

**ALASKA LEGISLATURE**

**2180**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**



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*William J. Carter*

Signature of Camera Operator

4/11/2003

Date

**1/12/01**

**OVERVIEW**

**AK PERM.**

**FUND**

**CORP.**

SFIN

FILE

**DRAFT**

\_\_\_\_\_ **JOINT RESOLUTION NO.** \_\_\_\_\_

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY**

**Introduced:**

**Referred:**

**A RESOLUTION**

**Proposing amendments to the Constitution of the State of Alaska relating to inflation-proofing the permanent fund.**

**BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

\* **Section 1.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

**Section 15. Alaska Permanent Fund.** (a) At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the permanent [GENERAL] fund [UNLESS OTHERWISE PROVIDED BY LAW].

(b) For any fiscal year, the legislature may appropriate from the permanent fund to the general fund up to five percent of the average of the year-end market values of the permanent fund for the last five fiscal years, including the fiscal year just ended. No other appropriations from the permanent fund may be made.

\* **Sec. 2.** The amendments proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.

# **Permanent Fund Overview**

## **Revisiting the fundamentals**

**Clark S. Gruening, Chair, Board of Trustees**  
**Robert D. Storer, Executive Director,**  
**Jim Kelly, Director of Communications**  
**Alaska Permanent Fund Corporation**

Senate Finance Committee  
January 12, 2001

[www.apfc.org](http://www.apfc.org)

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## **Topics to be covered**

- Mechanics of how the Fund works
- Investment principles
- Permanent Fund performance
- Board of Trustees unanimously supports a constitutional amendment to inflation-proof the Permanent Fund

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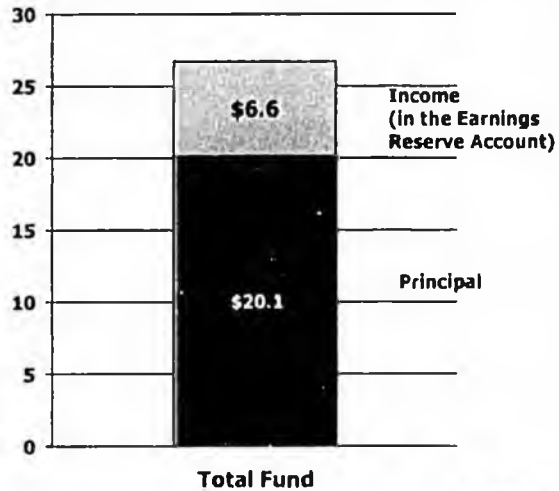


How the Fund works

## Permanent Fund market value

The market value of the Permanent Fund is currently \$26.7 billion

It consists of two parts: principal and income



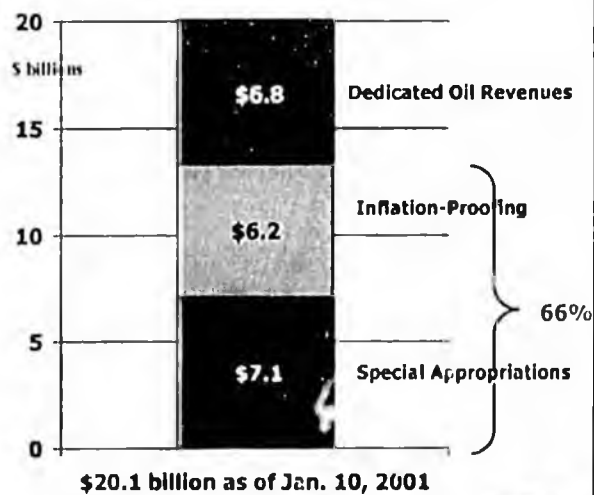
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How the Fund works

## Permanent Fund principal

- The Alaska Permanent Fund principal is protected by the Alaska Constitution
- The Legislature may not spend it



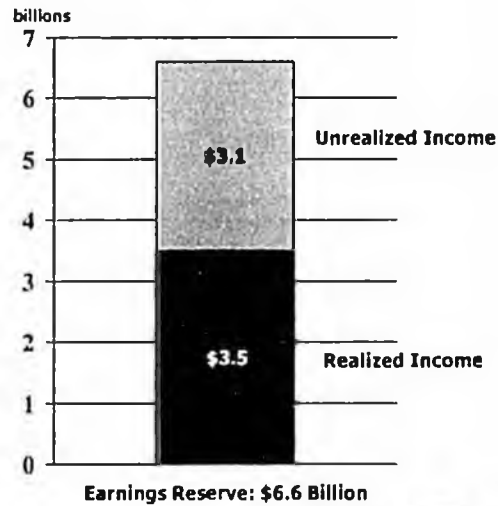
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**How the Fund works**

## Permanent Fund income

- As provided by law, all income from the Permanent Fund's investments is deposited into the Earnings Reserve Account in the Permanent Fund
- It is retained there until appropriated by the legislature



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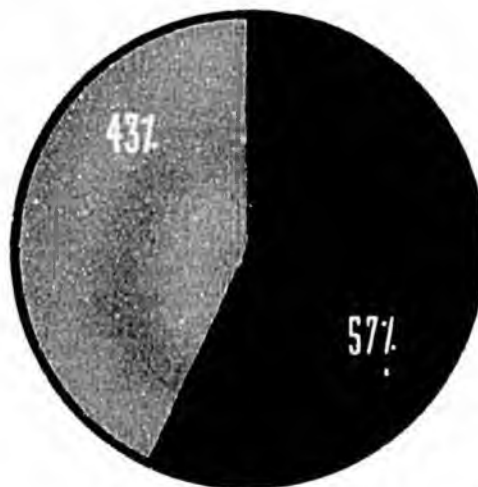


## Uses of Fund income

(\$23.5 billion since inception)

**Saved for future generations**  
\$13.4 billion (57%)

**Paid out to current generation**  
\$10.1 billion (43%)



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**How the Fund works**

## **Statutory use of Fund income**

- **Alaska Statutes (AS 37.13.140 and 145) provide the following priority for the payment of dividends and inflation-proofing:**
- **First, dividends are calculated and paid; then**
- **Second, an amount of income sufficient to offset the effect of inflation is transferred to principal.**

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**How the Fund works**

## **Formula for PFD calculation**

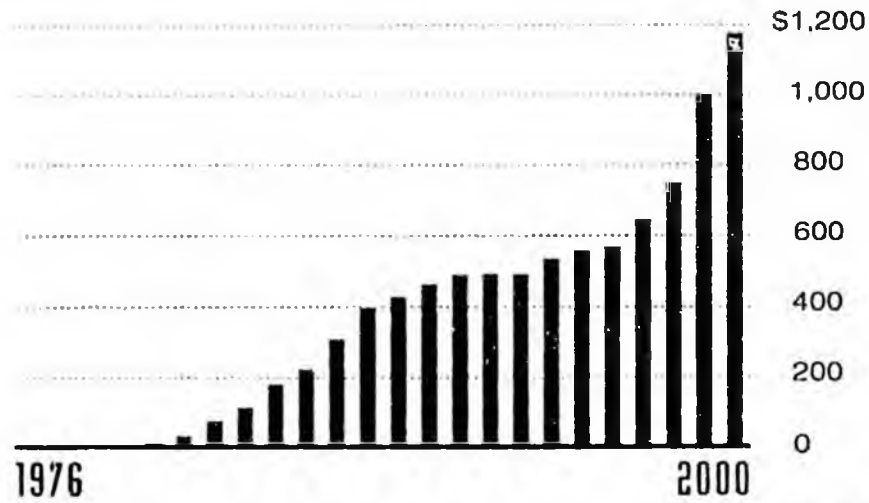
**The dividend appropriation is the lesser of:**

- **One-half of 21% of the sum of the last 5 years' realized earnings;**
- or
- **One-half of the earnings reserve account at the end of the current fiscal year.**
- **PFD equaled \$1.172 billion in 2000**

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## Income paid out for dividends

(Dollars in millions)



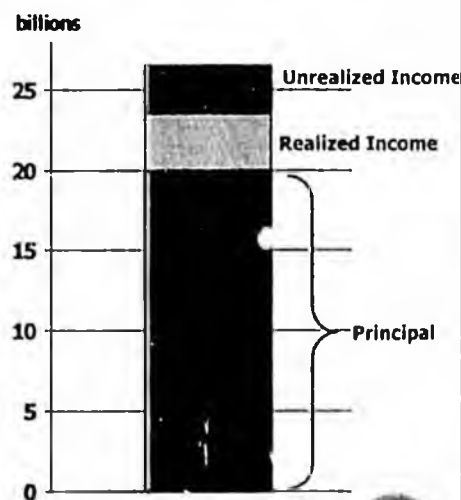
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### How the Fund works

## Formula for inflation-proofing

- Only the principal is inflation-proofed
- June 30 balance of the principal is multiplied by the CPI to determine inflation-proofing amount; that is transferred from the ERA to principal

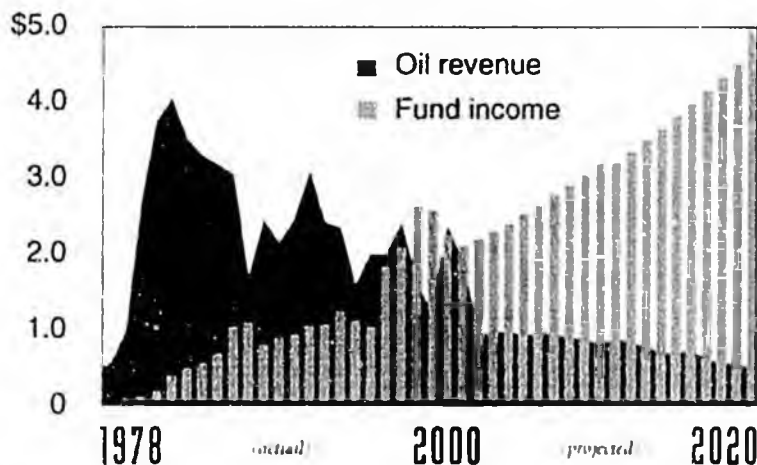


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# Fund statutory net income vs. state oil revenue

(Dollars in billions)



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# Permanent Fund projections

as of November 30, 2000

PRINCIPAL						INCOME										TOTAL
FY	Beg	Dedicated			FY End	Balance	Statutory					Earnings Reserve				FY End Balance
		Admin	State	Int'l			Unallocated	Net	Net	Net	Net	Net	Net	Net	Net	
77-80	0	4,888	5,447	4,217	13,879	12,338	12,385	5,388	4,977	225	1,382	1,282	38	53	17,887	
80	12,878	1,884	384	487	14,289	1,814	1,768	648	487	(1,888)	184	2,848	2,848	18	14,289	
81	16,265	628	388	488	17,809	2,148	2,098	707	488	1	3	1,887	1,887	17	17,809	
82	17,808	38	238	473	18,588	2,425	2,384	880	473	1	1,278	1,283	882	2,471	18,588	
83	18,594	41	198	388	19,281	2,148	2,144	1,848	388	3	1,287	2,848	1,428	2,411	19,281	
84	18,881	381	374	483	19,918	2,848	2,827	1,172	483	3	382	2,877	(1,2)	2,878	19,918	
81	18,815	17	342	674	21,888	33	1,784	1,488	674	(182)	2,878	(1,888)	1,884	81	21,888	
82	21,848	23	381	884	22,887	2,888	2,888	1,188	884	172	1,842	38	1,882	82	22,887	
83	22,857	34	271	728	23,877	2,188	2,131	1,131	728	384	1,328	41	1,842	83	23,877	
84	23,877	38	348	728	24,111	2,428	2,327	1,088	728	388	1,778	43	1,888	84	24,111	
85	24,111	27	278	782	25,188	2,428	2,382	1,088	782	488	1,174	43	2,831	85	25,188	
86	25,188	38	215	1,28	26,228	2,884	2,474	1,178	828	478	1,842	47	2,878	86	26,228	
87	26,228	32	388	888	27,224	2,881	2,888	1,228	888	381	1,144	38	2,128	87	27,224	
88	27,224	38	198	888	28,481	2,878	2,278	1,281	888	382	1,477	38	2,188	88	28,481	
89	28,481	38	184	923	29,684	2,888	2,884	1,282	923	388	1,341	38	2,234	89	29,684	
90	28,814	41	172	888	30,788	2,141	2,141	1,423	888	388	1,848	37	2,288	90	30,788	
91	32,811	81	71	1,188	34,088	2,888	1,718	2,288	1,188	1,888	1,872	38	1,128	91	34,088	
Continuation of Data																
Projected for 2001-2003																

Current year

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## **One caveat about the future**

- Alaskans, through their elected officials, will decide what to do with all the income the Fund earns in the future – some \$63 billion projected just over the next 20 years
- But perhaps it will not be quite that much... sometimes markets go down, sometimes for long periods...

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## **Board's basic investment principles**

- Diversify to protect principal
- Do the utmost due diligence, apply best judgment and accept the consequences
- Invest for the long-term, be patient, but be prepared for periods of short-term volatility
- Balance income benefits between current and future generations

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# Risk tolerance

## Bold

Years with a loss since 12/31/25: 19



## Somewhat bold

Loss years: 16



## Somewhat timid

Loss years: 13



## Timid

Loss years: 13



Source: Ibbotson Associates

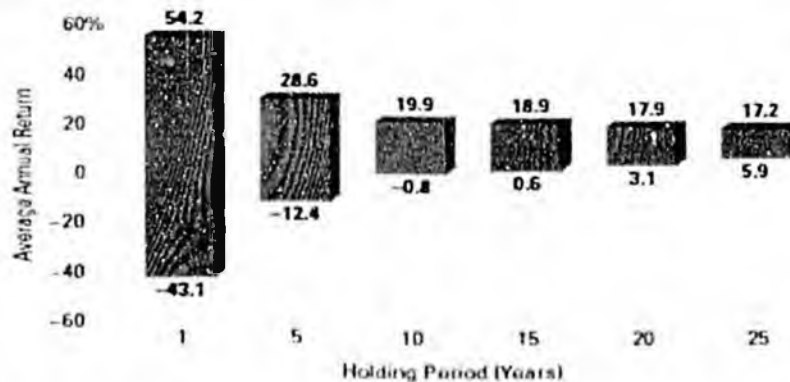
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Time greatly reduces — but does not eliminate — the volatility in returns from stocks. Returns from common stocks have fluctuated within narrower bands as the holding period for stocks increased.

## Range of Returns on Common Stocks

1926-1993



Source: Ibbotson Associates

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## Year 2000 capital market assumptions

<b>Asset Class</b>	<b>Expected Return</b>	<b>Standard Deviation</b>
<b>CPI</b>	<b>3.25%</b>	<b>1.0%</b>
<b>Cash Equivalents</b>	<b>5.00%</b>	<b>.7%</b>
<b>Domestic Bonds</b>	<b>6.70%</b>	<b>5.5%</b>
<b>Large-cap Domestic Equity</b>	<b>8.90%</b>	<b>15.0%</b>
<b>Small-cap Domestic Equity</b>	<b>10.40%</b>	<b>25.0%</b>
<b>International Equity</b>	<b>9.75%</b>	<b>21.5%</b>
<b>Real Estate</b>	<b>8.30%</b>	<b>16.5%</b>
<b>International Bonds</b>	<b>6.50%</b>	<b>10.0%</b>

Source: Callan Associates

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## The Board of Trustees' asset allocation

- The Board's asset allocation has been designed to balance the risks of negative returns in the short-term against the rewards of higher positive returns over the long term
- We ask for your continuing support for that policy to ensure that Alaskans never abandon the Fund's commitment to long-term investment goals

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### APFC'S 2000-2003 ASSET ALLOCATION

Domestic Equities	37%	+/-7%
International Equities	16%	+/-5%*
<b>Total Equities</b>	<b>53%</b>	<b>+/-5%</b>
Domestic Bonds	35%	+/-7%**
Non-Dollar Bonds	2%	+/-2%
<b>Total Bonds</b>	<b>37%</b>	<b>+/-5%</b>
<b>Total Real Estate</b>	<b>10%</b>	<b>+/-2%</b>

\*Includes an allocation of 3% of the total Fund to Emerging Markets.

\*\*Includes an allocation of \$300,000,000 for Alaska Financial Institutions' Certificates of Deposit.

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### Daily unaudited position

as of January 10, 2001

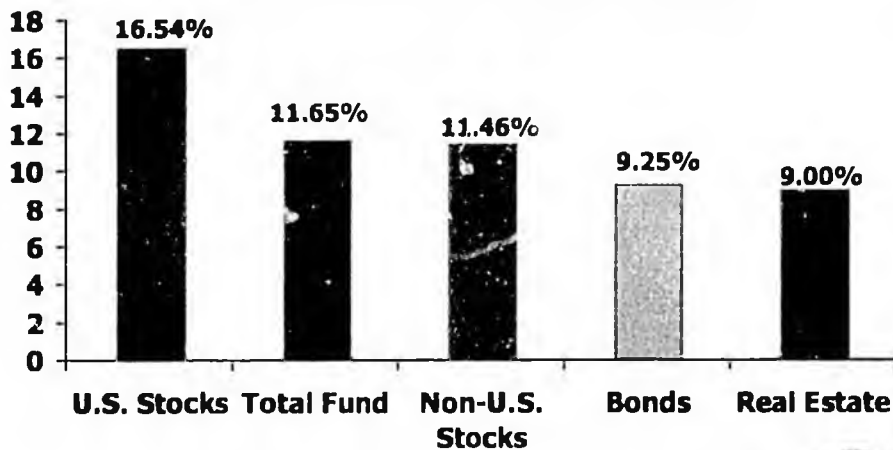
<u>U.S. Fixed Income</u>	38%	\$10,255,800,000
<u>Non-U.S Fixed Income</u>	2%	\$623,900,000
<u>U.S. Equities</u>	33%	\$8,683,800,000
<u>Non-U.S. Equities</u>	16%	\$4,293,500,000
<u>Real Estate</u>	10%	\$2,681,400,000
<u>Alaska CDs</u>	1%	\$146,200,000
<b>TOTAL</b>	<b>100%</b>	<b>\$26,689,600,000</b>

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## Fund's long-term average annual total returns

(16 3/4 years as of Sept. 30, 2000)

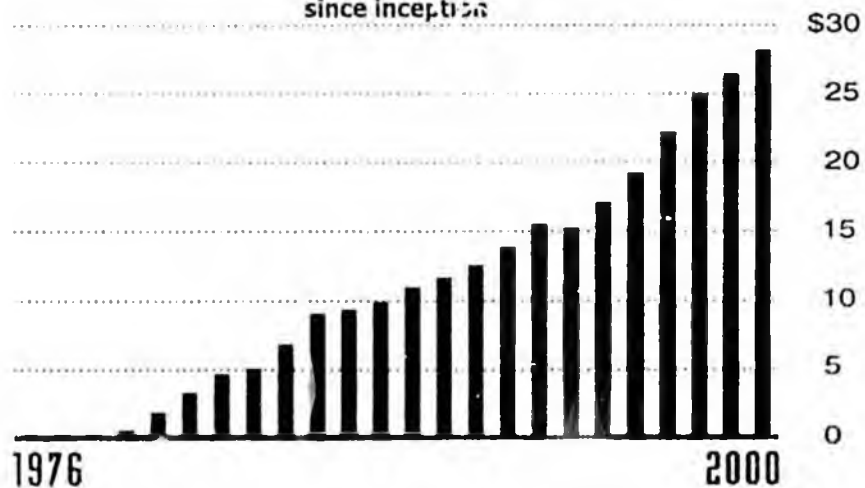


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## Changes in the Fund's annual market value

since inception

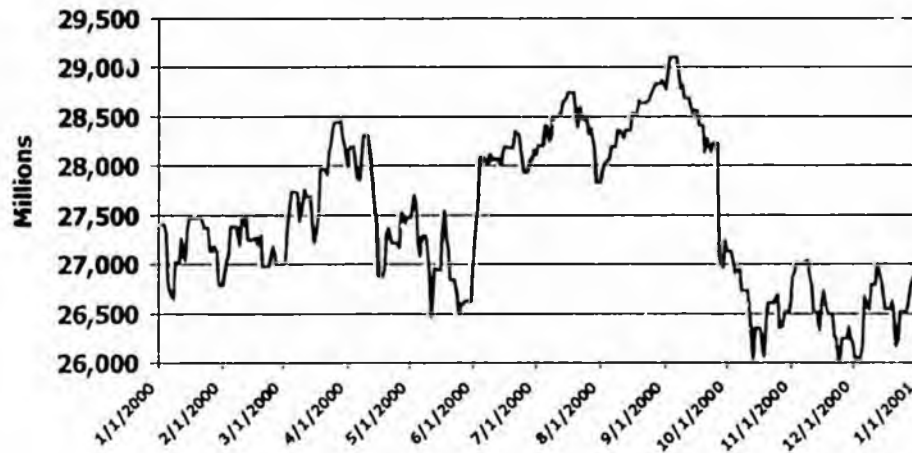


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## Changes in the Fund's daily market value

calendar year 2000

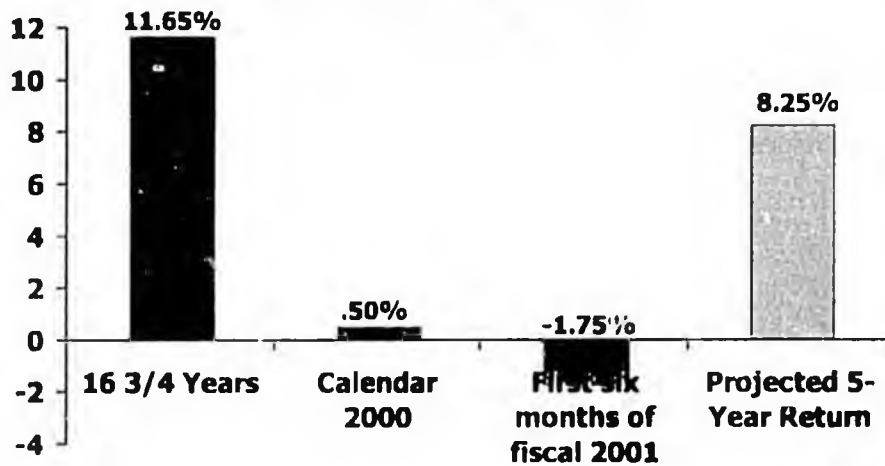


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## Permanent Fund's total return

(actual and projected)



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**The job of the APFC is  
to harmonize three objectives**

- Preserve the Fund's purchasing power
- Maximize distributions over the long-term
- Minimize fluctuations in annual payouts

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**"Inflation is like a thief in the night.  
It steals from you silently and  
nobody knows what's being done."**



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ALASKA PERMANENT FUND CORPORATION

RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
ALASKA PERMANENT FUND CORPORATION  
RELATING TO A CONSTITUTIONAL AMENDMENT TO  
INFLATION-PROOF  
THE ALASKA PERMANENT FUND

RESOLUTION 00-13

Protecting the Alaska Permanent Fund ("Fund") against inflation has been the highest public policy priority of the Board of Trustees ("Board") since the original Board was appointed 20 years ago. At that time, the Board testified to the legislature that the greatest threat to the permanence of the Fund is inflation. In response, the legislature adopted statutory inflation-proofing in 1982.

Note: See attachment  
for full version.

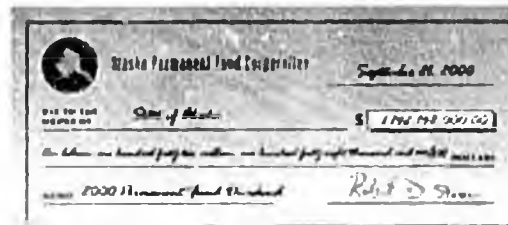
Alaska Permanent Fund Corporation



Dividend remains unaffected

How does the proposal affect the dividend program?  
It doesn't. The Board has modeled this proposal and come to two fundamental conclusions:

1) the constitutional amendment will have no impact on the dividend program vis-a-vis the status quo; and



2) volatility in the financial markets may impact the dividend program, but the impact will be the same under either the status quo or the proposal.

All questions and answers about the constitution and amendments of reference found the Permanent Fund, December 18, 2000

Alaska Permanent Fund Corporation



# Alaska public will decide

## Proposal for fund is important step

ALASKA'S PUBLIC WILL DECIDE whether to create a permanent fund to provide for the state's future generations, a proposal that has been approved by the Alaska State Board of Education and the Alaska State Board of Health and Social Services.

The proposal, which was developed by the Alaska Permanent Fund Corporation, calls for the creation of a permanent fund that would be funded by a portion of the state's oil and gas revenues. The fund would be managed by a board of trustees and would provide for the state's future generations.

The proposal is an important step in the process of creating a permanent fund, and it is expected that the public will vote on the proposal in the near future.

**ALASKA STATE BOARD OF EDUCATION**  
**ALASKA STATE BOARD OF HEALTH AND SOCIAL SERVICES**

APFC has been authorized to begin the process of creating a permanent fund. The fund would be funded by a portion of the state's oil and gas revenues. The fund would be managed by a board of trustees and would provide for the state's future generations.

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ALASKA PERMANENT FUND CORPORATION

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### Top stories

- March Board of Trustees Meeting**  
FEBRUARY 29 - The Alaska Permanent Fund Corporation Board of Trustees meeting concluded on the day in March in Anchorage. March 29 and Thursday, March 30, February 29. The public is invited to attend the Board meeting, and the agenda will provide an opportunity for public comment and participation.
- APFC Seeks Director of Administration**  
FEBRUARY 25 - The Alaska Permanent Fund Corporation is currently accepting applications for the position of Director of Administration. The position holder will manage the day-to-day operations of the Corporation, including all administrative functions. Salary range: \$80,000 - \$120,000 depending on qualifications.
- Student Investment Fund and Gap Funds**  
FEBRUARY 17 - Jason Grant, Vice President of Public Programs for the University of Alaska, Faculty & Student Investment Fund, visited the Alaska Permanent Fund Corporation in February. It is a pleasure to observe the Fund's early morning trading activity and meeting in Anchorage. APFC will give a Fund Fair presentation in the APFC headquarters in Anchorage.

### Daily unaudited position


as of March 21, 2001

Fund Assets	100%	\$4,110,000,000
U.S. Equity	100%	\$4,110,000,000
Non-U.S. Equity	100%	\$4,110,000,000
Fixed Income	100%	\$4,110,000,000
Real Estate	100%	\$4,110,000,000
<b>Total</b>	<b>100%</b>	<b>\$4,110,000,000</b>


### Non U.S. Equities

Other (1%)	
American (2%)	
United Kingdom (1%)	
Europe ex UK (2%)	
Japan (1%)	
Rest of World (3%)	

### APFC real estate



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**ALASKA PERMANENT FUND CORPORATION**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALASKA  
PERMANENT FUND CORPORATION RELATING TO A  
CONSTITUTIONAL AMENDMENT TO INFLATION-PROOF  
THE ALASKA PERMANENT FUND**

**RESOLUTION 00-13**

Protecting the Alaska Permanent Fund ("Fund") against inflation has been the highest public policy priority of the Board of Trustees ("Board") since the original Board was appointed 20 years ago. At that time, the Board testified to the legislature that the greatest threat to the permanence of the Fund is inflation. In response, the legislature adopted statutory inflation-proofing in 1982.

In more recent years, the Board has examined the use by various large endowment and public funds of a formula approach to determining the size of payouts from those funds. This formula approach, generally referred to as a "percent of market value" ("POMV") payout, is applied by those funds in a manner that protects them against inflation, thereby assuring the funds' long-term viability. Because a POMV payout provides for consistent and on-going inflation-proofing, the Board believes that its use is in the best interest of the Fund and of the people of the State of Alaska, who are the beneficiaries of the Fund.

The Board further believes that the best way to assure continuing inflation-proofing of the Fund in the years ahead is to provide for use of a POMV payout by amending the constitutional provision that established the Fund (Article IX, section 15 of the Alaska Constitution). Providing for inflation-proofing in this manner would strengthen and extend the existing statutory provision for inflation-proofing the principal of the Fund by putting inflation-proofing into the Constitution and applying it to total Fund assets, including principal.

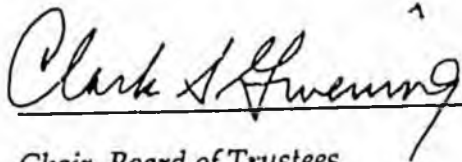
At the Board's request, counsel for the Board has prepared a draft constitutional amendment for further discussion by the Board which, if adopted by the people of the State of Alaska, would provide for an annual payout from the Fund of no more than five percent of the average fiscal year-end market value of the Fund over the immediately preceding five fiscal years. The Board believes that this formula effectively balances the goal of maximizing the availability of income from the Fund with the long-term goal of protecting the value of the Fund by inflation-proofing.

Finally, the Board believes strongly that implementing inflation-proofing of the Fund by constitutional amendment is such an important public policy goal that proposals for incorporating any other amendments to Article IX, section 15 which might in any way either lessen the chances of approval of such an amendment by the voters or undermine the legal status of the Fund should be rejected by the legislature.

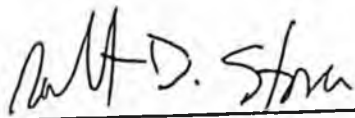
NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the legislature of the State of Alaska, in consultation with the governor and the Board, are urged to consider and approve a proposal for a constitutional amendment that would provide for permanent inflation-proofing of the Fund by application of a POMV payout mechanism.

BE IT FURTHER RESOLVED by the Board of Trustees that the proposal for such an amendment be limited solely to implementation of the foregoing goal.

**PASSED AND APPROVED** by the Board of Trustees of the Alaska Permanent Fund Corporation this 8th day of December 2000.

  
\_\_\_\_\_  
Chair, Board of Trustees

ATTEST:

  
\_\_\_\_\_  
Robert D. Storer, Corporate Secretary



## 10 QUESTIONS AND ANSWERS ABOUT THE CONSTITUTIONAL AMENDMENT TO INFLATION-PROOF THE PERMANENT FUND

*December 18, 2000*

### **#1. What is the purpose of the proposed constitutional amendment?**

The Board is supporting an amendment to the Alaska Constitution to provide constitutional – not just statutory – assurance that a portion of Fund income will always be retained each year to offset the effects of inflation. As Board Chair Clark Gruening points out, this proposal puts emphasis on the word ‘permanent.’ The amendment would accomplish this by providing that annual payouts from the Fund can be up to but no more than 5 percent of the five-year average market value of the Fund.

### **#2. How does a payout of no more than 5 percent inflation-proof the Fund?**

The Board’s best estimate is that, over the long term, the Fund will earn an inflation-adjusted, “real” rate of return of 5 percent. For example, the Board’s current 5-year target asset allocation is designed to earn an average, annual rate of return of 8.25 percent with an expected inflation rate of 3.25 percent. This proposal sets the maximum payout at 5 percent – the difference between what the Fund earns and what it loses to inflation – to ensure that the Fund’s growth will at least keep up with inflation.

### **#3. Why is the Board taking this action now?**

After four years of study, the Board is convinced that a constitutional amendment is the best way to protect the Fund against the effects of inflation. By recommending the proposal now, almost two years before the 2002 general election, Alaskans will have plenty of time to become familiar (and, hopefully, comfortable) with this major public policy proposal. All Alaskans are encouraged to carefully study the proposal, debate its merits and express their views. It is also fitting that this debate should take place during the time while Alaskans will be celebrating the 25<sup>th</sup> anniversary of the Alaska Permanent Fund’s creation in 1976.

### **#4. Does the legislature have to approve this?**

Yes. Before any constitutional amendment can be voted on by the people, it first has to win the support of a super majority, that is, two-thirds of the legislature.

### **#5. Do the people get to vote on this issue?**

Yes. Once the legislature gives its two-thirds approval, the proposed constitutional amendment would be placed before the voters at the next general election, November 5, 2002. If a simple majority of the voters approve it, it will go into effect 90 days later.

### **#6. Why 5 percent?**

The Board has been studying percent of market value (POMV) payout limits diligently since 1996 and has found that the majority of large foundations and endowments set payouts of no more than 5 percent of their funds' market value. The Board also reached two important and related conclusions. First, 5 percent is roughly the maximum that a fund can pay out and still maximize its long-term distributions; and second, 5 percent is the maximum sustainable payout rate, beyond which the real value of the Fund would begin to erode.

### **#7. Why five-year averaging?**

Applying the 5 percent payout to the Fund's market value averaged over five years, rather than just the value at the most recent year-end, dampens volatility (that is, the ups and downs) of annual income available for distribution. Five-year averaging also corresponds with the existing statutory formula for dividends which is based on a five-year average of realized earnings.

### **#8. How does the proposal differ from the status quo?**

The major difference is that this amendment provides constitutional inflation protection for the entire Fund whereas the status quo provides statutory inflation protection only for the principal. It also limits withdrawals from the Fund by the legislature – currently all of the earnings reserve is available for appropriation. (Note: as of September 30, 2000, the Fund equaled \$27 billion – \$20 billion in principal and \$7 billion in earnings reserve.)

### **#9. How does the proposal affect the dividend program?**

It doesn't. The Board has modeled this proposal and come to two fundamental conclusions: (1) the constitutional amendment will have no impact on the dividend program vis-à-vis the status quo; and (2) volatility in the financial markets may impact the dividend program, but the impact will be the same under either the status quo or the proposal.

### **#10. Is the Board sure that 5 percent is the right number?**

The Board's best estimate is that, over the long term, the Fund will earn an inflation-adjusted, "real" rate of return of 5 percent – which can be safely paid out without the Fund losing ground to inflation. There will be short-term periods when earnings are too low and inflation too high and the Fund will not be protected against inflation. However, over the long term, such periods should be offset by periods of strong asset growth.

**1/18/01**

**OVERVIEW**

**AMA**

**MEDICAL**

**ISSUES**

SFIN

FILE

Senate Finance Committee

1/18/01

Testimony of Peter Lawrason, MD  
President, Alaska State Medical Association

Cochairman Kelly, committee members, thank you for this opportunity to address you this morning.

I am Peter Lawrason, an OB/GYN practicing in Fairbanks. Today I represent the Alaska State Medical Association (ASMA) who represents Alaska's patients and the physicians who care for them. I am the current president of ASMA.

Soon, we hope that SB 37 will be addressed by your committee. I urge you to support this bill, which is important to all physicians in Alaska. However, today I will not provide you with any detailed testimony, as the appropriate time for that will be at a later date.

I am leaving you a copy of testimony that I will present to House HESS this afternoon. This will hopefully give you a feel for a day in the life of a physician in Alaska today. I simply ask that you remember this as over the next two years you debate the health care measures that come before you.

Mr. Cochairman, with your permission, I would like to introduce an esteemed visitor who wishes to address the committee.

Donald J. Palmisano, MD, JD, is a general and vascular surgeon in New Orleans, Louisiana. Dr. Palmisano is a member of the American Medical Association's Board of Trustees, being first elected in 1996 and re-elected in 1999. He serves on AMA's Executive Committee and its Board, the Finance Committee, and he chairs its Compensation Committee.

Dr. Palmisano is also a former president of the Louisiana State Medical Association. As you heard, there is also a JD after his name. He attended Loyola University School of Law, graduating in 1982 and is licensed to practice law in Louisiana. By the way, he attended law school while maintaining his surgical practice. I've provided you a copy of his CV so you may see the full range of Dr. Palmisano's contributions to medicine and society in general.

Dr. Palmisano serves as AMA's point person on privacy and confidentiality as well as anti-trust reform to allow negotiations by self-employed physicians.

Today, Dr. Palmisano will be addressing you in regards to the need for anti-trust reform. Accompanying him is AMA staff person Becky Dadura. Becky testified before the committee last year in regards to SB 256. She is an attorney with AMA's Advocacy Resource Center.

Thank you and I'm available to answer any questions, which you may have now or in the future.

Home Health Education and Social Service Committee  
1/18/01

Testimony of Peter Lawrason, MD President  
Alaska State Medical Association

Good afternoon and thank you for this opportunity to dialogue with you today. Chairman Dyson, committee members, I am Peter Lawrason, an OB/GYN practicing in Fairbanks. I am also the President of the Alaska State Medical Association, which represents Alaska's patients and the physicians who care for them.

I am not here today to talk about any specific bills but am here to give you a look at the practice of medicine as it is today in Alaska. This is obviously based on my own practice and from speaking with my colleagues from all over the state. I just ask that you remember what I'm about to say as you debate the various bills that come before you over the next two years.

Being an OB/GYN, my days and nights tend not to be differentiable. But I love every minute of every day spent in the care of patients. And, I hate every minute of every day spent with the process of being compensated for the caring for those patients. I went into medicine to care for people, not to shuffle paper.

Unfortunately, more of my day each year is spent dealing with paper- mostly dealing with trying to get paid by third party payors. The mantra I continue to hear from my billing staff and my colleagues is: NO PAY- SLOW PAY- LOW PAY.

I wish I didn't have to deal with those issues, but they are a part of life in medicine today. All of us in private practice have overhead to support. (You know, office rent, payroll for nurses, billing clerks, health insurance, fire insurance, liability insurance, payroll taxes, etc.) So, yes, I must deal with those issues and that in part is why I am here today. By the way, my professional liability premiums are in excess of \$40,000 per year.

Physicians need to be involved in the legislative process so that all of you have an idea of what goes on in our professional lives.

Here's a composite of a typical day in my life:

- Up at 5:30 AM, go for a swim
- Oops, its Wednesday, have an ASMA meeting at 7:00 AM
- Oh what a great day, call from the hospital, two OB patients at Labor and Delivery, run to hospital check on them.
- Do ASMA board meeting from the hospital, waiting for the beeper to buzz signaling the impending births.
- Finish ASMA board meeting at 8:05, still no beeper so run to the office to see first patient at 8:15 AM.
- 8:30 call from the hospital, first mom ready to go - run to the hospital, do the delivery, ALL RIGHT! A healthy little girl.
- Called to next room for the second delivery, problem with mom 2- can't wait; need to do a C-section right now. Complications, but baby OK and mom 2 is now OK with new son.

- YIKES, run back to office; arrive at 11:00, patients backed up. What's lunch for anyway? Besides, lunchtime on Wednesday is spent in clinic business meeting (remember, NO PAY- SLOW PAY- LOW PAY!)
- 2:00 PM- run back to hospital to check on moms and kids- everything going great, run back to the office arrive 2:20.
- Continue seeing patients with the last one leaving the office at 5:30 PM.
- Time to go home? NO, got to do charts, go back to the hospital, check on moms and kids.
- Finally, get in car; arrive at home at 8:30 PM, just in time to tuck my little ones into bed.
- AH! Cold dinner at 9:00 PM, What a treat!
- On yeah, I'm on "city call" for the ER this week as well- call at 11:30 PM to come to the ER. Pregnant woman involved in a car accident, 7 months pregnant, appears labor is beginning. Get her stabilized, was false labor. Time to go home- its 2 AM. Great, I'll get 3 hours of sleep tonight in my own bed!

Obviously, this was a busy day and probably busier than the usual, but nevertheless indicative of many of my days. Many of my colleagues face very similar days. Those in rural practices tend to be true 24/ 7/ 365 workers. I don't know how they do it!

The foregoing may give you an idea of why physicians become irritable when faced with more bureaucracy. Of course, some bureaucracy is necessary, but the extent of some is beyond belief. For example, Medicare, with in excess of 100,000 pages of regulations expects us to be cognizant of each section that may pertain to us when treating a Medicare patient. I understand that Medicare is a federal, not state program, but use it as an example of regulations run amok. After all, IRS has only a mere 10,000 pages of regulations.

Buried in those thousands of pages are unfunded mandates such as the latest, which would require that interpreters be provided for nearly every patient with limited English proficiency. Communication is essential and many times we are able to use family members to act as interpreters. This is not an ideal situation, but the new guidelines from HCFA would preclude the use of a family member for both Medicare and Medicaid Patients.

Our patients are also changing. Some changes are good for care others are detrimental! They are more knowledgeable (from surfing the internet), they are self-referring to specialists, and are demanding the latest technology and drugs be used. Our patients are also more likely to be self-treating with herbs and food supplements. Some are helpful, some harmful, and some we don't know what they do- or how they may react with other prescription medicines. Advances in medical technology are occurring at a dizzying pace with no slow down in sight. This includes new drugs, "black boxes", surgical techniques, and genetic mapping. Of course, a cost is associated with most of these advances, with often times, you being called upon to deal with those issues.

Both you and we in the physician community face challenging times. We are here to work with you in meeting those challenges.

I'd be happy to answer any questions that you might have.

# American Medical Association

Physicians dedicated to the health of America



**Donald J. Palmisano, MD, JD**  
Member, Board of Trustees  
American Medical Association

Donald J. Palmisano, MD, JD, a general and vascular surgeon from New Orleans, Louisiana, was elected to the AMA Board of Trustees in 1996 and re-elected in 1999. He serves on the Executive Committee, the Finance Committee and chairs the Compensation Committee. He is a former president of the Louisiana State Medical Society and has received numerous AMA Physician Outreach Awards for membership recruitment.

Dr. Palmisano serves as the AMA's point person on privacy and confidentiality as well as antitrust reform to allow joint negotiations by self-employed physicians. In addition, he is the spokesperson for the Litigation Center of the AMA and State Medical Societies. Other assignments include the Internet and patient safety. Dr. Palmisano is on the Board of Directors of the National Patient Safety Foundation and chairs the Development Committee. He is a member of the Board of Commissioners of the JCAHO, and serves on the Advisory Board of the Annenberg Center for Health Sciences.

In 2000, Dr. Palmisano was one of 60 American "opinion leaders" chosen by the Department of Defense to participate in the Joint Civilian Orientation Conference (JCOC 63). This 9-day program allowed Dr. Palmisano to visit military bases of the Army, Navy, Air Force, Marine Corps and Coast Guard and learn about our fighting forces, their equipment and capabilities, and national defense strategies.

Board-certified in surgery, and a fellow of the American College of Surgeons, Dr. Palmisano is in the private practice of surgery in New Orleans with four other surgeons. He played a key role in the passage of the landmark Louisiana Medical Malpractice Act of 1975, helping to plan and implement the tort reform.

A graduate of Tulane University in New Orleans, Dr. Palmisano entered Tulane University School of Medicine and received his medical degree with honors in 1963. Internship and residency in surgery were at Tulane and Charity Hospital of New Orleans. He then served in the US Air Force as chief of surgery for the 821st Medical Group (SAC) and received the Air Force Commendation Medal for his skill, knowledge, and leadership after a major aircraft (B-52) crash. Dr. Palmisano's published clinical research efforts have included systemic heparinization during catheter angiography, the first documentation that copper is an essential nutrient to adult health, and the world's first published operative photograph of a double gallbladder. He is clinical professor of surgery and clinical professor of medical jurisprudence at Tulane. Dr. Palmisano was elected President of the Tulane Surgical Society for the year 1999-2000.

Dr. Palmisano attended Loyola University School of Law in New Orleans and was elected to the Blue Key National Honor Society. In 1982, he received his Juris Doctorate and is licensed to practice law in Louisiana. He has served on the Governor's Commission on Medical Malpractice, was chair of the legal subcommittee of the Governor's Commission on Organ Donations, and currently chairs the Louisiana Medical Disclosure Panel that determines therapy risks.

Dr. Palmisano was a founding member of a physician-owned professional liability company, and subsequently founded Intrepid Resources®/The Medical Risk Manager Company, a firm providing professional liability claims handling and risk management consultation to physicians, clinics, and hospitals. He serves as president and he is a frequent lecturer on a wide variety of topics including risk management, patient safety, informed consent, managed care, and tort reform. His medical and legal publications include co-authoring the monograph, *Informed Consent - A Survival Guide*, and writing the risk management section on informed consent for the American College of Surgeons' book, *Professional Liability/Risk Management*.

An accomplished photographer specializing in nature and macrophotography, Dr. Palmisano and his wife, Robin, reside in Metairie, Louisiana. He has three grown children.

2000-2001

**1/23/01**

**OVERVIEW  
AK TRAVEL  
INDUSTRY  
ASSOC.**

SFIN

FILE

**1999-2000  
Survey of U.S.  
State and Territory  
Tourism Offices**

**Prepared by the  
National Councils Department  
Travel Industry Association of America  
Washington, DC**

1999-2000 SURVEY OF U.S. STATE AND TERRITORY TOURISM OFFICES  
FOUR HUNDRED NINETY-FIVE DOLLARS  
FEBRUARY 2000  
ISSN: 0361-8370

TABLE A: 1999-00 PROJECTED STATE TOURISM OFFICE BUDGETS BY RANK

1	Hawaii	\$60,000,000	26	Arizona	\$8,849,300
2	Illinois	55,507,500	27	Alabama	8,790,604
3	Florida	54,287,750	28	Colorado	7,300,000
4	Pennsylvania	34,370,996	29	Georgia	7,246,382
5	Texas	30,875,113	30	Kentucky	7,177,800
6	New York	20,808,010	31	Vermont	6,985,079
7	Virginia	19,200,000	32	Montana	6,841,624
8	Iowa	17,589,711	33	Alaska	6,668,500
9	Louisiana	16,758,578	34	New Jersey	6,600,000
10	Wisconsin	15,525,000	35	Ohio	6,380,000
11	Michigan	15,450,883	36	Connecticut	6,094,297
12	Missouri	15,148,409	37	South Dakota	5,547,000
13	Massachusetts	14,162,000	38	Idaho	5,314,027
14	South Carolina	13,543,771	39	Utah	4,829,500
15	California	13,200,000	40	Indiana	4,536,000
16	West Virginia	13,028,002	41	Maine	4,512,158
17	New Mexico	12,868,500	42	Kansas	4,500,000
18	Minnesota	12,770,311	43	Wyoming	4,406,460
19	Mississippi	12,681,198	44	Washington	3,875,020
20	Tennessee	12,052,200	45	New Hampshire	3,502,202
21	Arkansas	11,397,938	46	Nebraska	3,290,000
22	Maryland	10,736,310	47	Oregon	3,122,082
23	North Carolina	10,658,626	48	Rhode Island	2,632,718
24	Oklahoma	9,665,611	49	North Dakota	2,187,513
25	Nevada	9,381,380	50	Delaware	1,176,600
	Grand Total	\$644,032,663			
	Average	\$12,880,653			

Total Budgets

The projected budgets for fiscal year 1999-2000 total \$644 million (50), 12.7 percent higher than last year's \$571.4 million (50) actual budget allocation for fiscal year 1998-1999.



2600 Cordova Street, Suite 201 • Anchorage, Alaska 99503  
 PHONE: (907) 929-2842 • FAX: (907) 561-5727  
[www.travelalaska.com](http://www.travelalaska.com)    [www.alaskatia.org](http://www.alaskatia.org)

The **Organization** is managed by a 23-member elected Board of Directors, representing various sectors of the Alaska visitor industry and various regions of the state. Marketing programs are developed and implemented through an extensive committee structure, including advisory committees with the active participation of 40 members. As managers of the contract, the Department of Community and Economic Development must approve the marketing plan prior to implementation.

**ATIA Membership** is just over 900 and consists primarily of small businesses.

- 61 %      have 0 to 5 employees
- 20 %      have between 6 and 15 employees
- 10 %      have between 16 and 50 employees
- 4 %        have between 51 and 100 employees
- 3 %        have over 100 employees
- 2 %        Convention & Visitors Bureaus (CVB) / Destination Marketing Organizations (DMO)

Regular membership levels start as low as \$100 for small businesses; and marketing partner investment rates increase depending on the number of people employed during the peak season.

**FY01 Contract Funding Sources**

• Total Contract	\$6,928,571
• State of Alaska	\$4,850,000
• ATIA / Private Sector	\$2,078,571
➤ Cruise Partners	\$ 819,040
➤ CVB / DMO Partners	\$ 342,590
➤ Pay-to-Play Programs	\$ 916,941 +

The ATIA will meet and exceed the match required by the legislature. Under the FY01 contract, there are total funds of \$6,928,571, of which 30% or \$2,078,571 is matched by the ATIA through a variety of contributions. To date, the ATIA has raised 83% of the match or \$1,735,000. The remaining 15% will be collected in the next several months as payments are received.



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

## AGENDA

January 23, 2001

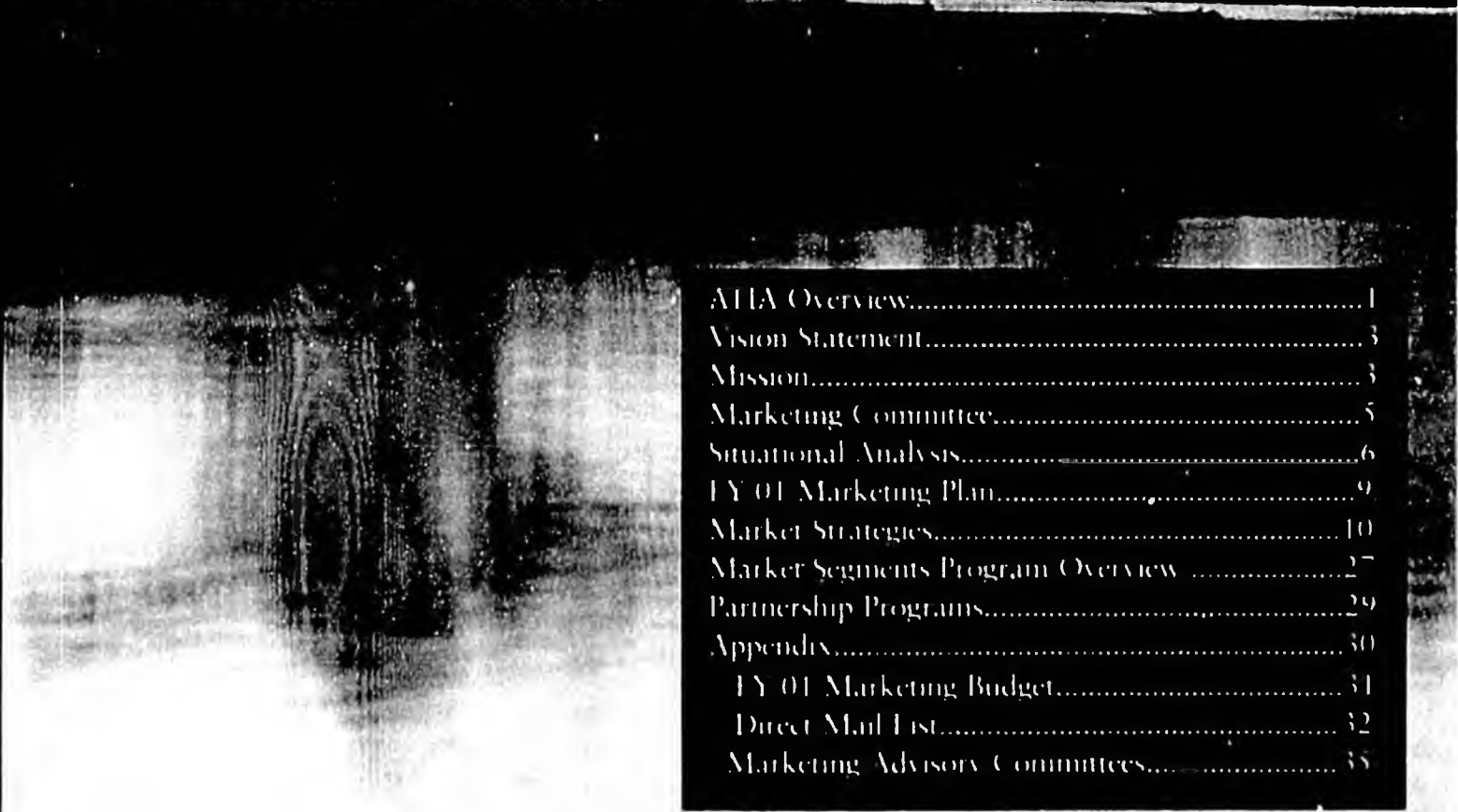
9:00 a.m.

Presentation by Alaska Travel Industry Association

**Alaska Travel Industry Association  
FY01 Marketing Implementation Plan**



# Table of Contents



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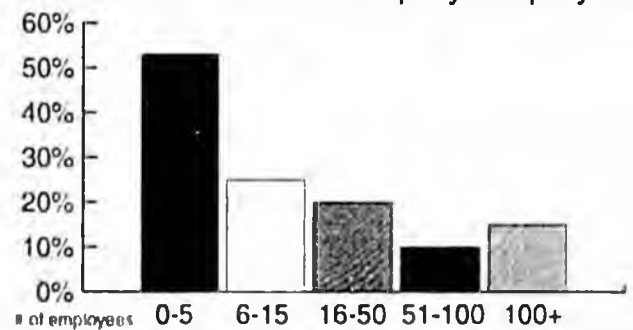
# ATIA Overview

The Alaska Travel Industry Association (ATIA) is the new member-based visitor industry trade association for Alaska. ATIA is the result of an industry-led initiative to regain Alaska's competitive position as a visitor destination and to consolidate Alaska's statewide tourism organizations – the Alaska Tourism Marketing Council (ATMC), the Alaska Visitors Association (AVA), and the marketing functions of the Alaska Division of Tourism (DoT) – into one new, non-profit organization. This streamlined structure is the industry's solution to several issues facing Alaska tourism: greatly reduced government funding, continued threats of industry taxes, increased competition from other destinations, and a decline in the rate of visitor growth. Without this renewed effort to regain our position in the marketplace, the Alaska visitor industry is likely to continue to experience a decrease in the rate of visitor growth. The Alaska Travel Industry Association FY01 Marketing Plan will be conducted under contract to the State of Alaska, Department of Community and Economic Development. It is the result of collaboration between visitor industry businesses throughout Alaska and is a blueprint for the beginning of new marketing programs for the industry. This marketing plan includes elements implemented in the past by the ATMC, AVA and DoT, as well as exciting and new initiatives developed by the ATIA members and board of directors.

## ATIA's Membership

ATIA's members come from every part of the visitor industry including small bed and breakfasts, charter companies, gift shops, hotels, guiding companies, lodges, cruise lines, destination marketing organizations (DMOs) and tourism support companies. These members have been involved in ATIA's development from the beginning. Through public meetings, forums and committee work, ATIA's membership has been active in the process of shaping and molding how the industry will promote the state of Alaska as a visitor destination.

ATIA Charter Membership by Employment



# Board of Directors

The 17 founding members of ATIA's board of directors were elected by the membership in August 1999 to serve terms varying from one to three years. In addition, 6 directors were appointed by the elected directors to serve a one-year term.

## The 1999-2000 Board of Directors

## Term Expires

### Officers

Ann Campbell, Chair: Aurora Consulting.....	2000
Bill Pedlar, Vice Chair: Pedlar Management Consulting.....	2000
Susan Woodward Springer, Secretary/Treasurer: Herring Bay Mercantile .....	2001
Bob Dindinger, Chair of Marketing: Alaska Travel Adventures .....	2001
Brett Carlson, Chair of Government Relations: Northern Alaska Tour Company .....	2002
Tina Lindgren, President & COO	

### Directors

Dale Anderson: Admiralty Tours.....	2000
Denise Belkoski: Anchorage Convention & Visitors Bureau .....	2000
Johne Binkley: Alaska Riverboat Discovery/El Dorado Gold Mine .....	2002
Greg Champion: Sheraton Anchorage Hotel.....	2000
Ken Dole: Waterfall Resort/Seaborne Aviation.....	2002
Tom Dow: Princess Cruises and Tours .....	2000
Bob Engelbrecht: NorthStar Trekking.....	2001
Pam Foreman: Kodiak Island Convention & Visitors Bureau .....	2001
Dale Fox: Chenega Corporation .....	2000
John Fox: Royal Caribbean Cruise Lines.....	2000
Kirk Hoessle: Alaska Wildland Adventures.....	2002
Alan LeMaster: Gakona Junction Village .....	2000
Steve Mahay: Mahay's Riverboat Service .....	2000
Gary Odle: Alaska Highway Cruises.....	2002
Ed Peebles: Warbelow's Air.....	2000
Frank Rose: Alaska Lodging Management .....	2001
Tom Tougas: Kenai Fjords Tours.....	2002
Brad Walker: Alaska Airlines .....	2001

## Vision Statement

It is important for an organization such as the ATIA to determine the path it will travel into the future. This has been a primary consideration for ATIA as it takes over the role of marketing the state — a role formerly held by three separate agencies. The ATIA Board of Directors developed the following vision statement for the organization:

**"The ATIA will be the leading industry organization promoting Alaska as a top visitor destination, communicating and promoting the Alaskan tourism industry as one of the state's major economic forces, and will be the respected voice of the industry for the growth of the industry, while remaining attentive to care for the environment, recognition of cultures, and Alaska's unique quality of life."**

## Mission

As we strive to attain our vision for the Alaska visitor industry, ATIA will undertake the following.

- To promote and facilitate travel to and throughout the state of Alaska.
- To provide a broad-based association of individuals and companies with an interest in the visitor industry in Alaska.
- To encourage the increase and improvement of quality visitor facilities, services, and attractions throughout the state.
- To plan and execute an international marketing campaign promoting Alaska as a visitor destination.
- To increase the awareness of the economic importance of the visitor industry.
- To develop and implement programs beneficial to the travel supplier and consumer, programs that no other industry component or organization would be expected to carry out on its own.
- To initiate and cooperate with local, state and federal entities in developing and implementing programs, policies and legislation that are responsive to the needs of the industry and to intervene in those issues and initiatives that would directly affect the facilitation and promotion of travel to and within Alaska.
- To work cooperatively with the state on tourism development and long-range planning.



## Principles

These fundamental principles have been established to provide direction for the first year of the organization's existence. They will be a guide for the activities of the board of directors, staff and members of the ATIA.

- ATIA programs will be economically beneficial and effective for a wide spectrum of member businesses.
- ATIA will work to create a healthy and friendly economic environment to encourage new enterprises.
- ATIA will be an inclusive and broad-based association and will provide strong and cohesive representation of the visitor industry in Alaska - including small and rural businesses.
- ATIA will provide a unified voice for the tourism industry.
- ATIA will maintain close working relationships with Alaska's destination marketing organizations.
- ATIA will work aggressively to regain Alaska's role as an innovator in the worldwide tourism marketing spectrum.
- ATIA will develop strong partnerships with the non-tourism or indirect tourism-related businesses.
- ATIA will be attentive to the qualities that tourism success is built upon, such as care for the environment, recognition of cultures, and Alaska's unique quality of life.
- ATIA and its member businesses will work to be seen as responsible proponents of sound resource management and environmental quality.

## Goals

As a statewide trade association for Alaska's diverse visitor industry, ATIA has diverse roles to play – marketing Alaska as a visitor destination, providing member and community relations, providing leadership on visitor industry policy development and advocacy, providing visitor industry education, and planning for the long-term health of the industry and the association.

Obviously, marketing Alaska as a visitor destination is a primary responsibility of the association. This involves bringing Alaska's message to the marketplace when customers are most receptive. To accomplish this, ATIA will target marketing where dollars go the farthest, provide travelers with planning information, maintain a program that has proven results, be an innovator and market leader for destination marketing and market Alaska year-round. The ATIA will also develop multiple marketing messages tailored to different consumer groups and develop effective marketing partnership programs.

Equally important will be our relationship with our members and with Alaska's communities. ATIA will strive to maintain strong member relations by making membership affordable and equitable and by ensuring good communications with membership. ATIA will also strive to maintain strong community relations by communicating the contributions of the visitor industry to Alaska's economy and communities and working to ensure positive impacts on the quality of life of Alaskan residents.

# Marketing Committee

Overall, it is the responsibility of the ATIA marketing program to reach out to the marketplace and communicate with a diverse mix of potential visitors. To accomplish this task, ATIA will assume many of the marketing roles previously undertaken by the Alaska Tourism Marketing Council, the Alaska Visitors Association, and Alaska Division of Tourism. Within ATIA, there will be three major program areas. The board of directors will set overall policy and budget, overseeing the Tourism Industry Services, Administration and Marketing functions. The marketing program will be implemented by a professional staff at the direction of the Alaska Travel Industry Association board of directors and its marketing committee.

The marketing committee of ATIA is appointed by the board of directors and is charged with the responsibility of developing the annual marketing plan, as well as supervising the plan's implementation. The development of the marketing plan for FY01 was addressed by the following 27 representatives, selected by the board of directors, from around the state participating as members of the marketing committee.

Additionally, to ensure even greater membership participation, the marketing committee established several advisory committees to work on specific areas of the plan. A list of participants in these committees is included at the conclusion of this plan. The advisory committees for the development of the marketing plan for FY01 included:

- Strategic Planning Committee
- Advertising Committee
- Collateral Committee
- Research Committee
- Internet Committee
- Public Relations Committee
- Trade and International Committee

## Marketing Committee Members

- |                            |                       |                   |
|----------------------------|-----------------------|-------------------|
| 1. Bob Dindinger, Chair    | 11. John Mazor        | 21. Sheri Gerhard |
| 2. Ann Campbell            | 12. Denise Belkoski   | 22. Brett Carlson |
| 3. Brad Phillips           | 13. Dennis Brandon    | 23. Patti Mackey  |
| 4. Pierre Germain          | 14. Bob Engelbrecht   | 24. Dale Fox      |
| 5. Gary Odle               | 15. Charlie Ball      | 25. Brad Walker   |
| 6. Kirk Hoessle            | 16. Laurie Herman     | 26. Deb Hickok    |
| 7. Jerre Fuqua             | 17. Len Laurance      | 27. Tina Lindgren |
| 8. Ron Peck                | 18. Bill Pedlar       |                   |
| 9. Susan Woodward Springer | 19. Mary Novak-Beatty |                   |
| 10. Pam Foreman            | 20. Wanetta Ayers     |                   |

# Situational Analysis

## The History Of Cooperative Marketing In Alaska

Cooperative Marketing in Alaska really began with the creation of the Alaska Visitors Association (AVA) in 1950. The major emphasis of the association was promotion, including production of the Alaska-Yukon Travel Manuals. In fact, between 1959 and 1970, AVA was known as the Alaska Travel Promotion Association and worked on marketing projects with the Division of Tourism after it was formed in the '60s. In 1976 the first formal cooperative tourism marketing efforts between the state of Alaska and the tourism industry began, when AVA approached the state with an innovative proposal to co-mingle private and state funds to draw visitors to Alaska. The idea was simple: combine funding from the state with money, marketing talent, and knowledge contributed by the private sector to build a program to promote the entire state as a destination. Program recommendations were provided by the Alaska Visitors Association Marketing Council and implemented by the Division of Tourism (DoT).

This melding of industry and state tourism efforts went a step further with legislation passed in 1988 to form the Alaska Tourism Marketing Council (ATMC). Jointly managed by the state and AVA, the ATMC oversaw promotion of Alaska to the domestic and Canadian markets, while the State Division of Tourism (DoT) managed the international marketing efforts for Alaska. This unique program created a consistent, high-quality marketing plan that bolstered industry expansion efforts, as evidenced by the phenomenal growth in the number of visitors to the

state. For many years, Alaska's sophisticated marketing techniques and public/private structure served as a model for other destinations. The ATIA is an industry-led initiative to continue the strong tradition of cooperative marketing in Alaska -- while addressing the decline in state spending on visitor industry marketing.

## Alaska is Losing Ground

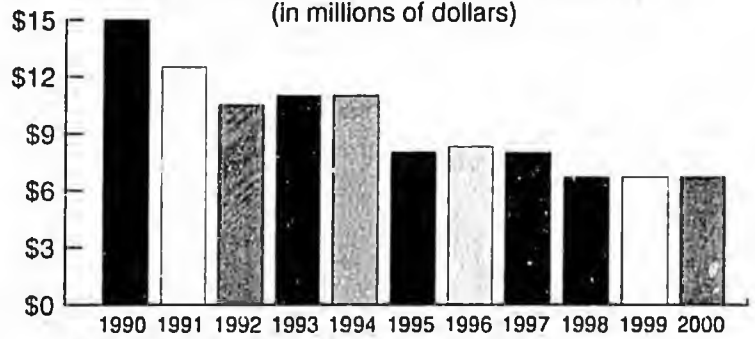
Since 1989, state funding for tourism programs has declined nearly 60 percent, from \$15 million in FY90 to less than \$6.7 million in FY00. At the same time, other states have increased their tourism promotion by 26 percent in the last five years.



# Alaska State Tourism Spending

FY90	\$15,029,050
FY91	\$12,446,571
FY92	\$10,526,171
FY93	\$10,933,387
FY94	\$10,913,338
FY95	\$ 8,038,963
FY96	\$ 8,384,047
FY97	\$ 7,990,100
FY98	\$ 6,728,950
FY99	\$ 6,696,950
FY00	\$ 6,668,500

State Tourism Spending 1989-2000 \*  
(in millions of dollars)

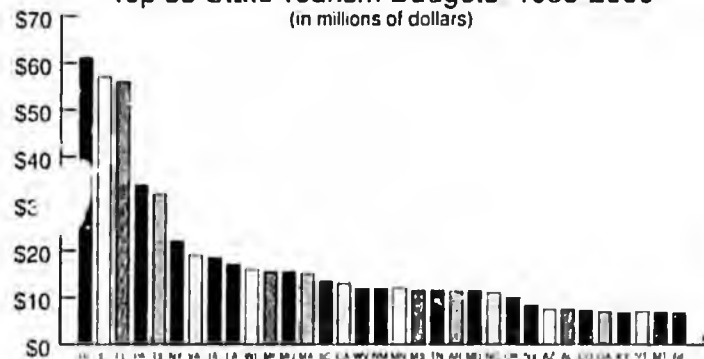


\* ATMC and Division of Tourism combined

## Competition Is Increasing

Alaska is also losing ground due to increasing competition from other states, countries, and new destinations. While Alaska's most direct competitors are foreign countries, we are also being out-spent in promotion by other states and even cities. This lack of advertising dollars has placed the visitor industry at a competitive disadvantage. Alaska continued its trend of decline among the nation's tourism budgets in 1999-2000, slipping four spots from last year to settle at 33rd place. Over the past decade, funding for Alaska tourism programs has declined by 60 percent – dropping Alaska from 7th place to its current ranking.

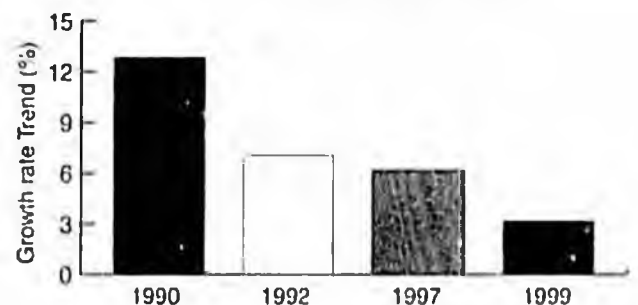
Top 33 State Tourism Budgets 1999-2000  
(in millions of dollars)



## Growth Rate Is Declining

Alaska's relative decline in marketing competitiveness is being felt within the industry. While overall visitor numbers have continued to rise, the rate of growth has slowed. Some segments of the industry, most notably highway-dependent businesses, have felt the first effects of decline.

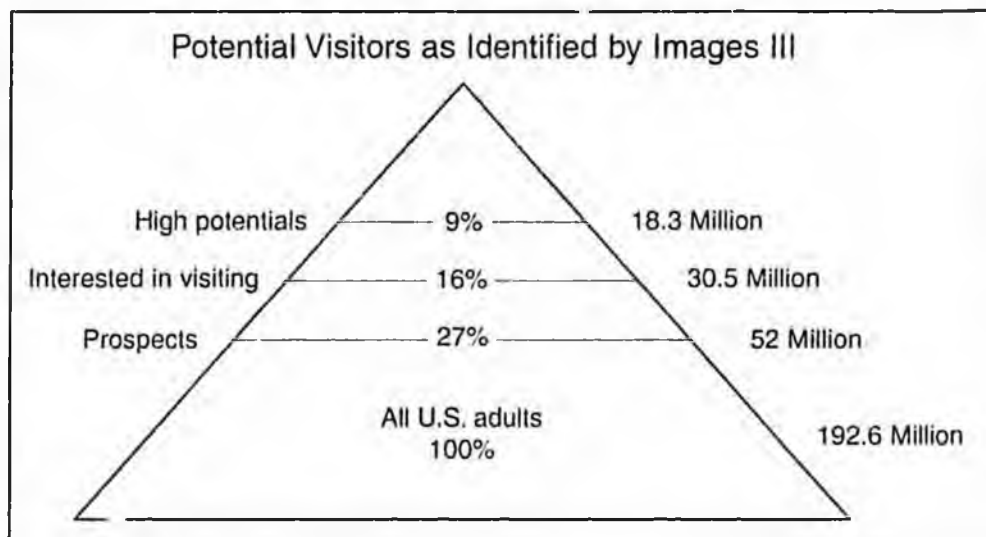
Growth Rate Declines



## Alaska's Potential Visitors

Alaska is a unique travel destination. And for many visitors, travel to Alaska is a dream come true. Like any other destination, Alaska has its strengths and weaknesses. According to Images III Study, conducted by the ATMC in 1996, one of Alaska's strengths is the number of potential visitors out there – there are about 18 million U.S. adults with "high potential" to travel to Alaska and 30.5 million U.S. adults "interested in visiting."

Our weakness, though, is that these people believe that travel to Alaska is very costly and the weather is very cold, which are tough perceptions to overcome.



## Industry Forum

At visitor industry forums held in Ketchikan, Fairbanks and Anchorage during the fall of 1999, the discussions highlighted the strengths and weaknesses of Alaska as a visitor destination. At each of these forums, the participants identified Alaska's beauty, wildlife, and culture as our strongest attributes and identified the lack of marketing funds, increased competition, and the cost and distance of Alaska travel among our biggest challenges.

Other strengths and weaknesses included:

### Strengths

Natural beauty  
Scenery  
Wildlife  
Native cultures  
Northern Lights  
Adventure  
Varied cultures  
Year-round opportunities  
Winter sports  
State and national parks  
Fulfillment of a dream  
Glaciers  
Fishing

### Weaknesses

Lack of marketing funds  
Cost and time to travel  
Lack of statewide image  
Increasing competition  
Maintaining a quality experience  
Lack of winter infrastructure and packages  
Trip-planning challenges  
Lack of infrastructure  
Over-crowding in some locations  
Severe winter/climate image

### Solutions

Alaska's marketing challenges were brainstormed during each of the visitor industry forums, and participants generally agreed that strong cooperative marketing was critical. Additional strategies and actions identified as important by participants included:

- Strong generic marketing
- Strong overall image campaign
- Strengthen Internet presence
- More cost-efficient ways for small businesses to participate
- Continue strong research efforts
- Cooperative marketing programs for all segments within industry
- Generate qualified, quality leads of potential Alaskan visitors
- More effort to reach repeat visitors
- National television campaign
- Goal-based program with quantifiable performance measures



# FY01 Marketing Plan

## The goals and objectives for the FY01 Marketing Plan are:

- 1. Goal: Maintain or increase the average length of stay in Alaska.**  
Objective: No decrease from 9.8 nights during summer season and 8.2 nights during fall/winter season.
- 2. Goal: Increase year-round employment of Alaskans in the visitor industry throughout the state.**  
Objective: Increase visitor-related employment of Alaskans to 30,700 direct and indirect full-year jobs.
- 3. Goal: Attract a diverse mixture of visitors who travel to and within Alaska by a variety of travel modes.**  
Objective: Increase travel by all modes.  
Objective: Increase travel to all regions of the state.
- 4. Goal: Endeavor to position Alaska as a year-round destination.**  
Objective: Increase fall/winter arrivals by 3%.  
Objective: Increase summer arrivals by 3%.
- 5. Goal: Increase total visitor expenditures statewide; endeavor to maintain or increase per-trip expenditures.**  
Objective: Increase visitor expenditures above the current figure of \$949 million statewide.  
Objective: No decrease in per-person, per-trip spending from current estimated level of \$726.00.
- 6. Goal: Increase independent visitation to Alaska.**  
Objective: Define current independent visitation and establish benchmark for future tracking.
- 7. Goal: Increase the rate of repeat visitation.**  
Objective: Include repeat visitation in the Alaska Visitor Statistics Program (AVSP) to establish a benchmark.  
Objective: Include repeat visitors in the Images IV study to establish benchmarks.
- 8. Goal: Increase interest in Alaska as a visitor destination.**  
Objective: Increase the number of inquiries to all ATIA marketing programs.  
Objective: Complete the Images IV study to establish baseline trends.
- 9. Goal: Increase awareness and participation of businesses in the marketing program.**  
Objective: Implement database tracking of total number of businesses who participate in marketing programs.  
Objective: Implement tracking program for participation in individual programs.
- 10. Goal: Increase private-sector funding of state tourism marketing programs.**  
Objective: Generate at least 30% of program costs.



# Market Strategies

The decision process used by visitors to Alaska begins first with an awareness of Alaska and an interest in travel. For some visitors, an Alaskan vacation is a lifetime dream destination, for others, an Alaskan vacation is a recent ambition. Both however, start in the same place – an interest to travel to Alaska.

Once the interest takes hold, the next step for an Alaskan visitor is the actual decision-making and planning of the trip. This process, again, can range from a lifetime of planning to a quick, recent decision to travel. Potential visitors in this mode are gathering information, thinking about alternatives, and trying to decide if Alaska is “on the vacation list.” And then, a decision - “We’re going to Alaska.”

Now, the planning and information search is really on – visitors in this mode are making itinerary and product choices and require information on the variety of options and activities Alaska has to offer. Visitors come in a wide variety, with a variety of interests – no one option or alternative will work for all potential visitors. Hence, the need to ensure that Alaska and its visitor industry businesses respond to these potential visitors with a wide selection of activities, attractions, and experiences.

Overall, it is the responsibility of the ATIA marketing program to reach out to the marketplace and communicate with potential visitors in each stage of the decision process – from the “interest” stage to the “we’re going” stage. And just as the information needs of potential visitors vary at each stage of the decision process, the best way to communicate that information varies at each stage of the decision process. Additionally, it is our responsibility to measure the reach and effectiveness of our marketing efforts; thus, the ATIA marketing program will include a strong market research element.

Image awareness campaigns are the most effective media to communicate with potential visitors who are just developing awareness of their interest in Alaska. The ATIA marketing program has designed a variety of public relations and Internet strategies to reach out and stimulate potential visitors’ awareness of Alaska and to spark their interest in traveling to Alaska. ATIA will conduct image and awareness programs targeted both to domestic U.S. consumers and international consumers and will utilize a wide variety of niche and market segments image and information.

Once an interest exists, how do you find those potential visitors and gather enough information from them to determine if their interest is strong enough to convert to an actual “travel to Alaska” decision? The ATIA marketing program has designed an aggressive direct-response program that will reach out and locate over 581,925 potential visitors and motivate them to request actual Alaska trip planning information via mail, toll-free number, or the Internet. The tactics utilized to motivate potential visitors will include a wide variety of niche and market segment images and information, again attempting to appeal to a wide variety of potential visitor interests. In order to send them Alaska trip-planning information, ATIA needs to know their names and addresses – which will then be made available for destination marketing organizations and Alaska visitor businesses to follow-up with specific regional and product information.

In addition, ATIA will be working closely with tour wholesalers and operators, both encouraging them to bring groups to Alaska and ensuring that they have the knowledge and information they need to book group travel throughout Alaska. As with consumer marketing, ATIA’s work with the travel trade will include both domestic U.S. and international wholesalers and operators.

## Target Audience

The target audience for the ATIA advertising program consists of a primary target audience of 35+ year old couples with no kids, and a secondary target of 35+ year old couples with kids and 35 and under singles with no kids. Over the years, these targets have proven to constitute the majority of Alaska's visitors – they have proven to be the folks with the time and money, as well as interest and motivation to travel to Alaska.

### Primary Target Audience

Age: 35+  
Employed or Retired  
Single or Married  
No Children

### Secondary Target Audience

Age: 35+, Employed, Married with Children  
Under 35, Employed, Single, no Children



## The Five Major Components Of ATIA'S Marketing Program

The Board of Directors of the Alaska Travel Industry Association and the State of Alaska, Department of Community and Economic Development established the following major components for the FY01 Marketing Plan:

- Consumer Marketing
- Niche Marketing
- Trade and International Marketing
- Inquiry Fulfillment
- Market Research

Consumer marketing will include image campaigns and direct-response programs utilizing a variety of media and tactics. Additionally, special programs will be developed to expand consumer marketing efforts into special niche market segments, such as winter activities, cultural tourism, sports fishing, adventure-eco tourism, highway and marine highway segments, and bed & breakfast accommodations.

Trade and international marketing programs will continue important activities previously conducted by the Division of Tourism. These programs will include image awareness, direct response programs, and education and training programs. Additionally, the Alaska Travel Industry Association will continue Alaska's partnership with the Yukon, British Columbia, and Alberta in the cooperative marketing program Tourism North.

Inquiry fulfillment programs will ensure distribution of travel information that will help motivate potential visitors to plan a trip to Alaska and to provide useful trip-planning and product-specific information. Our Inquiry Fulfillment program will strive to provide extensive, factual information on travel to and within Alaska, the variety of activities available for visitors, and trip and itinerary-planning assistance.

And, finally, Market Research will be conducted to measure the effectiveness of ATIA's programs and to learn more about Alaska's visitors and potential visitors.

The Board of Directors and Marketing Committee for ATIA, along with members of advisory committees, destination marketing organizations and members, have developed the following marketing strategies to address the 10 ATIA Marketing Goals and to ensure that each of the 5 Major Components are significant elements of the program. The following Plan is subject to change based upon fluctuating market conditions, budgetary factors and new information.

The FY01 Marketing Plan will be implemented by the ATIA staff under the supervision of the Project Manager, ATIA President Tina Lindgren, and the general oversight of the ATIA Marketing Committee.



# Public Relations

Public relations is a key component to the ATIA marketing program. A positive, visitor-friendly image of Alaska created through feature articles, guidebooks, and television will promote travel to the state. The approach for the public relations effort will be to promote Alaska as a year-round visitor destination. The media will be familiarized with the variety of travel options and modes of transportation. An emphasis will be placed on the uniqueness, beauty, and variety of activities in Alaska not only in the summer, but in the off season as well. The state will be promoted as a whole, highlighting the virtues and diversity of each region.

**Strategy 1: Work with the media to generate travel stories that feature a variety of Alaska travel products and regions**

#### Tactics:

- Provide timely story ideas to travel editors at major magazines and newspapers.
- Offer editors and writers timely reminders that ATIA is their first stop for travel information about Alaska, photography, and other assistance.
- Strive to get the toll free number (800-862-5272) and the web site ([www.travelalaska.com](http://www.travelalaska.com)) placed as a reference sidebar to Alaska editorial.
- Work with the broadcast media, primarily television, in major markets for the purpose of attracting television crews to Alaska to develop feature packages.
- Place well-spoken experts about Alaska's visitor industry on radio call-in programs in target markets.
- Develop a series of Alaska press kits for distribution to key broadcast media outlets and editors in major markets.

**Strategy 2: Continue and enhance media center on the ATIA website**

#### Tactics:

- Add new photography, as it becomes available.
- Add new site enhancements and content.
- Develop a more intensive series of links to relevant vendors and destination marketing organizations.

**Strategy 3: Assist qualified writers with trip-planning and bring qualified writers to Alaska**

#### Tactics:

- Conduct separate press trips in the winter and summer.
- Provide 5-7 press trip opportunities in conjunction with the World Adventure Congress scheduled in Anchorage in September 2001.
- Attract top-notch writers and editors for individual itineraries.
- Coordinate itineraries, complimentary services, and work with media on story angles, photos, and any other materials to secure maximum coverage.
- Work with destination marketing organizations across the state on media trips, media assistance requests and information requests.

**Strategy 4: Continue to include winter and other seasonal promotion as part of the overall public relations effort**

#### Tactics:

- Conduct a winter press trip targeting 12 travel writers or broadcast media and follow-up on story placement.
- Assist Special Olympics organizers with public relations efforts.
- Work with destination marketing organizations and winter operators to conduct targeted winter promotions and contests.
- Develop promotional efforts to draw attention to ice carving and Northern Lights viewing.
- Pitch an ice climbing promotion to outdoor and sports cable channels.

## Strategy 5: Feature a variety of market segments and geographical regions in public relations program

### Tactics:

- Send out one press release per month about Alaska to feature important events, regions of the state, or a seasonal discussion.
- Send out a minimum of two e-news bulletins each month, using the database that currently contains over 600 e-mail addresses for travel writers and editors. Topic content will focus on seasonal events, regional activities, as well as unique stories about Alaska.
- Solicit input from destination marketing organizations and industry businesses around the state.
- Develop five new stories for publications, featuring new travel trends, new attractions and developing areas of tourism in Alaska.
- Refresh five stories from the story archive.

## Strategy 6: Ensure ATIA board is prepared to respond to any travel-related crisis

### Tactics:

- Update and improve the existing crisis communication plan.
- Work with ATIA staff to determine a core crisis communication team.
- Consider crisis media training as a partnership opportunity for ATIA members.
- Meet with the crisis communication team 2-4 times per year to evaluate and update key components of the plan.

## Strategy 7: Coordinate public relations efforts with member businesses and destination marketing organizations

### Tactics:

- Identify current public relations efforts within the visitor industry.
- Conduct a public relations conference to exchange and identify possible synergies and means for gaining maximum exposure for all market segments and regions.
- Review opportunities to partner more effectively with Tourism Yukon's public relations efforts, especially regarding winter opportunities.
- Hold monthly teleconference with destination marketing organizations to discuss relevant topics.
- Be proactive in communication with the membership and solicitation of ideas.



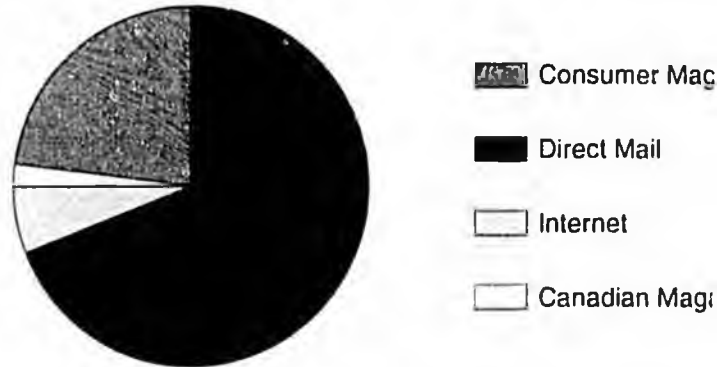
# Advertising

The role of advertising in the ATIA marketing plan is to help find potential visitors and gather enough information from them to determine if their interest is strong enough to convert to an actual "travel to Alaska" decision. The ATIA marketing program has designed an aggressive direct-response program that will reach out and locate over 581,925 potential visitors and motivate them to request printed Alaska trip planning information -- via mail, toll-free number, or the website. The tactics utilized to motivate potential visitors will include a wide variety of niche and market segment images and information, again attempting to appeal to a wide variety of potential visitor interests.

Based upon annual conversion studies and previous market segmentation research, Alaska has found that the most efficient media for the direct response program consists of direct mail, consumer magazines and selected Internet strategies. Efficiency is a measurement of both the number of potential visitors reached and cost of advertising. For the FY01 ATIA Marketing Implementation Plan, we will rely most heavily upon our direct mail and consumer magazine campaigns to generate the targeted requests for printed Alaska vacation planning information.

Again, based upon annual conversion studies and other Alaska visitor industry research, the placement schedule for the direct response program begins in September 2000 and continues through March 2001, with the exception of the Internet campaign. The Internet campaign will continue through June 2001 to accommodate late season planners.

## Vacation Planning Information Request Generation Source



Strategy 1: Execute direct mail program to generate 400,130 requests for printed Alaska vacation planning information from qualified prospects with high conversion potential and low cost-per-response

### Tactics:

- Mail to potential visitors who have requested information in prior years.
- Mail to names from purchased lists that have performed in prior years.
- Mail to subscribers of magazines with high Alaska and/or travel content.
- Mail to purchased names meeting target audience and market segments.
- Test e-mail and Internet strategies.



Direct Response Media Schedule												
	2000						2001					
	July	Aug.	Sept.	Oct.	Nov.	Dec	Jan.	Feb.	March	April	May	June
Consumer Magazines												
Direct Mail			■	■	■		■	■				
Internet												
Canadian Magazines												

Strategy 2: Execute U.S. consumer magazine advertising program to generate 136,357 requests for printed Alaska vacation planning information from qualified prospects with high conversion potential and low cost-per-response

**Tactics:**

- Place full-page ads, with Business Reply Cards and Internet web site address, in 38 U.S. consumer magazines.
- 23 magazines will advertise Alaska on reader service cards (Bingo).
- 20 magazines will run link on their web sites to ATIA electronic Business Reply Card

Strategy 3: Execute Internet advertising program to generate 32,045 requests for printed Alaska Vacation planning information from qualified prospects with high conversion potential

**Tactic**

- Feature ATIA's web site address prominently in all consumer magazine advertising and direct mail materials.
- Place banner ads on Alaska travel content to link potential visitors with ATIA web site.
- Execute opt-in e-mail program to send travel information to addresses of prospects that have requested information.
- Execute e-mail newsletter program.
- Attract qualified leads to ATIA web site with search engine optimization.
- Test new Internet advertising opportunities.

Strategy 4: Execute joint Yukon advertising program to generate requests for qualified prospects with high conversion potential

**Tactics:**

- Place full-page ads, with Business Reply Cards and Internet Website address, in 3 Canadian consumer magazines in Ontario and Western Canada.
- Place full-page ads with business reply cards and internet website address in up to 5 U.S. consumer magazines geared to highway travel.
- Execute internet marketing.

## U.S. and Canadian Advertising Plan by Publication

	September				October					November				December					January				February				March			
	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	5	12	19	26	5	12	19
<b>Outdoor Adventure/Affinity</b>																														
Canoe & Kayak Magazine																														
National Parks Magazine																														
National Wildlife																														
Outdoor Life																														
Outdoor Photographer																														
Outside																														
Popular Photography																														
<b>In-Flight Magazines</b>																														
Delta Sky Magazine																														
Northwest World Traveler																														
<b>General Travel</b>																														
Arthur Frommer's Budget Travel																														
Travel America																														
Travel Holiday																														
Vacations/Travel 50 & Beyond																														
<b>Highway Travel</b>																														
Arizona Highroads (AAA)																														
Coast to Coast																														
Colorado Motorist (AAA)																														
Home & Away																														
Journey - WA (AAA)																														
Midwest Traveler (AAA)																														
Trailer Life																														
VIA (AAA)																														
Westways (AAA)																														
<b>General Lifestyle</b>																														
Alaska Magazine																														
Audubon																														
Coastal Living																														
Discover																														
Prevention																														
Readers Digest																														
Yankee																														
<b>Canadian Magazines</b>																														
Chatelaine																														
Canadian Living																														
Harrowsmith																														

Note: Many of the publications above Alaska editorial is TBD

# Collateral

The state's collateral program, a program that designs and produces the statewide printed material, will be essential to attracting visitors to Alaska. Even as destination marketing takes a turn towards digital collateral, it will never completely replace the selling power of full-color images and planning brochures. The collateral program will consist of three major components that include The Official Alaska State Vacation Planner, Invitation to Alaska (a 24-page, full-color introduction to Alaska), and specialty brochures to address specific markets.

**Strategy 1: Provide printed statewide Alaska image information to interested prospects**

#### Tactics:

- Design and produce 375,000 copies of the Invitation to Alaska.
- Prominently feature ATIA's web site address in Invitation to Alaska.
- Design invitation cover to emphasize Alaska's scenery and beauty.

**Strategy 2: Provide printed statewide Alaska travel product information to highly qualified prospects**

#### Tactics:

- Design and produce 450,000 copies of the Official Alaska State Vacation Planner.
- Design planner cover to emphasize Native culture and the variety of activities available to visitors.
- Refresh and update editorial content.
- Revise advertising directory to improve usability.
- Design a destination marketing organization marketing partner page for the back cover of planner.

- Change inside back of Planner to highlight participating destination marketing partners and provide mechanism for information request.
- Add destination marketing partner reply card

**Strategy 3: Design and produce new specialty brochures for selected market segments.**

#### Tactics:

- Identify potential market segments for brochure development.
- Survey marketing partners for interest in participation.
- Design and produce brochures.



# Internet

Internet usage is skyrocketing -- according to a report by the Travel Industry Association of America, the correlation between the online population and travel is so strong that almost all Internet users are also travelers. It is vital that Alaska's visitor industry keeps in line with the progress of technology. Marketing via the Internet also levels the playing field for smaller businesses since establishing a presence on the World Wide Web can be very easy and relatively inexpensive.

The existing Alaska consumer travel website will be greatly expanded to increase the quality and range of information available to potential visitors and to increase the access of Alaska's tourism businesses for a wide range of new customers and markets. "Driving customers to marketing partners' businesses" will become an increasingly important element of the ATIA Internet program. As part of this effort, a significant advertising and promotional campaign will be executed to "drive potential visitors" to the ATIA website; this effort is detailed in the Advertising section of the FY01 Marketing Implementation Plan.

Key elements of the Internet strategy will be small business emphasis, year round content, increased e-commerce opportunities, and content-rich sections for niche market segments such as adventure & eco-tourism, winter, sports-fishing, bed & breakfast and cultural tourism.

**Strategy 1: Upgrade existing website content, formatting, and navigation to enhance usability**

**Tactics:**

- Standardize format throughout the consumer site.
- Implement "short-wide" design model to ensure that content, advertisers and marketing partners can be reached easily from all pages of the site.
- Upgrade content to represent the wide spectrum of companies in Alaska's visitor industry.

**Strategy 2: Upgrade features to consumer website**

**Tactics:**

- Create "Frequently Asked Questions" section.
- Upgrade the "Trip Planner" section to allow more advanced sorting and planning features.
- Create "Opt-In Newsletter" for consumers.
- Create additional virtual tours.
- Enhance Alaska map to support zooming on regions and hot links.
- Evaluate additional upgrades.

**Strategy 3: Integrate existing content from other compatible websites to maximize information and feature availability to consumers**

**Tactics:**

- Integrate content from state and federal agencies, such as National Park Service, Alaska Marine Highway and the National Forest Service.
- Develop cross-linking relationships with marketing partners such as Tourism North and destination marketing organizations.

Strategy 4: Investigate additional marketing partnership opportunities beyond basic listings and links

Tactics:

- Investigate banner ad opportunities at the top of appropriate "inside" pages.
- Investigate enhanced listings that allow descriptive narratives plus links to e-mail and web sites.
- Allow purchase of multiple listings per advertiser.
- Develop lead generation opportunities.
- Develop e-commerce opportunities.

Strategy 5: Expand website to provide portals to marketing partners' product information and websites

Tactics:

- Develop enhanced marketing partner product database.
- Develop enhanced search features for marketing partner product information.
- Investigate e-commerce options.
- Develop benchmarks for measuring effectiveness of site as portal to marketing partners' product.



# Inquiry Fulfillment

The role of inquiry fulfillment in the ATIA marketing plan is to provide potential visitors with information that will help motivate them to plan a trip to Alaska and to provide useful trip-planning and product-specific information. Our inquiry fulfillment program will strive to provide extensive, factual information on travel to and within Alaska, the variety of activities available for visitors, and trip and itinerary-planning assistance.

The tactics utilized to provide potential visitors with Alaska printed information will include the distribution of ATIA's printed materials, state of Alaska and regional destination marketing organizations, and other marketing partner materials. Additionally, ATIA will encourage and provide tools to marketing partners, such as destination marketing organizations and visitor industry product industry businesses, to provide product specific information to prospective visitors and travel trade.

What's the difference between the "Invitation to Alaska" and the "Official Alaska State Vacation Planner?"

The "Official Alaska State Vacation Planner" is the brochure that is mailed to potential visitors who request printed information on Alaska and indicate that they will be traveling to the Alaska within the next two years. Also, the "Official Alaska State Vacation Planner" is a combination of image photos and descriptive editorial and of a directory of advertisers representing a wide variety of businesses throughout Alaska.

"Invitation to Alaska" on the other hand, is the brochure that is mailed to prospects who are not certain that they will travel to Alaska or are not certain when they will travel to Alaska. It is primarily an image piece designed to spark their interest in Alaska travel. Unlike the "Official Alaska State Vacation Planner," the "Invitation to Alaska" does not have an advertising directory, but does prominently feature the ATIA web site address.

**Strategy 1: Distribute Alaska image and planning information to interested prospects generated through ATIA's marketing programs and other sources**

## Tactics:

- Distribute Invitation to Alaska to 375,000 interested prospects.
- Distribute Official Alaska State Vacation Planner to 450,000 interested prospects.
- Distribute new specialty brochures for selected market segments.
- Operate ongoing fulfillment program to respond to mail, electronic and phone requests for information.

**Strategy 2: Encourage destination marketing organizations and visitor industry businesses to provide product specific information to prospective visitors and travel trade**

## Tactics:

- Make prospective visitors names and addresses available to destination marketing organizations and visitor industry businesses.
- Update discriminate analysis model to increase effectiveness of leads provided to destination marketing organizations and visitor industry businesses.
- Make trade event contact leads available to destination marketing organizations and visitor industry businesses.
- Make web site and e-mail addresses available to destination marketing organizations and visitor industry businesses, as allowable by law.



# Domestic Trade Marketing Programs

Creating interest among the consumer market is only one part of the essential destination marketing for Alaska. Once consumers have made the decision to travel to Alaska, an outlet where they can buy their travel should be available. And since the vast majority of visitors to Alaska are from the U.S., domestic travel trade (travel agents and tour operators) is one of the most important areas for ATIA to target. From the standpoint of the travel trade, the program needs to generate agent and operator interest and offer extensive education. Since Alaska is such a big state with so many different modes of transportation, attractions, and variables in general, Alaska is a potentially difficult destination to sell. The up side to the difficulty a novice agent or operator might have in selling Alaska is that when they actually see Alaska, they are truly committed to learning about and selling the destination. For these reasons the following tactics are suggested.

**Strategy 1: Provide Alaska travel information to and contacts with tour operators and wholesalers**

**Tactics:**

- Anchor Alaska's participation at the National Tour Association (NTA) convention and tour & travel exchange in Salt Lake City in November 2000.
- Assist the Anchorage Convention Visitor Bureau with the planning and coordination of the NTA Spring Meet to be held in Anchorage in March 2001.
- Anchor Alaska's participation in the American Bus Association (ABA) convention in January 2001.

- Organize and sponsor Alaska familiarization tours for the travel trade tour wholesalers and operators culminating in Alaska Travel Fair market place for buyers and Alaska sellers in Valdez in September 2000.
- Participate in the Non-Profits in Travel program in February 2001.
- Participate in the Receptive Services Association conference.
- Co-sponsor with Anchorage Convention & Visitors Bureau World Congress on Adventure Travel & Eco-Tourism in Anchorage in September 2000.

**Strategy 2: Conduct a series of retail travel agent educational workshops in key U.S. markets**

**Tactics:**

- Schedule in appropriate markets immediately before or after Pow Wow, NTA, ABA, and other planned events.
- Encourage participation by destination marketing organizations and private sector businesses to showcase their destinations and products.
- Survey travel agents on their perceptions of quality and content and apply input to future educational workshops.

**Strategy 3: Develop Top-of-the-World Specialist online program for the travel trade**

**Tactics:**

- Make recommendations for content refinements and enhancements.
- Pursue potential endorsement of the program by the Institute of Certified Travel Agents (ICTA) that would allow travel agents the ability to earn credit toward Certified Travel Agent (CTA), Certified Travel Counselor (CTC), and Certified Tour Professional (CTP) certifications.



# International Travel Trade Marketing

The role of the international programs in the ATIA marketing plan is to reach out to the highest potential international markets and provide image awareness, trip-planning, and product information. Just as domestic visitors come in a wide variety; so do international visitors. Hence, the need to ensure that Alaska and its visitor-industry businesses respond to international markets with a wide selection of activities, attractions, and experiences.

## What is Alaska's international market?

Based upon past experience and Alaska visitor research, we know that the majority of our international visitors (not including Canadians) come from Japan, German-speaking Europe and the United Kingdom (UK), with smaller numbers arriving from Australia and other Asian countries.

Japan has emerged as our most important off-season market, with 50 percent of Japanese visitors coming to Alaska in the middle of winter for activities anchored around Aurora viewing. Northwest Airlines initiated the scheduled turn-around, non-stop air service between Alaska and a foreign country, operating once weekly in the summer of 1998 and 1999. This created tremendous opportunity for substantial growth in summer visitation of Japanese visitors to Alaska. Northwest recently announced it would suspend this service for 2000 and 2001 until the Narita Airport expansion in Japan is completed.

Germany, together with Austria and Switzerland, represents Alaska's largest (non-North American) international visitor market. For five years, seasonal non-stop charter flights have operated into Anchorage from Frankfurt, Cologne and Zurich. The visitors traveling on these flights have a propensity to take long vacations in Alaska, and to visit a wide variety of Alaska destinations.

The United Kingdom continues to show promise as the

next big inbound market for Alaska. As the UK economy strengthens, the UK traveler wants to see more than Florida, New York and California -- and can afford to. This market is also becoming more adventure-based, requiring more active holidays. Although there are no direct flights between the UK and Alaska, increased non-stop service between London or the continent and Seattle and Vancouver, has greatly improved Alaska's positioning as a destination.

The ATIA international program will focus primarily upon the travel trade, with particular emphasis on attending international trade shows and conducting travel trade training and familiarization trips.

## Strategy 1: Foster Alaska travel interest and provide planning information within the Japanese market

### Tactics:

- Maintain local representation in Japan to enhance, facilitate and assist in providing direction for Alaska tourism marketing and sales activities.
- Participate in Japan Visit USA program to be held in October 2000.
- Organize, sponsor and host an Alaska trade familiarization tour in Alaska in January 2001.
- Host Alaska Trade Workshops in Japan in April 2001.

## Strategy 2: Foster Alaska travel interest and provide planning information within German-speaking Europe market

### Tactics:

- Maintain local representation in German-speaking Europe to enhance, facilitate and assist in providing direction for Alaska tourism marketing and sales activities.
- Participate in ITB in March, 2001, anchoring Alaska's participation for other destination marketing organizations and private sector businesses by sponsoring a statewide booth and sharing space with Alaskan vendors.

### International Trade Show Schedule

	2000						2001					
	July	Aug.	Sept.	Oct.	Nov.	Dec	Jan.	Feb.	March	April	May	June
Japan Visit USA												
ITB - Berlin												
World Travel Market												
TIA's International Pow Wow												

### International Travel Trade Workshop/FAM

	2000						2001					
	July	Aug.	Sept.	Oct.	Nov.	Dec	Jan.	Feb.	March	April	May	June
Japan Trade Alaska FAM												
UK Trade Workshops												
Alaska Travel Fair												
Australian Trade Workshop												
Alaska Travel Workshop in Japan												

**Strategy 3: Foster Alaska travel interest and provide planning information within the United Kingdom market**

**Tactics:**

- Maintain local representation in the United Kingdom to enhance, facilitate, and assist in providing direction for Alaska tourism marketing and sales activities.
- Participate in the World Travel Market in London in November 2000, anchoring Alaska's participation for other destination marketing organizations and private sector businesses by sponsoring a statewide booth and sharing space with Alaska vendors, and distributing private sector brochures.
- Sponsor a series of travel trade educational workshops in the UK to be held in March 2001, immediately following ITB in Germany.

**Strategy 4: Foster Alaska travel interest and provide planning information within the Australian market**

**Tactics:**



- Maintain local representation in Australia to enhance, facilitate, and assist in providing direction for Alaska tourism marketing and sales activities.
- Organize and sponsor a series of travel trade educational workshops in Australia in February 2001.

Strategy 5: Provide planning information within other International Markets

Tactics:

- Maintain local representation in Taiwan for the purposes of distribution of trip planning information.
- Maintain local representation in Korea for the purposes of distribution of trip planning information.

Strategy 6: Organize, sponsor and participate in a variety of activities targeted to international wholesalers and operators

Tactics:

- Participate in the Travel Industry Association of America's (TIA) International Pow Wow in May 2001
- Organize and sponsor Alaska familiarization tours for the international travel trade tour wholesalers and operators culminating in an Alaska Travel Fair market place for international buyers and Alaska sellers in Valdez in September 2000.

## Tourism North

Tourism North is a cooperative tourism marketing program between Alaska and several Canadian provinces (The Yukon, British Columbia, and Alberta.) The purpose of this effort is to (1) increase the number of people traveling through northern British Columbia and the Yukon Territory to Alaska, (2) improve the tourism opportunities for highway visitors in each of the three jurisdictions, and (3) increase the length of stay and amount of money spent by these highway visitors per day. Alaska's participation is 20% of the total program budget, and the state's \$250,000 investment is leveraged to a \$1 million + program.

Strategy 1: Provide potential highway and marine highway travelers with planning information

Tactics:

- Produce and distribute 400,000 copies of *North! to Alaska*.
- Refresh and update *North! to Alaska* content.
- Incorporate the Alaska Marine Highway System schedule and tariffs.
- Maintain and upgrade Tourism North's consumer web site.

Strategy 2: Increase awareness of highway and marine highway travel opportunities

Tactics:

- Design and implement a public relations campaign to stimulate news coverage of highway travel.
- Design and implement a direct-to-consumer advertising program through the use of cooperative marketing opportunities

# Research

The role of Research in the ATIA marketing plan is to provide market research to Alaska's visitor industry and to measure the effectiveness of the ATIA programs.

Generally, the research undertaken by ATIA will help us accomplish the following:

1. To monitor and evaluate the effectiveness of marketing programs.
2. To learn more about Alaska's visitors – who they are; why they came; their purchase decisions, trip arrangements, and activities; and their perceptions and evaluations of their Alaska trips.
3. To learn more about Alaska's potential visitors – how they plan vacations, who they are, their attitudes toward Alaska travel, their psychographics, etc.
4. To provide tools and information to ATIA members to enhance individual marketing efforts.

## Strategy 1: Determine the effectiveness and efficiency of ATIA's marketing program

### Tactics:

- Conduct a study of media to determine effectiveness of ATIA marketing activities.
- Survey participants in selected ATIA marketing programs.

## Strategy 2: Survey potential and actual visitors to Alaska

### Tactics:

- Assist with Alaska Visitor Statistics Program Study of actual FY00 visitors.
- Complete Images IV study of potential and actual visitors, including repeat visitors and Fall/Winter/Spring visitors.

## Strategy 3: Provide tools and information to ATIA members to enhance individual marketing efforts

### Tactics:

- Conduct seminars to better understand and utilize research from various studies.
- Make research available through marketing partnerships.



# Market Segments Program Overview

As part of its commitment to expand the statewide marketing campaigns developed for Alaska's visitor industry, the Alaska Travel Industry Association will feature winter tourism, highway and marine highway, and special niche segments (such as sport-fishing, cultural tourism, adventure eco-tourism, bed & breakfasts) throughout its FY01 marketing activities.

## Winter

One of the key goals of the Alaska Travel Industry Association is to "endeavor to position Alaska as a year-round destination." As such, each of the marketing strategies developed for FY01 has a mandated element to include year-round focus and activities. Additionally, special winter marketing tactics have been designed to strengthen Alaska's winter image and to attract new winter visitors.

Featured winter marketing tactics include winter media press trips, proactive efforts to pitch winter story ideas to a variety of media sources, winter image features in our direct-mail and advertising campaigns and our winter web address featured in appropriate advertising, and expansion of the winter section on the ATIA website.

Winter-focused marketing activities and tactics include:

- Conduct press trips during winter season
- Assist travel writers/editors with winter stories
- Pitch winter story ideas to the media to increase their awareness
- Consider winter tourism specialty brochure
- Support winter tourism brochure with specialty magazine advertising
- Feature winter images in direct mail and ad campaigns
- Feature ATIA winter web address in appropriate advertising

- Enhance and maintain ATIA winter section on website
- Enhance website trip planning tool to include winter product
- Include winter product in Alaska Travel Fair in September, 2000
- Include winter product information in travel agent workshops and trainings
- Be active in the annual Winter Tourism Conference
- Survey past winter visitors during Images IV study to learn about travel patterns, attitudes toward Alaska, visitor demographics, etc

## Highway And Marine Highway

Another key goal of the Alaska Travel Industry Association is to "attract a diverse mixture of visitors who travel to and within Alaska by a variety of travel modes." As such, the ATIA has developed a variety of marketing strategies for FY01 designed to strengthen Alaska's highway and marine highway markets.

Featured highway and marine highway marketing tactics include advertising in highway travel magazines, sending Alaska travel information to potential highway visitors via direct-mail program, and participating in the Tourism North marketing program that produces and distributes 400,000 copies of North! To Alaska and maintains a highway-focused consumer website.

Highway and marine highway focused marketing activities and tactics include:

- Advertise in highway travel magazines such as Arizona Highroads (AAA), Coast to Coast, Colorado Motorist (AAA), Home & Away, Journey WA (AAA), Midwest Traveler (AAA), Trailer Life, VIA (AAA) and Westways (AAA)

- Send direct mail materials to names from highway travel oriented lists such as Target Source – RV/No Kids, Good Sam Club, Motorhome, Trailer Life, and RV Book and Directory
- As partner in Tourism North, produce and distribute 400,000 copies of *North! To Alaska*, including the Alaska Marine Highway System schedule and tariffs
- As partner in Tourism North, maintain and upgrade Tourism North highway-focused consumer website
- As partner in Tourism North, design and implement public relations campaign to stimulate news coverage of highway travel

## Special Niche Segments

An especially important goal of the Alaska Travel Industry Association is to “attract a diverse mixture of visitors who travel to and within Alaska.” As such, the ATIA has developed a variety of marketing strategies for FY01 designed to feature and enhance small business opportunities of special niche segments (such as sport-fishing, cultural tourism, adventure eco-tourism, and bed & breakfasts).

Beginning with the cover of the Official Alaska State Vacation Planner, which will feature an Alaska Native motif, to special e-news bulletins distributed to hundreds of travel press monthly, and including up to four new specialty brochures featuring small businesses from around Alaska, the ATIA FY01 marketing program has a major commitment to attracting a diverse mixture of visitors to Alaska.

### Sport fishing tactics include:

- Consider sport fishing specialty brochure
- Support sport fishing brochure with specialty magazine advertising
- Develop sport fishing section on ATIA website to complement specialty brochure
- Test direct mail program to past out-of-state purchasers of Alaska Fishing Licenses

### Cultural Tourism tactics include:

- Design Alaska Native motif for cover of Official Alaska Vacation Planner
- Consider Cultural Tourism specialty brochure
- Support Cultural Tourism brochure with specialty magazine advertising
- Develop Cultural Tourism section on ATIA website to complement specialty brochure
- Develop press releases, e news bulletins and new travel stories with cultural tourism content
- Advertise in national magazines that appeal to cultural tourism visitors
- Test direct mail program with lists such as National Geographic Traveler, Alaska Magazine and Premier Luxury Class

### Adventure-Eco Tourism tactics include:

- Consider Adventure-Eco Tourism specialty brochure
- Support Adventure-Eco Tourism brochure with specialty magazine advertising
- Develop Adventure-Eco Tourism section on ATIA website to complement specialty brochure
- Develop press releases, e news bulletins and new travel stories with adventure-eco tourism content
- Advertise in national magazines that appeal to adventure-eco tourism visitors such as Canoe & Kayak Magazine, National Parks Magazine, National Wildlife, Outdoor Life, Outdoor Photographer, Outside, and Audubon
- Test direct mail program with lists such as National Geographic Traveler, National GEO Adventure, Adventures Abroad, and Last Frontier Alaska
- Co-sponsor, with Anchorage Convention and Visitors Bureau, World Congress on Adventure Travel & Eco-Tourism in Anchorage in September, 2000

### Bed & Breakfast tactics include:

- Consider Bed & Breakfast section on ATIA website.
- Support Bed & Breakfast web section with specialty magazine advertising



# Partnership Programs

With a legislative mandate to match public funds with private funds on an ever-increasing basis, the Alaska Travel Industry Association will be very dependent on its Marketing Partnership Programs to generate the private-industry match. Much of this effort will involve the recruitment of new Partners and new Partnership opportunities beyond the traditional ad sales and label programs managed by the Alaska Visitors Association and the Alaska Tourism Marketing Council.

Already, beginning in this first year of the Alaska Travel Industry Association's marketing efforts, innovative new partnership opportunities have been developed and many more are in the works. This year the Board of Directors and Marketing Committee have focused particularly upon new Internet programs and new small business-oriented niche market segment programs for development of new Partnership opportunities.

The Alaska Travel Industry Association will be investing more than \$250,000 in new Internet programs to attract visitors to the ATIA website – where marketing partnership opportunities are being expanded to increase the ability of small businesses to reach new customers and markets. Additionally, the Alaska Travel Industry Association will be investing more than \$300,000 in new specialty brochures that will feature special niche segments (such as sport-fishing, cultural tourism, adventure eco-tourism, and bed & breakfasts). Again, ATIA will be providing new opportunities for Alaska's small visitor industry businesses to attract new customers and markets.

Current Marketing Partnership Programs include:

- Cooperative major-market newspaper ad buys
- Internet advertising strategies, such as Alaska travel discount offer
- Listing, narrative, and display ads in the Official Alaska State Vacation Planner
- Listing, narrative, and display ads in Specialty Brochures
- Business listings and website links on the ATIA website
- Banner ads on appropriate "inside pages" on the ATIA website
- Purchase leads generated through ATIA marketing programs
- Purchase leads generated through travel trade activities
- Participation in domestic and international Travel Trade Shows with ATIA
- Participation in Alaska Travel Fair
- Participation in travel agent educational work shops and training
- Educational seminars designed to explain research programs, how to take advantage of programs, and what we've learned from research results
- Research studies and documents



# Appendix

# FY01 Marketing Budget

## Marketing Research

Conversion Study	\$145,000
Images IV remaining costs	15,000
Program Implementation	24,000
<b>Total Research</b>	<b>\$184,000</b>

## Consumer Marketing

<b>Public Relations</b>	
Media Outreach & Assistance	\$130,500
Summer Press Trips	27,000
New Story Packages	6,000
Media Kits	2,750
Crisis Communications/DMO Briefings	2,750
1-800 number, Clip Service etc	21,000
BR Agency Administration	30,000
Program Implementation	46,900
<b>Total Public Relations</b>	<b>\$266,900</b>

## Advertising

Magazine and Direct Mail	\$2,084,655
Joint Yukon Program	220,000
Advertising of Internet Site	331,000
1-800 Number	15,000
Ad Agency Direct Expense	113,000
Talent, Tapes & Shipping	12,500
List Rental Program	65,000
Program Implementation	278,250
<b>Total Advertising</b>	<b>\$3,119,405</b>

## Internet\*

Site Development	\$90,000
Site Hosting	10,000
Program Implementation	48,500
<b>Total Internet</b>	<b>\$148,500</b>

## **Total Consumer Marketing \$3,534,805**

## Niche Marketing

Winter Press Trip	\$ 36,000
Winter Promotions	17,000
Niche Advertising	200,000
Tourism North	250,000
Niche Brochure Program	180,000
World Congress on Adventure Travel	22,500
Program Implementation	66,750
<b>Total Niche Marketing</b>	<b>\$772,250</b>

## Inquiry Fulfillment

Vacation Planner	\$1,209,712
Inquiry Section	70,000
Program Implementation	194,400
<b>Total Inquiry Fulfillment</b>	<b>\$1,474,112</b>

## Trade International Marketing

Travel Shows & Memberships	\$ 103,600
International Contracts	
Japan	267,466
German-Speaking Europe	198,062
UK	109,576
Australia	71,500
Taiwan Fulfillment	3,000
Korean Fulfillment	2,500
Program Implementation & Admin.	207,700

## **Total Trade & International Marketing \$963,404**

**Total \$6,928,571\*\***

\* Promotion of web site listed under Consumer Marketing – Advertising

\*\* ATIA anticipates supplementing the FY 01 Marketing Plan with up to \$489,00 in additional marketing expenditures.

**FY01 DIRECT MAIL  
PROJECTED RESPONSE BY DROP MATRIX  
VERSION 1.0**

<b>Mailing/Lists</b>	<b>Mail Quantity</b>	<b>% Response Projections</b>	<b># Response Projections</b>
<b>September - Control Lists</b>			
PI D'00 GOLD GOV	20,000	22%	4,400
PI D'00 BLUE GOV	20,000	16%	3,200
PI D'01 MODEL-GOLD GOV	45,000	28%	12,600
PI D'01 MODEL-BLUE GOV	20,000	21%	4,200
PI D'01 CONTROL- GOLD GOV	45,000	28%	12,600
PI D'01 CONTROL- BLUE GOV	20,000	21%	4,200
PI LIKELY 3YR- GOLD GOV	20,000	23%	4,600
PI LIKELY 3YR- BLUE GOV	20,000	20%	4,000
PI LIKELY ?- GOLD GOV	20,000	23%	4,600
PI LIKELY ?- BLUE GOV	20,000	20%	4,000
ALASKA MAGAZINE	21,400	17%	3,638
NATIONAL GEO TRAV-DIRECT	82,000	16%	13,120
TARGET SOURCE-RV/NO KIDS	46,000	16%	7,130
BUYERS CHOICE/VACATION/CRUISE	60,000	15%	9,240
TARGET SOURCE-CRUISE/FOR/NO KIDS	85,000	15%	12,750
DONNELEY- FOR/NO KIDS	22,000	15%	3,300
BEHAVIOR BANK-COLLEGE/FOR/NO KIDS	18,600	15%	2,790
<b>SUBTOTAL</b>	<b>585,000</b>		<b>110,368</b>
<b>September - Back Test Lists</b>			
GOOD SAM CLUB	25,000	14%	3,500
LIFESTYLE SEL-FF/FOR/NO KID	25,000	14%	3,500
MOTORHOME	25,000	14%	3,500
LIFESTYLE SEL-CRUISE/NO KID	25,000	14%	3,500
TRAILER LIFE	25,000	14%	3,500
ALASKA AIRLINES	9,000	14%	1,260
TARGET SOURCE-DOM TRAV/CAMP/NO KIDS	9,000	14%	1,260
READERS DIGEST-CRUISE/FOR/NO KIDS	9,000	14%	1,260
<b>SUBTOTAL</b>	<b>152,000</b>		<b>21,280</b>
<b>September - Test Lists</b>			
BOTTOM LINE TOMORROW	8,500	10%	850
TRAVEL HOLIDAY CLUB	8,500	10%	850
TRAVEL AMERICA	8,500	10%	850
AARP	8,500	10%	850
RV BOOK AND DIRECTORY	8,500	10%	850
CRUISE AMERICA	8,500	10%	850
ECONO SENIOR TOURS	8,500	10%	850
PREMIER LUXURY CLASS	8,500	10%	850
<b>SUBTOTAL</b>	<b>68,000</b>		<b>6,800</b>
<b>SEPT TOTAL</b>	<b>805,000</b>		<b>138,448</b>

**FY01 DIRECT MAIL  
PROJECTED RESPONSE BY DROP MATRIX  
VERSION 1.0**

<b>Mailing/Lists</b>	<b>Mail Quantity</b>	<b>% Response Projections</b>	<b># Response Projections</b>
<b>October - Control Lists</b>			
PI D'00 GOLD GOV	20,750	22%	4,565
PI D'00 BLUE GOV	17,500	16%	2,800
PI LIKELY 3YR- GOLD GOV	20,000	23%	4,600
ALASKA MAGAZINE	21,400	17%	3,638
NATIONAL GEO TRAV-DIRECT	82,000	16%	13,120
TARGET SOURCE-RV/NO KIDS	46,000	16%	7,130
BUYERS CHOICE/VACATION/CRUISE	60,000	15%	9,240
TARGET SOURCE-CRUISE/FOR/NO KIDS	85,000	15%	12,750
DONNELEY- FOR/NO KIDS	22,000	15%	3,300
BEHAVIOR BANK-COLLEGE/FOR/NO KIDS	18,600	15%	2,790
<b>SUBTOTAL</b>	<b>393,250</b>		<b>63,933</b>
<b>October- Test List</b>			
NATIONAL GEO ADVENTURE	8,500	10%	850
ADVENTURES ABROAD	8,500	10%	850
TWA AMBASSADORS CLUB	8,500	10%	850
BACKROADS	8,500	10%	850
LAST FRONTIER ALASKA	8,500	10%	850
NAEA CRUISE AND TRAVEL	8,500	10%	850
FROMMER BUDGET TRAVEL	8,500	10%	850
<b>SUBTOTAL</b>	<b>59,500</b>		<b>5,950</b>
<b>OCT TOTAL</b>	<b>452,750</b>		<b>69,883</b>
<b>November - Control Lists</b>			
PI D'00 GOLD GOV	20,750	22%	4,565
PI D'00 BLUE GOV	17,500	16%	2,800
PI LIKELY 3YR- GOLD GOV	20,000	23%	4,600
ALASKA MAGAZINE	21,400	17%	3,638
NATIONAL GEO TRAV-DIRECT	82,000	16%	13,120
TARGET SOURCE-RV/NO KIDS	46,000	16%	7,130
BUYERS CHOICE/VACATION/CRUISE	60,000	15%	9,240
TARGET SOURCE-CRUISE/FOR/NO KIDS	85,000	15%	12,750
DONNELEY- FOR/NO KIDS	22,000	15%	3,300
BEHAVIOR BANK-COLLEGE/FOR/NO KIDS	18,600	15%	2,790
<b>NOV TOTAL</b>	<b>393,250</b>		<b>63,933</b>

**FY01 DIRECT MAIL  
PROJECTED RESPONSE BY DROP MATRIX  
VERSION 1.0**

<b>Mailing/Lists</b>	<b>Mail Quantity</b>	<b>% Response Projections</b>	<b># Response Projections</b>
<b>January - Control Lists</b>			
PI D'00 GOLD GOV	20,750	22%	4,565
PI D'00 BLUE GOV	17,500	16%	2,800
PI LIKELY 3YR- GOLD GOV	20,000	23%	4,600
ALASKA MAGAZINE	21,400	17%	3,638
NATIONAL GEO TRAV-DIRECT	82,000	16%	13,120
TARGET SOURCE-RV/NO KIDS	46,000	16%	7,130
BUYERS CHOICE/VACATION/CRUISE	60,000	15%	9,240
TARGET SOURCE-CRUISE/FOR/NO KIDS	85,000	15%	12,750
DONNELEY- FOR/NO KIDS	22,000	15%	3,300
BEHAVIOR BANK-COLLEGE/FOR/NO KIDS	18,600	15%	2,790
<b>JAN TOTAL</b>	<b>393,250</b>		<b>63,933</b>
<b>February- Control Lists</b>			
PI D'00 GOLD GOV	20,750	22%	4,565
PI D'00 BLUE GOV	17,500	16%	2,800
PI LIKELY 3YR- GOLD GOV	20,000	23%	4,600
ALASKA MAGAZINE	21,400	17%	3,638
NATIONAL GEO TRAV-DIRECT	82,000	16%	13,120
TARGET SOURCE-RV/NO KIDS	46,000	16%	7,130
BUYERS CHOICE/VACATION/CRUISE	60,000	15%	9,240
TARGET SOURCE-CRUISE/FOR/NO KIDS	85,000	15%	12,750
DONNELEY- FOR/NO KIDS	22,000	15%	3,300
BEHAVIOR BANK-COLLEGE/FOR/NO KIDS	18,600	15%	2,790
<b>FEB TOTAL</b>	<b>393,250</b>		<b>63,933</b>
<b>FY01 DIRECT MAIL TOTALS</b>	<b>2,437,500</b>		<b>400,130</b>

# Alaska Travel Industry Association Marketing Advisory Committees

## Advisory Subcommittees

### Strategic Planning Committee

Bob Dindinger, Chair Marketing Committee & Strategic Planning Subcommittee

Ann Campbell, Chair ATIA

Pam Foreman, Chair Collateral/Fulfillment Subcommittee

Pierre Germain, Chair Internet Subcommittee

Gary Odle, Chair Trade Development Subcommittee

Ron Peck, Chair Public Relations Subcommittee

Jerre Fuqua, Chair Advertising Subcommittee

Kirk Hoessle, Chair Research Subcommittee

Brad Phillips, Chair ATMC

Tina Lindgren, President

### Collateral/Fulfillment Committee

Pam Foreman, Chair

Susan Springer

John Mazor

Bob Engelbrecht

Brad Walker

Jerre Fuqua

### Internet Committee

Pierre Germain, Chair (ATMC)

Laurie Herman

Len Laurance

Joy Maples

Dave Karp

Dale Anderson

Peter Gruening

Carolyn Borjon

Brett Carlson

Bob Engelbrecht

### Trade and International Committee

Gary Odle, Chair

Denise Belkoski

Dennis Brandon

Linda Melchert

Pierre Germain

Toni Walker

### Advertising Committee

Jerre Fuqua, Chair (ATMC)

Bill Pedlar

Mary Novak-Beatty

Wanetta Ayers

Bob Engelbrecht

Peter Gruening

Deb Hickok

### Research Committee

Kirk Hoessle, Chair

Dale Fox

Charlie Ball

Bill Pedlar

Deb Hickok

John Mazor

Mya Renken

### Public Relations Committee

Ron Peck, Chair (ATMC)

Sheri Gerhard

Brett Carlson

Patti Mackey

Toni Walker

Susan Springer

Dale Fox

Connie McKenzie

Sarah Leonard

Mya Renken

President and Marketing  
Chair are ex-officio of  
all marketing committees

2/05/01

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FILE



To: Alaska State Legislators  
Date: February 5, 2001  
Subject: University of Alaska Website Budget Information

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Attached is a listing of all University website locations regarding University budget issues for quick reference. This list can also be found in the back of the UA FY02 Redbook, or through the University website at: [www.alaska.edu/oir](http://www.alaska.edu/oir).

Also attached is a sample of a FY01 Initiative Status Report, which are readily available at: [www.accountability.alaska.edu](http://www.accountability.alaska.edu)

## Additional Information on the Web

<http://www.alaska.edu/>

University of Alaska, Systemwide homepage.

<http://info.alaska.edu/oir/>

University of Alaska, Statewide Budget & Institutional Research

Links to information about the University of Alaska budget and institutional research topics.

<http://www.accountability.alaska.edu/>

University of Alaska

Status of FY01 initiatives

<http://www.alaska.edu/scholars/>

University of Alaska, Scholars Program information

<http://www.alaska.edu/swbudget/>

University of Alaska, Statewide Budget Development

Links to reports on budgets and budget development unit level reporting, deferred maintenance and other miscellaneous reports.

<http://www.alaska.edu/oir/Review/index.html>

University of Alaska, UA in Review

University of Alaska fact books by year. Includes information about budgets, students, academics, faculty and staff, and institutional data.

<http://info.alaska.edu/swlegis/budget.html>

University of Alaska, Statewide University Relations

Links to legislation and budget information with the potential to impact the University of Alaska.

<http://www.alaska.edu/bor/>

University of Alaska, Board of Regents

Links to information about the Board of Regents' activities and policies.

<http://www.legfin.state.ak.us/>

Alaska Legislature, Legislative Finance Division

Information and links to state budget data.

<http://www.gov.state.ak.us/omb/akomb.htm>

State of Alaska, Office of Management and Budget

Links to OMB state budget information.

1

Academic Programs Only

**FY01 Initiative Status Report - Due on the 8<sup>th</sup> of month due**

**Initiative ID #: \_\_\_\_\_**

Initiative Area: Education

Initiative Title: APTE

**1. Program Update.** For the time periods listed below please describe the progress of the initiative. This should include significant initiative elements ahead of schedule, on time, and behind the original timeframe. Provide an assessment of the ability of the initiative to deliver based on this progress. Describe any changes in your expectations of the program.

July-August, 2000

The first cohort was selected for admission and completed the summer integrated methods class; the summer institutes all were delivered as planned; professional development schools have been identified

September-October, 2000

The Professional Development School Council has been created and the Educational Policy Roundtable has been held; mentor teachers have been identified for each of the cohort interns; recruitment efforts have been initiated to identify the Year 2 cohort group; the first Professional Development University liaison for the Professional Development Schools has been hired; participated in the statewide Educational Summit and have planned follow-up with the Professional Development Schools; developed a recruitment brochure and have plans to design a recruitment display.

November-December, 2000

The Professional Development School Council is meeting on a regular basis; the post baccalaureate program has been promoted on a local TV talk show several times, the recruitment brochure has been distributed to potential members of the second cohort group; Professional Development School Faculty in Residence and Partner Mentor Teachers participated in mentor training; a Professional Development School (PDS) Coordinator has been hired and we are working with the school districts to advertise for and hire additional PDS liaisons, a Partnership Open House was hosted by the Chancellor for faculty, Year 1 interns, Mentor Teachers, Faculty in Residence and PDS administrators.

January-February, 2001

March-April, 2001

May-June, 2001

## 2. Budget Detail.

Please list all org numbers associated with this initiative: 11472

Fill in the information in the table below at the appropriate time.

REVENUE:	FY01 Total Budget	Ending 8-31-00	Ending 10-31-00	Ending 12-31-00	Ending 2-28-00	Ending 4-30-00	Ending 6-31-00
Federal Receipts	390,000.00	390,000.00	390,000.00				
General Fund							
Student Tuition/Fees							
Indirect Cost Recovery							
University Receipts							
TOTAL	390,000.00	390,000.00	390,000.00				
<b>EXPENDITURES:</b>							
Personal Services	359,000.00	359,000.00	331,714.00				
Travel	21,000.00	21,000.00	21,000.00				
Contractual Services	6,000.00	6,000.00	33,286.00				
Supplies							
Equipment	4,000.00	4,000.00	4,000.00				
Grants/Claims/Student Aid							
Miscellaneous							
TOTAL	390,000.00	390,000.00	390,000.00				