

ALASKA LEGISLATURE

2272

HOUSE and SENATE FINANCE COMMITTEE FILES,

2001 - 2002

HB

350

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 10 2002
SENATE FINANCE

DATE: 5/9/02

FURTHER:

DATE TURNED IN TO OFFICE: 10 May 2002

Finance Committee considered CS FOR HOUSE BILL NO. 350(FIN) am
HB 350 TERRORISTIC THREATS

"An Act relating to murder, conspiracy, criminal mischief, and terroristic threatening; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous S CS CS HB 350 (JUD)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
- House Bill:**
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Corrections	2/20/02	*		#5
Admin	2/21/02	*		#4
Law	2/19/02	*		#3
Cart	2/20/02		✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Lyle Beer</i>			✓	
<i>John Hoff</i>			✓	
<i>Don Miller</i>	✓			
<i>Greg D. ...</i>	✓			
<i>Al ...</i>	✓			
<i>...</i>			✓	
COCHAIR: <i>...</i>			✓	
COCHAIR: <i>Pete Kelly</i>			✓	

MAY 10 2002

LEGISLATIVE MANAGER

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 350(JUD)
(H) Publish Date: 4/18/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title An Act relating to terrorist threatening BRU Administration and Operations
Component All
Sponsor Rep. McGuire
Requester House Judiciary Committee Component No. 694

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	***	***	***	***	***	***

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	***	***	***	***	***	***

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation expands the circumstances under which someone can be charged with Terroristic Threatening, a felony. This bill will add a provision to include knowingly making a false report that a circumstance dangerous to human life exists or is about to exist and causes evacuation of a public area, mode of public transportation or building or disrupts the schedule of an entity providing transportation services for persons or property. It additionally will include false reports of a circumstance exists or is about to exist regarding the safe or proper functioning of oil or gas pipeline or supporting facility, etc. Any addition of circumstances expanding felony prosecution will likely have a fiscal impact on the Department of Corrections. It is anticipated that the number of cases that apply in this legislation will be minimal, therefore, the Dept. of Corrections is submitting an indeterminate fiscal note.

Prepared by: Candace Brower Phone 465-4652
Division: Commissioner's Office Date/Time 2/26/02 4:53 PM
Approved by: Margaret Pugh, Commissioner Date 2/26/02
Agency: Dept. of Corrections

MAY 10 2002

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 350(JUD)
(H) Publish Date: 4/18/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: "An Act relating to criminal mischief and terroristic threatening..." BRU: Legal and Advocacy Services
Component: Public Defender Agency
Sponsor: Rep. McGuire
Requester: (H) Judiciary Component No.: 1631

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
See attached.

Prepared by: Barbara Brink, Director Phone (907) 334-4416
Division: Public Defender Agency Date/Time 2/21/02 1:29 PM
Approved by: Jim Duncan, Commissioner Date 2/21/2002
Agency: Department of Administration

FISCAL NOTE #4

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CSHB 350(JUD)

ANALYSIS CONTINUATION

This legislation would amend the crime of criminal mischief in the first degree (class B felony) to include tampering with a water supply with intent to cause physical injury. The crime currently prohibits tampering with other items with intent to cause physical injury (food, drugs, cosmetics). The bill also proposes to amend the crime of terroristic threatening (a class C felony) to include when a person knowingly makes a false report that a circumstance dangerous to human life exists or is about to exist that disrupts the schedule of a public transportation service or causes evacuation of a public area or public conveyance, or a false report that a circumstance exist or is about to exist that is dangerous to the safe functioning of an oil or gas pipeline or supporting facility, utility, or transportation or cargo facility.

The last provision in Section 2, subsection (a)(2) would likely have a fiscal impact on the Public Defender Agency. This subsection may cover a sizeable variety of situations not currently covered as felonies. It is not possible to determine the extent of that impact, however, because it is unknown how many potential cases would result from this broadly written proscriptive language. Since the Agency cannot predict how many more felony cases would result if this proposed legislation passed, an indeterminate fiscal note is submitted.

MAY 10 2002

STATE PRINTING

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 350(TRA)
(H) Publish Date: 2/20/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title "An Act relating to terroristic threatening." BRU Criminal Division
Sponsor Representative McGuire Component 1st-4th Judicial Districts; Criminal
Requester House Transportation Committee Component No. 2198-99;2201-03;61;79
Appeals/Special Litigation

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*****	*****	*****	*****	*****	*****

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
HB 350 would expand the actions that could lead to a charge of terroristic threatening, a class C felony. Specifically, if an individual causes the evacuation of a public area, public conveyance, or building; disrupts the schedule of a public transportation entity; or threatens, even jokingly, a transportation service provider or transportation support services provider with physical injury, even if the person threatened was not placed in fear of physical injury, that individual could be charged with this crime.

The language in subsection (2) regarding threats to persons actually providing transportation services or support services would cover a very large variety of situations not currently considered felonies. Felony prosecutions are costly, but the Department of Law has no way of estimating how many new cases might be referred for prosecution if this bill becomes law, and cannot assign a potential fiscal impact.

Prepared by: Joan M. Kasson Phone (907) 465-5370
Division Attorney General's Office Date/Time 2/19/02 8:27 AM
Approved by: Kathryn Daughhatee for Bruce M. Botelho, Attorney General Date 2/19/2002
Agency Department of Law

MAY 10 2002

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 350(TRA)
(H) Publish Date: 2/20/02

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title: Terroristic threatening BRU: Alaska Court System
Component: Trial Courts
Sponsor: Representative McGuire
Requester: Representative McGuire Component No.: 768

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The court system does not anticipate any fiscal impact from the passage of HB 350.

Prepared by: Douglas Wooliver Phone 463-4750
Division: Alaska Court System Date/Time 2/20/02 9:28 AM
Approved by: Stephanie Cole Date 2/20/02
Agency: Alaska Court System

Alaska State Legislature

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Chair, House Special Committee
on Economic Development, Trade
and Tourism

Chair, Jt. House and Senate
Administrative Regulation and
Review Committee

Member
Resources Committee
Rules Committee

Representative Lesil L. McGuire
House District 17

SPONSOR STATEMENT

HOUSE BILL 350

Criminal mischief and terroristic threatening

September 11th, 2001 has changed the lives of Alaskan and Americans alike. What was once a concern for the safety of those living, working or visiting foreign destination from terroristic acts has painfully come home. Likewise, we have been warned of the dangers

Terrorism is not confined to public transportation, or the bombing of buildings or government offices. The added threat of chemical and biological warfare and weapons of mass destruction make it clear that we are in need of redefining our laws regarding terroristic acts.

The threat alone of a terroristic act can cripple a community. Imagine the chaos that would occur if someone said that they had just contaminated the public water utility with a deadly chemical agent. Citizens would panic, schools and businesses would close, and in general the community would come to standstill.

House Bill 350 would increase criminal penalties for certain acts of terrorism and would prohibit terroristic threats intended to frighten or cause specific harm to citizens. House Bill 350 also increases penalties of threats to our air, water and food supplies, utilities and pipelines.

House Bill 350 will provide law enforcement the necessary tools to arrest, detain and ultimately prosecute an individual who threatens public areas or conveyances.

A threat in this day and age must be taken seriously. House Bill 350 increases criminal penalties for certain acts of terrorism, terroristic threats and criminal mischief and punishes these criminals in accordance with the law.

CS FOR HOUSE BILL 350(FIN)am

SECTIONAL ANALYSIS

Section 1 is a conforming amendment. It adds criminal mischief in the fourth degree to those offenses that allow for full, reasonable attorney fees to a victim or the estate of a victim in a civil lawsuit to recover damages based on the criminal conduct.

Section 2 adds criminal mischief in the first degree (raised in this bill from a class B to a class A felony) and terroristic threatening in the first degree (a class B felony adopted in this bill) to those offenses for which a person can be charged with conspiracy to commit the offense.

Section 3 amends murder in the first degree to include conduct where a person commits or attempts to commit criminal mischief in the first degree and, in furtherance of the offense or in immediate flight, any person causes the death of a person other than a participant in the crime. **Section 3** also adds to murder in the first degree conduct where a person commits terroristic threatening in the first degree and, in the furtherance of the offense or in immediate flight, any person causes death of a person other than one of the participants.

Section 4 is a conforming amendment that adds the conviction for terroristic threatening in the first degree as a predicate offense that would raise the offense of stalking in the second degree to stalking in the first degree.

Sections 5 changes criminal mischief in the first degree from a class B felony in current law (maximum period of incarceration 10 years) to a class A felony (maximum period of incarceration 20 years). The conduct prohibited includes intentionally damaging an oil or gas pipeline, causing damage to a utility or emergency responder resulting in substantial interruption in service to the public, and damaging property in an amount over \$100,000 by widely dangerous means such as an explosion.

Sections 6 and 7 add tampering with water or air to the prohibition of tampering with food or cosmetics, with intent to cause physical injury, to criminal mischief in the second degree. This conduct remains a class B felony. These sections also add to criminal mischief in the second degree tampering with an oil or gas pipeline or supporting facility, an airplane, or a helicopter with reckless disregard for the risk to property. This conduct would be a class B felony, and is prohibited in current law as a class C felony.

Section 8 makes conforming amendments to the definitions of "deliver" and "distribute" for criminal mischief in the second degree, by adding the delivery or distribution of air or water to the definitions.

Sections 9, 10, and 11 make conforming amendments that change criminal mischief in the second degree to third degree. This conduct remains a class C felony.

Sections 12 and 13 make conforming amendments that change what is currently criminal mischief in the third degree to criminal mischief in the fourth degree. This conduct remains a class A misdemeanor.

Section 14 is a conforming amendment that changes what is currently criminal mischief in the fourth degree to criminal mischief in the fifth degree. This conduct remains a class B misdemeanor.

Section 15 is a conforming amendment to criminal mischief in the fourth degree, by renumbering a statutory reference.

Section 16 makes a conforming amendment to making a false information or report in violation of AS 11.56.800(a) to exclude conduct that would be prohibited by terroristic threatening in the second degree.

Section 17 adopts the crime of terroristic threatening in the first degree. It prohibits sending or delivering a bacteriological, biological, chemical, or radiological substance or an imitation bacteriological, biological, chemical, or radiological substance, and, as a result, place another in reasonable fear of physical injury to any person, cause the evacuation of a building or other facility, or cause serious public inconvenience. This conduct is a class B felony.

Section 18 changes the current terroristic threatening to the second degree offense, and adds the prohibition of making a false report with the intent to cause an evacuation of a public place, business premises, or means of public transportation. It also adds the prohibitions of making a false report that claims that a bacteriological, biological, chemical, or radiological substance has been sent or is present in specified places, or that threatens damage to an oil or gas pipeline or supporting facility. This conduct remains a class C felony.

Section 19 is a conforming amendment that adds terroristic threatening in the first degree to those crimes that allow for the victim's or witness's address and telephone number to be kept confidential from the defendant if the court finds that the defendant may be a continuing threat to the victim or witness.

Section 20 makes a conforming amendment to the definition of crime involving domestic violence by adding terroristic threatening in the first degree and criminal mischief in the first degree to those crimes that may potentially be a crime involving domestic violence.

Sections 21 and 22 set forth applicability and effective date clauses.

Bill History/Action Display



BILL: HB 350 SHORT TITLE: TERRORISTIC THREATS
 BILL VERSION: CSHB 350(FIN) AM
 SPONSOR(S): REPRESENTATIVE(S)MCGUIRE, Hudson
 CURRENT STATUS: (S) JUD STATUS DATE: 04/26/02
 THEN FIN
 HEARING: (S) JUD May 08 1:30 PM BELTZ 211 TELECONFERENCE

TITLE: "An Act relating to murder, conspiracy, criminal mischief, and terroristic threatening; and providing for an effective date."

[Full Text](#)
[Fiscal Notes](#)
[Amendments](#)
[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
01/23/02	<u>2040</u>	(H) READ THE FIRST TIME - REFERRALS
01/23/02	<u>2040</u>	(H) TRA, JUD
02/20/02	<u>2334</u>	(H) TRA RPT CS(TRA) NT 5NR 1AM
02/20/02	<u>2334</u>	(H) KOHRING; AM: WILSON
02/20/02	<u>2335</u>	(H) FN1: ZERO(CRT)
02/20/02	<u>2335</u>	(H) FN2: INDETERMINATE(ADM)
02/20/02	<u>2335</u>	(H) FN3: INDETERMINATE(LAW)
02/20/02	<u>2348</u>	(H) FIN REFERRAL ADDED AFTER JUD
04/18/02	<u>3000</u>	(H) JUD RPT CS(JUD) NT 1DP 3NR 1AM
04/18/02	<u>3000</u>	(H) DP: JAMES; NR: COGHILL, MEYER,
04/18/02	<u>3000</u>	(H) ROKEBERG; AM: BERKOWITZ
04/18/02	<u>3001</u>	(H) FN1: ZERO(CRT)
04/18/02	<u>3001</u>	(H) FN3: INDETERMINATE(LAW)
04/18/02	<u>3001</u>	(H) FN4: INDETERMINATE(ADM)
04/18/02	<u>3001</u>	(H) FN5: INDETERMINATE(COR)
04/25/02	<u>3127</u>	(H) FIN RPT CS(FIN) NT 9DP
04/25/02	<u>3127</u>	(H) DP: BUNDE, DAVIES, HARRIS, CROFT,
04/25/02	<u>3127</u>	(H) MOSES, LANCASTER, HUDSON, FOSTER,
04/25/02	<u>3127</u>	(H) WILLIAMS
04/25/02	<u>3128</u>	(H) FN1: ZERO(CRT)
04/25/02	<u>3128</u>	(H) FN3: INDETERMINATE(LAW)
04/25/02	<u>3128</u>	(H) FN4: INDETERMINATE(ADM)
04/25/02	<u>3128</u>	(H) FN5: INDETERMINATE(COR)
04/25/02	<u>3134</u>	(H) RULES TO CALENDAR 4/25/02
04/25/02	<u>3134</u>	(H) READ THE SECOND TIME
04/25/02	<u>3134</u>	(H) FIN CS ADOPTED UNAN CONSENT

- 04/25/02 [3134](#) (H) AM NO 1 ADOPTED UNAN CONSENT
- 04/25/02 [3135](#) (H) ADVANCED TO THIRD READING UNAN CONSENT
- 04/25/02 [3135](#) (H) READ THE THIRD TIME CSHB 350(FIN) AM
- 04/25/02 [3135](#) (H) PASSED Y37 E3
- 04/25/02 [3136](#) (H) EFFECTIVE DATE(S) SAME AS PASSAGE
- 04/25/02 [3152](#) (H) COSPONSOR(S): HUDSON
- 04/25/02 [3152](#) (H) TRANSMITTED TO (S)
- 04/25/02 [3152](#) (H) VERSION: CSHB 350(FIN) AM
- 04/26/02 [2970](#) (S) READ THE FIRST TIME - REFERRALS
- 04/26/02 [2970](#) (S) JUD, FIN
- 04/26/02 [2970](#) (S) REFERRED TO JUDICIARY

Similar Subject Match or Exact Subject Match

CRIMES

CRIMINAL PROCEDURE

TERRORISM

TRANSPORTATION

Bill Root:



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

[Return to Basis Main Menu \(22 Legislature\)](#)

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STATE OFFICE
ALASKA PEACE OFFICERS ASSOCIATION

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Thecla LaLonde, Member
Wrangell
Pres. Wrangell Chapter

March 29, 2002

Representative Lesil McGuire
State Capitol
Juneau, AK 99801-1182

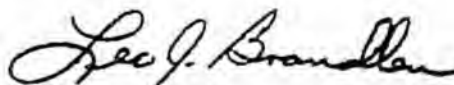
Dear Representative McGuire:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing House Bill 350 relating to terroristic threatening.

The Alaska Peace Officers Association fully supports HB 350. This will enhance police and prosecutor efforts to hold persons accountable for threatening public areas or conveyances, and causing disruption to public transportation due to threatening behavior. The world we live in has changed and law enforcement must respond to all threats against public facilities in a serious manner. This legislation will help facilitate the investigation and prosecution of these crimes.

Please contact the APOA office in Anchorage at 277-0515 if there is anything our organization can do to assist in the passage of this bill.

Sincerely,


Leo Brandlen
State President

State frees man held for making threats

ARREST: Alaska Airlines bans Washington man from flights after he became angry over late luggage.

The Associated Press

SITKA — The state decided Friday not to prosecute a 58-year-old Washington man who was arrested at the Sitka airport after allegedly threatening an airline worker.

But Alaska Airlines has banned Dr. Bruce Stevenson from its flights for life because of Thursday's incident.

Stevenson apparently became upset about possible delays in retrieving baggage, police said. Lt. John Baeza said Stevenson told the Alaska Airlines ticket agent, "If I don't get my bag I'm coming back here as an assassin."

"He said it seriously, with no hint of a smile or that he was joking, and all the witnesses took it very seriously," Baeza said.

Sitka Police Chief Bill McLendon criticized the state's refusal to return to the Woodville, Wash., medical doctor to court.

"The decision reeks of favoritism and documents a steady history of political maneuvering and ineptness in handling cases," McLendon said Friday. "To say we have no confidence in (prosecutors') abilities would be a gross understatement."

Earlier Friday, assistant district attorney Corinne Vorenkamp told the Daily Sentinel in Sitka that the state did not have enough evidence for a criminal prosecution against Stevenson, a doctor at the prestigious Virginia Mason Hospital in Seattle.

"While there's certainly no accounting for the exceedingly poor taste and bad judgment of essentially ignoring a national tragedy, the state has decided to not file a complaint," Vorenkamp said.

Responding to a call from the airport Thursday afternoon, Sitka police arrested Stevenson on a felony charge of terroristic threatening and a misdemeanor charge of fourth-degree assault.

Stevenson was held overnight in the Sitka jail without bail and was released Friday after the charges were dropped.

In Anchorage, assistant U.S. attorney Stephan Collins said the federal government does not have jurisdiction in the case.

"The threat wasn't made by telephone or by wire, and it wasn't made in the air," Collins said. "If the plane were in the air at the time, we'd have jurisdiction — maritime, or territorial — but on the ground, in the airport, to a ticket



JAMES POULSON / The Associated Press

Sitka Police Lt. John Baeza, left, stands by as Dr. Bruce Stevenson, 58, background center, is placed in a patrol car following his arrest for allegedly threatening an airline worker at the airport in Sitka. Police say that Stevenson, a doctor at Virginia Mason Hospital in Seattle, apparently told the Alaska Airlines ticket agent, "If I don't get my bag I'm coming back here as an assassin."

et agent, from what details I understand about this case we don't have jurisdiction. That would be up to the state."

Vorenkamp said that to be prosecuted for terroristic threatening under state law, a person would have to "knowingly make a false report that a circumstance dangerous to human life exists or is about to exist."

"What Mr. Stevenson said certainly was insensitive to the fears of the person to whom he said it, and it's appalling in light of the national tragedy that happened this week," she said, "but under state law it is not a crime."

However, Stevenson will never be allowed onboard an Alaska Airlines flight again, company spokesman Greg Witter said from the airline's Seattle headquarters.

"We have a zero-tolerance policy for anyone who tries to abuse or threaten our employees in any way, shape or manner," he said.

Doctor sorry for making threat to airline agent

■ **APOLOGY:** He admits he 'demonstrated a terrible lack of judgment.'

The Associated Press

SITKA — The Washington state doctor who was arrested in Sitka for making threatening comments to an Alaska Airlines ticket agent apologized Tuesday for his actions.

Dr. Bruce Stevenson was arrested at the Sitka airport Thursday, when commercial flights were allowed to resume after the terrorist attacks on the East Coast. The state, however, decided not to prosecute. Alaska Airlines has banned the 47-year-old doctor from its planes for life.

In last week's incident, Stevenson became upset about possible delays in retrieving baggage and re-

portedly told the ticket agent he would "come back as an assassin" if that occurred.

Stevenson, a doctor at Virginia Mason Hospital in Seattle, issued a prepared statement Tuesday, saying he is sorry for the stress his comments caused.

Stevenson has been placed on indefinite administrative leave because of the incident, said hospital spokeswoman Linda Stepanich. The hospital faxed the doctor's comments to the Daily Sentinel in Sitka.

In the statement, Stevenson wrote, "I made an inappropriate remark that was interpreted as a threat."

"I demonstrated a terrible lack of judgment and I sincerely apologize for my actions. As a frequent traveler to Alaska, I have built many warm

See Page B-2 DOCTOR

DOCTOR: *He's sorry*

Continued from B-1

relationships over the years. I genuinely regret jeopardizing the goodwill of the many friends and colleagues I have in your fine state.

"I am very sorry that this incident added to the stress of airline, airport and public officials during this difficult time."

Police had charged the doctor with felony terroristic threatening and misdemeanor fourth-degree assault. Stevenson spent a night in the Sitka jail before charges were dropped Friday after the state decided not to prosecute.

Stevenson left Sitka Friday.

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KTVA.COM

Alaska Airlines passenger arrested for terrorist threatening

September 24, 2001

An Alaska Airlines passenger who had lost a bag joked with an employee at the Juneau Airport that it contained a bomb. But the airline took it seriously, and the man was arrested Monday morning at his hotel room.

Twenty-nine-year-old James Longcroft was taken into custody at about 7 a.m. and charged with felony terroristic threatening. He was lodged at the Lemon Creek Correctional Center.

Longcroft, an Irish national who gave his residence as England, lost a bag on his flight in last night.

Juneau Police say that while he was describing the bag to an employee, he noted it had a bomb in it. He told the airline employee he was kidding.

But the employee contacted police, who then contacted the FBI, the Juneau District Attorney's Office and Juneau Airport Security and Alaska Airlines Dispatchers.

The missing luggage had been located at the Seattle airport. Seattle police searched the bag and found no bomb.

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 Print this Article

 E-Mail to a Friend

KTVA.COM

Bomb threat shuts down Ketchikan airport

December 30, 2001

Authorities are investigating an anonymous bomb threat that shut down the Ketchikan International Airport for more than an hour Friday.

The airport was evacuated while airport police and troopers checked the premises. No explosives were found.

Airport manager David Allen says the threat was called in to Ketchikan police about 1:30 p-m. He says police then notified the airport, prompting the evacuation. Allen says he's not sure how many people were affected.

Allen says a jet was not due to land until a few hours later, so the building was relatively empty other than airport workers. He says people were allowed back in the building at about 2:45 p-m.

Alaska State Troopers are investigating the threat, but the origin of the call is not clear, but Deputy Chief David Guzman says that's the department's only involvement.

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SENATE COMMITTEE REPORT

DATE: 4/26/02

FURTHER: Finance

DATE TURNED IN TO OFFICE: 5/8/02

Judiciary Committee considered CS FOR HOUSE BILL NO. 350(FIN) am
 HB 350 TERRORISTIC THREATS

"An Act relating to murder, conspiracy, criminal mischief, and terroristic threatening; and providing for an effective date."

and recommends:

- be replaced with SCS CS HB 350 (JUD)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
ACS	2/20/02		✓	1
DOL	2/19/02	xxx		3
DOA	2/21/02	xx		4
DOC	2/21/02	xxx		5

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Tom Reynolds</i>			X	
<i>John C. Campbell</i>			✓	
<i>John Steen</i>			X	
CHAIR: <i>Robin Taylor</i>	✓			

SENATE FINANCE COMMITTEE
HB 350-TERRORISTIC THREATS
SIGN-IN

NAME: Anne Carpenter Subject/Bill No: HB 350
Co./Dept./Title: Law Phone: 465-3428
Address: Court Bldg - Room 717 Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Candace Brower Subject/Bill No: HB 350
Co./Dept./Title: Corrections Phone: 465-3302
Address: 431 N. Franklin Rm 400 Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

HB

359

HFIN

FILE

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House Finance Committee



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Letter of Intent

The Legislature acknowledges that tourism bookings in Alaska are well below the forecasts prior to the terrorist attack on America September 11, 2001. Surveys show that actual bookings are 30 % to 40% below normal. It is the intent of the Legislature that the appropriation made by House Bill 359 be focused at increasing tourism in Alaska in 2002.

The Legislature expects that the Alaska Tourism Industry Association will report back to the Legislature during the FY 2001 and FY 2004 budget deliberations. That report should include measures that indicate the results of the advertising supported by this legislation.

Handwritten signature of Rep. Bill Williams.

Rep. Bill Williams
Co-Chair

Handwritten signature of Rep. Eldon Mulder.

Rep. Eldon Mulder
Co-Chair

January 30, 2002

Failed
3-8

Amendment

OFFERED IN HOUSE FINANCE COMMITTEE
TO: HB 359

BY: REP. ERIC CROFT

Page 1, line 10

1) Add a new section to read:

Section 2. The sum of \$6,000,000 is appropriated from the general fund to the Department of Community and Economic Development, Alaska Seafood Marketing Institute, for the fiscal year ending June 30, 2003, for generic salmon marketing

2) Renumber sections accordingly.

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HOUSE BILL 359

**Appropriation to Tourism
Marketing Efforts**

House Bill 359 appropriates \$6,000,000, in emergency funding, to the Alaska Travel Industry Association for additional tourism marketing efforts. The focus of the new and expanded tourism advertising will be to mitigate the effects on the Alaska tourism from the September 11, 2002, terrorist attacks on the United States.

Reduced numbers of visitors to Alaska in the 2002 season will have a significant effect on Alaska's economy, specifically the likely reduction in employment and revenues. Tourism is a major part of our economy, employing thousands of Alaskans. The seasonal nature particularly assists our young people earn money toward their college educations. This is only a part of the benefit. Tourism also provides a substantial number of year-around jobs.

The terrorist attack in September has caused many Americans to believe that they will be at risk with any travel. This measure will provide funds necessary to advertise that Alaska is a safe, affordable and welcoming tourist destination.

HB 359 is an investment in an industry that contributes heavily to Alaska's economy. It will assist many small businesses that are being harmed by an action well beyond their control.

HOUSE BILL NO. 359

IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/25/02

Referred: Finance

Funding Information:	General Fund	\$ 6,000,000
	Other Funds	-0-
	Total	\$ 6,000,000

A BILL

FOR AN ACT ENTITLED

1 "An Act making a supplemental appropriation for tourism marketing efforts; and
 2 providing for an effective date."

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

4 * Section 1. TOURISM MARKETING. The sum of \$6,000,000 is appropriated from the
 5 general fund to the Department of Community and Economic Development for the fiscal
 6 years ending June 30, 2002, and June 30, 2003, for payment as a grant under AS 37.05.316 to
 7 the Alaska Travel Industry Association for additional tourism marketing efforts to mitigate
 8 the economic effects on the Alaska tourism industry from the September 11, 2001, terrorist
 9 attacks.

10 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).



Alaska State Legislature

Please enter into the record my testimony to the **House Finance Committee** on
HB 359 Supplemental Appropriation: Tourism Marketing, dated **January 30, 2002**

I am appalled the Governor has proposed legislation that would give our rapidly declining oil taxes and royalty income to tourism or any other private business. This type of legislation is irresponsible when we face continued deficit spending with no real solution coming from the leadership.

The major players currently promoting this legislation, and past spending bills for tourism, are based in England, Holland, or somewhere in the lower 48. These multi-national corporations have representatives, public relations firms, ad agencies, and paid lobbyist to convince us they are Alaskans, and purely have our interest at heart. If these companies were really Alaskan, they would know we are facing a massive deficit budget situation. Since Alaska is merely considered a "colony" by them, any tax burden put on the ordinary citizens to pay for this kind of special interest legislation, is of no real consequence to them.

Because these major corporations are from outside the State of Alaska, or even the country, the bulk of all profits from this industry go south with them each fall. They leave in their wake water and air pollution, roads and bridges crushed under the weight of sightseeing coaches, piles of garbage and sewage for us to deal with, and burdens on our limited fish and game resources. If oil companies had received the same terms for doing business in Alaska there wouldn't be ANY money in the state coffers and certainly no permanent fund to raid.

Signed: Mike McBride

Testifier

Self

Representing (optional)

P. O. Box 6 Kenai, Alaska 99611-0006

Address

(907) 776-5444

Phone number

McBride testimony to HFIN on HB 359 dated 1-30-02 (continued)

The tourism industry has historically gone out of its way to avoid paying taxes, user fees, or royalties of any kind. In the past, individual communities have tried imposing user fees to cover expenses, and found themselves "blackballed". Make no mistake about it; these people wield a tremendous amount of power when it comes to who gets patronized, and who does not. Corporations with that much power should pay for their own marketing campaign, and leave our limited resources for more important ALASKAN issues.

Do not come to me asking for new taxes until this industry is sent a large and EQUITABLE bill for the privilege of selling the grandeur of Alaska. Tourists pay taxes and user fees everywhere BUT Alaska. Anyone who has traveled knows this is true. Arguments that taxes will hurt business are nothing more than scare tactics to avoid paying their fair share.

There are a lot of us out here who see what is really going on. We are long past due putting the brakes on government spending. Our legislature must cut giveaway programs to special interests groups and private industry. If there are any excess funds available, they should be set aside to ensure we have strong public schools systems, good road maintenance, and top of the line public health and safety programs.

My neighbors and I urge you to vote NO on the proposed funding of tourism marketing. Shame on the Governor for even suggesting it!

HB

359

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 FEB 19 2002
 SENATE FINANCE
 COMMITTEE

DATE: 2/6/02

FURTHER:

DATE TURNED IN TO OFFICE: 20 Feb 2002

Finance Committee considered **HOUSE BILL NO. 359**

HB 359 SUPPLEMENTAL APPROPRIATION: TOURISM MARKETING

"An Act making a supplemental appropriation for tourism marketing efforts; and providing for an effective date."

and recommends:

be replaced with S CS HB 359 (FIN)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by House Finance Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>		✓		
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			

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Alaska State Legislature
House Finance Committee



State Capitol, Juneau, Alaska 99801-1182

REPORTED OUT
FEB 19 2002
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Letter of Intent

The Legislature acknowledges that tourism bookings in Alaska are well below the forecasts prior to the terrorist attack on America September 11, 2001. Surveys show that actual bookings are 30 % to 40% below normal. It is the intent of the Legislature that the appropriation made by House Bill 359 be focused at increasing tourism in Alaska in 2002.

The Legislature expects that the Alaska Tourism Industry Association will report back to the Legislature during the FY 2003 and FY 2004 budget deliberations. That report should include measures that indicate the results of the advertising supported by this legislation.

Handwritten signature of Bill Williams in cursive.

Rep. Bill Williams
Co-Chair

Handwritten signature of Eldon Mulder in cursive.

Rep. Eldon Mulder
Co-Chair

January 30, 2002

Passed by the House 02-04-02

adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-LS1360 W
Ltermohle
2/19/02

SENATE CS FOR HOUSE BILL NO. 359()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Funding Information:	General Fund	\$ 828,500
	Other Funds	5,171,500
	Total	\$ 6,000,000

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making a supplemental appropriation for tourism marketing efforts; and
2 providing for an effective date."

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

4 * Section 1. TOURISM MARKETING. (a) The balance, not to exceed \$5,171,500, of the
5 international trade and business endowment (AS 37.17.440) is appropriated to the Department
6 of Community and Economic Development for the fiscal years ending June 30, 2002, and
7 June 30, 2003, for payment as a grant under AS 37.05.316 to the Alaska Travel Industry
8 Association for additional tourism marketing efforts to mitigate the economic effects on the
9 Alaska tourism industry from the September 11, 2001, terrorist attacks.

10 (b) The sum of \$828,500 is appropriated from the general fund to the Department of
11 Community and Economic Development for the fiscal years ending June 30, 2002, and
12 June 30, 2003, to match, on a dollar-for-dollar basis, expenditures of nonstate funds by the
13 Alaska Travel Industry Association for tourism marketing.

14 (c) It is the intent of the legislature that the funds appropriated by this Act represent

L

1 partial forward funding of the state funds portion of the qualified trade association contract for
2 fiscal year 2003.

3 (d) It is the intent of the legislature that, within 60 days after the effective date of this
4 Act, the Alaska Travel Industry Association provide a plan, other than instituting broad-based
5 taxes such as an income or sales tax, to generate industry funds to replace all state funding for
6 the tourism marketing program.

7 (e) It is the intent of the legislature that the Alaska Travel Industry Association report
8 back to the legislature during deliberations on the fiscal year 2003 and fiscal year 2004
9 budgets on the results of the marketing program funded by this Act.

10 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE
2/19/2002 COMMITTEE ACTION

Bill Number			
Amendment	HB 359 "W" CS		
Motion	Report from Committee.		
<u>Motion by</u>	Kelly		
<u>Objection by</u>	Austerman		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Wilken	✓		
Senator Austerman			✓
Senator Green	✓		
Senator Hoffman		—	
Senator Leman	✓		
Senator Olson		—	
Senator Ward		—	
Co-Chair Donley	✓		
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	5		
Nay	1		
Absent	3		
<u>MOTION</u>	PASS		



Alaska State Senate

Senate Finance Committee

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 19 Feb 02 TIME: 8:30 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please

SCS HB 359 (FIN) 22-LS1360\W

Utermohle 2/19/02

No Changes ☺

please deliver before floor session

OR call me

*Thx
Mindy*

*faxed
8:35pm*

AMENDMENT

OFFERED IN THE SENATE
TO: HB 359

BY SENATOR AUSTERMAN

Page 1, line 1:

Delete "making a supplemental appropriation for tourism marketing efforts"

Insert "making supplemental appropriation for tourism marketing efforts and generic salmon marketing; making a special appropriation for the Joint Legislative Salmon Industry Task Force"

Page 1, following line 9:

Insert new bill sections to read:

"* **Sec. 2. GENERIC SALMON MARKETING.** The sum of \$^{500,000}~~2,500,000~~ is appropriated from the general fund to the Department of Community and Economic Development, Alaska Seafood Marketing Institute, for generic salmon marketing for the fiscal years ending June 30, 2002, and June 30, 2003.

~~* **Sec. 3. JOINT LEGISLATIVE SALMON INDUSTRY TASK FORCE.** Contingent upon the passage of a concurrent resolution by the Twenty-Second Alaska State Legislature establishing the Joint Legislative Salmon Industry Task Force, the sum of \$500,000 is appropriated from the general fund to the Legislative Council for the operating expenses of the Joint Legislative Salmon Industry Task Force for the fiscal years ending June 30, 2002, and June 30, 2003."~~

Renumber the following bill section accordingly.

SENATE FINANCE COMMITTEE
2/19/2002 COMMITTEE ACTION

Bill Number	HB 359		
Amendment	#1		
Motion	sbpt		
<u>Motion by</u>	Austerman		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Senator Olson			
Co-Chair Donley			
Co-Chair Kelly			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	WITHDRAWN		



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sec. 37.17.440. International trade and business endowment.

(a) The international trade and business endowment is established in the Alaska Science and Technology Foundation. The endowment consists of money appropriated to the endowment. Income earned by the endowment may be appropriated to support programs for the development of international trade and business in the state.

(b) The principal and income of the endowment shall be held and invested by the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net income from the endowment and subsequent income earned on net income from the endowment shall be held in a separate account until appropriated by the legislature. Net income from the endowment may not be included in the computation of net income available for distribution under AS 37.13.140.

(c) Appropriations made to the endowment do not lapse unless otherwise provided by the legislature in the act in which the appropriation is made.

History -

(Sec. 1 ch 55 SLA 1997)

Article Notes -

Effective Dates. Section 3, ch. 55, SLA 1997 makes this article effective May 31, 1997, in accordance with AS 01.10.070(c).

Component Detail - FY 03 Operating Budget - Governor Structure

Numbers AND Language Sections

Component: **Int'l Trade and Market Dev**

Agency: **Department of Community and Economic Development**

BRU: **Community Assistance & Economic Development**

	<u>01Actual</u>	<u>02 CC</u>	<u>02 Auth</u>	<u>02MgtPln</u>	<u>Adj Base</u>	<u>Gov</u>	<u>02MgtPln to Gov</u>	
Total	0.0	2,102.6	2,102.6	2,102.6	2,131.3	2,109.1	6.5	0.3 %
<u>Objects of Expenditure:</u>								
Personal Services	0.0	769.6	769.6	710.1	745.4	745.4	35.3	5.0 %
Travel	0.0	70.7	70.7	70.7	70.7	70.7	0.0	0.0 %
Contractual	0.0	947.8	947.8	1,006.9	1,000.3	978.1	-28.8	-2.9 %
Commodities	0.0	19.5	19.5	19.5	19.5	19.5	0.0	0.0 %
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	0.0	295.0	295.0	295.4	295.4	295.4	0.0	0.0 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %

Funding Sources:

1004 Gen Fund	0.0	1,461.3	1,461.3	1,461.3	1,490.0	1,580.0	118.7	8.1 %
1005 GF/Prgm	0.0	12.7	12.7	12.7	12.7	12.7	0.0	0.0 %
1007 I/A Rcpts	0.0	112.2	112.2	112.2	112.2	0.0	-112.2	-100.0 %
1108 Stat Desig	0.0	20.0	20.0	20.0	20.0	20.0	0.0	0.0 %
1115 ITDF	0.0	496.4	496.4	496.4	496.4	496.4	0.0	0.0 %

Positions:

Perm Full Time	0.0	11.0	11.0	10.0	10.0	10.0	0.0	0.0 %
Perm Part Time	0.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0 %
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %

NOTE: Anticipated earnings for FY 02 were less than the anticipated \$496,400; the division has requested \$230,400 GF in supplemental funding in SB 281 (Senator Donley's office; 2/19/02)

INTERNATIONAL TRADE & BUSINESS ENDOWMENT FUND

Balance Sheets/Statements of Net Assets

Unaudited (Thousands of Dollars)	January 31, 2002	June 30, 2001
Assets		
Cash and temporary investments	\$ (61.3)	134.4
Receivables, prepaid expenses and other assets	73.1	79.3
Investments —		
Marketable debt securities	2,241.0	2,512.7
Preferred and common stock	2,396.6	2,340.4
Real estate	597.2	611.7
Alaska certificates of deposit	11.1	36.2
Total investments	<u>5,245.9</u>	<u>5,501.0</u>
TOTAL ASSETS	<u>\$ 5,257.7</u>	<u>5,714.7</u>
Liabilities		
Accounts payable	\$ 86.2	68.2
TOTAL LIABILITIES	<u>86.2</u>	<u>68.2</u>
Fund Balances/Net Assets		
Reserved/Restricted:		
Principal	4,950.0	4,950.0
Unreserved/Unrestricted:		
Unrealized earnings reserve	(464.8)	(371.4)
Remaining earnings reserve	686.3	1,067.9
Total earnings reserve	<u>221.5</u>	<u>696.5</u>
→ TOTAL FUND BALANCES/NET ASSETS	<u>5,171.5</u>	<u>5,646.5</u>
TOTAL LIABILITIES & FUND BALANCES/ NET ASSETS	<u>\$ 5,257.7</u>	<u>5,714.7</u>

INTERNATIONAL TRADE & BUSINESS ENDOWMENT FUND

Statements of Revenues, Expenses and Changes in Fund Balances/Statements of Activities

Unaudited (Thousands of Dollars)	Month ended January 31, 2002	Seven months ended January 31, 2002	Fiscal year-end projected/actual June 30, 2002	Fiscal year-end 2001
Revenues				
Interest	\$ 9.3	73.4	133.5	154.6
Dividends	2.0	17.7	29.4	33.8
Real estate and other income	6.7	29.1	46.6	49.0
Total interest, dividends, real estate & other	18.0	120.2	209.5	237.4
 Net increase (decrease) in the fair value of investments —				
Marketable debt securities	5.2	43.7	43.7	78.7
Preferred and common stock	(65.7)	(213.2)	(132.4)	(541.3)
Real estate	(9.8)	(8.2)	(6.9)	26.0
Foreign exchange contracts	2.2	—	—	8.0
Currency	(0.2)	(0.4)	(0.4)	(1.1)
Total net decrease	(68.3)	(178.1)	(96.0)	(429.7)
TOTAL REVENUES	(50.3)	(57.9)	113.5	(192.3)
 Expenditures/Expenses				
Operating expenses	(0.7)	(4.9)	(8.4)	(8.6)
EXCESS OF REVENUES OVER EXPENDITURES/EXPENSES	\$ (51.0)	(62.8)	105.1	(200.9)
 Other Financing Sources/Uses				
Contributions	—	—	—	—
Distributions	—	(412.2)	(412.2)	(70.0)
EXCESS OF REVENUES & TRANSFERS IN OVER EXPENDITURES/EXPENSES & TRANSFERS OUT	(51.0)	(475.0)	(307.1)	(270.9)
 Fund Balances/Net Assets				
Beginning of period	5,222.5	5,646.5	5,646.5	5,917.4
End of period	\$ 5,171.5	5,171.5	5,339.4	5,646.5

Statutory Income Calculation

Excess of revenues over expenditures/expenses	(51.0)	(62.8)	105.1	(200.9)
Adjustments to bring net income to statutory net income	52.9	93.3	50.9	466.0
STATUTORY NET INCOME	\$ 1.9	30.5	156.0	265.1

INTERNATIONAL TRADE & BUSINESS ENDOWMENT FUND

Receivables and Payables

Unaudited (Thousands of Dollars)	January 31, 2002
-------------------------------------	---------------------

Accounts Receivable

Interest Receivable	\$ 29.5
Dividends Receivable	2.7
Pending Sales Fixed Income	21.0
Pending Sales Equities	18.2
Pending Sales Real Estate	1.7
Prepaid and Other Receivables	—
TOTAL RECEIVABLES	\$ 73.1

Accounts Payable

Operating Accrued Payables	\$ 2.7
Pending Purchase Fixed Income	63.8
Pending Purchase Equities	17.9
Pending Purchase Real Estate	1.7
Real Estate Fees Payable	0.1
TOTAL PAYABLES	\$ 86.2

Component Detail - FY 03 Operating Budget - Governor Structure

Numbers AND Language Sections!

Component: **Qualified Trade Assoc Contract**

Agency: Department of Community and Economic Development

BRU: **Qualified Trade Association Contract**

	<u>01Actual</u>	<u>02 CC</u>	<u>02 Auth</u>	<u>02MgtPln</u>	<u>Adj Base</u>	<u>Gov</u>	<u>02MgtPln to Gov</u>	
Total	4,800.0	4,655.2	4,655.2	4,655.2	4,655.2	4,005.1	-650.1	-14.0 %
<u>Objects of Expenditure:</u>								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Contractual	4,800.0	4,655.2	4,655.2	4,655.2	4,655.2	4,005.1	-650.1	-14.0 %
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Sources:</u>								
1004 Gen Fund	4,800.0	4,605.1	4,605.1	4,605.1	4,605.1	4,005.1	-600.0	-13.0 %
1007 I/A Rcpts	0.0	50.1	50.1	50.1	50.1	0.0	-50.1	-100.0 %
<u>Positions:</u>								
Perm Full Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Perm Part Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %

Qualified Trade Association Contract

Proposed Changes in Levels of Service for FY2003

Reduce uncollectable I/A authorization. When the BRU for the Qualified Trade Association was established in FY 2001 from the former Division of Tourism, interagency receipts were transferred from the division. The Division of Tourism collected these receipts from the Department of Transportation for Tourism North and Scenic Byways projects. Since QTA is not a state agency, these funds cannot be collected as interagency receipts.

Reduce authorization. When tourism marketing was transferred to a qualified trade association (QTA) by statute in 1999, 30% of the marketing budget was to be raised by the QTA. By statute (AS 44.33.125(a)), this percentage increases to 60% in the FY03 contract. Assuming the tourism industry can generate the contribution assumed under the Millennium Plan, based on the Plan's projected total budget of \$10 million, the State's share of the budget will be reduced from \$4.6 million to \$4.0 million.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	4,605.1	0.0	50.1	4,655.2
Proposed budget decreases:				
-Reduce uncollectable I/A authorization	0.0	0.0	-50.1	-50.1
-Reduce authorization per statute (AS 44.33.125(a))	-600.0	0.0	0.0	-600.0
FY2003 Governor	4,005.1	0.0	0.0	4,005.1

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

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

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

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

Methodology:

Invitations were sent out to 703 ATIA member firms.

Polling was open 6 days. 295 firms responded.

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

Alaska Tourism Industry Crisis Recovery Plan

December 12, 2001

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

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SUMMARY

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

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

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

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

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

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

\$332 million return

\$12.5 million request



SITUATION OVERVIEW

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

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

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

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

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

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

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

POSSIBLE OUTCOMES OF THESE REDUCTIONS IN ALASKA

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

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

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

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

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

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

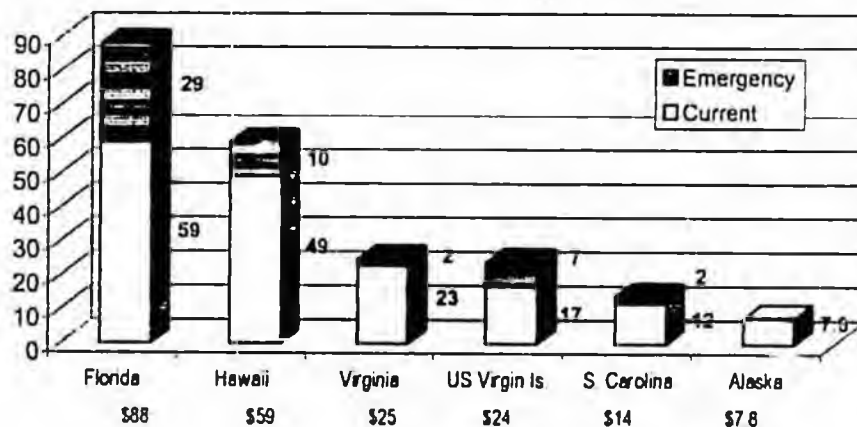
The result is that more Americans will travel closer to home, or not at all. Inbound international travel is also expected to decline. Travel and tourism related operations will suffer business declines or erosion of profits in 2002 with small businesses particularly vulnerable. Long-term predictions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

Competition

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

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

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



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

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

*Rounded to nearest million

Opportunity

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

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

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

VALUE OF TOURISM TO ALASKA AND ITS ECONOMY

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

WHAT IS A VISITOR WORTH?

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

Tourism Revenue

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

Jobs for Alaskans

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

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

RECOVERY PLAN OBJECTIVES

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

RECOVERY PLAN OBJECTIVES

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

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

Timing

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

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

RECOVERY PLAN AND DELIVERABLES

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

ADVERTISING

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

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

PUBLIC RELATIONS

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

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

INTERNET

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

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

RESEARCH

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

TRAVEL TRADE

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

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

RESIDENT TRAVEL

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

RECOVERY BUDGET

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

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

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

RETURN ON INVESTMENT

Overall, the campaign will:

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

RESULTS OF \$12.5 MILLION TOURISM MARKETING CAMPAIGN.

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

RECOVERY SCHEDULE 2002

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

December 20, 2001

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

Dear Senator Green,

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

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

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

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

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

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

Sincerely,

Julie Saupe
Executive Director



ALASKA
NATIVE
HERITAGE
CENTER

RECEIVED

JAN 14 2002

January 10, 2002

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

Dear Governor Knowles:

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

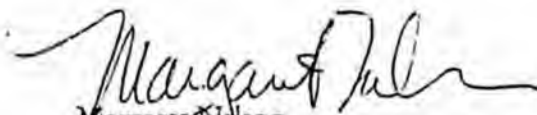
The Alaska Native Heritage Center is a unique cultural attraction and educational facility in Anchorage. I know you agree, that in our short 3-year history we have made many strides in educating and informing Alaska's people and world travelers about the rich heritage of Alaska's Native people. Additionally,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

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

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

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

Sincerely,


Margaret Nelson
President & CEO



**PORT OF
ANCHORAGE**

January 3, 2002

RECEIVED

JAN 08 2002

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

Dear *Rick* Senator Halford:

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

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

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

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

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

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

Sincerely,

Bill Sheffield
Port Director

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

Crisis Recovery Marketing Funds Appropriated

Entity	Amount
	\$(Millions)

Domestic

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

Foreign

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

Mat-Su!

MATANUSKA-SUSITNA CONVENTION & VISITORS BUREAU

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

Mat-Su CVB Resolution FY02-04

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

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

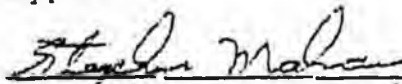
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

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


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

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

Approved:



Steve Mahay
President



Eugene Sheehan
Secretary

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

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

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

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

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

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

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

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

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

M. Blackbird, CEO E D
[SIGNATURE]

Com. Johnson - Chairman
[SIGNATURE]

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



**KETCHIKAN
VISITORS BUREAU**

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

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

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

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

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

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

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

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

Kari Erickson
KVB BOARD OF DIRECTORS

Patti Mackey
EXECUTIVE DIRECTOR



GREATER PALMER CHAMBER OF COMMERCE

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

RESOLUTION 02-002

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

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

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

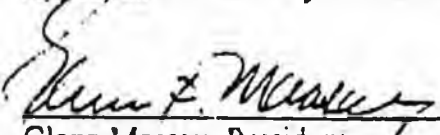
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

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

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

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

Approved this 18th day of January, 2002.


Glenn Massay, President



ANCHORAGE
Convention &
Visitors Bureau

October 19, 2001

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

Dear Governor Knowles:

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

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

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

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

Sincerely,

Bob Neumann
Chair

524 W. Fourth Avenue
Anchorage, Alaska
99501-2212

907.276-4118
Fax 907.278-5559

www.anchorage.net
E-mail: info@anchorage.net

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

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

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

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

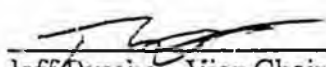
WHEREAS, the continued decline in travel activity to the state resulting from declines in long-distance travel plans and bookings, and

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


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

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

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



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



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

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

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

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

(Resolution 02-17)

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

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

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

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

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

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

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

Witness:



**John C. Conley
President**

Attest:



**Loren Gerhard
Executive Director**



January 29, 2002

Dear Members of the Alaska State Legislature:

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

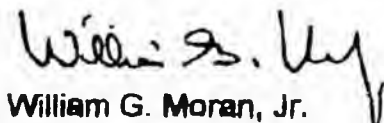
First Bank is a small commercial bank, headquartered in Southeast Alaska. The total population of our market area only about 70,000 people, most of which are impacted in some way by the tourism industry. The strength of the banking industry relies directly on the economic and financial strength its customers,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

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

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

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

Sincerely,


William G. Moran, Jr.
President

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



DENALI STATE BANK

"Your Community Bank"

Member FDIC

January 24, 2002

Senator Gary Wilken
State Capitol
Juneau, AK 9801-1182

Dear Senator Wilken,

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

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

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

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

MAIN BRANCH
P.O. BOX 74562
112 N. CUSHMAN
FAIRBANKS, AK 99707
(907) 458-1200
FAX (907) 458-1210

GOLDEN HEART BRANCH
P.O. BOX 74562
1922 AIRPORT WAY
FAIRBANKS, AK 99707
(907) 458-4280
FAX (907) 458-4270

TOK BRANCH
P.O. BOX 575
MILE 15.4 ALASKA HWY
TOK, AK 99780
(907) 883-1265
FAX (907) 883-2262

www.denalystatebank.com

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

Thank you for your consideration.

Sincerely yours,



Gary Roth
President & CEO