolved that the Board of Directors of the Mat-Su Convention & Visitors Bureau supports the Alaska Travel Industry Association's request to the State of Alaska to secure \$12.5 million in supplementary funding to fortify our existing marketing program and help the state recover the losses already experienced by Alaska businesses in the wake of the terrorist attacks on the United States.

Approved:



Steve Mahay
President



Eugene Sheehan
Secretary

A Resolution of the Sitka Convention and Visitors Bureau in Support of Funding for the Alaska Tourism Industry Crisis Recovery Plan

WHEREAS, the Sitka Convention and Bureau mission is to market Sitka as a year-round destination for convention, educational and leisure experiences, and

WHEREAS, the visitor industry plays a vital part in the economic well-being of the community, and

WHEREAS, the terrorist attacks of September 11, 2001 have had a profound impact on the Alaska travel industry, and

WHEREAS, the continued decline in travel activity to the state resulting from declines in long-distance travel plans and bookings, and

WHEREAS, maintaining Alaska's presence as a visitor destination in the national media is of the utmost importance in recovering business lost as a result of the September 11 attacks, and

WHEREAS, a number of other U.S. states and cities have adopted and funded emergency marketing plans to help stabilize their own tourism programs,

NOW THEREFORE BE IT RESOLVED THAT the Sitka Convention and Visitors Bureau supports the Alaska Travel Industry Association's request to the State of Alaska to secure \$12.5 million in supplementary funding to bolster our existing marketing program and to help the state recover the losses already experienced by Alaska businesses in the wake of the terrorist attacks on the United States.

PASSED AND APPROVED by the Sitka Convention and Visitors Bureau Board of Directors
January 14, 2002.

M. Blackwell E D
[SIGNATURE]

Carrie Johnson-Chrisman
[SIGNATURE]

Sitka Convention & Visitors Bureau
PO Box 1226, Sitka, AK 99835



**KETCHIKAN
VISITORS BUREAU**

**A RESOLUTION OF THE KETCHIKAN VISITORS BUREAU
IN SUPPORT OF FUNDING FOR THE ALASKA TRAVEL
INDUSTRY ASSOCIATION TO IMPLEMENT AN
EMERGENCY MARKETING PLAN FOR
FY 2002
RESOLUTION NO. 01-03**

WHEREAS, THE KETCHIKAN VISITORS BUREAU'S MISSION IS "TO PROMOTE THE GREATER KETCHIKAN AREA AS A VISITOR DESTINATION AND MEETING SITE, TO ENHANCE THE ECONOMY OF THE COMMUNITY, AND ASSIST IN PROMOTION OF THE AREA'S ATTRACTIONS AND EVENTS", AND

WHEREAS, THE VISITOR INDUSTRY PLAYS A VITAL PART IN THE ECONOMIC WELL BEING OF THE COMMUNITY, AND

WHEREAS, THE COWARDLY ACTS OF TERRORISM COMMITTED AGAINST THE UNITED STATES ON SEPTEMBER 11, 2001 HAVE IMPACTED THE ECONOMIC VIABILITY OF VISITOR DESTINATIONS THROUGHOUT THE COUNTRY, AND

WHEREAS, MAINTAINING A MEDIA PRESENCE THROUGH MARKETING ALASKA AS A VISITOR DESTINATION IS OF THE UTMOST IMPORTANCE IN RECOVERING TOURISM BUSINESS LOST AS A RESULT OF SEPTEMBER 11TH, AND

WHEREAS, OTHER U.S. DESTINATIONS HAVE ALREADY PURSUED AND RECEIVED EMERGENCY FUNDING TO HELP STABILIZE THEIR OWN TOURISM PROGRAMS,

NOW THEREFORE BE IT RESOLVED THAT THE KETCHIKAN VISITORS BUREAU SUPPORTS THE ALASKA TRAVEL INDUSTRY ASSOCIATION'S REQUEST TO THE STATE OF ALASKA TO SECURE \$12.5 MILLION DOLLARS IN SUPPLEMENTARY FUNDING TO FORTIFY OUR EXISTING MARKETING PROGRAM AND HELP THE STATE RECOVER THE LOSSES ALREADY EXPERIENCED BY ALASKA BUSINESSES IN THE WAKE OF THE TERRORIST ATTACKS ON THE UNITED STATES.

PASSED AND APPROVED BY THE KETCHIKAN VISITORS BUREAU BOARD OF DIRECTORS OCTOBER 23, 2001.

Kari Erickson
KVB BOARD OF DIRECTORS

Patti Mackey
EXECUTIVE DIRECTOR



GREATER PALMER CHAMBER OF COMMERCE

A RESOLUTION IN SUPPORT OF FUNDING FOR THE ALASKA TRAVEL INDUSTRY ASSOCIATION TO IMPLEMENT AN EMERGENCY MARKETING PLAN FOR FY2002

RESOLUTION 02-002

Whereas the Mission of the Greater Palmer Chamber of Commerce is to make Palmer the premier community in Alaska for enterprise, recreation and civic pride; and

Whereas participation in the Matanuska-Susitna Convention & Visitors Bureau and the Alaska Travel Industry Association to promote economic development through tourism is paramount to that mission; and

Whereas a healthy, growing visitor industry is vital to the economic well-being of the State of Alaska, the Matanuska-Susitna Borough and the City of Palmer; and

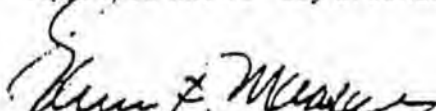
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

Whereas maintaining a media presence through marketing Alaska as a visitor destination is of the utmost importance in recovering tourism business lost as a result of September 11; and

Whereas other U.S. destinations have already pursued and received emergency funding to help stabilize their own tourism programs,

Now therefore be it resolved that the Board of Directors of the Greater Palmer Chamber of Commerce supports the Alaska Travel Industry Association's request to the State of Alaska to secure \$12.5 million in supplementary funding to fortify our existing marketing program and help the state recover the losses already experienced by Alaska businesses in the wake of the terrorist attacks on the United States.

Approved this 18th day of January, 2002.



Glenn Massay, President



ANCHORAGE
Convention &
Visitors Bureau

October 19, 2001

The Honorable Tony Knowles
Governor
State of Alaska
PO Box 110001
Juneau AK 99811-0001

Dear Governor Knowles:

Earlier this month, the Alaska Travel Industry Association (ATIA) sent you a letter asking for your leadership in addressing the economic hardships that the state will endure as a result of the shocking events of September 11. Specifically, the ATIA requested emergency tourism marketing and advertising funds to promote the state of Alaska as a travel destination to ensure visitor dollars for Alaska businesses. Given the uncertainties of the future, the commitment of the airlines, cruise companies and other tourism-related business, the Board of Directors of the Anchorage Convention & Visitors Bureau (ACVB) fully supports ATIA's request for \$12.5 million in tourism promotion funding over the coming months.

As our state's leader, you have an unequalled opportunity to minimize the negative impacts of September's tragedies on Alaska's economy by investing in the tourism industry, the second largest private-sector employer in the state. The visitor industry is a key stakeholder in the success of this state's economy, and is moving quickly to develop and implement marketing strategies for the upcoming winter season and for the 2002 summer season in response to the public's reluctance to travel.

We face aggressive destination marketing campaigns launched by states in the Lower 48. Hawaii realizes the critical importance of tourism-related revenue to its citizens, and the state's government has already taken action in getting supplemental appropriations dedicated to tourism promotion. We have very strong indications that Alaska will have greater capacity for cruise customers and visitors than in years past. But we need to attract them. Even the continued success of your own Anchorage business, The Downtown Deli depends on it.

We thank you, Governor Knowles, for your past support of Alaska's visitor industry. The visitor industry, in turn, now stands ready to take swift action to make a difference in the state's economy; however, it needs the State's temporary additional investment in tourism promotion to make it a reality. You can make it happen.

Sincerely,

Bob Neumann
Chair

524 W. Fourth Avenue
Anchorage, Alaska
90501-2212

907-276-1118
Fax 907-278-5554

www.anchorage.net
Email: info@anchorage.net

**A Resolution of the Juneau Convention & Visitors Bureau
in Support of Funding for the Alaska Tourism Industry Crisis
Recovery Plan Resolution No. 02-2002**

WHEREAS, the Juneau Convention & Visitors Bureau mission is to enhance the local economy by promoting and marketing Juneau as a year-round destination, and

WHEREAS, the visitor industry plays a vital part in the economic well-being of the community, and

WHEREAS, the terrorist attacks of September 11, 2001 have had a profound impact on the Alaska travel industry, and

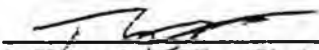
WHEREAS, the continued decline in travel activity to the state resulting from declines in long-distance travel plans and bookings, and

WHEREAS, maintaining Alaska's presence as a visitor destination in the national media is of the utmost importance in recovering business lost as a result of the September 11 attacks, and


WHEREAS, a number of other U.S. states and cities have adopted and funded emergency marketing plans to help stabilize their own tourism programs,

NOW THEREFORE BE IT RESOLVED THAT the Juneau Convention & Visitors Bureau supports the Alaska Travel Industry Association's request to the State of Alaska to secure \$12.5 million in supplementary funding to bolster our existing marketing program and to help the state recover the losses already experienced by Alaska businesses in the wake of the terrorist attacks on the United States.

PASSED AND APPROVED by the Juneau Convention & Visitors Bureau Board of Directors



Jeff Butcher, Vice Chair
Board of Directors
Juneau Convention & Visitors Bureau



Gwen Rivas, Secretary/Treasurer
Board of Directors
Juneau Convention & Visitors Bureau

Done this 15 day of Jan, 2002, in Juneau, Alaska.

Juneau Convention & Visitors Bureau
One Sealaska Plaza, Suite 305
Juneau, Alaska 99801
(907) 586-1737

A RESOLUTION
IN SUPPORT OF FUNDING FOR THE ALASKA TRAVEL INDUSTRY
ASSOCIATION TO IMPLEMENT AN EMERGENCY MARKETING
PLAN FOR FY 2002

(Resolution 02-17)

WHEREAS, the Southeast Conference mission is to build a strong economy, healthy communities and a quality environment in the region; and

WHEREAS, the visitor industry plays a vital role in the economic well being of many of our communities; and

WHEREAS, the cowardly acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations and attractions throughout the country; and

WHEREAS, maintaining a media presence through marketing of Alaska as a visitor destination is of the utmost importance in recovering tourism business lost as a result of September 11th; and

WHEREAS, other U.S. destinations have already pursued and received emergency funding to help stabilize their own tourism programs.

NOW THEREFORE BE IT RESOLVED THAT Southeast Conference supports the Alaska Travel Industry Association's request to the State of Alaska to secure \$12.5 million dollars in supplementary emergency funding to strengthen our existing marketing program and help the state recover the losses already experienced by Alaska businesses in the wake of terrorist attacks on the United States.

**ADOPTED BY THE SOUTHEAST CONFERENCE BOARD OF DIRECTORS
ON JANUARY 24, 2002**

Witness:



John C. Conley
President

Attest:



Loren Gerhard
Executive Director



January 29, 2002

Dear Members of the Alaska State Legislature:

Please accept this letter of support for the Alaska Tourism Industry's request for a supplemental appropriation of \$12.5 million dollars to finance the Tourism Industry Crisis Recovery Plan.

First Bank is a small commercial bank headquartered in Southeast Alaska. The total population of our market area only about 70,000 people, most of which are impacted in some way by the tourism industry. The strength of the banking industry relies directly on the economic and financial strength its customers, both large and small. As a local bank, we have made substantial investments in Alaskan individuals and businesses dependent on the income the Tourism Industry provides.

The economic conditions in southeast Alaska are tenuous. To make matters worse, the September 11 attacks have damaged the one, seemingly healthy, industry we had in southeast Alaska. With the downturn in the Timber and Fishing Industries, a third blow to the economy in southeast Alaska will be devastating. Now, more than ever, our State must maintain a high profile in the national media to support and market Alaska as a tourist destination. Other states are in a similar situation and will be actively competing for our tourism dollars.

The return on this investment will be realized by State and Local treasuries, helping bridge the revenue gap our state and municipalities are currently experiencing. This investment will also support thousands of jobs by sustaining the second largest private sector employer in Alaska. Ultimately, these employees spend over a billion dollars in Alaska, part of which are City and Borough Sales and Property taxes that go to provide needed local services and support jobs in the government sector.

Thank you for considering this letter in support of the supplemental appropriation during your decision making process. I truly believe that funding the Tourism Industry Crisis Recovery Plan will make a difference to the many businesses affected across the State.

Sincerely,

William G. Moran, Jr.
President

MAIN OFFICE: POST OFFICE BOX 7920, KETCHIKAN, ALASKA 99901 • (907) 228-4200
MEMBER FDIC • OFFICES AT KETCHIKAN, CRAIG, PETERSBURG, WRANGELL, SITKA, JUNEAU



DENALI STATE BANK

"Your Community Bank"

Member FDIC

January 24, 2002

Senator Gary Wilken
State Capitol
Juneau, AK 9801-1182

Dear Senator Wilken,

I am writing this letter in support of the request to the Governor and the Legislature by the Alaska Travel Industry Association for funding in the amount of \$12,500,000 to support the recovery of the tourist industry in Alaska as a result of the events of September 11, 2001 and as it is further impacted by the recession and recent stock market crisis in the lower 48.

Other than the Permanent Fund distribution, I can think of no other industry in the State of Alaska that has such a significant impact on the number of people as does the tourist industry.

As an Interior banker, I am astounded at the number of people that "live and die by the sword", i.e. depend on their profitability during the late spring, summer, and early fall tourist industry to support their businesses and financial obligations throughout the entire year. A decline in the number of visiting tourists to our state as experienced since September 11th and projected for the upcoming 2002 season will prove to be disastrous for our businesses and the economy.

In recent visits with only two of our customers who have historically specialized in out of state tourist "Aurora viewing", I find that they have experienced a decline of 68% and 70% since September 11th. Future bookings are almost nonexistent. This takes millions of dollars out of Fairbanks' economy itself with just these two businesses. I could continue

MAIN BRANCH
P.O. BOX 74562
119 N. CUSHMAN
FAIRBANKS, AK 99707
(907) 458-1200
FAX (907) 458-0210

GOLDEN HEART BRANCH
P.O. BOX 74562
192nd AIRPORT WAY
FAIRBANKS, AK 99707
(907) 458-4280
FAX (907) 458-4270

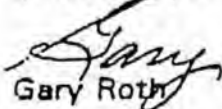
TOK BRANCH
P.O. BOX 272
MILE 13th ALASKA HWY
TOK, AK 99780
(907) 885-1285
FAX (907) 885-2288

www.denalystatebank.com

to elaborate on other instances of the negative impact that the combination of September 11th, a nationwide recession, and turbulent stock market have had on the local businesses in Fairbanks. But in the spirit of keeping this letter short, to the point, and readable, I ask that you please give serious and due consideration to funding of the marketing program requested by the Alaska Travel Industry Association. Their Crisis Recovery Plan holds merit. Please support this issue. As in many other cases, funds must be spent in order for the economy of the State of Alaska to realize a return that is beneficial to all.

Thank you for your consideration.

Sincerely yours,


Gary Roth
President & CEO



Northrim Bank
Customer First Service

January 28, 2002

Representative Eldon Mulder
State Capitol
Juneau, Alaska 99801-2282

Dear Representative Mulder:

I am writing this letter to voice our support for the Alaska Tourism Industry Association's request to the State of Alaska for emergency marketing funds as outlined in the "Crisis Recovery Plan". We believe this plan to be integral to a successful re-emergence of the tourism industry in Alaska.

Following the tragedy of September eleventh, Northrim Bank became very concerned for our customers who might be affected financially. Our attentions quickly focused on tourist service businesses, as these appeared to be the most intensely vulnerable. Northrim Bank interviewed our customers in an effort to quantify the impending damage to the industry. The tourist services industry often requires significant investment in high valued assets employing a large number of Alaskans. The survivability of these large investments is often dependent on a consistent tourist count. Any significant disruption, even temporary, can require many years to recover.

Rumors and speculations abound regarding the projections for the 2002 tourism season. As each day goes by and season bookings continue to lag, the quantifiable problem becomes more acute. We are simply facing a poor tourist season in 2002. The full ramifications are still unknown, but by the time we fully quantify the effects, it will be much too late to do anything about it. The ATIA has taken a very positive and proactive approach to the problem, and need your help.

I believe that we need a "common thread" marketing campaign as proposed by an industry wide group. The ATIA with the State's help can promote Alaska as a safe and secure domestic destination. I believe that the Crisis Recovery Plan is the only proposal ready to confront this formidable task.

There are few investments you can make today that will have such a strong and positive effect on our future economy. Please support the funding of the ATIA "Crisis Recovery Plan". It's good for all Alaskans.

Sincerely,


Gary Roderick

Gary Roderick

01/29/02 03:31

TX/RX NO.3382

P.002

Subject: Urgent - Tourism Marketing

Importance: High

Diane Mayer Pearson
4541 Sawa Circle
Juneau, AK 99801

January 22, 2002

Dear Representative Elton,
Alaska State Legislature:

I am writing to urge your immediate support for a supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

Like many Alaska businesses, we are heavily impacted by tourism spending. We are a small-business which sells lodging and tours primarily to out of state individuals. Most of our revenue is then re-circulated throughout the state as payment for commissions, tours, goods, and services necessary to operate our businesses. Though small, we have a good impact on the Alaska economy.

The September 11 terrorist attacks significantly affected our sales. Many of our pending and confirmed reservations for lodging and tours were immediately cancelled - not just for September, but for winter and summer as well because of the uncertainty of travel safety and disposable income.

Worse yet is the continuing lack future bookings. In the past, Pearson's Pond Luxury Inn and Adventure Spa, Alaska Suites Juneau Corporate and Vacation Rentals, and Pearson's Pond Travel Service pre-sold 80% of its room capacity and tours at least 5 months in advance in summer and 70% capacity at least 2 months in advance in winter. Right now, we have advance sales averaging 15% occupancy in off-season, and 25% in peak season. This is a significant drop in current and advance sales.

We will survive; however, this will have a very serious effect on our business and throughout Alaska due to the economic multiplier effect. This significant downturn in business also affects our ability to market. It is disappointing to see all the ads for other competing destinations in the USA, while Alaska is losing more and more ground as a destination. Alaska

has spent time and money to build an infrastructure and support businesses to make tourism a significant part of Alaska's economy. Lest we lose our investment, we must shore it up now in this time of crisis.

Travelers respond to frequent marketing. When times get tough, that is the BEST time to finance marketing plans. Please, please help the Alaska economy. If you don't do something to turn the tide quickly, the detriment to Alaska's economy will be exponential.

It is imperative that the legislature act now to protect Alaska's tourism industry. By supporting the emergency marketing plan our state can maintain a competitive presence in the national media and marketplace. This awareness could make a difference in recovering lost ground for the 2002 bookings season.

By funding the recovery plan you will show your support for an industry that:

- Is Alaska's second largest private sector employer
- Provides nearly one and one-half billion dollars in annual spending within Alaska
- Injects \$125 million into state and local treasuries

Thank you for taking the time to understand how my business has been impacted and how the emergency crisis plan could make a difference for a number of tourism businesses across the state, including my own.

Sincerely,

Diane Mayer Pearson

Innkeeper and Travel Consultant

Pearson's Pond Luxury Suites and Adventure Spa, Alaska Suites Juneau,
Pearson's Pond Travel Service, Juneau Alaska Adventure and Lodging Guide.

4541 Sawa Circle, Juneau, Alaska, USA 99801

907.789.3772; 888.658.6328; fax 907.789.6722

mailto:book@pearsonspnd.com; <http://www.pearsonspnd.com>

Tammy Bruce

Dawn Gerety
Generating Designs
P.O. Box 222
Girdwood, Alaska 99587

January 22, 2002

Dear John Cowdery and Cor. Bunde,

I am writing to urge your immediate support for a supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

It is imperative that the legislature act now to protect Alaska's tourism industry. By supporting the emergency marketing plan our state can maintain a competitive presence in the national media and marketplace. This awareness could make a difference in recovering lost ground for the 2002 bookings season.

By funding the recovery plan you will show your support for an industry that:

- * Is Alaska's second largest private sector employer
- * Provides nearly one and one-half billion dollars in annual spending within Alaska
- * Injects \$125 million into state and local treasuries

Thank you for taking the time to understand how my business has been impacted and how the emergency crisis plan could make a difference for a number of tourism businesses across the state, including my own.

Sincerely,

Dawn Gerety

Tammy Bruce

From: Cella Baker
Sent: Tuesday, January 22, 2002 4:26 PM
To: 'Representative_Coin_Bunde@legis.state.ak.us'; 'Senator_John_Cowdery@legis.state.ak.us'
Subject: Tourism Industry Crisis Recovery Plan Funding

Gentlemen;

I am your constituent from Girdwood. I have lived in Alaska for nearly 25 years and I am writing to urge your immediate support for a supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

In the quarter of a century that I have lived in this Great Land, I have been employed in many of the state's key industries including oil and tourism. I am writing to you as an Alaskan concerned for our state's economic well-being, as well as being a staff member at ATIA. I am keenly aware of tourism's impact on the state and I urge you to support the request for emergency funding.

The statewide tourism industry is requesting a supplemental appropriation from you to help mitigate the effects of what still looks to be a significant decline in leisure visitation during the coming year. The damage of a 10% drop in visitors translates to a loss of \$101.6 million in visitor spending and 1,564 jobs. A 20% drop in visitors equals a loss \$203.3 million in economic impact and 3,127 jobs. We are hearing that some tourism-oriented businesses are seeing a decline of 30 to 40% in bookings for this coming season.

It is imperative that the legislature act now to protect Alaska's tourism industry. By supporting the emergency marketing plan our state can maintain a competitive presence in the national media and marketplace. This awareness could make a difference in recovering lost ground for the 2002 bookings season. Please vote YES now before our window of opportunity closes!

By funding the recovery plan you will show your support for an industry that:

- Is Alaska's second largest private sector employer
- Provides nearly one and one-half billion dollars in annual spending within Alaska
- Injects \$125 million into state and local treasuries

Thank you for taking the time to understand how the emergency crisis plan could make a difference for a number of tourism businesses across the state. I sincerely hope you will vote in support of this very important funding request.

Sincerely,

Cella Baker
International Trade Manager
Alaska Travel Industry Association
907-646-3308 phone
907-561-5727 fax
2600 Cordova St, Suite 201
Anchorage, AK 99503
www.alaskatia.org
www.travelalaska.com

Tammy Bruce

From: AuroraLimousines@aol.com
Sent: Tuesday, January 22, 2002 10:11 PM
To: Senator_Ben_Stevens@legis.state.ak.us; Senator_LorenLeman@legis.state.ak.us;
Senator_Randy_Phillips@legis.state.ak.us; Senator_Betty_Davis@legis.state.ak.us;
Senator_Rick_Halford@legis.state.ak.us; Senator_Johnny_Ellis@legis.state.ak.us;
Senator_Jerry_Ward@legis.state.ak.us
Subject: Emergency Appropriations of funds for Tourism Industry

Dear Senator:

The Alaska Travel Industry Assoc., (A. T. I. A.), has requested an emergency funds allocation, for placing Alaska, as a travel destination of choice. With the recent WTC, 911, we in Alaska are at a great despair of losing tourist for the 2002 and 2003 season. If we do not make a positive assertion in Advertising Immediately !!!

Alaska would lose Millions of dollars in lost revenues. Not only in the Major travel industry players, but as well, your fellow Alaskans, whom voted for you, and still support you, as our representative. The 12.2 million allocation seems like a substantial amount of money to release to the advertising media, but look at the flip side.

Lose of jobs for the season, for college students, going to UAA or Alaska Pacific University. Lose of jobs for the small businesses, taxi cabs, limousines, shuttles, and small tour & guide operators. We cannot afford to pass up the opportunity to act NOW!! Without this substantial tourism trade for Alaska, you will find yourself in a larger budget reform, to allocate MILLIONS more to Public assistance for Food Stamps, medical, unemployment, recession, enjoyment of individual accomplishments, depression, increased theft is a strong possibility. Look at the BIG Picture. Not just 12.2 million, the A. T. I. A. is asking for, but the millions in access in lost income for Alaska and Alaskans. Many people have returned to Alaska, time and time again.

Most folks are ready to vacation!!! Yet they are Leary of the pre-reservation, in lieu of something else occurring. Most are scheduling, 30 days in Advance to travel. We NEED to ADVERTISE ALASKA as the premier choice of there destination for this summer and 2003. The time to ACT is NOW. If we don't get appropriation of funds, and get in the market by the 2nd week in February, we could be out the tourism business totally for 2002 and 2003. I ask of you !! and my fellow Alaskan Senators and legislators. Strike now, while the iron is hot, or forever hang your heads. Sincerely Howard Shanks Owner/ lifetime Alaskan, Aurora Limousines & Tours Anchorage

-----Original Message-----

From: Stephanie Thill [mailto:sthill@intlinnanchorage.com]
Sent: Wednesday, January 23, 2002 10:52 AM
To: senator_randy_phillips@legis.state.ak.us
Subject: Supporting Tourism Supports Alaska's Economy

Dear Senator Phillips,

I urge you to support the emergency funding for marketing tourism. My job is in jeopardy. The company I work for is experiencing a serious lag in bookings, and we desperately need help to get our phones ringing.

1. Travel is depressed as a result of the September 11 crisis.
2. We are facing serious competition from other destinations that have millions in additional funds to spend.
3. Cruiseship have increase their departures to Alaska and they are aggressively discounting their trips, taking people away from ours. The impact of sharply decreased tourism spending will be felt throughout Alaska's economy. Shopping centers, restaurants, hotels, gas stations, transportation providers, a wide variety of small to very small businesses, banks, food stores, to name just a few, will all feel the results.

Please, we urge you to support our cause.

Thank You,

Stephanie Thill, Director of Sales, WestCoast International Inn



Best Western
Golden Lion Hotel

January 23, 2002

Best Western Golden Lion
1000 East 36th Avenue
Anchorage, Alaska 99508

Dear Representative,

I am personally writing you on behalf of the entire staff of the Best Western Golden Lion Hotel. In order to survive these very turbulent times that face the Travel Industry, it is imperative that we have the lawmakers immediate support for the supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

We feel the need to keep our employees informed in regards to the devastating effects of the event of 9-11 and the economic down turn that is impacting the Travel Industry. To be very honest many of their jobs might have to be eliminated if we do not see some immediate recovery to the Travel Industry. The negative effect to the industry is real. If a Recovery Plan is not put into place now the second largest private employer in Alaska could very well be brought to our knees with many business forced out of business.

The Travel and Tourism Industry is a major engine that runs Alaska. If this industry falters it will have a tremendous negative impact on the entire Alaskan economy.

Our lawmakers have an opportunity by funding the Crisis Recovery Plan to ensure a competitive presence in the national market place.

Thank you for taking the time to better understand how this industry has been affected.

Best Regards,

A handwritten signature in cursive script that reads "Terry Latham".

Terry Latham
General Manager
Best Western Golden Lion



1000 East 36th Avenue
Anchorage, Alaska 99508
(907) 561-1622



UNIVERSITY OF
ALASKA
MUSEUM

«Title» «First_Name» «Last_Name»
Alaska State Capitol
Room «Room»
Juneau AK 99801-1182
(907) «Phone»
Fax: (907) «Fax»

14 January 2002

Dear «Title» «Last_Name»,

I urge your support for the \$12.5 million to finance the Alaska Tourism Industry Crisis Recovery Plan. The University of Alaska Museum is one of many attractions that will be hurt by a large drop in visitor numbers. We have already felt the impact of lower numbers in the fall and over the holiday season. If the numbers were to drop dramatically this summer there would be a ripple effect throughout our organization. The University of Alaska Museum relies heavily on tourism revenue. Approximately one third of our budget is derived from tourism dollars. This money is spent on educational programs, exhibitions, research and a variety of other things integral to our mission. A loss in visitation to our Museum means that people will loose their jobs, programs will loose there funding and financial support for research will be decreased

Through the emergency marketing plan our state can maintain a foothold in the national media and marketplace. This plan will make a difference in recovering lost ground for the 2002 summer season.

Thank you for taking the time to understand how the University of Alaska Museum has been and will be impacted, and how the emergency crisis plan could make a difference for a number of tourism businesses across the state; including the University of Alaska Museum.

Sincerely,

Aldona Jonaitis
Director, University of Alaska Museum

Tammy Bruce

Hello, Mr. Mulder,

On behalf of the 1319 business members of the Anchorage Convention and Visitors Bureau, I am asking for your support of additional tourism marketing funds to be appropriated as quickly as possible. Through the crisis relief plan proposed by ATIA, we can turn the summer tourism season around and save jobs in the Anchorage area.

The proposed plan outlines an estimated \$26 return on investment for \$1 contributed to promoting Alaska as a destination. But time is running out and to maximize the ROI, we need to invest now. Please support the request for additional marketing funds that will in turn save many Alaskan jobs. Thank you,

Bruce Bustamante
President/CEO
Anchorage Convention and Visitors Bureau

In a recent editorial published in the Anchorage Daily News it was stated that the tourism industry was asking for 12 million dollars and it was intimated that tourism puts nothing back into the state coffers.

It would appear that some tourism nay sayers just don't get it! Based on that premise, one must suppose that the state should support nothing since virtually no one pays a state tax. In that editorial, the writer sounded much the "Queen of Hearts" who simply went around shouting "off with their heads"! The cost is high when people lose jobs, regardless of what industry we work in. I have lived in Alaska for 20 years and have spent most of that time working in the industry he was so critical of. Many work in small businesses that are able to stay open year round because of tourism. Would you rather pay me unemployment? Unemployment would amount to more than the industry is asking for.

Tourism supports LOCAL economies! Tourism supports local govt. through local sales taxes, fuel taxes, bed taxes and, even cruise ship head taxes. Taxes keep our local governments working and ... employed! Most of us make every effort to employ locally and mostly succeed in doing so. The writer enjoyed a meal in a restaurant that was empty in the off season. My best guess is that the restaurant that he enjoyed going to was probably open in the off season because of the summer visitors. Get a grip!! Alaska needs the Visitor Industry whether you know it or not!

I would urge you to think of the devastating effect unemployment would have on the economy of the state. 12 million is a small price to pay to save an industry, jobs state wide, and local economies of communities all over Alaska.

Sincerely,

Bea Findlay
Juneau, Alaska

LETTER TO LEGISLATOR

Tia Froehle
3933 Sycamore Loop
Anchorage, AK 99504

January 23, 2002

Dear Representative Harry Crawford:

I am writing to urge your immediate support for a supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

I work in the Sales and Marketing Department at the Alyeska Prince Hotel and Resort in Girdwood, Alaska. I have worked in the travel and tourism industry for the past 15 years and have seen the positive impact that tourism has on the Alaska economy. This upcoming summer is the time we need additional support from you. People want to travel again and are looking for a destination in the United States. With your support we could have a banner summer season or without it, we will all struggle.

September 11 has had a large impact on us as a company and a personal effect on myself. Due to our business being down by 25% right now, we have had to down size our staffing and no salary increases were approved. Times are tough.

It is imperative that the legislature act now to protect Alaska's tourism industry. By supporting the emergency marketing plan our state can maintain a competitive presence in the national media and marketplace. This awareness could make a difference in recovering lost ground for the 2002 bookings season.

By funding the recovery plan you will show your support for an industry that:

- Is Alaska's second largest private sector employer
- Provides nearly one and one-half billion dollars in annual spending within Alaska
- Injects \$125 million into state and local treasuries

Thank you for taking the time to understand how my business has been impacted and how the emergency crisis plan could make a difference for a number of tourism businesses across the state, including my own.

Sincerely,

Tia Froehle
Senior Sales Manager
(907) 337-9055



January 23, 2002

Dear Representative Albert Kookesh:

I am writing on behalf of White Pass & Yukon Route railroad to support the Alaska Tourism Industry Association's request for supplemental funding in the amount of \$12.5 million dollars to support tourist destination marketing for Alaska.

As you are undoubtedly aware, the industry has suffered an immediate and long-lasting impact from the World Trade Center incident. The City of Skagway is uniquely dependant on the tourist industry and the economic stability of the community and our Company's 173 employees, is threatened by the probability of a severe downturn in tourism this coming summer.

Also, I feel the Governor's proposal to levy punitive, industry specific taxes on the cruise ship industry is the wrong tax policy implemented at the wrong time. Why would one "go after" the only remaining growth industry in Southeast Alaska? A broad based, equitable income tax affecting everyone, including those who come from out-of-state, would be a better and fairer tax policy.

We would appreciate your support on both of these above-mentioned matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred C. McCorriston". The signature is fluid and cursive, with a long horizontal stroke at the end.

Frederick C. McCorriston
President

Christy Cleer
6711 Weimer Drive, #4
Anchorage, AK 99502

January 23, 2002

Subject: Letter to Legislator Concerning Tourism Appropriation

Dear Representative Halcro:

I am writing to urge your immediate support for a supplemental appropriation of \$12.5 million dollars to finance the Alaska Tourism Industry Crisis Recovery Plan.

I am employed as a Program Manager by Logistics, LLC a Conference Servicing and Destination Management Company in Anchorage, AK. This is my second year working in the travel industry and this is the best job I have ever had. My job involves working directly with people visiting the state of Alaska, many of them for the first time. The people I work with are here to either attend a conference or because their company is sponsoring a trip to Alaska as an award for their hard work. I have the pleasure of working with them throughout their trip to our beautiful state.

At this time, bookings throughout Alaska are down nearly 40% for the summer season. Most of the companies that we promote are small business owners working hard to make ends meet and without the support of this supplemental appropriation to help promote our state, they may not make it through another season. Logistics has been personally affected by the change in the economy by the decline in the incentive market for the 2002 summer season. This affects us as well as the vendors we support by booking their tours, lodging and venues.

It is imperative that the legislature act now to protect Alaska's tourism industry. By supporting the emergency marketing plan our state can maintain a competitive presence in the national media and marketplace. This awareness could make a difference in recovering lost ground for the 2002 bookings season.

By funding the recovery plan you will show your support for an industry that:

- Is Alaska's second largest private sector employer
- Provides nearly one and one-half billion dollars in annual spending within Alaska
- Injects \$125 million into state and local treasuries

Thank you for taking the time to understand how my business has been impacted and how the emergency crisis plan could make a difference for a number of tourism businesses across the state, including my own.

Sincerely,

Christy Cleer

ALASKA TOURISM INDUSTRY EXAMPLES OF LAYOFFS (2-6-02)

<u>REGION</u>	<u>COMPANY/CONTACT</u>	<u>POSITION</u>	<u>SALARY RANGE</u>
Southcentral	Hotel	1-Housekeeper 1-Front Desk	\$8-9/hour \$9-10/hour
Southcentral	Small Regional Airline	2 Pilots	\$55/hour \$66,000/year
Southcentral	Wilderness Lodge	1 Guide	\$2,000/mo \$24,000/year
Southcentral	Package Tour Company - Cruises	1 Manager/Mechanic	\$80,000/year
Southcentral	Visitor Information	4 employees <i>Closed the company!</i>	Range from \$35-60,000/year
Southcentral	Wilderness Lodge	1-Ranch Mgr 1-Ranch Foreman	\$3,400/month \$2,800/month
Southcentral	Motorhome Rentals	1-Reservations	\$13.73/hour

Southcentral	Hotel/Motel	Cut staff by 24 employees	\$240,000/yearly salaries
Southcentral	Travel Agent	1 Agent	\$25,000/yr
Inside Passage	Salon and Spa	1 Designer/Massage Therapist	\$63,000/year
Inside Passage	Hotel	1-Van Driver/Bellman 1-Laundry Attendent 1-Head Housekeeper	\$9/hour \$8/hour \$12/hour
Inside Passage	Railroad	1-Payroll Clerk	\$14/hour
Inside Passage	Tour Company	1-Guide/Naturalist	\$8.50-15/hour
Inside Passage	Alaska Adventure Travel Company	1-Mechanic 1-Reservations 2-Tour Managers 1-Guide/Asst. Mng	\$40-45,000/year \$30-36,000/year \$45-50,000/year \$32-36,000/year
Inside Passage	Alaska Cultural Tour Company	10-Sales Clerks, Tour Guides, Van Drivers	\$8-15/hour
Inside Passage	Day Cruises	1-Sales Mgr	\$30,000/year

Inside Passage	Taxi/Tours	3 Driver/Guides	\$17.5-20/hr \$36-41,000/year
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Interior	Hotel	10-Housekeepers	\$8/hour
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Interior Southcentral	Wilderness Lodge and Guided Hikes	1-Lodge Manager 1-Sales Mgr 1-Office Asst 1-Reservations	\$3,100/month \$3,250/month \$10/hour \$10/hour
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Interior Southcentral	Hotels	2-Managers 20-Staff	\$15-20/hour \$8-10 hour
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Interior	Hotel/Lodging	8 employees	\$16-20,800/year
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Far North	Hotel/Motel	Closed for 5 weeks as a cost saving measure	
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The analysis also indicates that the \$811 million in vacation/pleasure-related has a full impact of approximately \$2.2 billion, including direct, indirect and induced spending.

Direct and indirect spending occurs in nearly every sector of the Alaska economy. As indicated in this study and the AVSP, visitor spending occurs in the transportation, retail and service sectors. Spending by businesses serving visitors (airlines, hotels, restaurants, gift shops, etc.) occurs in the construction industry, segments of the manufacturing sector, with wholesalers, with financial institutions, professional and business services, as well as the sectors that are affected by direct visitor spending. Local and state tax revenues generated by visitor and visitor-related business spending also creates employment and spending opportunities in the government sector.

Secondary Employment and Earnings Impacts

To calculate employment and earnings multipliers, BEA provides "direct-effect multipliers" for visitor-affected sectors of the Alaska economy. Table 3.2 provides these multipliers and presents total direct and indirect employment and earnings in Alaska's visitor industry, based on these multipliers. The analysis indicates that, in addition to the 20,300 direct jobs in Alaska's visitor industry, another 10,400 jobs are generated in the state's support sector. Further, in addition to the \$390 million in wage and salary payroll and proprietor's income (earnings), the visitor industry generates another \$250 million in payroll in the support sector. As with indirect spending, this additional employment and earnings are created in nearly every sector of the state's economy.

Table 3.2

Total Visitor Industry Employment in Alaska Including Secondary Employment, 1997

	Direct Employment	Direct Earnings (millions)	Direct-Effect Multipliers		Total Direct and Indirect	
			Employment	Earnings	Employment	Earnings (millions)
Total Transportation	4,971	\$163.1	2.0317	1.8459	10,100	282.6
Total Retail	3,288	51.5	1.3591	1.4287	4,467	73.6
Service Sector						
Lodging	5,959	95.9	1.3284	1.5705	7,916	150.6
Food/Drink	4,120	63.0	1.311	1.4976	6,402	94.3
All Other Service	1,974	28.9	1.4072	1.5006	2,778	40.3
Total	20,311	\$390.4			30,662	\$841.5

Source: Direct visitor industry employment and earnings are McDowell Group estimates. Direct-effect multipliers are taken from the BEA publication *Regional Multipliers: A User Handbook for the Regional Input-Output Modeling System (RIMS II)*, May 1992.

In summary, Alaska's visitor industry directly and indirectly accounts for \$2.6 billion in spending activity, approximately 30,700 jobs and \$640 million in personal income. The relative importance of the visitor industry in the Alaska economy is discussed in the Chapter 4.

Regional Summaries

Tables 2.5 through 2.8 summarize the employment and earnings impacts of the visitor industry on the Southcentral, Southeast, Southwest and Interior/Northern regions of Alaska for 1998. Employment and earnings data for the visitor industry are presented by industrial sector, with regional totals only for the pleasure visitor component of the industry.

Table 2.5

Southeast Region

Visitor Industry Employment and Earnings, By Sector, 1998

	Total Wage & Salary Employment	Total Employment Including Proprietor's	Total Wage & Salary Payroll (millions)	Total Earnings Including Proprietor's Income (millions)
Transportation				
Local & Interurban Passenger Transit	186	248	\$2.8	\$3.7
Water Transportation	329	303	9.9	11.7
Air Transportation	498	525	17.8	21.5
Transportation Services	93	124	2.2	2.8
Retail				
General Merchandise Stores	49	50	0.9	1.0
Food Stores	74	79	1.6	1.9
Apparel & Accessory Stores	32	40	0.4	0.6
Eating & Drinking Places	504	543	6.4	8.3
Miscellaneous Retail	415	948	7.8	12.5
Services				
Hotels & Other Lodging Places	837	1,105	14.7	17.8
Auto Rentals	17	18	0.3	0.4
Amusement & Recreation Services	188	334	2.8	4.1
Visitor Industry Totals	3,219	4,407	\$67.4	\$86.1
Pleasure Visitor-Related Total	3,035	4,154	63.5	81.1

Table 2.6

Southcentral Region
Visitor Industry Employment and Earnings, By Sector, 1998

	Total Wage & Salary Employment	Total Employment Including Proprietor's	Total Wage & Salary Payroll (millions)	Total Earnings Including Proprietor's Income (millions)
Transportation				
Local & Interurban Passenger Transit	256	341	\$3.9	\$5.1
Water Transportation	143	170	4.3	5.1
Air Transportation	1,600	1,698	57.5	69.4
Transportation Services	118	158	2.8	3.6
Retail				
General Merchandise Stores	384	394	6.8	7.6
Food Stores	170	183	3.7	4.3
Apparel & Accessory Stores	159	200	2.2	2.9
Eating & Drinking Places	2,292	2,471	29.1	37.8
Miscellaneous Retail	354	807	6.7	10.6
Services				
Hotels & Other Lodging Places	2,260	2,982	38.5	48.0
Auto Rentals	237	261	4.7	5.1
Amusement & Recreation Services	634	1,124	8.7	13.8
Visitor Industry Totals				
Visitor Industry Totals	8,607	10,786	\$159.7	\$213.2
Pleasure Visitor-Related Total	6,253	7,837	123.3	154.9

Table 2.7

Interior/Northern Region
Visitor Industry Employment and Earnings, By Sector, 1998

	Total Wage & Salary Employment	Total Employment Including Proprietor's	Total Wage & Salary Payroll (millions)	Total Earnings Including Proprietor's Income (millions)
Transportation				
Local & Interurban Passenger Transit	586	781	53.8	\$11.7
Water Transportation	42	50	1.3	1.5
Air Transportation	217	230	7.8	9.4
Transportation Services	98	129	2.3	2.9
Retail				
General Merchandise Stores	171	175	3.0	3.4
Food Stores	42	45	0.9	1.1
Apparel & Accessory Stores	6	7	0.1	0.1
Eating & Drinking Places	910	981	11.6	15.0
Miscellaneous Retail	87	198	1.6	2.6
Services				
Hotels & Other Lodging Places	1,112	1,488	19.5	23.6
Auto Rentals	68	75	1.3	1.5
Amusement & Recreation Services	65	116	0.9	1.4
Visitor Industry Totals	3,402	4,254	\$59.1	\$74.2
Pleasure Visitor-Related Totals	3,093	3,868	53.7	67.4

Table 2.8

Southwest Region
Visitor Industry Employment and Earnings, By Sector, 1998

	Total Wage & Salary Employment	Total Employment Including Proprietor's	Total Wage & Salary Payroll (millions)	Total Earnings: Including Proprietor's Income (millions)
Transportation				
Local & Interurban Passenger Transit	11	14	\$0.2	\$0.2
Water Transportation	-	-	-	-
Air Transportation	100	106	3.8	4.4
Transportation Services	5	7	0.1	0.2
Retail				
General Merchandise Stores	50	51	0.9	1.0
Food Stores	66	71	1.4	1.7
Apparel & Accessory Stores	1	1	0.0	0.0
Eating & Drinking Places	116	126	1.5	1.9
Miscellaneous Retail	17	39	0.3	0.5
Services				
Hotels & Other Lodging Places	306	404	5.4	6.5
Auto Rentals	5	6	0.1	0.1
Amusement & Recreation Services	23	41	0.3	0.5
Visitor Industry Totals	700	834	\$13.8	\$18.9
Pleasure Visitor-Related Totals:	454	581	8.9	11.0

Distributed by: I.T.I.A
02/19/02

Alaskan Tourism Industry – Business Climate 2001 vs 2002 Season
as of February 9, 2002

Business as of...	% Change in Inquiries		% Change In Bookings	
	Feb '02	Dec '01	Feb '02	Dec '01
AIR TAXI/CHARTER	-26	-37	-28	-23
AIRLINES	-17	-38	-23	-30
BACK COUNTRY EXPERIENCES	-20	-27	-27	-28
BED BREAKFASTS	-23	-22	-18	-25
CABINS	-36	-30	-34	-31
CAMPING/RV PARKS	-16	-24	-16	-33
CAR RENTAL/TAXI/OTHER	-13	-34	-18	-46
CRUISESHIPS	-16	-37	-24	-39
DAY CRUISES/CHARTERS	-25	-19	-22	-19
FERRIES	-21	-13	-21	-18
GIFT SHOPS	-27	-7	-24	-6
HOTELS MOTELS	-22	-20	-26	-26
LOCAL ACTIVITIES	-23	-13	-23	-13
MOTORCOACH/BUS	-39	-32	-46	-34
"OTHER"	-13	-9	-18	-6
OVERNIGHT CRUISE/OTHER	-39	-40	-33	-31
PACKAGE TOUR	-20	-17	-20	-13
RESTAURANTS	-13	-13	-16	-12
RV RENTAL/MOTORHOME	-22	-32	-25	-46
STATEWIDE ACTIVITIES	-17	-19	-22	-18
TRAINS	-20	-47	-28	-50
TRAVEL AGENTS/TRIP PLANNERS	-16	-21	-23	-28
VISITOR INFORMATION ORGANIZATIONS	-1	-18	3	-26
WILDERNESS LODGES/RESORTS	-14	-27	-24	-19
AVERAGE - All Categories	-22	-23	-24	-23

Reads: The average of all Wilderness Lodges/Resorts reporting indicate that Inquiries are down fourteen percent from the same period last year. Bookings are down 24 percent.

Methodology:

Invitations were sent out to 703 ATIA member firms.

Polling was open 6 days. 295 firms responded.

Results are the average of respondents, including those who provided negative and positive changes. Firms were allowed to complete more than one category. Not all firms completed all questions.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

Committee on SB 272 Supplemental Approp: Tourism Mktg., dated February 6, 2002
bill # / subject

Please do **NOT** support **SB 272**. Please do **NOT** give any more of **OUR** money to private business. Instead, make sure money is made available for funding present and future essential government services such as education, roads, public health & safety. Some will call this piece of special interest legislation "economic development", or "disaster relief"; while others will more accurately call it "corporate welfare"!

This industry should have assumed full financial responsibility for tourism marketing years ago. It appears that no effort has been made by the association, or individual members of the association, to provide any extra emergency marketing money to promote their businesses! Instead they want you to give them our school money!

According to press releases issued by everybody from the Governor on down, we are in a serious budget crisis. If these statements are accurate, doesn't that mean we no longer have excess funds available to support the tourism association or any other special interest group? Life is full of risk, and so is business. We can not expect the public to insure everyone against these risks. If you approve this legislation, you are telling everyone in the state, "it's business as usual folks, and there really is no budget problem". That will make implementing any new tax as a really hard sell!

Given the Governor's proposed budget, and fiscal notes attached to bills currently pending before the Alaska Legislature, this year's spending could easily exceed \$7,500,000,000. If you divide \$7,500,000,000 by the number of people who applied for a PFD in 2000 (607,596), it comes out to a whopping \$12,344.00 being spent for every man, woman, and child in the state! **For a family of four that equals \$49,375.00!** We all need to think about that number for a minute, and ask ourselves, are we really getting our money's worth? The majority of Alaskan voters will say, "**NO**"! The cost of funding SB 272 or HB 359 will only put an unnecessary burden on an already swollen budget.

Please think about the future of All Alaskans; then vote **NO** on this, and **ALL** non-essential spending bills that come before you this session. Thank you.

Signed: Mike McBride
Testifier
Self
Representing (optional)
PO Box 6 Kenai, Alaska 99611-0006
Address
(907) 776-5444
Phone number