SCOMM

146:16

ALASKA STATE LEGISLATURE

Interim:
716 West 4th Avenue, Suite 640
Anchorage, Alaska 99501
Phone (907) 269-0200
Fax (907) 269-0204
Rep_Craig_Johnson@legis.state.ak.us

Session:
State Capitol Building, Room 126
Juneau, Alaska 99801-1182
Phone (907) 465-4993
Fax (907) 465-3872
Toll-free (866) 465-4993

REPRESENTATIVE CRAIG JOHNSON
HOUSE DISTRICT 28

Sponsor Statement
House Bill 167

The State of Alaska needs to invest in renewable sources of revenue and employment. HB167 makes that investment by encouraging growth and development in the tourism industry.

Tourism is a proven economic engine for the state.

- Tourism is one of Alaska's largest industries, with an estimated $2.4 billion annual economic impact.
- When compared to the industries of timber, mining, and commercial fishing, tourism generates the highest net revenue to the state: $20.5 million in FY05; total revenues through tourism related state taxes, licenses, and fees in FY05 equaled $49.7 million.
- Tourism is one of Alaska's largest generators of employment: In 2002, over 40,000 jobs (13.7% of all employment) were attributed to the tourism industry.

Despite being such a viable sector of the state economy, funding for tourism marketing has clearly declined.

- Over the last 15 years, Alaska has fallen from 7th to 38th in the nation for state contributions to tourism marketing.
- General fund support for tourism marketing declined from $23 million in 1990 to $5.7 million in 2006.

Much of the success of the tourism industry as an economic contributor to the state can be attributed to continued growth in the cruise ship industry. However, due to declined state funding for tourism marketing, the independent traveler market has remained relatively stagnant and even declined slightly over the last several years.

In light of increasing competition from other national and international destinations, Alaska needs to reverse this trend of decreased tourism marketing funding. By increasing funding for an aggressive and competitive tourism marketing campaign and by providing for an independent traveler marketing campaign, HB167 will allow the state to maintain its hold on the 1.9 million visitors that travel to Alaska every year, enable growth in the tourism industry, and safeguard an important, renewable state resource.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM March 1, 2007

SUBJECT: Sectional Summary of HB 167 (Work Order No. 25-LS0656\C)

TO: Representative Craig Johnson
Attn: Jeanne Ostnes

FROM: Brian J. Kane BJK
Legislative Counsel

You have requested a sectional summary of HB 167, an Act making special appropriations for a contract with a qualified trade association and for a marketing program.

Please note that a sectional summary of a bill is not the authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill lists the legislative findings regarding the decline in financial support for tourism marketing in the state and the need to reinvest tourism tax revenue into the tourism marketing industry.

Section 2 of the bill appropriates the sum of $18,000,000 from the general fund to the Department of Commerce, Community, and Economic Development for a contract with a selected qualified trade association.

Section 3 of the bill appropriates the sum of $8,500,000 from the vehicle rental tax account to the Department of Commerce, Community, and Economic Development for a marketing program targeted toward independent travelers.

Section 4 of this bill provides for an effective date of July 1, 2007.

BJK:med
07-137.med

(1)

- **At this time we will call the meeting to order**

- **Let the record reflect the time is 11: 02 A.M.**
  The day is TUESDAY, March 13, 2007

- **Would our Clerk - Debbie , please call the role?**

☑ Representative Gatto

☑ Representative Lynn

☑ Representative Kohring

☑ Representative Johansen

☑ Representative Doll

☑ Representative Doogan

☑ And myself Representative Neuman

- **Let the record reflect that we have a quorum present**

- **(Let the record also reflect that Representative _____ has been excused from the committee meeting today.)**

- **Today, we will be hearing a presentation from Alaska Tourism Industry Association and some of there members then we will take up**

HB 147 : Tourism Contract Matching Funds
Sponsored by Rep. John Harris Charise Millett

HB 167 : Appropriation: Tourism Marketing

(Remember to thank each presenter and call for the next one)

- **Have we missed anyone?**

Go to Committee Discussion

Hearing no further testimony, testimony is closed and the chair would entertain amendments or a motion to move HB 147 Version 24-LS0560\C with amendments from committee.

- **Hearing no objections, this bill from committee.**

Thank you for the presentation

Move HB 167

- **Introduce Rep Johnson who will be presenting HB 167. _____, please come forward and state your name for the record**

- (After presentation) **Does the committee have any questions?**

- **We will now take public testimony. Before you begin, please state your name for the record.**

- **We will start by inviting testimony from those on line around the state.**

- **Beginning with <u>See the Sheet</u> (on-line)**

- (LIOs -- Mat–Su, Anchorage, Fairbanks, Southeast, etc.)

- **Let's move back here to Juneau now and start with *(see the list)***

(Remember to thank each presenter and call for the next one)

- **Have we missed anyone?**

Hearing no further testimony, testimony is closed and the chair would entertain amendments or a motion to move HB 167 Version 24-LS0656\C with amendments from committee.

- **Hearing no objections, this bill from committee**

- **That ends this committee meeting, we are adjourned.**

Sponsored by Rep. Craig Johnson

- **We will begin by introducing Ron Peck with ATIA who will be presenting an over view on Tourism. Ron, please come forward and state your name for the record** (he will have a few folks after him to speak to the issues)

Thank you for the presentation

Move HB 147

- **Introduce _____ who will be presenting HB 147. _____, please come forward and state your name for the record**
-
- (After presentation) **Does the committee have any questions?**

- **We will now take public testimony. Before you begin, please state your name for the record.**

- **We will start by inviting testimony from those on line around the state.**

- **Beginning with <u>See the Sheet</u> (on-line)**

- (LIOs -- Mat–Su, Anchorage, Fairbanks, Southeast, etc.)

- **Let's move back here to Juneau now and start with *<u>(see the list)</u>***

Rex Shattuck

From: Vy Zartman [zartman6@yahoo.com]
Sent: Sunday, March 18, 2007 2:22 PM
To: Rep. Mark Neuman
Cc: zartman6@yahoo.com
Subject: Re: HB164, HB147, HB167

I would like to offer my support of HB 164, HB 147 and HB 167.
I work for a tour company during the summer months that provides a service to visitors of Alaska. I have lived in Alaska for 35 years and believe Alaska should invest in the tourism industry and increase funding to market this resource.

Thank you,
Vyonne Zartman
P.O. Box 905
Haines, AK 99827

Sucker-punch spam with award-winning protection.
Try the free Yahoo! Mail Beta.

Representative Neuman,

We own a vacation rental business, the Homer Retreat, in Homer, Alaska. We also own and operate the Chicken Gold Camp & Outpost, a tourist resort in Chicken Alaska on the Taylor Highway. We have operated businesses in the Chicken area for 28 years. Our tourism business, which incorporates a campground, restaurant, gift store, adventure tours and National Historic Site, has grown significantly over its 6 years of existence. Our businesses have provided a number of benefits to the rural local economy and the State, including increased employment, more local services, etc. But we are concerned with the continuing downturn in individual highway travelers.

The number of travelers using the Taylor Highway and Top of the World Highway has decreased from highs in the late1990's to a decade low last summer. The number of border crossings at the Poker Creek station in July of 2006, was down 42.5% from the previous year and more than 50% from the past 10 year average. The 2006 numbers were actually worse than 2004, which was an exceptionally bad year due to the Taylor Complex fires. Border crossings at all borders were lower last year than any in this decade. This reduction corresponds with the inadequate funding to promote independent travel statewide.

The Alaska Travel Industry Association has proposed seeking $8.5 million in State funding for independent and highway travel marketing. In our view, it is warranted and long overdue. HB 167 has been introduced and we strongly encourage you to support this bill as well as HB147. The passage of HB167 would help re-invigorate the independent travel segment of State tourism. Although the Homer market has faired rather well in comparison to other areas, it too would benefit with passage of this Bill. The independent campground owner, fishing charter operator, gift store operator, bed and breakfast owner, small tour operator, rental agencies, etc, all can benefit by marketing independent travel.

Added promotional marketing of independent travel will serve to spread the tourism economy to some of the under-served, rural areas of the State as well as encouraging visitors to see more and stay longer. Increased spending for marketing of independent and highway travel will help to develop more destinations and reduce some of the overuse of the high profile destinations. For our business and other small, rural, seasonal businesses, increased marketing can prime the pump and foster more local hire and economic growth in the areas of the State with the highest un-employment. Thanks for your consideration.

Respectfully,

Mike & Lou Busby

Chicken Gold Camp & Outpost
www.chickengold.com
Homer Retreat
www.homerretreat.com

Rex Shattuck

From: Karen Hess [riveradventures@aptalaska.net]

Sent: Sunday, March 18, 2007 10:17 AM

To: Rep. Mark Neuman

Subject: *****SPAM***** Support HB147 & HB167

I am sending this e-mail to let all of you know that I am in support of the following bills: HB 147 & HB 167

My husband and I own and operate a tour company in Haines and have been in business since 1991. During those years we have grown our company from the simple Mom & Pop (literally) operation, to a business that owns property, has infrastructure in place to accommodate our customers, feed lunches and provide a wilderness experience to our visitor's. We work with the cruise ships but also try our best to attract the independent clients that can spend more time in Alaska. I would encourage the State of Alaska to increase funding for marketing Alaska as a destination. it amazes me that we can see commercials advertising states like Idaho, Iowa, Nebraska and countries like Ireland and yet our own State of Alaska, the most beautiful State in the Union cuts funding each year for marketing. Although the cruise lines do a great job of advertising Alaska for us, that does not bring the "rubber tired" traffic that we are losing. We need it all, cruise ships, air traffic, rubber tire traffic and visitors that spend time and money. We need to grow our economy and the only way to do that is to advertise that we are "open for business".

As a business owner and a member of ATIA I am very actively involved in promoting our state but we need more funding from the State level. Please consider funding the Alaska Marketing Program as requested. When AVA and ATMC combined in 1999 it lifted employee burden from the state and reduced expenses. I believe this was a good move but continuing to reduce funding and expecting the private sector to pick up that slack is not adequate.

Thank you for your consideration.

Karen M. Hess
Chilkat River Adventures, Inc.
Haines, Ak.
(907) 766-2050

State Of Alaska
Legislative Affairs Agency
Kenai LIO
145 Main St Lp,Ste 217
Kenai, AK 99611
907-283-2030

Date:_____3/14/07 _____

Please accept the enclosed original(s) of written testimony for the House Special Committee on Economic Development, Trade and Tourism for a hearing scheduled for 3/13/07.

A copy of this testimony was transmitted to your committee via fax on _____3/14/07_____.

Thank You,

_____Kenai LIO_____

Alaska State Legislature

Please enter into the record my testimony to the **House Special Committee on Economic Development, Trade and Tourism**, dated 3/13/07.

We would like to add our voice to the chorus asking that the funding for Alaska Tourism be maintained at the highest level possible. We have had the advantage of true wilderness authenticity for 50 years but as new worldwide adventure destinations multiply Alaska will be forced to compete----via elevated advertising and promotion---for the traveler dollars.

Without aggressive financial support from our government, our industry can possibly hold our own---- for awhile. But the state needs, not status quo, but a growth industry that benefits all Alaskans.

Thanks you for maximum financial support of an important economic engine.

Laurence

Laurence John
Great Alaska Adventure lodge
www.greatalaska.com

800 544 2261

20 March 2007

House Economic Development, Tourism, and Trade Committee
Public Hearing: HB147 & HB167

PUBLIC TESTIMONY

Brett Carlson
Northern Alaska Tour Company
Coldfoot, Alaska
ATIA, Vice-Chair

Thank you for choosing to serve on the Economic Development, Trade, and Tourism Committee --- and by doing so implicitly communicating that you believe the private sector economy in Alaska does matter.

In a State where state and federal government play such a significant role in the economy --- it is probably too easy to forget that private industry still exists as an economic engine that on a daily basis injects critical new dollars into Alaska's economy --- and in doing so --- balances the budget for thousands of Alaskan families --- plays a large role in balancing budgets for local governments across Alaska --- and plays a small but growing role in helping state government balance its budget.

Sooooo --- A big thank to each of you for your service on this committee and for not forgetting the importance of the private sector economy.

I am guessing that your service on this committee has given each of you a 30,000 foot view of Alaska's private sector economy --- a view I would assume comes with the somewhat uneasy and discomforting realization that Alaska's private sector economy, like private sector economies worldwide, is dependent, an increasingly so, on forces that are much larger than, and beyond the direct influence of any state or local government ----

Sure --- local and state governments --- can work to create the right "investment climate" --- and government leaders can declare themselves "open for business" ---

But there is no escaping the truth that the global economy is for real --- and it is the global consumer that now runs the show --- this global economic reality dictates that the global consumer's relentless pursuit of those goods and services that provide the greatest value at the lowest cost --- drives global capital markets that logically allocate investments to those locales that offer the greatest relative competitive advantages --- and, end of day --- dictate whether or not

Brett Carlson has a private sector economic future in Coldfoot, Alaska --- or any other Alaskan has a private sector economic future in Anywhere, Alaska.

Yet ---

There are times when state government does have an opportunity to positively influence the future of Alaska's private sector economy ---

I would respectfully submit that the two bills before this committee today --- HB147 and HB 167 --- represent exactly such an opportunity ---

I encourage this committee to view these two bills as an economic development proposal --- you are the investment committee for Alaska, Inc. --- we, the proposers, are Alaska Travel Industry Inc. --- over 1,100 primarily small Alaska travel industry businesses, that together, are a big business --- this year our big business will take in over 1.6 billion in annual revenues and employ over 40,000 Alaskans.

I further encourage this committee to carefully scrutinize our economic development proposal carefully to ensure that it provides an adequate return on investment for Alaska and Alaskans ---

And --- this committee, and all legislators --- have a commitment from Alaska's travel industry to spare no effort in rolling-up our sleeves and making a case for the reinvestment of travel industry tax dollars into destination marketing that is grounded in solid facts and hard evidence.

Five quick points related to this investment proposal:

1) Travel is a natural resource industry --- fortunately, the Alaska travel product brings significant competitive advantages to the global marketplace --- natural beauty and cultural heritage that cannot be manufactured by other destinations --- and, that will become more scarce in the global travel marketplace over time.

2) Great product means nothing if it can't be brought to market --- in the global travel marketplace ALASKA is a brand --- brand is a very real asset, a little bit of a consumer's mindshare that is built upon firsthand experience, word-of-mouth, unpaid media, and paid advertising --- Alaskans are very fortunate to collectively own a strong and powerful brand --- but we cannot take its existence for granted --- destination marketing plays an important role in keeping brand ALASKA strong and vibrant --- the decreased funding for Alaska's destination marketing efforts since 1990 has begun to have a negative effect --- a new marketing study indicates that the number of high potential Alaska travelers in the United States has recently declined for the first time in twenty years.

3) A strong brand creates a strong market but we still have to make the sale --- if we do not ask people to visit, they will NOT come anyway --- each of us have destinations on our personal B4UDIE lists – none of us will make it to each of the places on our list --- we are most likely to visit those destination that invite us --- the 70 million dollars cruise companies spend inviting people to Alaska each year certainly has shown us that which we already knew --- MARKETING WORKS

4) The dollars proposed for reinvestment back into destination marketing are dollars coming into state government from the travel industry --- they represent a sustainable funding source --- the state receives a net return of over 20 million from the travel industry ---- that money can either be spent on growing state government or reinvested into growing the private sector.

5) Our proposal's ROI --- IF you choose to reinvest travel industry tax dollars into destination marketing --- the return will be a substantial dividend for Alaska --- for the private sector economy --- for the quality of life --- for local governments --- AND for state government --- the term reinvestment is not used as a euphemism for "spending" --- the difference between a budget increment for destination marketing and thousands of other competing priorities is that reinvesting in destination marketing today will bring more travel industry tax dollars into state government tomorrow --- our investment proposal will help not hurt the state's future ability to balance its budget.

Having a great Alaska travel industry is not a matter of chance, it is a matter of choice --- but for good or for bad, it must be realized that it is not a choice that the thousands of Alaskan small business entrepreneurs can make on their own --- --- the laws of economics and the global marketplace dictate that it is a choice that must be made in partnership with you, the elected representatives of the State's public sector --- Alaska's entrepreneurs CAN provide the great ideas and the 24/7 energy required to produce great travel product --- but it will require private industry, the Legislature, and the Governor all working together if we are to find a way to overhaul and upgrade the destination marketing pipeline that must exist if Alaska's travel resource is to continue to be brought to market --- the reward for success in this effort will be great --- a balanced, sustainable, and growing Alaska travel industry that will continue to deliver its significant economic and quality of life benefits to Alaskan's for decades to come.

"THE HOMESTEAD"

R.V. PARK

Bill & Kathy Utecht
P.O. Box 2415
Palmer, Alaska 99645
Phone/Fax (907) 745-6005
1-800-478-3570
E-Mail: homesteadrvpark@att.net
URL: homesteadrvpark.com

January 22, 2007

To Whom It May Concern:

We own the Homestead RV Park in Palmer, Alaska. We are located on the Glenn Highway, one-half mile East of the Parks Highway Interchange. We consider ourselves at "the crossroads of Alaska". We have a full service campground that provides travelers with a lot of amenities. People stay with us on an average of two to three days. They spend their time traveling to attractions and shopping at stores and groceries in the Mat-Su Valley. These people pump a considerable amount of money into the local business economy.

Since we are a seasonal business any increase in marketing dollars to help increase occupancy in our business would greatly benefit us and the businesses in the area. We have had a huge increase in property taxes over the last three years that has made it very hard to keep a float, so if marketing dollars were spent in the right place to increase our occupancy, it would be a big financial lift.

Since we are a small business, we need your support in the tourism industry for increased marketing. Thank you for your consideration in this matter.

Sincerely,

Bill Utecht
Kathy Utecht

Bill & Kathy Utecht

Amenities

- Water & Electric
- Dump Station and Mobile Service
- Wi-Fi and Modem Hookup
- 70' Pull Thrus
- Immaculate Restrooms with Music and Non-Metered Showers
- Laundry Room
- Pavilion
- Hiking Trails and Fishing nearby
- Square Dancing every Thursday Evening
- Commuting Distance to Anchorage
- Tent Sites

Make The Homestead your base for exploring the Mat-Su Valley! Let us book your tour to make your Alaska experience even more special!

AAA APPROVED

ACOA

Area Attractions:

- Musk Ox Farm
- Hatcher Pass (Independence Mine)
- Reindeer Farm
- Iditarod Headquarters
- Historical Farming Colony

Mile 36.2 Glenn Highway
P.O. Box 2415
Palmer, AK 99645
e-mail: homesteadrvpark@att.net
(907) 745-6005

½ Mile East of Parks and Glenn Highway Junction

Your Hosts. Bill & Kathy Utecht

Military Discounts

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CANTWELL RV PARK

Near Denali National Park, Alaska

Winter
c/o Eileen McGurk
P.O. Box 337
Melbourne, FL 32902
(800) 940-2210

Summer
P.O. Box 210
Cantwell, Alaska 99729
(800) 940-2210
(907) 768-2210

1/21/07

To Whom It May Concern:

My name is Eileen McGurk and my husband and I own the Cantwell RV Park in Cantwell, Alaska, 27 miles south of the entrance to Denali National Park. We have sites with water and electric, a central dump station and a service building with a small store and gift shop, a laundromat, showers and bathrooms, all of which are handicapped accessible. We also book reservations to near-by attractions, and we provide information as to the national park activities and as to local conveniences, such as restaurants, locations to purchase fishing licenses and where to purchase gas and propane. Many people arrive late and prefer to eat out rather than cook in the RV, so that we send many people to the area's local restaurants. Many people are also not aware as to the many near-by attractions, and when they are given the information, they decide to experience what the area has to offer.

Though we advertise and have road signs posted, our park has not been filled to capacity at any time during our first 2 seasons. We think that an increase in highway marketing dollars of 8.5 million would boost the amount of campers staying with us. And the more visitors we have increases the amount of visits to the other establishments and attractions in the area. At various times during the season, we notice RV's parked for the night at rest stops and other unauthorized overnight areas, so that no revenue is being generated for us or any other establishment. An increase in marketing may decrease this trend, in that it will help to increase awareness of what is available.

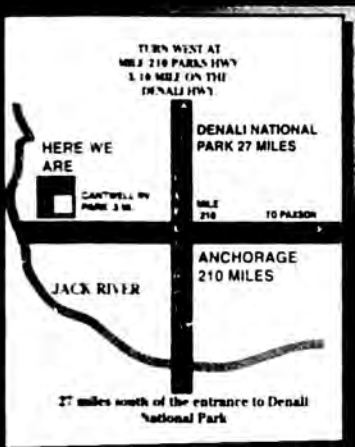
We request the support from the Senate and the House of Representatives in increasing the highway marketing budget to 8.5 million dollars.

Eileen McGurk, owner, Cantwell RV Park

OUR BUILDING

BEARS

VIEW FROM OUR



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- LAUNDRY
- HANDICAPPED ACCESSIBLE
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- 1/2 HOUR DRIVE TO DENALI NATIONAL PARK ENTRANCE
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Nightly Rate: $26.00 plus tax, for 2 persons.
Includes site with water & electric, use of dump station, showers & WiFi. $2.00 for each additional person.
Stay 6 nights, 7th night free.

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Valdez
ALASKA

FACSIMILE TRANSMITTAL SHEET

TO: Rep. Mark Neuman FROM: Valdez Convention & Visitors Bureau

COMPANY:

FAX NUMBER: 907-465-4822.

PHONE NUMBER: DATE: March 12, 2007

RE: TOTAL NO. OF PAGES INCLUDING COVER: 2.

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Valdez

CONVENTION & VISITORS BUREAU

P.O. Box 1603 • Valdez, Alaska 99686 • Ph: (907) 835-2984 • Fax: (907) 835-4845 • www.valdezalaska.org

EVEN MOTHER NATURE HAS FAVORITES! SEE WHY, VISIT VALDEZ.

Representative Mark Neuman
State Capitol, Room 432
Juneau, AK 99801

RE: HB 147 and HB 167

Dear Representative Neuman:

On behalf of the 175 members of the Valdez Convention and Visitors Bureau we are writing you this letter to urge you to support HB 147 and HB 167.

The community of Valdez is often known in the State as an oil town; however we are also a tourism town with the ability to host over 2500 guests in a given night. Our community and member businesses are directly dependent on the travelers coming to Alaska and therefore dependent on the generic marketing program of the Alaska Travel Industry Association.

In the last year the programs of the Alaska Travel Industry Association have produced major results for Valdez such as:

- 6 travel related features in national newspapers, magazines, and on radio stations,
- 5 new itineraries in brochures from international tour operators, and
- Thousands of leads from cooperative advertising and marketing programs.

These amazing results are created from the current budget; imagine the results that could be realized if the increase in the funding equations and levels outlined in HB 147 and HB167 were a reality.

Currently Alaska ranks 38th among the 50 States in the amount of public funds used for tourism marketing. The public funding in other states and even cities has continued to grow larger than that of the State of Alaska, causing Alaska to quickly loose its ability to properly compete in the marketplace both nationally and internationally. Additional funding is necessary to stop the loss and allow Alaska to make the necessary gain in the marketplace. The communities that stand to benefit the most from increased generic marketing for Alaska are those like Valdez – the smaller towns of the State.

The Valdez Convention and Visitors Bureau urges you to support HB 147 and HB 167 because by supporting these pieces of legislation you are supporting the health of the tourism industry in Alaska.

Sincerely,

Colleen Stephens

Colleen Stephens
President of the Board of Directors
Valdez Convention and Visitors Bureau
PO Box 1603
Valdez, AK 99686
info@valdezalaska.org

CC: Representative John Harris
Alaska Travel Industry Association

SUSITNA RECREATIONAL CAMPS, INC.

MONTANA CREEK CAMPGROUND

MILE 96.5 PARKS HWY.

816 OCEANVIEW DRIVE ANCHORAGE, ALASKA 99515 (907) 345-5764

March 9, 2007

Subject: HB 167 and HB 147

Representative Mark Neuman:
FAX 907-465-4822

I was born in Anchorage and raised on a homestead at Montana Creek. My husband, Joe Mathis, and I have owned our seasonal business, Montana Creek Campground, located on the Parks Highway between Willow and Talkeetna in the Matanuska-Susitna Borough, since 1985. We have seven employees and have always hired locally. Over the years we have added some electric hookups and built a nice general store outfitted with groceries and tackle to accommodate all the campers and fishermen who frequent the area. Our customers also frequent other area businesses: cafes, gift shops, video rentals, service stations, and flight seeing service providers. We know that our business contributes to the local economy.

A lot of our business is repeat business from Anchorage, the Matanuska Valley, Fairbanks, and the Parks Highway. However, the segment of our business that we need to grow is that provided by the tourists visiting Alaska in their own or rented vehicles. As a small family-owned seasonal business, we are unable to market our campground outside of Alaska. As members of the Alaska Travel Industry Association, we depend on ATIA to market Alaska on our behalf; we know that we will benefit from others' increased awareness of Alaska as a destination. It is unfortunate that Alaska has consistently failed to adequately fund marketing of this magnificent State to national and international visitors. Frankly, I think we have arrogantly assumed that Alaska's beauty and mystique alone will bring visitors. The reality is that we need to show people Alaska is easily accessible, open for business, and can compete with the wonders and pleasures of other destinations. We need to keep Alaska "out there" to fire the imaginations of people planning their next Adventure to Somewhere. Let's do all we can to ensure that they decide to make it an Adventure in Alaska!

Please support HB 167 and HB 147. Alaska must stop "wishin' and hopin' " to grow its tourism industry; it must nourish it.

Sincerely,

Sheila Lankford

Sheila Lankford

Shosh Seligman

From: chris jenness [jenness@gci.net]
Sent: Tuesday, March 13, 2007 9:40 AM
To: Rep. Carl Gatto; Rep. Kyle Johansen; Rep. Vic Kohring; Rep. Bob Lynn; Rep. Mark Neuman; Rep. Andrea Doll; Rep. Mike Doogan
Cc: Rep. Mike Chenault; rpeck@alaskatia.org
Subject: HB 147, HB 167

To whom it may concern,
My name is Chris Jenness and I run Jenness Graphic Design and the Triumvirate Theatre here on the Peninsula. Recently I had the honor of speaking to the legislature in Juneau. I am writing to express my support for HB 147 and HB 167. An enthusiastic marketing program is vital for the future of Alaska's tourism industry, which impacts the entire state.
Thank you for your time,

Chris Jenness
Jenness Graphic Design
Triumvirate Theatre
www.triumviratetheatre.org

P.O. 7303
Nikiski, Alaska 99635
(907) 776-8669
jgraphicdesign@acsalaska.net
jenness@gci.net

Representative Mark Neuman
State Capitol, Room 432
Juneau, AK 99801

RE: HB 147 and HB 167

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The Valdez Convention and Visitors Bureau urges you to support HB 147 and HB 167 because by supporting these pieces of legislation you are supporting the health of the tourism industry in Alaska.

Sincerely,

Colleen Stephens
President of the Board of Directors
Valdez Convention and Visitors Bureau
PO Box 1603
Valdez, AK 99686
info@valdezalaska.org

CC: Representative John Harris
Alaska Travel Industry Association

Alaska State Legislature

Please enter into the record my testimony to the House EDT
(committee name)

committee on HB147 / HB167, dated 3/13/07
(bill # / subject)

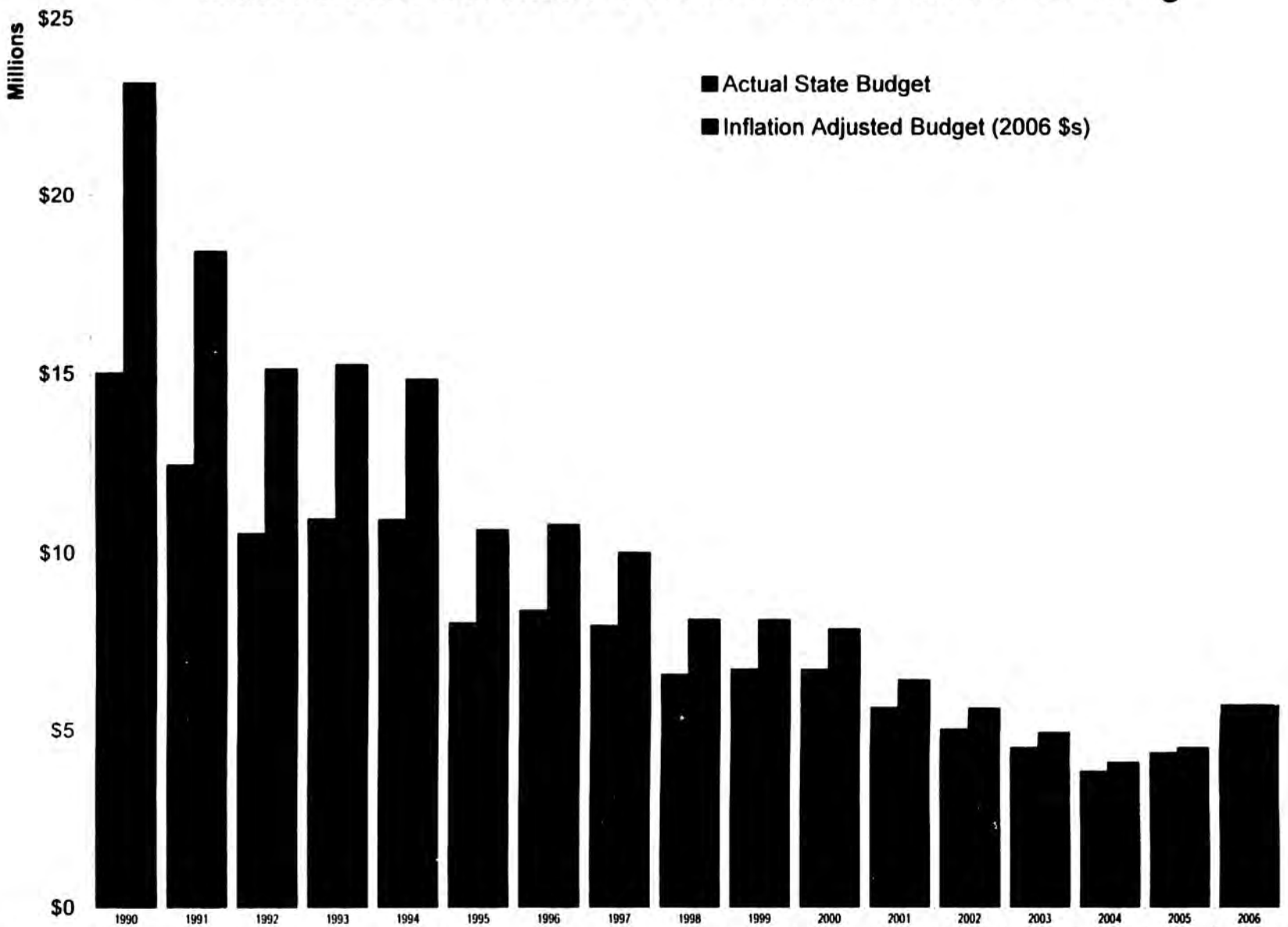
Signed: Coleen Stevens
Testifier

Representing (optional)

Address

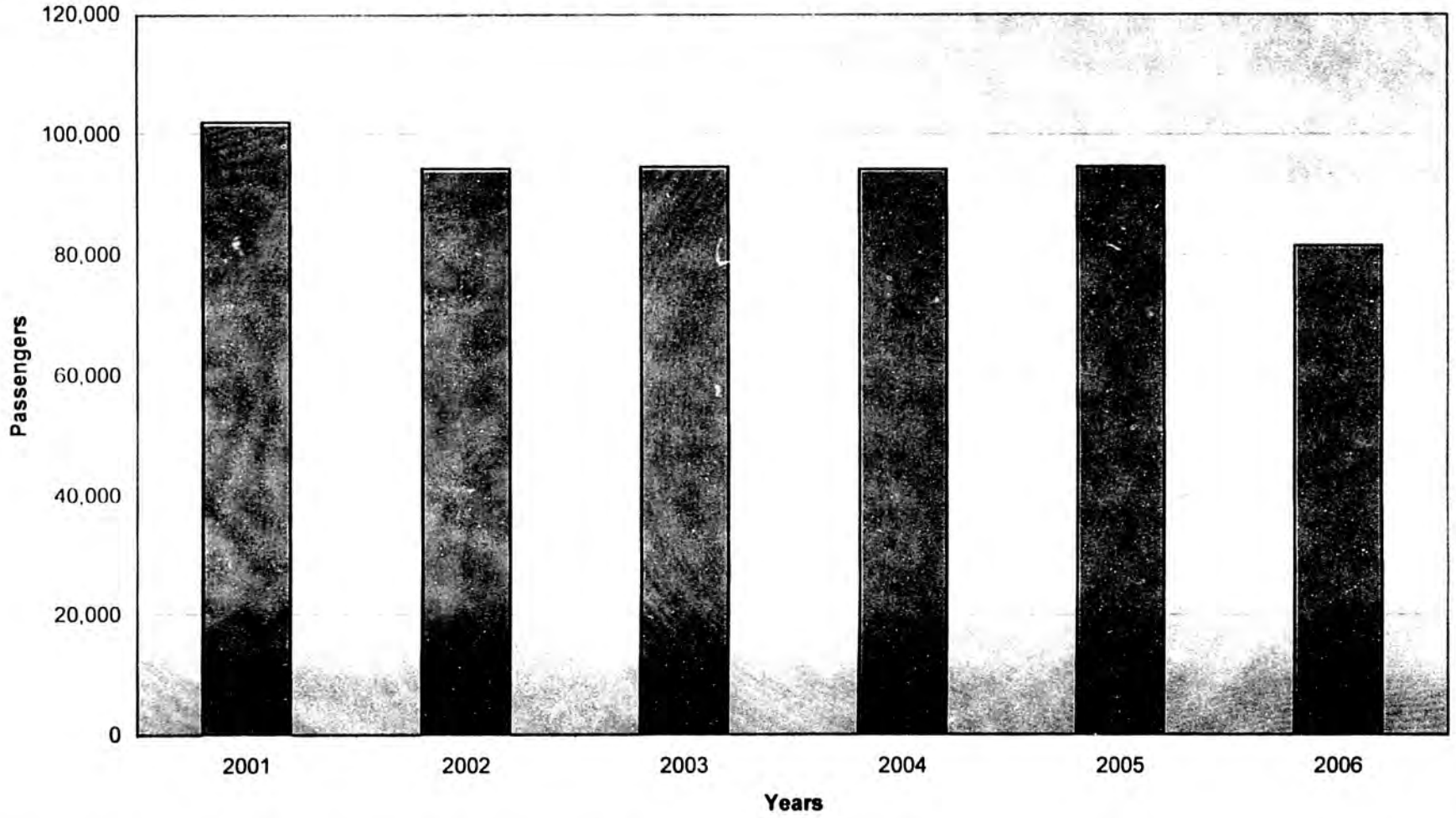
Telephone

Alaska's State Government Contribution to Tourism Marketing



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Actual State Budget	$15,023,050	$12,446,571	$10,526,171	$10,933,387	$10,913,338	$8,038,963	$8,385,391	$7,963,556	$6,580,971	$6,714,971	$6,713,400	$5,641,657	$5,016,069	$4,502,167	$3,833,500	$4,359,500	$5,716,000
Inflation Adjusted Budget (2006 $s)	$23,172,006	$18,422,270	$15,125,000	$15,253,000	$14,845,000	$10,633,000	$10,774,000	$10,002,000	$8,138,000	$8,124,500	$7,859,120	$6,421,380	$5,621,040	$4,932,809	$4,091,231	$4,500,129	$5,716,000

Alaska Canada Border Crossings
2001 - 2006



Border crossings (ALCAN and Poker Flats) exclusive of Motorcoach and Commercial Truck Traffic

Numbers Provided By Tok APLIC-Visitor's Center

Tourism

Tourism FY05

(In Thousands of Dollars)

Sources (Revenue)

Vehicle Rental Tax	$6,417.9
Corporate Tax	$1,248.4
Subtotal Taxes	**$7,666.3**
Licenses Sold	$17,728.0
AMHS Passenger Fees	$24,273
Subtotal Receipts	**$42,001**
Federal Funds	$83.4
Subtotal Federal Funds	**$83.4**
TOTAL REVENUES	**$49,750**

Uses (Expenditures)

	General Fund	Federal	Other Agency	Total
Dept. of Commerce	$2,321	$83	$50	$2,454
Dept. of Revenue	$22			$22
Dept. of Fish & Game			$1,151	$1,151
Dept. of Transportation	$25,589			$25,589
Total by Category	**$2,343**	**$83**	**$1,201**	**$29,216**
			TOTAL USES	**$29,216**

Net Surplus for Tourism $20,534

Tourism

Sources (Revenue)

Dept. of Revenue – Vehicle Rental Tax – An excise tax on the charge for the lease or rental of a passenger or recreational vehicle in Alaska. The final vehicle rental tax total of $6.4 million reported here represents 85 percent of total reported vehicle taxes collected in 2005 and is based on a three year average of the number of people renting vehicles in one of the following three categories: 1. Vacation & Pleasure; 2. Visiting Relatives; or 3. Business & Pleasure. *Source: Alaska Visitor Statistics Program AVSP).*

Dept. of Revenue – Corporation Income Tax Liability for Tourism – Tax liabilities reported on original corporate income tax returns during the fiscal year covering hotels, lodges, guided tour operations and totaling $1.3 million.

Tourism – Sources
Permits / Fees

Dept. of Fish and Game Related Revenues – All non-resident fishing, hunting, and trapping licenses sold during fiscal year 2005 totaling $17.7 million.

Dept. of Transportation / AMHS – Non-resident passenger fees - Revenues cover months of May - September 2005 and include passenger, car deck, staterooms and on board sales adjusted to reflect Commerce's 2004 AVSP Summer Visitor Arrival report showing 71 percent of ferry travelers between the months of May-September are non-resident . Adjusted total is $24 million.

Tourism – Sources
Federal Funds

Dept. of Commerce – Federal Economic Development Administration to Commerce for rural tourism development initiatives.

Uses (Expenditures)

Dept. of Fish and Game – data entry and licensing accounting personnel to implement the hunting and sport fishing licensing receipts.

Dept. of Commerce – estimated costs for tourism staff, rural tourism development and ATIA contract match.

Dept. of Revenue – estimated staff costs to implement income tax liability activities.

Dept. of Transportation / AMHS - Expenditures reflect costs for the months of May-September while vessels are in revenue status, and do not include overhaul, lay-up or other overhead costs.

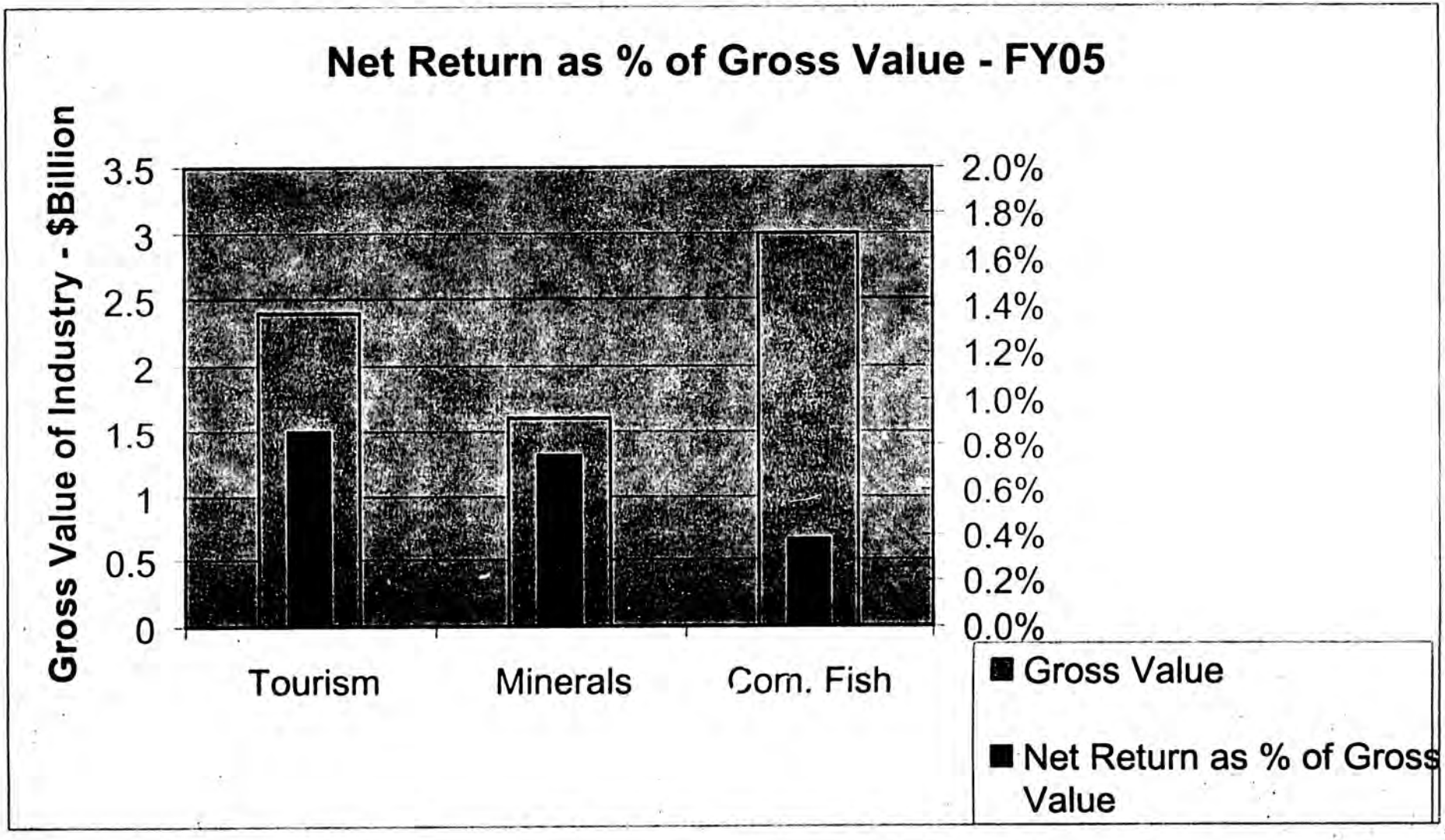
State of Alaska

Timber, Mining, Commercial Fisheries and Tourism Revenues and Expenditures in Fiscal Year 2005

Dollars in Thousands

Resource Category	Total Gross Revenues			Total Operating Expenditures	Difference Between Revenues and Expenditures
	General Funds and Other Funds	Federal Funds	Total Funds		
Timber	$ 2,040	$ 170	$ 2,210	$ 1 614	$ 595
Minerals	$ 13,243	$ 625	$ 13,868	$ 1,809	$12,059
Fisheries	$ 74,457	$16,521	$ 90,980	$ 79,551	$11,427
Tourism	$ 49,667	$ 83	$ 49,750	$ 29,216	$20,534
Total	$137,367	$17,230	$156,808	$110,381	$44,616

Sources: Departments of Revenue, Fish & Game, Natural Resources, Labor Workforce Development, Transportation and Public Facilities, and Commerce Community and Economic Development



Source: State of Alaska DCCED March 21, 2006

Composition of Total Economy Travel & Tourism Gross State Product, 2002

Rank	Industry	$ Value	% Distribution
1	Hotels and Lodging Places	226,901,131	14.2%
2	Air Transportation	189,295,052	11.8%
3	Amusement and Recreation Services- N.E.C.	168,063,956	10.5%
4	State & Local Government - Non-Education	145,837,664	9.1%
5	New Highways and Streets	128,441,784	8.0%
6	Eating & Drinking	107,180,342	6.7%
7	Federal Government - Non-Military	105,657,496	6.6%
8	New Industrial and Commercial Buildings	51,403,824	3.2%
9	Transportation Services	45,441,846	2.8%
10	Water Transportation	35,100,550	2.2%
11	Automotive Dealers & Service Stations	30,923,279	1.9%
12	General Merchandise Stores	25,778,521	1.6%
13	Real Estate	24,396,350	1.5%
14	New Government Facilities	23,364,262	1.5%
15	Engineering- Architectural Services	16,253,428	1.0%
16	Wholesale Trade	14,942,215	0.9%
17	Arrangement Of Passenger Transportation	14,889,105	0.9%
18	Banking	14,482,812	0.9%
19	Maintenance and Repair Other Facilities	13,729,329	0.9%
20	Furniture & Home Furnishings Stores	12,639,956	0.8%
21	Natural Gas & Crude Petroleum	12,296,754	0.8%
22	Motor Freight Transport and Warehousing	11,978,685	0.7%
23	Apparel & Accessory Stores	11,491,195	0.7%
24	Communications- Except Radio and TV	11,460,673	0.7%
25	Accounting- Auditing and Bookkeeping	11,317,262	0.7%
26	Management and Consulting Services	9,754,071	0.6%
27	Automobile Repair and Services	9,359,259	0.6%
28	Other Business Services	8,812,202	0.6%
29	Personnel Supply Services	8,675,430	0.5%
30	Automobile Rental and Leasing	8,118,467	0.5%
	All Other	99,762,736	6.2%
	Total	**1,597,749,633**	**100.0%**

This table includes both the direct and indirect effects of travel and tourism on all industries from all types of travel and tourism demand (visitors, investment, and government). The table reflects the wide-ranging impact of travel and tourism spending in Alaska on industries in the state. The table is led by industries that are expected to benefit from travel and tourism spending—hotels, restaurants, and transportation—but also points out unexpected industries that benefit from travel and tourism spending. Industries like Accounting—Auditing and Bookkeeping in Alaska gained over $11 million dollars in economic impact from tourists. Alaska's Personnel Supply Services industry is $8.7 million richer from travel and tourism spending in Alaska.

Composition of Total Economy Travel & Tourism Employment, 2002

Rank	Industry	Employment	% Distribution
1	Amusement and Recreation Services- N.E.C.	8,017	20.3%
2	Hotels and Lodging Places	7,072	17.9%
3	Eating & Drinking	4,263	10.8%
4	Air Transportation	2,643	6.7%
5	State & Local Government - Non-Education	2,278	5.8%
6	New Highways and Streets	2,190	5.6%
7	Federal Government - Non-Military	1,872	4.7%
8	Transportation Services	1,209	3.1%
9	New Industrial and Commercial Buildings	888	2.3%
10	General Merchandise Stores	727	1.8%
11	Automotive Dealers & Service Stations	531	1.3%
12	Water Transportation	525	1.3%
13	Apparel & Accessory Stores	407	1.0%
14	Arrangement Of Passenger Transportation	377	1.0%
15	Engineering- Architectural Services	376	1.0%
16	Furniture & Home Furnishings Stores	362	0.9%
17	Accounting- Auditing and Bookkeeping	349	0.9%
18	Membership Sports and Recreation Clubs	313	0.8%
19	Personnel Supply Services	308	0.8%
20	Management and Consulting Services	306	0.8%
21	Real Estate	293	0.7%
22	New Government Facilities	288	0.7%
23	Miscellaneous Retail	272	0.7%
24	Credit Agencies	267	0.7%
25	Maintenance and Repair Other Facilities	242	0.6%
26	Motor Freight Transport and Warehousing	232	0.6%
27	Wholesale Trade	230	0.6%
28	Other Business Services	213	0.5%
29	Automobile Repair and Services	179	0.5%
30	Automobile Rental and Leasing	160	0.4%
	All Other	2,030	5.2%
	Total	39,418	100.0%

When the direct and indirect effects of travel and tourism on all industries is factored in, the employment impact in Alaska of Water Transportation increases from the core impact of 447 to 525. However, the percentage of jobs in that industry compared to the total dropped. With the added indirect effect, there is a wider distribution of jobs. Many more industries are indirectly impacted by travel and tourism than just the industries that tourists patronize. The Eating and Drinking industry drops from 16% of direct/core jobs to 10.8%. Travel and tourism spending benefits so many industries that any increase in travel and tourism will be widely felt in the Alaskan economy.

Total economy travel & tourism includes spending not in the core. Investment and government spending in not included in the core travel & tourism spending, another reason for the greater spread of employment across industries.

VII. OTHER SECTORS BENEFITING FROM TRAVEL & TOURISM

One of the powerful results of the TSA analysis is the ability to examine how industries seemingly unrelated to travel and tourism benefit from it. These industries are the suppliers to the travel and tourism sector. Certainly, they are suppliers to many industries, but this analysis shows *the degree* to which travel and tourism activity supports their businesses. Some of this support has been pointed out in the previous section in talking about travel and tourism spending impact. Here, the indirect effect of travel and tourism spending is examined on its own.

In Alaska, Real Estate, Engineering–Architectural Services, and Wholesale Trade hold the top-three spots of travel and tourism's indirect benefits with a combined $55.6 million of indirect benefit last year. Many of these industries are familiar but the realization of how much of an impact travel and tourism spending has on their revenues can be astonishing.

Indirect Benefits Realized by "Non-Travel & Tourism" Industries – Value Added by Industry, 2002

Rank	Industry	$ Value	% Distribution
1	Real Estate	24,396,350	8.6%
2	Engineering- Architectural Services	16,253,428	5.7%
3	Wholesale Trade	14,942,215	5.3%
4	Arrangement Of Passenger Transportation	14,889,105	5.2%
5	Banking	14,482,812	5.1%
6	Maintenance and Repair Other Facilities	13,729,329	4.8%
7	Natural Gas & Crude Petroleum	12,296,754	4.3%
8	Motor Freight Transport and Warehousing	11,978,685	4.2%
9	Communications- Except Radio and TV	11,460,673	4.0%
10	Accounting- Auditing and Bookkeeping	11,317,262	4.0%
11	Management and Consulting Services	9,754,071	3.4%
12	Other Business Services	8,812,202	3.1%
13	Personnel Supply Services	8,675,430	3.1%
14	Computer and Data Processing Services	7,370,404	2.6%
15	Electric Services	7,248,575	2.6%
	All Other Industries	96,512,742	34.0%
	Total	284,120,036	100.0%

Note, that the table measures only the indirect effects of *ongoing* travel and tourism operations—not *capital* investment. Real Estate gains almost $24.4 million in indirect benefits from travel and tourism expenditures. Banking services related to travel & tourism spending—currency exchange, services to hotel/restaurant/airline workers—adds $14.5 million to Alaska's Gross State Product.

Travel and tourism-related capital investment also plays a key role in the economic contribution of the sector. This capital investment includes construction of hotels, beach preservation, transportation equipment and other travel and tourism infrastructure.

March 5, 2006

The Honorable Representative Craig Johnson
House of Representatives
Sate Capitol
Juneau, AK 99801

Dear Representative Johnson,

Thank you so much for supporting the Alaska Travel Industry Association [ATIA] through your sponsorship of HB 167, "An Act making special appropriations for a contract with a qualified trade association and for a marketing program."

Seventeen years ago Harvard economist Michael Porter put forward the recipe for competitive success by establishing that winning industries or regions will be those that differentiate themselves by promoting their uniqueness. Alaska tourism has a competitive advantage by virtue of its beauty, location and natural resources, and the tourism industry has worked hard to promote the state's exceptional attractions.

But an increasingly competitive global marketplace is bearing down on us, and it is no longer enough to have a great product. As Porter said, we must have the means to compete and differentiate ourselves in a marketplace where other destinations are willing and able to spend much more to reach their markets.

The good news is that tourism, through its destination marketing efforts, offers a strong pipeline - a marketing pipeline that connects the Alaska travel experience and Alaskan businesses with consumers all over the world. The deliverable is immediate and equates to more than 1.9 million visitors every year.

Like other natural resource industries, we endeavor to reach the market, but our pipeline - built more than 50 years ago - needs refurbishing. The current destination-marketing budget combines $5 million in private funds raised from the industry with $5 million matched by the state, all managed by ATIA. But that amount is no longer enough for our message to penetrate the market. Increasingly, other destinations are flooding consumers with more television

commercials, travel stories, co-promotions, direct mail, brochures and Internet marketing. In fact, Alaska now ranks 38th out of the 50 states in terms of public sector funding for tourism marketing.

ATIA anticipates that its marketing effort will be further impacted when industry partners with bigger tax bills to pay are forced to abandon their voluntary contributions to the marketing program. Conservatively, ATIA stands to lose $2.5 million in industry contributions along with the matching $2.5 million from the state. Other state and municipal taxes, fees, transport charges, a new car rental tax, lodging tax increases and pending cruise industry taxes now account for an estimated $140 million collected from tourism businesses and our visitors. This number increases when you add in other municipal and state assessments.

So who gets hurt when Alaska's competitiveness dwindles? Small tourism businesses, those who want jobs in the tourism industry, our economy and our economic advantage.

The decision to grow Alaska travel should be an economic development and investment decision - not a budget decision - in which the governor and the legislature participate. As the tourism industry faces an ever-competitive future with dwindling resources, the legislature has been asked to look at tourism as a renewable economic resource and to develop the economic potential of the industry by overhauling the existing pipeline to bring Alaska's travel resource to market, including:

1. Increase the funding level for the ATIA core destination-marketing program in the next state operating budget to $20 million;
2. Increase the current funding level for a separate program to entice more independent travelers to $8.5 million equal to the amount of the current vehicle rental tax.

The potential for the travel industry to further strengthen Alaska's economy and enhance its residents' quality of life is tremendous -- each vacationer spends about $1,260 to enjoy flightseeing trips, fishing charters, museums, glaciers, Native culture and state and national parks. But developing it further will not happen by accident. If Alaska is to stay competitive for the good of future generations, it will be important to remember tourism is not just ATIA's business or the state's business or the legislature's business. Tourism is everyone's business.

COO Ron Peck, COO
Alaska Travel Industry Association

Alaska Campground Owners Association

P.O. Box 111005 Anchorage, Alaska 99511
Toll Free (866) 339-9082 / Fax (907) 334-9082
info@alaskacampgrounds.net

RESOLUTION NO. 2007-02

A RESOLUTION SUPPORTING HB 147 and HB 167

WHEREAS, the Alaska Campground Owners' Association (ACOA) represents an association of small family operated camper park businesses; and

WHEREAS, the independent traveler to Alaska has been in decline for the past six years; and

WHEREAS, the private campground industry has realized a decline in camping occupancy of approximately 10% for each consecutive year; and

WHEREAS, the success of the private campground industry depends heavily on the marketing efforts of the Alaska Travel Industry Association (ATIA) in domestic and Foreign arenas; and

WHEREAS, Alaska's public sector tourism marketing budget ranks 36th when compared with other states competing for the same visitor pool; and

WHEREAS, ATIA studies have shown that small independent business along Alaska's highway system are impacted the greatest with the decline in statewide tourism marketing dollars.

WHEREAS, previous private sector matching fund formula for tourism marketing may no longer be valid with the initiation of the cruise ship head tax: and

WHEREAS, the state's general fund support for tourism marketing has declined from $23,000,000 in 1990 to $5,700.00 in 2006.

NOW, THEREFORE, BE IT RESOLVED that the Alaska Campground Owner's Association supports HB 147 and HB 167

BE IT FURTHER RESOLVED that funds raised from the Cruise Ship Head Tax ($20 Million for core tourism marketing) and the Vehicle Car/RV Rental Tax ($8.5 Million for Independent and Highway traveler marketing) be incorporated into a $28.5 Million marketing program for the Alaska Travel Industry Marketing Plan 2007.

PASSED and APPROVED by the ALASKA CAMPGROUND OWNERS' ASSOCIATION this 4th day of March, 2007.

Chairman of the Board- Scott Reisland

_____

ATTEST: Executive Director-Heidi Boyd

_____

MILE 96.5 PARKS HWY.
816 OCEANVIEW DRIVE ANCHORAGE, ALASKA 99515 (907) 345-5764

March 9, 2007

Subject: HB 167 and HB 147

Representative Craig Johnson:
FAX 907-465-3872

I was born in Anchorage and raised on a homestead at Montana Creek. My husband, Joe Mathis, and I have owned our seasonal business, Montana Creek Campground, located on the Parks Highway between Willow and Talkeetna in the Matanuska-Susitna Borough, since 1985. We have seven employees and have always hired locally. Over the years we have added some electric hookups and built a nice general store outfitted with groceries and tackle to accommodate all the campers and fishermen who frequent the area. Our customers also frequent other area businesses: cafes, gift shops, video rentals, service stations, and flight seeing service providers. We know that our business contributes to the local economy.

A lot of our business is repeat business from Anchorage, the Matanuska Valley, Fairbanks, and the Parks Highway. However, the segment of our business that we need to grow is that provided by the tourists visiting Alaska in their own or rented vehicles. As a small family-owned seasonal business, we are unable to market our campground outside of Alaska. As members of the Alaska Travel Industry Association, we depend on ATIA to market Alaska on our behalf; we know that we will benefit from others' increased awareness of Alaska as a destination. It is unfortunate that Alaska has consistently failed to adequately fund marketing of this magnificent State to national and international visitors. Frankly, I think we have arrogantly assumed that Alaska's beauty and mystique alone will bring visitors. The reality is that we need to show people Alaska is easily accessible, open for business, and can compete with the wonders and pleasures of other destinations. We need to keep Alaska "out there" to fire the imaginations of people planning their next Adventure to Somewhere. Let's do all we can to ensure that they decide to make it an Adventure in Alaska!

Please support HB 167 and HB 147. Alaska must stop "wishin' and hopin' " to grow its tourism industry; it must nourish it.

Sincerely,

Sheila Lankford

Sheila Lankford

Rex Shattuck

From: Lori Stepansky [lstepansky@haines.ak.us]
Sent: Thursday, March 08, 2007 1:42 PM
To: Rep. Mark Neuman
Subject: *****SPAM***** Please Support Tourism

Representative Neuman,

You are probably being inundated with the ATIA member emails to support tourism funding. I'll add my personal note that it is a no-brainer to see that promotion of Alaska as a destination will provide employment for people as well as bringing people here to spend money means more tax dollars for the state to work with. I know there are many issues to consider and no industry wants to deal with decreases in funding. I don't profess to be the most knowledgeable of all the realms of politics, but it has never made sense to me to cut back and add taxes in the areas which provide the sources of funding for many other areas.

I trust you will consider all the facts in making your decision.

Sincerely.

Lori Stepansky

WHERE DOES ALASKA RANK IN PUBLIC SECTOR TOURISM FUNDING?

- In **2005 we ranked 39th** in public sector funding for Tourism Marketing. That year, 25 states spent more than double Alaska's public sector funding.

The Alaska Travel Industry Association (ATIA) has consistently argued that the State's Tourism Marketing programs are essential to insure the visitor industry remains a strong, vibrant and growing sector of Alaska's economy. ATIA was established in 1999 and has accomplished a great deal in marketing Alaska as a destination for both domestic and international travelers.

Alaska now ranks 38th among the 50 states in public sector funding for tourism. We have rapidly lost much of our voice in the marketplace, while other states (and even many cities) as well as competing international destinations continually increase their investments in promotion. With current levels of funding for visitor marketing, Alaska's visibility in our extremely competitive industry will continue to decline.

Alaska has not only lost ground against competing destinations, but in the costs associated with our marketing efforts. Postage, TV airtime, Magazine ad space and even the simple cost of the paper have more than doubled since 1990 - in that same timespan the State's contribution to marketing has dropped from over $14 million (over 22 million in 2006 dollars) to only $5 million last year. Simply put, Alaska's marketing budget (a combined $10 million last year) buys only a fraction of what it used to.

Since starting up in 1999, ATIA's financial participation in Alaska's tourism marketing program has grown from $2 million to over $5 million. The state's participation has dropped from over $15 million in the early 90s to $5 million in FY06. No other state has been as successful in raising marketing funds through voluntary private-sector contributions.

ATIA raised over $5 million in marketing funds in FY07. The State's operating budget reached parity with the industry at $5 million each. However, taxes targeted at the industry will increase again this year and it is unrealistic to expect the same level of voluntary participation by heavily taxed sectors of the industry -

therefore ATIA expects to reach only $2 million in funds from our cooperative marketing programs. Some of the additional taxes received by the State in the next fiscal year should be re-invested to replace lost voluntary marketing contributions.

Tourism is not a drain on the State's resources. In fact, a 2006 report by the State's Department of Commerce, Community & Economic Development showed that Tourism had a net benefit to the State's coffers of $20 million in FY05 - nearly as much as the combined net benefit of the Timber, Mining and Commercial Fishing industries.

Alaska's visitor industry continues to be one of the state's largest employers and one of the bright spots in Alaska's economy during the past decade. The latest statistics from the Alaska Department of Labor show almost 40,000 annual jobs in the leisure and hospitality industry, more than 13% of the state's total job force. The industry represents $1.15 Billion in wages & benefits to Alaskan workers.

Alaska's visitor industry is also an important economic engine that reaches out to many other industries and creates even more jobs for Alaskans. When you add in retail trade, transportation and service jobs, anyone can see why the tourism industry is so important to Alaska's economy.

For those who complain that tourism marketing is only for big business, they should look at ATIA's membership list. The majority of ATIA members have five or fewer employees. Over 90% have fewer than 50 employees. If it wasn't for ATIA's cooperative marketing programs, most wouldn't be able to afford to reach national and international audiences.

We understand the hard decisions facing the legislature as they plan each year's budget. However, as legislators consider the budget for Alaska's Tourism Marketing program we hope they'll keep in mind that this is an investment in Alaska's most vibrant and growing economic sector - and unlike many other sectors, one that is matched by the industry itself.

ATIA strongly believes that the $18 million funding requested from State (matched by a private sector contribution of $2 million) toward the ATIA administered Alaska Tourism marketing campaign should come from funding source(s) other than the State's vehicle rental tax.

ATIA urges the legislature to follow through on the original intent of the legislation that established the statewide vehicle rental tax, by depositing vehicle rental tax collections into a separate account and reinvesting 100% of the revenues (estimated at $8.5 million in FY08) toward the funding of an Independent Traveler Marketing Campaign.

Lori Stepansky
Executive Director, Haines CVB
PO Box 530
Haines, AK 99827
907-766-2234
Fax 907-766-3155
Cell 907-314-0067
www.haines.ak.us
lstepansky@haines.ak.us

Haines...everything you dreamed Alaska would be.

Rex Shattuck

From: Bruce Bustamante [bbustamante@anchorage.net]
Sent: Friday, March 09, 2007 2:32 PM
To: Rep. Mark Neuman
Subject: HB 147 and HB 167

Dear Representative Neuman:

Alaska's visitor industry is also an important economic engine that reaches out to many other industries and creates even more jobs for Alaskans. When you add in retail trade, transportation and service jobs, anyone can see why the tourism industry is so important to Alaska's economy.
The Alaska Travel Industry Association (ATIA) also urges the legislature to follow through on the original intent of the legislation that established the statewide vehicle rental tax, by depositing vehicle rental tax collections into a separate account and reinvesting 100% of the revenues (estimated at $8.5 million in FY08) toward the funding of a separate marketing campaign targeting independent travelers most affected by this tax.

ATIA's request for the State to appropriate $18 million to fund a Statewide Tourism Marketing program will be matched by $2 million generated from the industry in cooperative marketing programs to achieve a $20 million marketing campaign. The state's re-investment, even at $18 million, will be a fraction of the conservatively estimated $130 million the State will receive in revenues.

We understand the hard decisions facing the legislature as they plan each year's budget. As legislators consider the budget for Alaska's Tourism Marketing program we hope they'll keep in mind that this is an investment in Alaska's most vibrant and growing economy. With that, I ask for your support of HB 147 and HB 167.

Thank you.

Bruce Bustamante
President/CEO
Anchorage Convention & Visitors Bureau
524 W Fourth Avenue
Anchorage, Alaska 99501-2212
Ph: (907) 276-4118
Fax: (907) 278-5559

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Rex Shattuck

From: director@sitka.org
Sent: Thursday, March 08, 2007 2:17 PM
To: Rep. Mark Neuman
Subject: Bills HB147 and HB167

Follow Up Flag: Follow up
Flag Status: Purple

March 7, 2007

Representative Mark Neuman,
Chair of the House Special Committee on Economic Development, Trade and Tourism State Capitol, Room 432 Junea, Alaska 99801

Dear Representative Neuman:
I urge you to realize the importance of Bills HB147 and HB167, which will affect the State's tourism marketing formula and core marketing program.

Our agency relies heavily upon the Alaska Travel Industry Association's marketing efforts to assist in reaching world-wide audiences. By their programs that offer co-operative efforts, we have been able to participate within our budget means for much needed additional exposure. Cuts to any of ATIA's marketing programs would strongly affect our promotion.

The decisions facing the legislature are difficult and I hope you will realize the state's marketing budget is an investment in Alaska's most vibrant and growing economic sector, tourism! ATIA members and partners have all invested in this worthwhile industry which has almost 40,000 annual jobs in leisure and hospitality, representing 1.15 billion in wages and benefits to Alaskan workers (according to the latest statistics from the AK Dept. of Labor)!

Out of the 50 U.S. States, Alaska ranks 38th in public sector funding for tourism. The state has lost much of its momentum in the extremely competitive marketplace. With current levels of funding for visitor marketing, Alaska's visibility in our extremely competitive industry will continue to decline. I thank you in advance for looking seriously at the importance of the bills HB147 and HB167.

Respectfully,
Sandy Lorrigan
Sitka Convention and Visitors Bureau
(907) 747-5940
PO Box 1226, Sitka, AK 99835
Sitka, Alaska - The Natural Place to Visit!

KETCHIKAN

Our Lifestyle, your reward

March 9, 2007

The Honorable Mark Neuman
State Capitol, Room 432
Juneau, AK 99801
Rep_Mark_Neuman@legis.state.ak.us

Dear Representative Neuman,

The Ketchikan Visitors Bureau represents 300 businesses, organizations and individuals who support our efforts to market Ketchikan and the southern southeast region of the state as a visitor destination. Approximately 81% of our members employ 20 or fewer people. The visitor industry is vitally important to Ketchikan and to our members located in Saxman, on Prince of Wales Island, Hyder, Wrangell and Metlakatla. While the Ketchikan Visitors Bureau prides itself on executing and delivering a cost effective and results based marketing program, we cannot do it alone. That's why I am writing you to let you know how important the Alaska Travel Industry Association's marketing programs are to our organization and our membership.

The KVB simply doesn't have the resources to launch a full scale national and international marketing program. Television, national and international magazine ads, direct mail and public relations campaigns are critical to promoting a destination- which is why you will see so many states and large cities using these techniques to attract visitors. The fact that ATIA has a presence in the national media to promote Alaska, gives the Ketchikan Visitors Bureau a place there too. A percentage of my annual budget is contributed to ATIA each year towards the match required by the legislature. I participate in many ATIA advertising and marketing programs at additional cost because they are effective in my efforts to promote Ketchikan.

The tourism industry is a critical component of the economy in my community, generating $152,000,000 in local spending and revenue to city and borough governments annually and accounting for 1,500 FTE jobs (*The Economic and Employment Impacts of the Visitor Industry in Ketchikan, 2004:* McDowell Group). The request before you and other legislators this year to increase funding of and lessen the match requirements for ATIA destination marketing dollars really does matter and must be viewed as an investment that returns many times over revenues to the state and local communities. We have already lost ground in the competition with other states to attract visitors but you have the opportunity now to grow the industry by increasing ATIA's ability to market Alaska to the world. I urge your support of HB147 and HB167. It's vital to Ketchikan, it's vital to Alaska.

Sincerely,

Patti Mackey

Patti Mackey
Executive Director

C: Representative Kyle Johansen
Representative Bill Thomas
Representative Peggy Wilson

KETCHIKAN VISITORS BUREAU • 131 Front Street Ketchikan, Alaska 99901 • 907-225-6166
E-mail: pmackey@visit-ketchikan.com • www.visit-ketchikan.com

Tok RV Village Inc.
PO Box 739, Tok, AK 99780
Ph 907-883-3648

Dear Representative Mark Newman
Juneau, AK

Ref: funding HB 167

I encourage you to apply your full support to HB 167,

We, Alaskans need support in encouraging more tourists to visit Alaska. Alaska is in serious competition with other Tourist Destinations for the Tourist dollar.

I wish to see increased funding for tourism to be directed toward the individual highway traveling tourist, a market that has been dwindling over the years.

1992, was an exceptionally good year for Alaska's tourist oriented businesses however the highway traffic market has been in decline ever since.

Our family owned business (RV Park) was constructed in 1986 and our Convenience store with fuels opened in April 1992. In October 2006, we closed our convenience store due to reduced customer traffic in the store (reduced highway traffic). In 1992 the two businesses employed 12 or more people. This coming season we plan to start the season with 6 employees. This is quite a reduction in payroll that would go to the community along with the reduced amount of expenditures for services and supplies. I'm referring to moneys that benefit all Alaskans.

Our business in 2006 was down 14.9%, almost the same amount as the reduced individual highway traffic count entering the state. A definite and long term trend.

Will I open the convenience store for this 2007 tourist season? That hasn't been decided at this time. So far we have no firm indication that 2007 will be a better year for business.

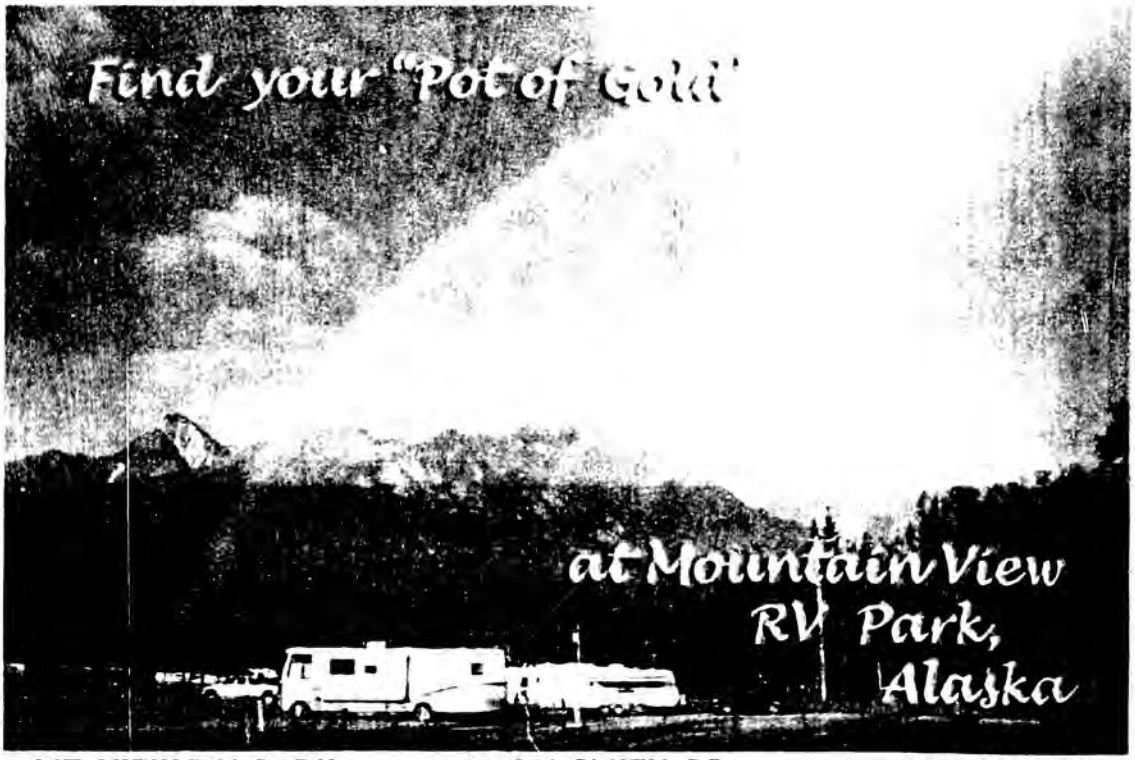
Individual highway travelers spend their money in Alaska while those traveling the cruise ships and group tours pay their fees outside the State of Alaska and are then guided to facilities owned by the cruise lines and tour companies. All of this while pushing the state into providing infrastructure for them to market.

Please support HB 167 and increased funding to promote the individual highway traveling tourists.

Thank you,

Jerry Jernigan
President
Cc: ATIA & ACOA

3/10/2007



MT. VIEW R.V. PARK 1405 N. SMITH. RD PALMER, AK

To: All Alaska State Legislators:

I am Dee Starr owner of Mt. View R.V. Park at Palmer AK. In the Mat-Su Valley. The purpose of this letter is to ask for you help in getting increased advertising for the R.V. industry in the State of AK.
We have seen a great decrease in the rubber tire traffic in the State.
The other states have increased advertising to influence the "rubber-tired" traveler's to visit there states instead of us they are all working to over come the higher cost of fuel.

In order to be competitive in the market place for these travelers, and bring them back to AK. We need to promote travel to this segment of tourism and we need your help in making this happen.

The R.V. Parks support a lot of small business in the communities they are in so a lot of people are relying on them.

I urge you to support our efforts to increase the level of Alaska's advertising efforts Alaska is a better destination for these travelers than any other state.

Sincerely

Dee Starr

Tourism is Everyone's Business

We are so grateful that the growth of tourism has allowed us to help keep youth here. Fulling dreams of developing businesses that they can own and operate and eventually raise their families here. Without our youth our state dies...for what reason would we not want to celebrate and support an industry that will keep our youth here and perpetuate our state's growth and future?

- LesLee and Norman Solberg,
Denali View Raft Adventures and B&B,
Talkeetna, Alaska

Alaska Travel Industry Association
2600 Cordova Street, Suite 201 | Anchorage, AK 99503
(907) 929-2842 phone fax (907) 561-5727
www.AlaskaTIA.org | www.TravelAlaska.com

ALASKA TRAVEL INDUSTRY ASSOCIATION

Tourism is Everyone's Business

Tourism is vital to us. We love and appreciate every tourist who comes to our town. we stay open during the winter because the community depends on us, but we are risking our very survival in these harsh economic times.

-Kristy Tengs,
Bamboo Room
restaurant &
Pioneer Bar,
Haines, Alaska

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In 1991 I came to Alaska for the first time and fell totally in love with this part of the world. Since most Europeans wish to travel to remote parts of Alaska I founded GoNorth Camper Rental in 2001. $500,000 was spent with small, family owned businesses in Alaska and 90% of this money was generated from selling tour programs to travelers from Europe.

GoNorth Alaska Travel
Center
Rolf Meyer

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Being a small business allows us to interact with our guests at a personal level, which to me is a great perk. However being a small business makes it harder to market ourselves in a bigger market. That is where ATIA and FCVB play a big role. ATIA & FCVB know that we are committed to making our guests happy and through them, we have been able to reach tourists and tour companies.

Mok Kumagai
Aurora Borealis Lodge
Fairbanks, Alaska

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We depend on Tourism in so many ways. It provides our income, which allows us to purchase gas, vehicles, boats and motors, supplies, printing, etc. Being in the tourism industry has given us a real sense of pride and accomplishment, for what we are able to provide our guests and community.

Reed & Laura Morisky
Wilderness Fishing Inc.
Fairbanks, Alaska

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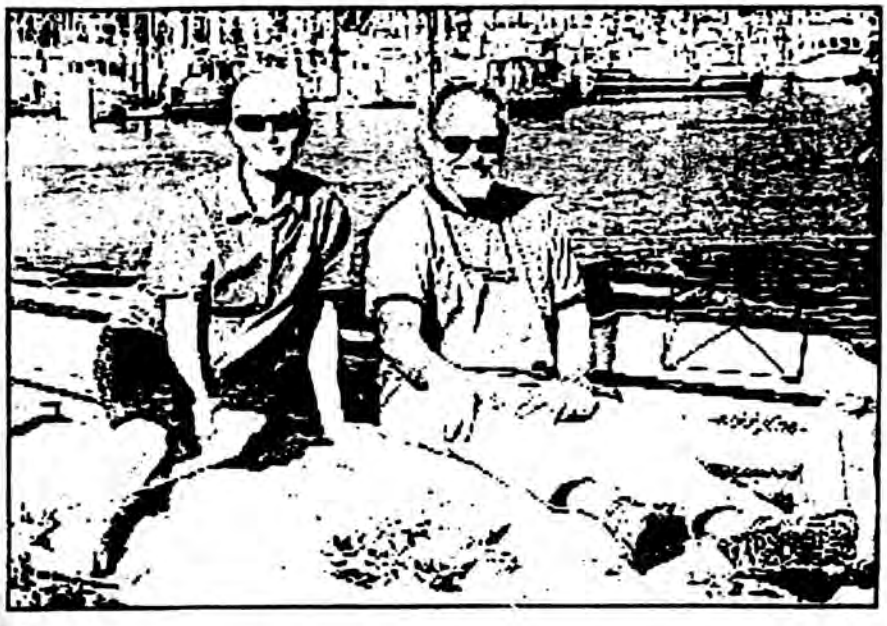
Over these fifteen years the income from SSOA has helped put our three kids through college. It has also given each of them a summer job as well as many of their friends. Most young folks do not have the luxury of necessary marketing and needs the state to help in the marketing part of Selling Alaska.



John DeLong
Sitka Sound Ocean Adventures
Sitka, Alaska

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The impact of tourism in communities which are a bit more "upstream" is truly remarkable. It represents one of the only sources of "new dollars" being generated into isolated rural communities that have little or no industry. Although the actual dollars spent marketing rural Alaska is small...its impact on the residents is huge.

John Kreilkamp
Cruise West
Anchorage, Alaska

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A large portion of my business services tourism related equipment such as busses, trucks and forklifts. Tourism has grown in Southeast and has become a major player in our economy. Over the years as the tourism industry has grown so has our company and has allowed me to add additional employees to service the industry. Without tourism my company would not be as able to grow and prosper/

Jim Austin
Southeast Industrial Services
Juneau, AK

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. The benefit to tourism for me: it put my daughter through college and allows me to live a simple but satisfying life style. Tourism is a thread so much through the tapestry of our community that it is part of the very fiber of our town.

Jeff Budd
Sitka Bike and Hike
Sitka, Alaska

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