

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES,

1993-1994

1135

209



The Unisea Inn

Dutch Harbor, Alaska 99692

March 5, 1993

Senator
State Capitol
Juneau, AK 99801-1182

Dear Senator,

It has come to our attention there are four bills awaiting approval, that will drastically affect our business here, in Alaska. We would like to take a few moments of your time to express our views on these issues.

We would like to pledge support for Senate Bill 83, the Alcohol Server Training Bill. This Bill would prove to be assertive and helpful in the fight against alcohol abuse and the efforts to reduce drunk driving accidents. The main emphasis of this Bill is the aspect on training and how trained employees become responsible, better employees, helping us to protect our business and our customers.

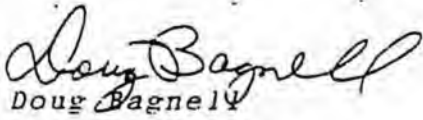
Senate Bill 84 continues in the direction of solving problems of alcohol abuse by targeting the underage drinker. Senate Bill 84 attacks the problem in its infancy, hoping to alleviate larger alcohol abuse problems later. By instituting stiffer controls, such as a hologram on the driver's license to help discourage counterfeiting, or the taking away of a driver's license from teenagers attempting to buy alcohol, the State of Alaska is taking a firm step forward in helping to solve problems before they get out of hand.

Both of the aforementioned Bills are well thought out and sincere in their attempts to help Alaskans gain ground in the arena of alcohol abuse awareness. Senator Tim Kelly has shown he truly cares about the public and we ask that, like us, you will support him in his efforts.

We understand that the pursuit of standards in the fight of alcohol abuse is important. This is why we oppose House Bill 61. The BAC for Alaska is currently at 0.10%. This is the recognized standard for 45 states. House Bill 61 would decrease the BAC to 0.08%. The intention is good, but the result could prove counterproductive. This Bill will intimidate the responsible alcohol consumer, creating a loss of sales and decreasing jobs my business can offer. By increasing the amount of offenders just by changing a number, the efforts needed to enforce our already tough laws, against DWI's, are diminished. The increase in DWI processing, court cases and corrections systems decreases the time available for regular activities, one of those being the arrest of serious heavy drinkers. We need to make a stand and enforce the good laws we have, instead of changing these laws to reflect a sense of morality only.

Finally, we would like to express our dissatisfaction with House Bill 53. Another increase in alcohol excise taxes is absurd. Federal excise tax rates just increased in 1991, and President Clinton's Administration is again proposing more increases. Alaska now ranks number 1 in the highest excise taxes for distilled spirits. Increasing the taxes even more will only decrease sales, which decreases jobs. It will not curb alcohol abuse. The previously mentioned Senate Bills, number 83 and 84, are heading in the right direction to help this battle, but tax increases are not the answer. Please help us discourage House Bill 53, since we see it as unproductive to our business and a detriment toward the health of the state.

Thank you,



Doug Bagnell
General Manager
UniSea Inn
Pouch 503
Dutch Harbor, AK 99692

cc: Tim Kelly



REGAL ALASKAN HOTEL
ANCHORAGE

February 18, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly,

I support Senate Bill 84 because I believe it will have significant impact in curbing the problem of underage drinking.

This bill provides for meaningful and reasonable penalties to be imposed on underage persons using false identification to purchase alcohol. Most teenagers view a drivers license as something very valuable to them, and the penalty of losing this privileg may be more of a deterrent than the more traditional fines imposed.

The previous of this bill will also make it more difficult to alter or counterfeit the Alaska Driver's License; another major step in halting the abuse of alcohol by underage persons.

My livelihood, and that of my 155 employees, is threatened by incidents of underage drinking.

My life, and that of my family and my employees, is threatened by underage drinkers on the highways and streets of Alaska, and I support Senate Bill 84 which will lessen this danger for all of us.

Sincerely,

Max J. Lowe, CHA
General Manager
Regal Alaskan Hotel

A REGAL INTERNATIONAL HOTEL

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SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/8/93

FURTHER:

DATE TURNED INTO OFFICE: 3-22-93

The Finance Committee considered **SENATE BILL NO. 84**

"An Act relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE) same title
- or adopt previous _____ CS _____ new title
- attaches amendment(s) technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

SFC fiscal note for SB 84 to follow

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DPS	3-19-93		146.7

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

George Hahn
Tim Kelly
[Signature]
[Signature]
 1. *[Signature]* do pass

OTHER RECOMMENDATIONS:

Steve Riser No Rec
 2. *[Signature]* - To Pass

Co-Chair: Signature/Recommendation

Co-Chair: Signature/Recommendation

FISCAL NOTE

Bill Version: 3B 84

(S) Publish Date: 3-22-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 3-22-93

Revision Date: 3/19/93
Title: Relating to fees for ...

Dept. Affected: Public Safety
BRU: Motor Vehicles
Component: Driver Services

Sponsor: Kelly
Requestor: Senate Finance Committee

COMPONENT SERIAL NO. 500

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	63.8	63.3				
TRAVEL	0	0				
CONTRACTUAL	56.7	56.7				
SUPPLIES	1.5	1.5				
EQUIPMENT	24.7	0				
LAND & STRUCTURES	0	0				
GRANTS, CLAIMS	0	0				
MISCELLANEOUS	0	0				
TOTAL OPERATING	146.7	122.0				
CAPITAL						

REVENUE FUND SOURCE:	725.0	725.0				
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF:Program Receipts	146.7	122.0				
1006 GF:MHTA						
Other						
TOTAL	146.7	122.0				

POSITIONS:

FULL TIME		1				
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

See attached explanation of revisions to fiscal note

Prepared by: Max Gifford, Admin. Assist.
 Division: Legislature (Sen. Kelly)
 Approved by: Senator Alice Brown, Co-Chair, SFC
 Agency: Legislature, Senate Finance

Phone: 465-3822
 Date: 3/19/93
 Date: _____

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Explanation of Fiscal Note Revision

SB-84 Revised 3/19/93

The new fiscal note reflects revenue and operating calculations based on an additional 500 driver license revocations a year, rather than the 1500 estimated annual revocations in the previous fiscal note.

Personnel Services is reduced to reflect only one new position, a Driver Improvement Specialist at a cost of \$53.0.

The remaining FY94 operating expenditures remain the same. The position count is reduced to one Full-Time position.

Lowering the number of annual additional license revocations to 500 reduces program receipts to \$45.0 based on a fee of \$100 for the approximately 450 license reinstatements. The figure is based on the Department's assumption that 90% of those eligible for reinstatement will comply.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1

Bill Version: SB 84

Revision Date: February 17, 1993
Title: Revocation of Minors' Driving Privileges for Use of Fraudulent License

Dep. Affect: _____
BRU: _____
Component: _____
(S) Publish Date: 2-19-93

Sponsor: Senator Tim Kelly
Requestor: Senate State Affairs

COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

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

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact \$ _____

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Portia Babcock, Committee Aide
Division: Senate State Affairs Committee
Approved by Commissioner: Senator Loren Leman, Chairman
Agency: Senate State Affairs Committee

Phone: 465-4522
Date: February 17, 1993
Date: February 17, 1993

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FISCAL NOTE

No. 2

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SB 84

(S) Publish Date: 3-12-93

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act relating to fees for BRU: Motor Vehicles
identification cards Component: Drivers Services
 Sponsor: Senator Kelly
 Requestor: Senator Kelly COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	132.8	132.8	132.8	132.8	132.8	132.8
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	56.7	56.7	56.7	56.7	56.7	56.7
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	24.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	215.7	191.0	191.0	191.0	191.0	191.0

CAPITAL						
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REVENUE FUND SOURCE: 1005	815.0	815.0	815.0	815.0	815.0	815.0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	215.7	191.0	191.0	191.0	191.0	191.0
1006 GF/MHTIA						
Other						
TOTAL	215.7	191.0	191.0	191.0	191.0	191.0

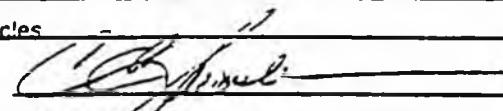
POSITIONS:

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

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 2/16/93
 Approved by Commissioner:  Date: 2/16/93
 Agency: Richard J. Burton, Dept. of Public Safety

PREPARER TO PREPARE

For

DEPARTMENT OF PUBLIC SAFETY
FISCAL NOTE

LEGISLATIVE OFFICE

Office

Analysis:

SB 84 will require the Division of Motor Vehicles to place a holographic symbol on every driver's license in a further attempt to prevent alteration or duplication of a driver's license. This bill also requires the revocation of the driver's license in an attempt to gain entry to purchase alcohol. The Division of Motor Vehicles processes approximately 200,000 driver's license transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license and identify those drivers under the age of 21 will increase the contractual cost from \$1.05 to \$1.30, thus increasing the overall contractual cost to DMV an additional 50.0 year.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 licenses are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. The department receives approximately 1,500 licenses each year that are surrendered or confiscated by law enforcement. The 1,500 licenses includes the 500 to 700 that are surrendered to the ABC Board.

The Division of Motor Vehicle estimates there will be an additional 1,500 driver license revocations a year. In order to handle the 1,500 additional license revocations a year, and provide due process for the person, one full-time Driver Improvement Specialist/Hearing Officer, and two full-time Document Processor IIs will be required. The duties of these positions are detailed in the attached request for new positions. The personal services cost for a Driver Improvement Specialist is 53.0; the personal services cost for the Document Processor II positions is 69.0; an additional 10.8 is needed for overtime expenses associated with reinstatement of revoked driver's licenses. The total for personal services is 132.8. The overtime pay is requested in lieu of a Motor Vehicle Representative III position, as the workload required to reinstate the offenders' driver's licenses will be borne by all of the Motor Vehicle Field offices throughout the state.

To revoke 1,500 additional driver's licenses a year takes over 30 processing steps per revoked license. It is estimated that 25% of all persons referred to DMV for a license revocation will request an administrative hearing. Each hearing takes approximately 20 minutes to one hour to conduct. All of the 30 processing steps varies in the time it takes to complete each step. Complete accuracy is essential, as an error of entry onto a record could result in civil liability to the State. It takes approximately 20 minutes per applicant to reinstate a revoked driver's license; the person must make a new application for the driver's license or permit, take all of the required tests, and if the person is under the age of 18 a parent or guardian must give consent for the driver's license or permit, file SR-22 (Certificate of Insurance) and pay the reinstatement fee. All of these steps total approximately 400 hours of additional workload for the Motor Vehicle Field office personnel.

Analysis (Cont'd):

Under existing law, each person whose license has been revoked must pay a \$100 fee when applying for reinstatement of his or her driver's license. Assuming that 90 percent of the minors who are eligible for reinstatement will comply with the reinstatement requirements, approximately 135.0 will be generated annually as program receipts.

This bill increases the fees for a driver's license, and permits. The fee increases are as follows:

- (1) driver's license from \$10.00 to \$15.00
- (2) instruction permit from \$3.00 to \$5.00
- (3) duplicate license or permit from \$3.00 to \$5.00
- (4) school bus endorsement permit from \$3.00 to \$5.00
- (5) identification card from \$5.00 to \$10.00

This increase will generate overall, approximately 1.8 million dollars to the general fund. This increase is approximately 680.0 thousand more than the division presently receives in license fees and an additional 135.0 thousand in reinstatement fees for an overall total of 815.0 annually.

Detail

FY94

100	PERSONAL SERVICES		
	1 Driver Improvement Spec	53.0	
	2 Document Processor II	69.0	132.8
	Overtime MVR III Field Office	10.8	
200	CONTRACTUAL		
	Hologram inlaid driver license pouch	50.0	
	Postage and tolls	2.5	
	Telephone line fees	.5	56.7
	Conference call and long distance fees	3.7	
400	SUPPLIES		
	Routine Office Supplies	1.5	1.5
500	EQUIPMENT		
	3 Workstations		
	3 5-Drawer File Cabinets	24.7	24.7
	TOTAL		215.7

Position Title Document Processor II		Number of Positions 2	Range/Step 8-B	Bargaining Unit GGU
Time Status PFT	Staff Months 12 each	Location Juneau	Election District	
Type of Expenditure		Justification		
1	2	3	<p>These positions would handle the necessary paperwork and computer entry onto the minor's record. Among other duties, the positions will send out letters advising the person of the dates of the license revocation, prepare files for hearing officer after the person has requested a hearing, file, close files out, sanitize for microfilm, microfilm, enter microfilm documents for microfilm retrieval, enter license revocation data. It is estimated that these positions will handle approximately 1,500 license revocation files year.</p>	
Salary*	45.6			
Benefits*	23.4			
Premium Pay (Included in Above)				
Other				
Total Personal Services		69.0		
Travel		0		
Contractual		4.5		
Commodities		1.0		
Equipment		15.5		
Other		0		
Total Cost		91.0		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Driver Services

FY 94

Page 4 of 5

Revised Date

Position Title Driver Improvement Specialist			Number of Positions 1	Range/Step 16-A	Bargaining Unit GGU
Time Status PFT	Staff Months 12		Location Anchorage	Election District	
Type of Expenditure			Justification		
1	2	3	This position will conduct administrative hearings involving the revocation of a minor's driver's license and/or privilege to drive. It will prepare the file, send notice to parties advising of the date and time of the hearing, conduct the hearing, prepare the file for appeal, enter license action onto the minor's driving record, and handle all correspondence associated with this program.		
Salary*	37.0				
Benefits*	16.0				
Premium Pay (Included in Above)					
Other					
Total Personal Services		53.0			
Travel		0			
Contractual		2.2			
Commodities		.5			
Equipment		8.2			
Other (Overtime)		10.8			
Total Cost		74.7			
Funding Source For Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005				
I-A Receipts	1007				
CIP Receipts	1061				
Other					
* Personal Services Salary and Benefits Costs are from PACS calculations.					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
BRU Motor Vehicles
COMPONENT Driver Services

FY 94

Page 5 of 5
Revised Date

Retrieved from
HFC File

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

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

MEMORANDUM

February 3, 1993

SUBJECT: Sectional Summary of SB 84
TO: Senator Tim Kelly
FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have requested a sectional summary of the above described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Increases the fee for an identification card to \$10.

Section 2. Requires that driver's licenses carry a holographic symbol and if the applicant is under age 21, the words "UNDER 21".

Section 3.

Sec. 28.15.187 - Provides for administrative revocation of the driver's license of a person who has used the license for the purchase of alcoholic beverages. Establishes a notice procedure and mandatory periods of license revocation.

Sec. 28.15.189 - Establishes a hearing procedure for a person whose driver's license is revoked under AS 28.15.189. Provides for appeal to superior court of the administrative determination.

Section 4. Provides for higher fees for certain drivers' licenses and permits.

Section 5. Effective date.

MFF:lmb
93-025.lmb

SECTIONAL



The Unisea Inn

Dutch Harbor, Alaska 99692

March 5, 1993

Senator
State Capitol
Juneau, AK 99801-1182

Dear Senator,

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Thank you,


Doug Bagnell
General Manager
UniSea Inn
Pouch 503
Dutch Harbor, AK 99692

cc: Tim Kelly



REGAL ALASKAN HOTEL
ANCHORAGE

February 18, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

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My life, and that of my family and my employees, is threatened by underage drinkers on the highways and streets of Alaska, and I support Senate Bill 84 which will lessen this danger for all of us.

Sincerely,

Max J. Lowe, CHA
General Manager
Regal Alaskan Hotel

A REGAL INTERNATIONAL HOTEL

SENATE COMMITTEE REPORT

Free

DATE: 2/19/93

FURTHER: FINANCE

DATE TURNED INTO OFFICE: 3-5-93

JUDICIARY Committee considered SENATE BILL NO. 84

"An Act relating to fees for identification cards and certain motor vehicle licenses and ~~permits~~ to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."

*8 rpts it bk
a spec*

and recommends:

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

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

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

Present

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
SENATE STATE AFFAIRS	2-17-93	✓	

Appropriation No Fiscal Note

DO PASS:

George Jackson Jr
Rick Halford do pass unless fees increased further

OTHER RECOMMENDATIONS:

Bill Dooly: NO REC

Adrian Taylor
 Chair: Signature and Recommendation

SENATE COMMITTEE REFERRAL
FIRST COMMITTEE OF REFERRAL

JP

DATE: 2/1/93

FURTHER: JUDICIARY
FINANCE

Date of 5-Day Notice: 2-10-93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2-17-93

STATE AFFAIRS Committee considered SB 84

"~~An Act~~ relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and ~~providing for an effective date.~~"

and recommends:

and a majority of the committee recommends do pass

replace with _____ CS _____ ()

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations:

FIN

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
Senate State Affairs	2-17-93	<input checked="" type="checkbox"/>	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

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

DO PASS:

Mike Miller
Edin L. Taylor

OTHER RECOMMENDATIONS:

Ellis NO REC
Puncon - NO REC

John L. Sullivan do pass
Chair: Signature and Recommendation



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

PO. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE: March 12, 1993

TO SENATE
COMMITTEE: Finance

Kathy

FROM: Office of the Senate Secretary

The attached fiscal note(s) relate to the following bill(s) pending in your Committee.

Please place the fiscal note inside the front cover of the blue or yellow committee folder.

SENATE BILL NO. 84

Identification cards...

Sorry for the inconvenience.

AMR

Thank you.

SIGNATURE OF PERSON RECEIVING THIS NOTE

JR/s

SB

85

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/93

FURTHER:

DATE TURNED INTO OFFICE: 4-6-93

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

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

and recommends:

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

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

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

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

*CS (Fin)
coming*

NEW FISCAL NOTES

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

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

[Signature]
Tim Kell
[Signature]
 1. *True Water - 10/93*
 Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

Best thing - Do Not Pass
 2. *Should Do Pass*
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 85

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

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

COMPONENT SERIAL NO. 1026

EXPENDITURES/REVENUES:

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

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

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

FUNDING:

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

POSITIONS:

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

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

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

Prepared by: Tina M. Lindgren
Division: Alaska Tourism Marketing Council

Phone: _____
Date: 2/5/93

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

Date: 2/5/93

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

Amendments to CS SB 85(L&C)

Chair provisions

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

Instead -- revise lines 21-23 to read:

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

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

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

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

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

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR

TO: CSSB 85(L&C)

Page 1, line 5:

After "Council;"

Insert "establishing the Task Force on Tourism;"

Page 3, after line 20:

Insert the following new bill section:

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

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

Renumber the following bill section accordingly.

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

SENATE AMENDMENT

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

By _____

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

To: _____ HOUSE BILL No. _____

PAGE: 3 LINE: 19-20

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

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

AMENDMENT

4-6-93
SFC
SF
moved
Adopted

OFFERED IN THE SENATE

BY FRANK

TO: CSsb 85(L&C)

Page 2, after Line 17, add:

** Sec 2. AS 44.33.720. Duties of the council. (a) The council shall (1) conduct a tourism marketing program designed to accomplish the purposes of AS 44.33.700 - 44.33.735 including the promotion of Alaska as a destination and all forms of travel to Alaska, including travel by air, highway, water;

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

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

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

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

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

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

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

Remember the following sections accordingly

SENATE FINANCE
COMMITTEE

Amendment Number: (4)

Bill Number: SB 85

Sponsor: _____ Date: 4/6/93

Logged In By: BW

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/10/93
Referred: Finance

Sponsor(s): SENATE LABOR & COMMERCE COMMITTEE

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

11 (1) a board member shall

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

*Not approved
make title
more specific
per Rick.*

A BILL

FOR AN ACT ENTITLED

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

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

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

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

1 21 members and subject to the following provisions:

2 (1) a board member shall

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

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

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

8 or

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (a) The council shall

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

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

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

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

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

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

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

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

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

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

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

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

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1

Bill Version: SB 85

(S) Publish Date: 2-10-93

Revision Date: _____

Title: An act extending the termination date of the
Alaska Tourism Marketing Council

Sponsor: _____

Requestor: _____

Department Affected: Commerce and Economic Development

BRU: Alaska Tourism Marketing Council

Component: Alaska Tourism Marketing Council

COMPONENT SERIAL NO. 1026

EXPENDITURES/REVENUES:

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

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

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

FUNDING:

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

Changes in SB 85 (L+C) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

2-10-93
 date Comte Aide (initial)

POSITIONS:

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

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

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

Prepared by: Tina M. Lindgren
 Division: Alaska Tourism Marketing Council

Phone: _____
 Date: 2/5/93

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

Date: 2/5/93

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FISCAL NOTE

**STATE OF ALASKA
1993 LEGISLATIVE SESSION**

BILL NO. SB 85

ANALYSIS: (continued)

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

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

NOTE

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

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

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

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

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

NOTE

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

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

Rick said to make title specific.

Alaska State Legislature

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



SENATE LABOR AND COMMERCE
COMMITTEE

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

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

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

Sectional Analysis

Section 1:

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

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

Section 2:

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

Section 3: Effective date.

COMMITTEE OVERVIEW

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

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

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

**FISCAL YEAR 1994
BUDGET PRESENTATION**

February 1993

Submitted by:
Tina Lindgren
Executive Director

**ALASKA TOURISM MARKETING COUNCIL
FY94 BUDGET OVERVIEW**

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FY94 Request

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FUNCTIONS

STATUTORY AUTHORITY

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

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

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

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

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

DUTIES AND RESPONSIBILITIES

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

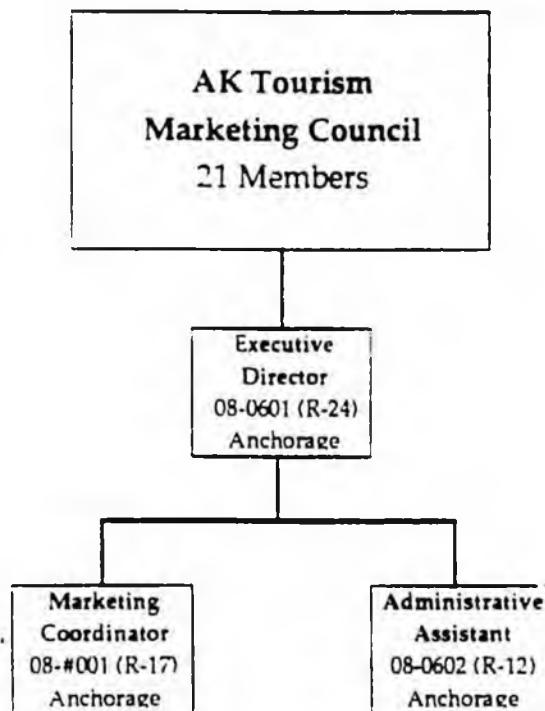
To achieve this goal the ATMC conducts a marketing campaign directed at US and Canadian markets determined to have the greatest potential for increasing the volume and economic impact of tourism. Consumer interest in Alaska and the motivation to visit is generated primarily through ongoing national media advertising and public relations efforts, and by printing and distribution the State Vacation Planner.

The program provides Alaska businesses and local organizations the opportunity to access a national marketplace which they could not afford themselves. If the ATMC did not exist, the economic impact of the visitor industry would be significantly reduced and larger tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program everyone in the State benefits, including other state agencies who receive revenues from visitor spending.

ORGANIZATIONAL CHART

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

Alaska Tourism Marketing Council



ISSUES AND ACCOMPLISHMENTS

ACCOMPLISHMENTS IN FY92-93

- Implemented domestic and Canadian marketing programs which helped to increase overall visitation to Alaska by 8% and highway travel by 14%.
- Produced and continue to distribute 750,000 Alaska State Vacation Planners to consumers and travel agencies across the country. The planner includes over 1,200 business listings from all regions of the State.
- Promoted the 50th Anniversary of the Alaska Highway to national media resulting in hundreds of articles and stories including a nine-minute segment on network television.
- Produced and continue to distribute 100,000 copies of Alaska's first Winter Vacation Planner which includes information on over 500 Alaska businesses open during the winter months.
- Enhanced Alaska's overall image as a desirable destination through broadcast advertising. Developed and aired new television commercial promoting Alaska as a year-round destination. Increased commercial time on national television over last year by 47% enabling Alaska commercial to air 37 weeks of the year.
- Generated and responded to over 614,000 inquiries for trip planning information.
- Tested the use of an 800 number as a means of generating inquiries.
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A \$200.6 unallocated reduction to the tourism appropriation was absorbed by the ATMC through reduced contractual services.

SIGNIFICANT ISSUES FOR FY94

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The main issues facing the ATMC are increased competition and decreased market presence. Alaska's main competition continues to be Europe, Mexico, Canada and Hawaii, who all outspend us by a wide margin. There is also increased competition from new emerging destinations that are discovering the economic value of promoting tourism.

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

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

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To remain competitive, the State must recognize tourism as an important component of Alaska's economy. Although the visitor industry is currently the second largest private sector employer and has the highest rate of resident employment it is still far from being a mature industry. Tourism has the potential to further diversify and enhance the economy of the State but it will need the proper encouragement and funding to do so.

LEGISLATION

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

FY94 REQUEST

FUNDING HISTORY

	<u>FY90</u> <u>AUTH</u>	<u>FY91</u> <u>AUTH</u>	<u>FY92</u> <u>AUTH</u>	<u>FY93</u> <u>AUTH</u>	<u>FY94</u> <u>REQ</u>
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This will ensure that a new pool of visitors are being generated and will shift the focus toward long-term growth for the destination, with short term benefit to individual businesses becoming secondary. This will reduce the level of exposure provided to businesses and cities throughout the state by 27%. Further reductions will also include eliminating the research program, less fall, winter and spring targeted marketing and elimination of travel agent seminars.

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500K to
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- T. N. B. H. H.

ALASKA TOURISM MARKETING COUNCIL
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Associates:** Travel Agent Seminars.



March 26, 1993

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

Dear Senator Pearce:

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

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

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

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

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

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

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

Senator Drue Pearce
March 26, 1993
Page Two

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

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

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

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

Major components and accomplishments.

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

Senator Drue Pearce
March 26, 1993
Page Three

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

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

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

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

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

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

Sincerely,

Tina M. Lindgren
Executive Director

APR 03 1993

SB 85

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

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

April 2, 1993

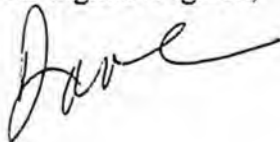
Senator Drue Pearce
Alaska State Senate
State Capital Building
Juneau, AK 99801-1182

Dear Senator Pearce,

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

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

With highest regards,



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April 2, 1993

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

Dear Representative Larson,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

With highest regards,

David L. Dittman

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

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

**FISCAL YEAR 1994
BUDGET PRESENTATION**

February 1993

Submitted by:
Tina Lindgren
Executive Director

**ALASKA TOURISM MARKETING COUNCIL
FY94 BUDGET OVERVIEW**

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FY94 Request

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FUNCTIONS

STATUTORY AUTHORITY

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

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

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

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

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

DUTIES AND RESPONSIBILITIES

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

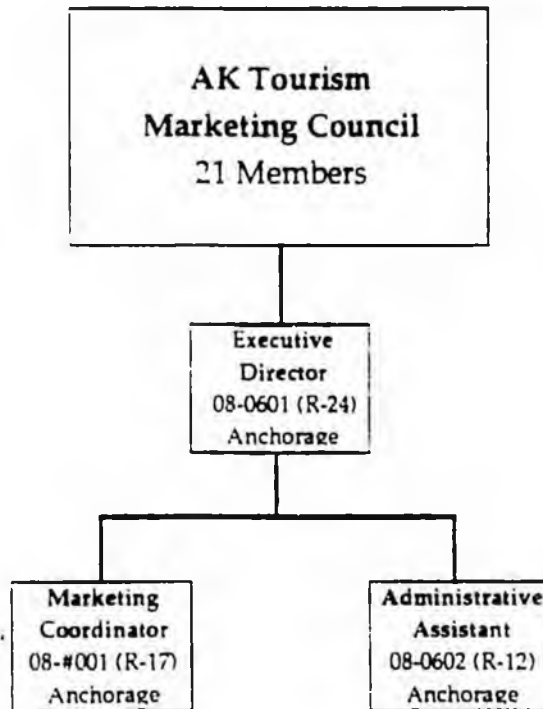
To achieve this goal the ATMC conducts a marketing campaign directed at US and Canadian markets determined to have the greatest potential for increasing the volume and economic impact of tourism. Consumer interest in Alaska and the motivation to visit is generated primarily through ongoing national media advertising and public relations efforts, and by printing and distribution the State Vacation Planner.

The program provides Alaska businesses and local organizations the opportunity to access a national marketplace which they could not afford themselves. If the ATMC did not exist, the economic impact of the visitor industry would be significantly reduced and larger tour companies would gain an even greater share of the remaining market. By conducting a cooperative marketing program everyone in the State benefits, including other state agencies who receive revenues from visitor spending.

ORGANIZATIONAL CHART

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

Alaska Tourism Marketing Council



ISSUES AND ACCOMPLISHMENTS

ACCOMPLISHMENTS IN FY92-93

- Implemented domestic and Canadian marketing programs which helped to increase overall visitation to Alaska by 8% and highway travel by 14%.
- Produced and continue to distribute 750,000 Alaska State Vacation Planners to consumers and travel agencies across the country. The planner includes over 1,200 business listings from all regions of the State.
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March 26, 1993

Senator Drue Pearce
State Capitol, Room 508
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You have requested an overview of the relationship between the Alaska Tourism Marketing Council and the Division of Tourism as well as contractual services for the last five years. A brief explanation follows. I would be happy to supply additional details or discuss any of these issues with you next week.

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

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

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

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

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

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

Senator Drue Pearce
March 26, 1993
Page Two

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

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

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

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

Major components and accomplishments.

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

Senator Drue Pearce
March 26, 1993
Page Three

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

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

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

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

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

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

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

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

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

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

Sincerely,

Tina M. Lindgren
Executive Director

Alaska State Legislature

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



STATE CAPITOL, SUITE 101
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SENATE LABOR AND COMMERCE COMMITTEE

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

MEMORANDUM

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

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

DATE: February 10, 1993

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

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

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

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

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

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

Your timely consideration is appreciated.

Alaska State Legislature

Senator Tim Kelly, Chair
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**SB 85: "An Act extending the termination date of the Alaska
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The Alaska Tourism Marketing Council (ATMC) is a public-private partnership that combines the resources and expertise of the state and private industry. It is jointly managed by the Department of Commerce and Economic Development and Alaska Visitors Association. The council consists of ten members appointed by the Governor, ten members appointed by the visitor industry, and the Director of the Division of Tourism who serves as the chair.

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

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

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WM/dglnme044pp.co

5B 85

MAR 19 1993

Juneau

March 17, 1993



Dear Senator Pearce :

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

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

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

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

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

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

Please encourage your fellow legislators to do the same.

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

Sincerely,

Kari Kornfemo Vestlund
President

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

5B85

MAR 19 1993

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March 17, 1993



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Sincerely,

Kari Kornfeind Westlund
President

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5B85

ALASKA TOURISM MARKETING COUNCIL

FY92-FY93 PROGRAM OVERVIEW

February 1993

MISSION

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

HISTORY OF THE COOPERATIVE MARKETING PROGRAM

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

STRUCTURE

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

"The Legislature finds that a cooperative effort between the state and private industry to support and expand the visitor industry of the state and to foster expansion of the market for Alaska as a destination throughout the nation and the world is in the public interest and is a valid public purpose. "

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

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

STAFF

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

FUNDING

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

FY92 PROGRAM STRATEGY AND IMPLEMENTATION

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

Media Advertising

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

Broadcast Media

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

Generation of Inquiries

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

Consumer Magazine

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

Direct Mail

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

Newspapers

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

Collateral

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

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

Mail Fulfillment

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

Public Relations

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

Fall/Winter/Spring

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