

ALASKA LEGISLATURE

2400

HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002

APPENDIX E - SCHEDULE 2
 FY 98 STEP Vendor/Grantee
 Detail Report by Amount
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
MILA, Inc.	Private Training	177	\$ 234,418
University Of Alaska - Fairbanks	Public Training	73	187,981
University Of Alaska - Anchorage	Public Training	95	117,011
Center For Employment Education	Union	25	114,817
Human Resource Center, Inc.	Private Training	227	114,614
Bristol Bay Native Association	Native Entity	19	93,604
Alaska Laborers Training Trust Fund	Union	139	90,930
Copper Valley Education	Public Training	41	78,456
Alaska Joint Electrical Apprenticeship	Union	40	70,824
Tanana Chiefs Conference	Native Entity	36	70,615
Center	Public Training	30	65,861
Kake Tribal Corp.	Native Entity	15	64,297
98 Rural Assessment	Public Training		58,097
Alaska Forest Creations	Other	10	56,546
Yukon-Kuskokwim Health Corporation	Native Entity	12	50,336
Southeast Alaska Regional Health Consortium	Native Entity	36	46,453
Alaska Roofers Joint Apprenticeship	Union	18	43,424
University Of Alaska - Anchorage/Matsu	Public Training	1	33,862
Alaska Vocational Technical Education Center	Public Training	15	33,710
Alaska Technical Center	Private Training	7	32,624
Environmental Management, Inc.	Private Training	25	32,446
Step Power Plant Operator	Public Training	20	30,364
Client Reimbursement	Individual Training	55	26,677
Wilson & Wilson, CPA	Private Training	20	24,910
Southeast Regional Resource Center Inc.	Native Entity	7	23,700

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Valley Academy Of Nursing	Private Training	9	\$ 22,500
Testing Institute Of Alaska	Private Training	4	22,205
Fairbanks Alaska Carpenter Training Center	Union	10	21,696
Career Academy	Private Training	4	21,664
Regional Drug & Alcohol Counselor Training	Private Training	7	21,265
Biz Works Computer Training	Private Training	13	20,960
Rsa 2180048	Public Training	20	20,204
Fairbanks Area Painters-Decorators	Union	10	18,481
International Longshore And Warehouse Union	Union	20	16,029
Northern Keta Caviar	Other	2	15,677
Weber State University	Private Training	3	14,509
West Coast Training, Inc.	Private Training	2	13,800
CAE, Inc.	Private Training	1	8,970
University Of Alaska	Public Training	11	8,506
Charter College	Private Training	2	7,786
N.W. Arctic Borough	Other	3	7,613
Renew U Design Academy	Private Training	1	7,240
SST Travel Schools	Private Training	2	5,567
Microage	Private Training	1	5,500
Network Business System	Private Training	1	5,500
Security Aviation, Inc.	Other	1	5,500
Sears	Other	8	5,124
Alaska Operating Engineers	Union	3	4,950
Southeast Executtravel	Other	7	4,390
Big Sky Fire Protection, Inc.	Other	1	4,176

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Ground Zero Tech-Works	Private Training	1	\$ 4,000
Mortgage	Other	1	3,992
Hogan,Meecham,Hogan	Other	3	3,723
Mikes University Chevron	Other	11	3,695
Northern Lights Heating & Cooling	Other	1	3,360
Sunshine Travel	Other	2	3,069
International Institute For Surface Transportation	Private Training	1	3,000
Refrigeration Schools	Private Training	1	2,810
Rental Management Services	Other	1	2,800
Fairbanks North Star Borough	Other	7	2,699
Sheldon Jackson College	Private Training	1	2,672
Sears Optical	Other	12	2,657
Trendsetters	Private Training	1	2,482
Browns School Of Phlebotomy	Private Training	1	2,460
Sourdough Lodging	Other	1	2,395
Continuing Education Center	Private Training	1	2,387
National Public Radio	Private Training	1	2,387
Marbil Services	Other	1	2,216
American Express	Other	3	2,184
Government Computer Sales, Inc.	Private Training	118	2,122
Cellular Connection	Other	1	2,048
Infotech Commercial Systems	Private Training	2	1,794
Deaf Community	Private Training	1	1,776
Fairbanks Memorial Hospital	Private Training	2	1,660
Wayland Baptist University	Private Training	2	1,651

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Vendor/Grantee Name	Type	Clients Served	Total Grants
AEL&P	Other	4	\$ 1,570
Lundberg Maryland Seamanship Schools Inc.	Private Training	2	1,460
University Of Alaska - Southeast	Public Training	4	1,448
Econolodge	Other	1	1,400
Driftwood Lodge	Other	1	1,364
Johnstone Supply	Other	1	1,339
Taquan Travel	Other	2	1,336
Boise State University	Private Training	1	1,294
Rapid Tool & Supply	Other	1	1,289
Wolfe Management	Private Training	1	1,267
Embry Riddle Aeronautical	Private Training	1	1,237
Happy Hooker Towing	Other	1	1,200
Deeter, Randy DDS	Other	1	1,128
Aramark Corp.	Other	1	1,020
Price Costco	Other	1	1,015
Brown & Sons Auto Parts	Other	3	974
Hospitality Unlimited	Other	1	969
Big Rays, Inc.	Other	4	953
Air Liquide America Corp.	Other	4	927
Graceland College	Private Training	1	895
Rural Cap Child Development	Native Entity	1	844
Lamonts	Other	7	824
U-Haul	Other	1	808
South Peninsula Hospital	Private Training	1	800
Northland Books & Charts	Other	5	777

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Laskey, John DDS	Other	1	\$ 750
University Of Alaska - Chukchi	Public Training	1	724
Anita Finch Dba	Other	1	704
Ambassador Apartments	Other	1	700
Sego Consultants	Other	1	695
Capital Cab	Other	1	612
Asbestos Removal Specialists Of Alaska	Private Training	1	600
Central Texas College	Private Training	1	560
Bellevue Travel Lodge	Other	1	508
Glacier Muffler & Towing	Other	1	500
Nugget Alaskan	Other	2	482
Comfort Inn	Other	1	467
Anchorage Suite Lodge	Other	1	454
Aurora North Emergency Services	Private Training	1	450
Creative Play & Preschool	Other	1	435
Taku Oil Sales	Other	1	423
Action Auto Parts	Other	1	420
Arctic Travel	Other	2	420
C & B Of Juneau	Other	6	405
Conkles Automotive Repair	Other	1	400
Fred Meyer	Other	2	400
Soldotna Kiddie Kare	Other	1	391
Southeast Alaska Marine Training Services	Private Training	1	375
Appliance Service	Other	1	361
Behrends Mechanical Inc.	Other	1	356

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Tonys Int., Inc.	Other	1	\$ 333
Genuine Part Co.	Other	1	323
Riederer, Mark DDS	Other	1	320
Technology Connection	Other	1	309
Goldpanners Chevron	Other	2	275
Sweetwater Travel	Other	1	268
Peninsula Motel Association	Other	1	265
Allakaket Village Council	Native Entity	2	252
Army Navy Surplus	Other	1	250
Switzer Village Mobile	Other	1	235
K-Mart	Other	3	225
Seafarers Welfare Plan	Other	1	210
J. C. Penney, Inc.	Other	1	196
Totem Travel	Native Entity	1	190
Dept. Of Community & Economic Development	Public Training	1	185
Interior Graphics	Other	2	175
Alaska Industrial Hardware	Other	1	165
Advantage Rent A Car	Other	1	160
Sitka Council On Alcohol And Drug Abuse	Other	1	160
Tanana Valley Clinic	Other	4	145
Barrow Airport Inn	Other	1	135
Lab Flying Service	Other	1	122
U. S. Postmaster	Other		115
Division Of Occupational Licensing	Other	1	100
Fairbanks Daily News Miner	Other	1	99

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Bering Air	Other	1	\$ 96
Chugach Children Services	Other	1	95
Payless Drugs	Other	1	88
Kinkos	Other	3	85
Silver Eagle Transport	Other	1	84
Mendenhall Valley Tesoro	Other	1	80
United Insurance	Other	1	78
Anchorage Lakefront	Other	1	75
Best Western Country	Other	1	65
Naabia Niign Ltd.	Other	1	56
New Concepts Beauty School	Private Training	1	50
A & W Wholesale	Other	1	46
Alaska Marine Highway System	Other	1	41
	Total	1,597	\$ 2,219,309

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Vendor/Grantee Name	Type	Clients Served	Total Grants
MILA, Inc.	Private Training	121	\$ 169,712
University Of Alaska - Kenai	Public Training	64	105,892
Alaska Laborers Training Trust Fund	Union	146	102,161
Cornerstone Home Health Care	Private Training	40	87,132
University Of Alaska - Fairbanks	Public Training	77	86,808
Human Resource Center, Inc., Inc.	Private Training	174	68,382
Alaska Joint Electrical Apprenticeship	Union	31	63,591
Center For Employment Education	Union	10	54,713
University Of Alaska - Anchorage	Public Training	65	48,286
Tlingit & Haida Head Start	Native Entity	0	47,446
Southeast Regional Resource Center Inc.	Native Entity	31	47,063
Alaska Roofers Joint Apprenticeship	Union	17	41,630
Testing Institute Of Alaska	Private Training	10	39,625
Valley Academy Of Nursing	Private Training	11	36,000
Alaska Operating Engineers	Union	82	35,234
Alaska Vocational Technical Education Center	Public Training	21	31,707
Network Business Systems	Private Training	7	30,652
Regional Alcohol & Drug Abuse	Private Training	7	28,230
Client Reimbursement	Individual Training	26	23,583
Rural Assessment, Case Management	Public Training	0	21,170
University Of Alaska - Anchorage/Matsu	Public Training	31	20,387
Dept. of Labor & Workforce Development	Public Training	11	20,060
West Coast Training	Private Training	5	17,500
Chiulista Camp Service	Native Entity	6	15,275

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Indian Valley Meats Inc.	Other	5	\$ 14,500
Career Academy	Private Training	3	14,495
Southeast Alaska Regional Health Consortium	Native Entity	36	13,701
Ilisagvik College	Native Entity	7	13,413
Bristol Bay Native Association	Native Entity	6	11,281
Copper Valley Education Center	Public Training	10	10,948
Alaska Technical Center	Public Training	1	9,900
Charter College	Private Training	1	9,210
Tlingit & Haida Central Council	Private Training	5	8,443
SST Travel School	Native Entity	43	7,992
IHH Industries	Private Training	2	7,890
Kake Tribal Corp.	Other	3	7,119
Academy Of Myofascial	Native Entity	3	6,277
Flight Safety Alaska	Private Training	1	5,500
Galvin Flight Training	Private Training	1	5,500
Sweetwater Travel	Private Training	1	5,500
Simcom International	Other	14	5,466
Stans Appliance	Private Training	1	5,400
American Airlines Travel Academy	Other	1	5,160
Data Bank Computer Services	Private Training	1	4,987
Flight Safety International	Private Training	1	4,855
Browns School Of Phlebotomy	Private Training	1	4,675
University Of Alaska - Southeast	Private Training	1	3,660
	Public Training	12	3,425

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Double R Property Mgmt	Other	1	\$ 3,180
AAI Engineering Support	Private Training	1	3,020
Board Of Cooperative Education Services	Public Training	1	3,000
University of California - Los Angeles	Private Training	1	3,000
Trophy Tan & Taxidermy	Private Training	1	2,999
NRI School McGraw-Hill	Private Training	1	2,890
Environmental Management, Inc.	Private Training	3	2,865
Naabia Niign Inc.	Native Entity	10	2,824
His & Hers	Other	1	2,800
Western Oregon University	Private Training	1	2,506
Kasilof Medical	Private Training	1	2,500
Reliable Transfer	Other	1	2,500
Cook Inlet Council On Alcohol	Native Entity	66	1,980
Airplane Training Professionals	Private Training	1	1,895
Trimbel Navigation Ltd	Other	1	1,800
Embry Riddle Aeronautical	Private Training	1	1,793
N.W. Arctic Borough	Other	1	1,781
Alaska Dried Foods	Other	10	1,760
Hogan, Meecham, Hogan	Other	1	1,626
New Concepts Beauty School	Private Training	2	1,301
Mikes University Chevron	Other	16	1,278
Boise State University	Private Training	1	1,236
Sears Industrial	Other	1	1,193
Underwater Sports Inc.	Other	1	1,150

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Silicon Valley	Other	1	\$ 1,068
Transportation Systems	Other	1	980
Northland Books & Charts	Other	7	935
Anchorage Corporate Suites	Other	1	810
La Quinta	Other	1	809
Fairbanks North Star Borough	Other	18	782
Taquan Travel	Other	1	729
Compass North	Other	1	637
Tool Crib Of The North	Other	1	610
Sitka Tribe Of Alaska	Native Entity	1	600
Brown & Sons Auto Parts	Other	2	566
Crown Plaza	Other	1	559
Howard Johnson Plaza Hotel	Other	1	533
Southeast Executavel	Other	2	525
Fairbanks Radiator	Other	2	520
Bens Super Store	Other	1	499
Alaska Coastal Homes Inc.	Other	1	498
Wrangell Medical Clinic	Other	1	489
Easy Travel	Other	1	488
C & B Of Juneau	Other	7	450
Dept. of Community & Economic Development	Public Training	3	435
Urbachs	Other	2	408
Alaska Industrial X-Ray	Other	2	400
Tongass Regional Eye Clinic	Other	1	400
Twilight Travel	Other	1	394

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Nugget Alaska Outfitters	Other	2	\$ 389
Bovey Trophies	Other	1	386
Hillside On Gambell	Other	1	374
Arctic Travel	Other	1	352
Fred Meyer	Other	2	318
Office Max	Other	3	303
Lamonts	Other	2	300
Shaub-Ellison Co.	Other	1	300
Sprucewood Park	Other	1	300
K-Mart	Other	3	298
Big Rays	Other	1	298
Sitka Community Hospital	Other	2	288
City Of Nenana	Other	1	268
Switzer Village Mobile Park	Other	1	235
A & W Wholesale	Other	1	233
Sears Optical	Other	1	228
Seward Ship Chandlery	Other	3	162
Eye Clinic Of Fairbanks	Other	1	155
Tanana Valley Clinic	Other	1	145
Totem Chevron	Other	3	145
Goldpanners Chevron	Other	2	120
AEL&P	Other	1	115
Juneau Urgent Care	Private Training	1	88
PTI Communications	Other	1	82
Virginia Mason Medical	Other	1	49

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Red Cross Of America	Private Training	1	\$ 40
Mcginnis & Associates	Other	1	35
Seward Bus Line	Other	1	30
Ketchikan Gateway Borough	Other	1	25
Kake Foods Inc.	Native Entity	1	17
	Total	1,382	\$ 1,505,615

APPENDIX E - SCHEDULE 4
 FY 00 STEP Vendor/Grantee
 Detail Report by Amount
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
MILA, Inc.	Other	71	\$ 193,133
Alaska Laborers Training Trust Fund	Union	208	173,202
Center For Employment Education	Union	32	171,475
University Of Alaska - Fairbanks	Public Training	99	113,728
HRC, Inc.	Private Training	70	102,067
Alaska Vocational Technical Education Center	Public Training	60	101,200
Alaska Operating Engineers	Union	77	90,933
Rural Cap	Native Entity	71	78,188
Alaska Joint Electrical Apprenticeship	Union	26	62,777
Alaska Energy Authority	Public Training	32	52,956
Bristol Bay Native Association	Native Entity	25	45,012
Piledrivers Local 2520	Union	6	42,120
Career Academy	Private Training	8	41,817
University of Alaska - Anchorage	Public Training	25	39,373
Alaska Roofers Joint Apprenticeship	Union	12	36,164
Alaska Trademark Shellfish	Other	3	35,315
Client Reimbursements	Individual Training	33	33,339
Southeast Alaska Regional Health Consortium	Native Entity	23	28,425
Fairbanks Area Painters & Allied Trades	Union	12	25,272
Regional Alcohol & Drug Abuse	Private Training	8	23,342
North Star Computing	Private Training	21	22,350
Charter College	Private Training	4	20,359
Network Business Systems	Private Training	4	19,151
University Of Alaska - Southeast	Public Training	12	16,188
New Frontier Vo-Tech Center	Private Training	4	16,100

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Literacy Council Of Alaska	Private Training	26	\$ 15,366
Valley Academy of Nursing Assistants	Private Training	4	14,000
West Coast Training Inc.	Private Training	3	13,772
Environmental Management Inc.	Private Training	16	13,004
Wizworks	Private Training	4	11,604
Ilisagvik College	Native Entity	1	10,747
Testing Institute of Alaska	Private Training	2	10,725
Cornerstone Home Health Care	Private Training	10	10,000
A Head of Time Hair	Private Training	2	9,400
Intra-Sea Inc.	Other	6	8,628
The Academy of Myofascial	Private Training	1	7,914
Alaska Flying Network, Inc.	Private Training	1	7,400
University of Alaska - Anchorage/Matsu	Public Training	5	7,004
AVI Computer Skills	Private Training	2	6,700
Aurora North Emergency Services	Private Training	3	5,920
Alaska Technical Center	Private Training	1	5,747
North American Technical College	Private Training	1	5,500
Shear Allusions	Private Training	1	5,423
Worldwide Language Resources/Maine	Private Training	1	5,000
Crestone Healing Center	Private Training	1	4,950
Trendsetters	Private Training	1	4,900
Health Education Center	Private Training	3	4,300
Knik Tribal Council	Native Entity	1	3,836
Trophy Tan & Taxidermy	Private Training	1	3,620
Team Cutters	Private Training	12	3,432

APPENDIX E - SCHEDULE 4
 FY 00 STEP Vendor/Grantee
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Vendor/Grantee Name	Type	Clients Served	Total Grants
Property Professionals/New Mexico	Other	1	\$ 3,300
University of California - Los Angeles	Private Training	1	3,000
Norton Sound Health Corp.	Native Entity	9	2,949
Sunshine Travel	Other	5	2,697
Sweetwater Travel	Other	5	2,661
Pacific Rim Inst. Of Safety & Mngmt. (Prism)	Private Training	1	2,520
Anderson Apartments	Other	1	2,126
Snap-On Tools	Other	2	1,998
Browns School of Phlebotomy	Private Training	1	1,620
Tanana Childcare	Other	1	1,539
Sears	Other	2	1,453
CompUSA	Private Training	2	1,445
Physicians Review & Consulting	Private Training	1	1,440
Wyatt Enterprises	Private Training	1	1,400
Alaska Industrial Hardware	Other	1	1,254
Renew U Hair Salon & School	Private Training	2	1,162
Revere Academy Of Jewelry Arts	Private Training	1	1,100
Big Ray's	Other	5	1,098
Alaska Travel Concepts	Other	1	1,090
Wayland Baptist University	Private Training	1	1,080
North Coast Electric Co.	Other	1	969
D.J.S Wheelhouse & Motel	Other	1	942
Nova University/Florida	Private Training	1	910

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Vendor/Grantee Name	Type	Clients Served	Total Grants
Anchorage Plumbers & Pipefitters Apprenticeship	Union	1	\$ 906
Residence Inn	Other	1	888
Vidal Sassoon/Canada	Private Training	1	886
Via Vita Health Project	Other	1	875
Denali Telecom	Other	1	798
Alaska West Training Center	Private Training	1	770
ICS Business Industrial Training	Private Training	1	689
Kalama River Inn	Other	1	659
Southeast Board of Realtors	Other	1	653
Driftwood Lodge	Other	1	648
Hillside Motel	Other	1	606
Fairbanks Alaska Carpenter Training Center	Union	1	600
Fred Meyer	Other	3	597
Sea Marine Services	Other	1	565
Northern Lights Inn	Other	1	562
Real Systems	Other	1	535
University of Anchorage - Kenai	Public Training	1	500
Brown & Sons Auto Parts	Other	2	494
Dave's Shop	Other	1	481
Lundberg Maryland Seamanship Schools Inc.	Private Training	1	475
Twilight Travel	Other	1	459
Best Western Golden Lion	Other	1	441
Dept. of Labor & Workforce Development	Public Training	2	420

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 FY 00 STEP Vendor/Grantee
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Vendor/Grantee Name	Type	Clients Served	Total Grants
Napa Auto Parts	Other	1	\$ 379
Lamonts	Other	3	356
Goldstream Motors	Other	1	350
Interior Welding & Tool Supply	Other	2	340
Kade Mendelowitz, Multimakers	Other	1	330
Eye Clinic	Other	1	322
Penske Auto Center/K-Mart	Other	1	292
Tyee Travel	Other	1	286
Alaska Coastal Homes	Other	1	280
Bristol Bay Contractors	Other	1	280
Brown & Hawkins	Other	1	252
International Union Of Painters & Allied Trades	Union	1	250
Plumber & Pipefitter Union Local 262	Union	1	239
Alaska Airlines	Other	1	236
Air Liquide America Corp.	Other	1	219
Alaska Aero Maintenance Services	Other	1	206
Fairbanks North Star Borough, Mac Transit	Other	3	195
Seward Ship Chandlery	Other	2	193
Dept. of Community & Economic Development	Other	1	165
Sitka Community Hospital	Private Training	1	165
Image Optical	Other	1	144
Interior Medical Supply	Other	3	132
City & Borough Of Juneau	Other	1	120
Lake & Peninsula Airlines Inc.	Other	1	120
People Mover	Other	1	120

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 FY 00 STEP Vendor/Grantee
 Detail Report by Amount
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
Coldwell Banker/Race Realty	Other	1	\$ 105
Juneau Urgent Care	Other	1	99
Northland Books & Charts	Other	1	85
Red Cross Of America	Private Training	1	25
	Total	1,166	\$ 1,843,423

APPENDIX E - SCHEDULE 5
 FY 01 STEP Vendor/Grantee
 Detail Report by Type
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
Alaska Laborers Training Trust Fund	Union	300	\$ 191,846
Inland Boatmens Union of the Pacific	Union	118	179,614
Center For Employment Education	Union	35	176,239
MILA, Inc.	Private Training	100	117,970
Human Resource Center, Inc.	Private Training	45	109,836
Alaska Industrial Development & Export Authority	Public Training	59	105,060
Pieddrivers Local 2520/JATP	Union	20	90,220
Alaska Operating Engineers	Union	230	76,076
Cornerstone Home Health Care	Private Training	60	68,121
Rural Cap	Native Entity	43	66,306
Regional Alcohol & Drug Abuse	Private Training	20	62,380
University Of Alaska - Fairbanks	Public Training	26	52,383
Bristol Bay Native Association	Native Entity	23	45,343
Alaska Roofers Joint Apprenticeship	Union	12	44,452
Yukon Kuskokwim Health Corporation	Native Entity	23	34,138
University Of Alaska - Anchorage	Public Training	13	33,992
Hyder Community Association Inc.	Other	7	22,498
Southeast Alaska Regional Health Corp.	Native Entity	9	21,464
Network Business Systems	Private Training	5	20,513
Client Reimbursements	Individual Training	48	18,833
Testing Insitute Of Alaska Inc.	Private Training	4	18,220
Indian Valley International Inc.	Other	6	18,000
Wyatt Enterprises	Private Training	4	17,237
Norton Sound Health Corp.	Native Entity	8	11,438

APPENDIX E - SCHEDULE 5
 FY 01 STEP Vendor/Grantee
 Detail Report by Type
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
University Of Alaska - Kenai	Public Training	6	\$ 9,560
Alaska Vocational Technical Education Center	Public Training	5	9,227
Career Academy	Private Training	2	9,054
Health Education Center	Private Training	2	5,600
Alaska School of Taxidermy	Private Training	1	5,500
Charter College	Private Training	1	5,500
Revere Academy Of Jewelry Arts	Private Training	1	5,500
TCBC Compueaze, Inc.	Private Training	1	5,040
Trend Setters	Private Training	1	4,900
Bering Straits Native Corp.	Native Entity	3	4,751
Alaska Institute Of Professional Nail Technicians	Private Training	1	4,650
Via Vita Health Project	Private Training	1	4,424
Crescent Electric Supply Co.	Other	5	3,701
Providence Health Systems	Private Training	2	3,600
University of Alaska - Anchorage/Matsu	Public Training	1	3,525
Browns School of Phlebotomy	Private Training	1	3,385
Iliamna Lake Contractors	Native Entity	1	3,259
Mush Inn	Other	5	3,159
N.W. Arctic Borough School District	Public Training	1	2,995
Twilight Travel	Other	4	2,962
Alaska Commerical Co.	Other	6	2,854
Igiugig Village Council	Native Entity	1	2,660
North Star Computing Inc.	Private Training	3	2,556

APPENDIX E - SCHEDULE 5
 FY 01 STEP Vendor/Grantee
 Detail Report by Type
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
Merrill Field Inn	Other	6	\$ 2,469
Alaska Computer Essentials	Private Training	1	2,400
Outbound Travel Inc.	Other	3	2,388
Northland Services Inc.	Other	1	2,200
Division Of Occupational Licensing	Public Training	9	1,890
US Travel Alaska	Other	1	1,871
Environmental Management Inc.	Private Training	4	1,770
Ilisagvik College	Native Entity	1	1,751
Anchor Arms Motel	Other	1	1,680
Adult Learning Programs of Alaska	Private Training	3	1,342
Delta Mine Training	Private Training	4	1,300
F & F Safety Specialists Inc.	Private Training	3	1,250
Peninsula Airways Inc.	Other	2	1,160
Big Rays Inc.	Other	3	1,048
Seacorp Operations SW&C Inc.	Other	4	985
Seafarers Welfare Plan	Other	2	985
Interior Athabascan Tribal College	Native Entity	2	966
American Tire Warehouse	Other	1	960
Angel Investments	Other	1	714
Fred Meyer	Other	5	712
Air Liquide America Corp.	Other	2	576
Northern Lights Hotel	Other	1	562
Heritage Place	Other	1	550
Pleiates, Inc.	Other	1	500
Sweetwater Travel	Other	2	432

APPENDIX E - SCHEDULE 5
 FY 01 STEP Vendor/Grantee
 Detail Report by Type
 (Unaudited)

Vendor/Grantee Name	Type	Clients Served	Total Grants
MicroAge	Private Training	1	\$ 384
University Of Alaska - Southeast	Public Training	1	357
Kenai Vision Center	Other	1	310
Interior Medical Supply, James Ingraham	Other	2	308
Bar Stars Professional Bartending	Private Training	1	300
Alaska Airlines Inc.	Other	1	300
Fairbanks Urgent Care Center Inc.	Other	5	300
Alaska Industrial Hardware	Other	1	261
Fairbanks Area Plumbers & Pipefitters	Union	1	237
Third Sector Technologies	Other	1	229
Cole Vision Corporation	Other	1	225
Nana Management Services, LLC.	Native Entity	1	190
Pacifica Guest House	Other	1	180
Sanders, Dr. Jim C.	Other	1	90
Marshall, Peter MD	Other	1	85
Louisiana Hospitality Inc.	Other	1	69
Corporate Express Office Products Inc.	Other	1	59
Kinkos	Other	1	47
	Total	<u>1,360</u>	<u>\$ 1,746,939</u>



STATE OF ALASKA

Tony Knowles, Governor

Department of Labor and Workforce Development

OFFICE OF THE COMMISSIONER

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March 28, 2002

RECEIVED

MAR 28 2002

LEGISLATIVE AUDIT

Pat Davidson, CPA
Legislative Auditor
Division of Legislative Audit
P. O. Box 113300
Juneau, AK 99811-3300

RE: STEP Preliminary Report
Department of Labor and Workforce Development (DOL)

We have reviewed the preliminary report on the STEP program and appreciate this opportunity to comment on the conclusions and recommendations. In general, we find the report informative and appreciate the information presented. Our specific comments on the conclusions and recommendations follow:

REPORT CONCLUSIONS

AHRIC has generally complied with statutes

We concur that AHRIC has generally complied with statutes. AHRIC's efforts to fully adopt regulations were hindered with promulgation delays. AHRIC first drafted regulations in May 2000. In December 2000, after public testimony and consultation with the Department of Law, AHRIC adopted the regulations and provided them to the Department of Law for promulgation. At different points in time since then, the Department of Law has returned sections of the adopted regulations requesting changes. Each change required new public comment periods, waiting periods and a full AHRIC council vote on adoption of the amendments. Due to these changes the process itself caused the extended timeframe preventing immediate full promulgation.

Improvement needed in the administration of STEP in order to comply with statutes

DOL concurs that STEP is administered in accordance with statutes, but does not concur that there are five main exceptions. Our comments on the audit's five exceptions follow.

1.) Only a portion of people eligible for STEP are served by the program

Generally, only portions of people eligible for any program are served by the program. STEP serves over 25 percent of the nearly 4,000 Alaskans that annually participate in ESD training programs. This is a substantial representation of the job training population particularly when STEP is statutorily intended to serve a narrower population than the other job training programs do. Eligibility is further refined by AHRIC's targeting STEP funds for high wage, high demand industries.

Prior to this audit DOL embarked on a job training marketing plan with the goal of targeting potential training participants and assisting individuals with the most appropriate job training resources, including STEP. This effort included a STEP power point success presentation to educate employers and the legislature, a twenty-minute video, and public service announcements that are currently in development.

The number of requests for STEP grants and the number of vendors who have provided STEP services demonstrate awareness of the STEP program. The most recent \$200,000 RFP generated 22 responses. In the last five years, over \$11 million in requests for STEP grants were received. During that time, about 120 different vendors have provided STEP services.

Subgrantees, who deliver STEP services to eligible participants, have established connections with specific portions of the job training populations. For example, unions are very good at connecting high wage/high demand jobs with a particular population. In these situations, the systems and structures already in place for communications are more effective than traditional marketing.

STEP participants represent a unique subset of the job training population. Individuals who receive STEP services are limited by insufficient or nonspecific training. STEP provides the additional, targeted training, which results in a high degree of obtaining and retaining employment. Success conveyed between co-workers and associates is an efficient and effective tool for increasing consumer awareness in an industry specific environment.

DOL does not concur with DLA's conclusion on MOA's one-stop adequacy for serving individuals facing potential layoffs, displacement, or who are underemployed. MOA contends that other resources are adequately covering this population. Without specific evidence to demonstrate otherwise, and given that the audit conclusion is based on the above refuted "general lack of outreach", DOL disagrees with the DLA opinion.

2.) STEP is displacing federal and possibly private training funds

DOL does not fully concur. There are some differences between the STEP eligibility criteria and those under the Workforce Investment Act programs. These differences result in a distinct segment of the population that may be eligible for services under STEP, but not for services under WIA or other federal, private or public training programs. Consequently, providing STEP services to these individuals is not displacing federal, private or public training funds.

DOL does not concur that STEP funds displaced private funding through union training programs. The unions provide training in the industries selected by the AHRIC as high wage, high demand occupations. The funds contributed by employers to union training funds are insufficient for the training demand. These funds are intended for participating members and often do not allow for transportation or other support service costs associated with other training opportunities. STEP funds supplement the union funds and allow outreach for non-members, new entrants, and rural workers. STEP funds are utilized to increase opportunities for rural Alaskans through transportation to urban training, or through bringing training to rural Alaska. The use of existing infrastructures is a positive, efficient and effective use of the State's limited resources that provides increased probability of high quality outcomes. DOL is not aware of, nor has Legislative Audit provided evidence to indicate otherwise.

DOL concurs and recognizes the importance of using STEP funds as a fund of last resort. The AWIO and the two local workforce investment areas are aware of this requirement. Further, funding restrictions are defined in RFPs and many of the successful bidders include the funding requirement in their proposals.

3.) Requirement to reimburse department not actively enforced

DOL does not fully concur with this conclusion because the regulations requiring reimbursement are still in draft. Hence, procedures will not be completed until the actual regulations are promulgated. Inherent in the reimbursement program is the intent that reimbursement will be sought when sufficient earnings are achieved and no barriers to repayment exist, and the DOL's cost of collection should not be greater than the benefit. A factor to consider is that the benefit incurred by the recipient must be high enough to allow the individual to achieve self-sufficiency. A demand too early may result in the STEP exiter's return to unemployment where the individual will draw many times the value of the benefit secured during training.

4.) Statutory program elements do not include employment assistance

DOL does not concur. Employment assistance is covered under the support services program element. The goal of STEP is for individuals to obtain or maintain employment. Employment assistance services are a broad sub-category of support services intended to achieve the goals of the program. Employment Assistance includes resume writing, job referrals, vocational counseling, assisted job search, information and referral for other necessary social services and professional assistance to help a participant obtain and maintain employment. Employment Assistance is a collection of unique and specific services provided by employment counselors in support of a STEP participant. As a sub-set of support services, employment assistance services are appropriate under STEP.

5.) Administrative costs exceed maximums defined in statute

DOL does not concur with this conclusion. Please see the response to recommendation No. 4.

Need and purpose of STEP should be reevaluated in light of changing federal law

DOL concurs with the DLA's conclusion. Elements to address in this reevaluation include: flexibility and responsiveness to the rapidly changing needs of Alaska's business and industry, funding of workforce development projects that are connected to economic development, and alignment of STEP with the federal job training program three year carry forward of funds. A three-year cycle will allow funding of two-year training programs for participants and provide vendors time to plan, receive and expend funds. STEP is an opportunity to improve the economic future for Alaska and diversify the economy through effective workforce development and education.

Testing found no indication of favoritism in awarding grants or referring clients to vendors

DOL concurs that no favoritism occurs in awarding grants or referring clients to vendors, and submits that standard control procedures are used to prevent inappropriate activities.

No precise measurement available for STEP and ATVE benefits

DOL does not fully concur with the implication of this statement. It is true that without an extensive control group study of UI Claimants the benefits/savings of the STEP to the UI Trust Fund can only be approximated. DOL economists, however, believe that the current methods provide a reasonable approximation of the benefits of the STEP program.

The audit stated that DOL's method for calculating the reduction of UI claims does not take other training programs into consideration and attributes all of the savings to the STEP program, and that this potentially overstates savings. We believe, however, that it would be difficult and arbitrary to measure which training programs contributed the most to the success of an individual training program participant. The audit cited FY99 data but did not include FY00 information where the percentages were much lower than those referenced in the audit. In FY00, exiting STEP participants did receive funds from other identified funding sources and did participate in a variety of training, but fewer than 7 percent of STEP participants also participated in WIA dislocated worker programs and WIA adult programs.

DOL does not fully concur with the audit's conclusion that comparing five quarters pre-training to the five quarters post-training produces biased results since people may exhaust their eligibility for UI claims and return to the workforce regardless of training. Comparing UI activity of STEP participants during the five quarters before and after program participation is only one of several measures used as a benchmark for the success of the program. DOL believes this period of time gives a good representation

of the likelihood that STEP participants will file a new claim. In Alaska, a UI recipient can obtain benefits from a new claim shortly after exhausting benefits in a current claim. Claimants can obtain benefits with only \$1,000 in wages. Given these eligibility criteria, if a STEP participant is likely to apply for benefits, they are likely to apply for those benefits within the five-quarter period. In addition, each year we look back at the previous year's data to update exhaustion outcomes and benefits paid calculations. That information is included in the annual report.

Using STEP participant data from earlier years, STEP participant's UI usage over a longer period of time was tracked and our long-term findings are consistent with the published results. We also look at UI exhaustion rates of STEP participants compared with the total UI population and the STEP population compares very favorably with the UI claimant population as a whole. Exhaustion of claims would occur within the five quarter post-training period.

DOL concurs that a limitation of the current methodology is that the reduction in claims is calculated for only one year. Limiting the review to one year may understate the savings because benefits from training may continue for more than one year. With longer-term follow-up, the savings associated with each year's pool of exiting STEP participants would continue to accumulate. DOL's measure is a conservative short-term measure of the resulting savings from the program.

STEP and ATVE adversely affect the trust solvency factor

DOL generally concurs that a large diversion, without corresponding return benefits, can adversely affect the trust solvency factor. We agree with the audit conclusion that STEP activities provide a measurable benefit to the UI TRUST Fund, whereas the ATVE financial impact is significantly different because ATVE activities did not result in direct measurable benefit to the UI Trust Fund.

The existing state training program should be reauthorized for four years

DOL concurs that the STEP program should be reauthorized for four years.

DOL does not agree that AS 23.15.645(e) on administrative cost limitations should be eliminated in favor of AS 23.15.580(b)(8). At a minimum, both sections should be amended and made consistent. The clarification should limit administrative costs to 15 percent of the total grant amount and exempt federal cost sharing agreements from administrative costs.

DOL does not believe a statutory clarification on the allowability of employment assistance is necessary. Employment assistance is already covered under support services program category.

FINDING AND RECOMMENDATIONS

Recommendation No. 1

The program coordinator for the Alaska Workforce Investment Office should take steps to ensure that the Alaska residents and employers are aware of the services available through STEP

DOL does not fully concur that this recommendation is necessary because efforts for consumer awareness were in place and operating prior to this audit. These activities include a power point presentation for employers and the legislature, media public service announcements, training of staff and caseworkers, and deployment of a comprehensive workforce investment marketing plan.

Although DLA asserts that a large gap exists between the number of eligible people and the number of people aware of the program, this broad generalization is not supported by any statistical data. Further, only a portion of people eligible for any program is served by the program. STEP serves over 25 percent of the nearly 4,000 Alaskans that annually participate in UI job training programs. This is a substantial representation of the job training population particularly when STEP is statutorily intended to serve a narrower population than the other job training programs do.

DOL will continue to take steps to increase consumer awareness of the STEP and other job training programs. For a further explanation on this issue, please refer to our comments in the conclusion section.

Recommendation No. 2

AWIO's program coordinator should improve monitoring of its STEP grantees.

DOL concurs that the monitoring of the STEP grantees should be improved. Several issues impacted on-site monitoring including:

- A planned review of the effectiveness of the on-site monitoring procedures of both the STEP and the JTPA programs
- Changes in AWIO staffing and grant administrator
- Workforce Investment Act implementation replacing JTPA. This required staff to learn new requirements in order to provide training, technical assistance and guidance to the new Local Workforce Investment Areas
- Increased focus on training as a valuable tool for ensuring STEP compliance versus the adversarial nature of compliance on-site monitoring. For example, the missing ACSE certifications identified in the audit demonstrate a need for comprehensive training at the local level on the various requirements of STEP.

DOL does not concur with the MOA \$25,000 overcharges to STEP and undercharge to WIA. The analysis completed by DLA was based on incomplete data. A follow up DOL review included the complete financial data pertaining to the sub-grant payments

for FY 00 and FY 01. Using a methodology comparable to that employed by DLA, the Department determined that STEP may have been overpaid in FY 01 by \$13,284 and overpaid in FY 00 by \$6,312. These amounts are significantly less than those identified by DLA. In addition, because of the auditor's concern on the efficacy of the timesheets, the validity of the methodology is debatable. It should be noted that all of the costs incurred by the sub-grantee were for allowable activities under both the STEP and the WIA programs, and that none that were reimbursed were of a questionable nature.

DOL does not agree that a \$50 allowance with the objective of obtaining and retaining employment is an unallowable cost. AS 23.15.640 provides for allowances and for provisions that are necessary to obtain or retain employment. Allowances provide assistance to purchase the basic necessities such as work clothes, gasoline or bus passes, and new tools needed to obtain and retain employment.

DOL concurs that dual enrollment in JTPA and STEP is not a problem because no charges were incurred as a result of this practice, the practice was limited to one office and it was stopped in FY01.

Recommendation No. 3

DLWD's commissioner should pursue legislation so that unexpected unobligated STEP funds lapse into the UI trust fund.

DOL would be in favor of returning unobligated funds to the trust fund if the STEP funding period aligned with the three -year cycle of other job training programs.

Recommendation No.4

We recommend DLWD's director of administrative services and AWIO's program coordinator actively monitor STEP expenditures to ensure administrative costs do not exceed 15 percent of total STEP expenditures.

DOL does not concur that the 15% administrative cap was exceeded. We believe AS 23.15.580(b)(8) does clearly support a change to the capping of administrative costs at 15% versus the 20% allowed in AS 23.15.645 (e). We do not agree that language in AS 23.15.580(b)(8) supports a change to the method of calculating administrative costs, or a change to the type of costs included or excluded in that calculation.

Administrative costs need to be calculated based on the grant amount for legal and business reasons. The plain language of the law in AS 23.15.645(e) defines maximum administrative costs as an amount of the "grant proceeds". The phrasing in the subsequent FY99 statute, AS 23.15.580(b)(8), continues this intent by requiring standards for the "percentage of a grant that may be used for administration". This phrasing supports rather than refutes or conflicts with the plain language of the law in AS 23.15.645(e). The second phrase of the FY99 statute discusses the allowability of costs that may be included or excluded in administrative costs, by requiring regulations

that will identify and distinguish. Allowability relates to the type of costs whereas the previous phrase relates to the method of calculating a cap for administrative purposes. Neither of these phrases conflicts with the method or allowability as defined by AS 23.15.645 (e).

In addition, there are good business reasons why administrative costs need to be calculated on the grant amount. There are fixed administrative costs incurred regardless of the program expenditures. For example, payment of base personnel occurs regardless of whether a grantee spends \$100,000 or \$500,000 in program monies. In addition, sub-grantees continue to change obligations into the next fiscal year through de-obligation or expenditure. DOL cannot control this and therefore cannot accurately determine the administrative authorization truly available. For example, for FY01 MOA identified \$500,000 for de-obligation after the close of FY01. DOL, however, incurred the expense of administering this grant throughout FY01 regardless of the change in obligations determined after the close of the year. As subgrantee obligations are adjusted, an adjustment of the administrative percentage would need to occur after the end of the year. The administering agency is therefore unable to determine what funds are available to cover operational costs in the current year budget, and also for the prior closed year.

We further do not believe that the FY99 statute, AS23.15.580 (b)(8), refuted or changed the plain language of the law in AS23.15.645 (e) with regards to the amount collected and remitted in accordance with the federal cost sharing requirements. As stated above, the FY99 law required that regulations address allowability, but it did not refute or change the prior law on this issue. Given that there was no change to the type of cost and there was no documented compelling reason to change from the original intent of the plain language in AS23.15.645 (e), DOL calculated administrative costs in compliance with the law.

Legislative Audit 's shifting of the federal cost sharing amount to the administrative cost category and the use of expenditures rather than the grant proceeds provides the misleading picture of a large increase in the percentage of administrative costs between 1997 and 2001. As shown below, however, the administrative costs were well within the 15% administrative cap when calculated according to statute:

Fiscal year	Total Grant	15% Admin Cap	Admin Expend	DOL %	DLA %
1999	\$4,046,100	\$606,915	\$527,124	13%	24%
2000	\$4,046,100	\$606,915	\$515,652	13%	23%
2001	\$4,553,800	\$683,070	\$628,080	14%	21%

In summary, AS23.15.580 (b)(8) explicitly changed the plain language of the law in AS23.15.645 (e) related to capping administrative expenditures but it did not refute or change other elements of the law that were stated in equally apparent plain language. Because both laws address administrative costs, both laws must be consulted to understand the intent, method and allowability of administrative costs. We believe that

the two laws should be clarified for consistency, but we do not believe they are in conflict.

Recommendation No. 5

We recommend the director of administrative services improve procedures so that UI accounting costs are charged to STEP and ATVE in an equitable and supported manner

DOL agrees with the recommendation and will follow the request in the current and future years. The UI accounting charges were charged based on the amounts identified in the fiscal note accompanying legislation.

Recommendation No. 6

AWIO's program coordinator should take steps to ensure STEP program is collected and reported in a manner that demonstrates compliance with statutes.

DOL concurs, and agrees with some of the difficulties noted by the audit that impacted DOL's pursuit of this goal. Reporting of STEP was hampered over the past several years by multiple conflicts including the consolidation of Community and Regional Affairs with DOL, the Y2K database issues, and the USDOL delay in determining federal reporting requirements that effectively slowed deployment of the new MIS system.

The Department takes exception to DLA's statement "No financial reports were required for FY 00 and FY 01." Financial reports were received from the two primary local areas during both fiscal years. During FY 00 and FY 01, the MOA submitted both monthly invoices and an Annual Financial Reconciliation report. The monthly invoices and financial reconciliation report broke out the local area's expenditures by Administration, Training and Support Services, and Employment Assistance. The FY 01 Annual Financial Reconciliation Report further distinguished between Training and Support Services expenses.

During FY 01, the BOS local area submitted quarterly reports that provided cost breakouts on Administration, Training, Support Services and Employment Assistance. During FY 00, the BOS local area submitted one end-of-year report that provided cost breakouts by Administration, Training/Support Services, and Employment Assistance

The only report not received from the local areas was a specific vendor report. As noted in the DLA report, the AHRIC created a STEP Plan in May 1999. One of the action steps in the report was to "reduce administrative reporting by eliminating certain unnecessary reports." The reports referred to in the AHRIC Plan were the vendor analysis reports. Consequently, these reports were not requested of the local areas.

Recent actions to improve reporting include contracting with an outside firm to collect and analyze STEP data, and formally advising the local areas of the need for complete and comprehensive STEP data. DOL is currently exploring a number of options that will help to ensure that appropriate and complete data are entered into the Management Information System.

Recommendation No. 7

We recommend AWIO's program director and AHRIC's executive director work together to ensure STEP does not displace other federal, private or public training funds.

The AWIO program director and AHRIC's executive are aware of the requirement that STEP funds not displace other federal, private and public training funds. It is currently a practice of the local areas to detail this requirement in any RFP issued. Furthermore, several of the successful sub-grantees include a description of how they will use other funds before expending STEP funds. Nonetheless, efforts will be increased to inform local areas and sub-recipients of the need to ensure that STEP funds do not displace other funds.

In summary, the STEP program is one of the most successful job training programs that has resulted in a high degree of employment and job retention. DOL appreciates the audit work and information that may assist in helping this program to continue serving Alaskans. Equally, we appreciate the courtesy and professionalism of the audit staff, particularly their efforts to minimize the impact of their inquiries on DOL operations.

If you have any questions, or require additional information, please contact JoEllen Hanrahan, Internal Auditor, at 465-5673.

Sincerely,



Ed Flanagan
Commissioner

cc: Remond Henderson, Director ASD
Ron Hull, Director, ESD
Jo Ellen Hanrahan, Internal Auditor

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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April 2, 2002

Members of the Legislative Budget
and Audit Committee:

We have reviewed the Department of Labor and Workforce Development's (DLWD) response to our audit report. Nothing contained in the response gives us cause to reconsider our conclusions regarding the state training and employment program (STEP). However, we do have the following additional comments:

Only a portion of people eligible for STEP are served by the program

In their response, DLWD indicates that its program does a good job at reaching potential STEP clients. DLWD describes our conclusion as a broad generalization not supported by statistical data. We disagree with this characterization. Our conclusion is based on interviews with numerous DLWD and service delivery area employees with many years of experience working with STEP and other training programs. During these interviews, we heard repeatedly that outreach for STEP needs to be improved.

We also found that STEP grantees often failed to use significant portions of their STEP grants. In FY 01, the Municipality of Anchorage did not spend approximately \$450,000 of their STEP award. Further, the balance of the STEP fund continues to grow. Our analysis shows an available balance of STEP funds in excess of \$2.4 million at the end of FY 01. If the needs of people eligible for STEP have been met, we question whether funding for the STEP program has been set at an excessive level.

STEP is displacing federal and possible private training funds

The department states that federal funds do not fully address the training needs and that STEP is needed to fill the gap. We agree. However, we again must point out that DLWD's current procedures are failing to routinely pursue federal funding. STEP funds are not always being used as the training program of last resort.

DLWD's response also indicates that STEP funds awarded to union organizations supplement private training funds rather than displace them. During the course of the audit, we asked the Alaska Workforce Investment Office (AWIO) for documentation confirming that (1) union training funds were insufficient for the training demands and that (2) STEP funds to unions were being used to leverage rather than supplant the unions' training funds. AWIO was unable to provide evidence of this nature.

In summary we reaffirm the findings, recommendations and conclusions contained in this report.

Sincerely,

A handwritten signature in cursive script that reads "Pat Davidson". The signature is written in black ink and is positioned above the printed name and title.

Pat Davidson, CPA
Legislative Auditor

3/25/02

SB 270-BOARD OF DISPENSING OPTICIANS
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: LEATHER BRACES Subject/Bill No: SB 270
Co./Dept./Title: San Joaquin's Office Phone: x 6590
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Catherine Reardon Subject/Bill No: SB 270
Co./Dept./Title: Director Div. of Occupational Licensing Phone: 465-2538
Address: PO 110806 Tucson 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

SB

271

SFIN

FILE

SB 271

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

SB

272

SFIN

FILE

SB 272

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

* Companion bill HB 359
reported from Committee

Alaska Tourism Industry Crisis Recovery Plan

December 12, 2001

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

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SUMMARY

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

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

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

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

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

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

\$332 million return

\$12.5 million request



SITUATION OVERVIEW

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

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

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

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

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

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

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

POSSIBLE OUTCOMES OF THESE REDUCTIONS IN ALASKA

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

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

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

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

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

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

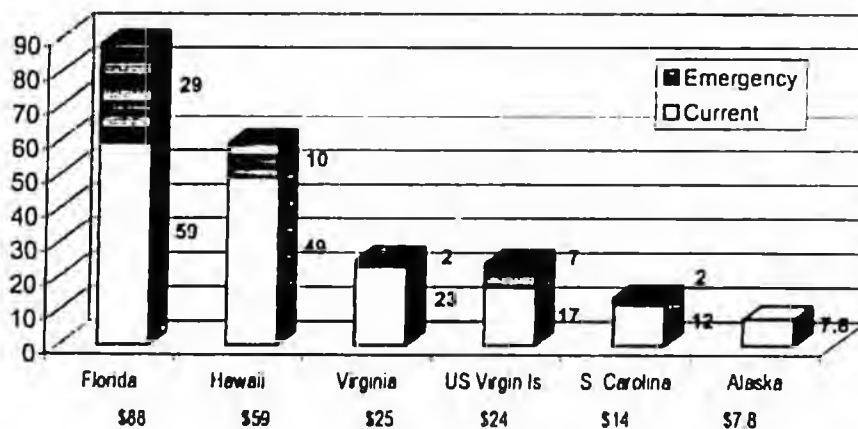
The result is that more Americans will travel closer to home, or not at all. Inbound international travel is also expected to decline. Travel and tourism related operations will suffer business declines or erosion of profits in 2002 with small businesses particularly vulnerable. Long-term predictions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

Competition

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

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

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



COUNTRY	Emergency Funds*	CITY	Emergency Funds*
Travel Industry Association of America	\$20	New York City	\$40
Caribbean	\$16	Las Vegas	\$13
Canadian Tourism Commission	\$20	Miami	\$2
Puerto Rico	\$15		
Mexico	\$6 - 8		
Barbados	\$6		
European Travel Commission	\$3		

*Rounded to nearest million

Opportunity

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

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

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

VALUE OF TOURISM TO ALASKA AND ITS ECONOMY

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

WHAT IS A VISITOR WORTH?

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

Tourism Revenue

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

Jobs for Alaskans

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

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

RECOVERY PLAN OBJECTIVES

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

RECOVERY PLAN OBJECTIVES

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

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

Timing

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

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

RECOVERY PLAN AND DELIVERABLES

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

ADVERTISING

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

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

PUBLIC RELATIONS

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

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

INTERNET

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

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

RESEARCH

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

TRAVEL TRADE

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

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

RESIDENT TRAVEL

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

RECOVERY BUDGET

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

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

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

RETURN ON INVESTMENT

Overall, the campaign will:

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

RESULTS OF \$12.5 MILLION TOURISM MARKETING CAMPAIGN

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

RECOVERY SCHEDULE 2002

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

December 20, 2001

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

Dear Senator Green,

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

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

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

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

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

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

Sincerely,

Julie Saupe
Executive Director



ALASKA
NATIVE
HERITAGE
CENTER

January 10, 2002

RECEIVED

JAN 14 2002

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

Dear Governor Knowles:

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

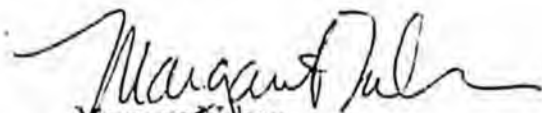
The Alaska Native Heritage Center is a unique cultural attraction and educational facility in Anchorage. I know you agree, that in our short 3-year history we have made many strides in educating and informing Alaska's people and world travelers about the rich heritage of Alaska's Native people. Additionally,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

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

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

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

Sincerely,


Margaret Nelson
President & CEO



RECEIVED

JAN 08 2002

January 3, 2002

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

Dear *Rick* Senator Halford:

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

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

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

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

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

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

Sincerely,

Bill Sheffield
Port Director

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

Crisis Recovery Marketing Funds Appropriated

Entity	Amount
	\$(Millions)

Domestic

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

Foreign

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

GREATER * FAIRBANKS CHAMBER OF COMMERCE

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

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

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

RESOLUTION 02-0121

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that this resolution be distributed to:

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

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

Mat-Su!

MATANUSKA-SUSITNA CONVENTION & VISITORS BUREAU

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

Mat-Su CMB Resolution FY02-04

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

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

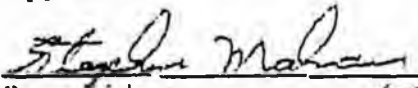
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

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

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

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

Approved:



Steve Mahay
President



Eugene Sheehan
Secretary

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

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

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

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

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

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

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

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

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

M. Blackwell E D
[SIGNATURE]

Carrie Johnson-Chrisman
[SIGNATURE]

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



**KETCHIKAN
VISITORS BUREAU**

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

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

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

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

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

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

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

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

Kari Erickson
KVB BOARD OF DIRECTORS

Patti Mackey
EXECUTIVE DIRECTOR



GREATER PALMER CHAMBER OF COMMERCE

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

RESOLUTION 02-002

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

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

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

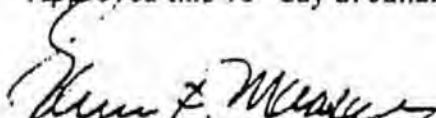
Whereas the acts of terrorism committed against the United States on September 11, 2001 have impacted the economic viability of visitor destinations throughout the country; and

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

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

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

Approved this 18th day of January, 2002.



Glenn Massay, President



ANCHORAGE
Convention &
Visitors Bureau

October 19, 2001

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

Dear Governor Knowles:

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

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

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

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

Sincerely,


Bob Neumann
Chair

524 W. Fourth Avenue
Anchorage, Alaska
90501-2212

907-276-1118
Fax 907-278-5554

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

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

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

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

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

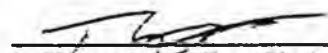
WHEREAS, the continued decline in travel activity to the state resulting from declines in long-distance travel plans and bookings, and

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


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

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

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



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



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

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

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

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

(Resolution 02-17)

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

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

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

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

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

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

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

Witness:



John C. Conley
President

Attest:



Loren Gerhard
Executive Director



January 29, 2002

Dear Members of the Alaska State Legislature:

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

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

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

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

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

Sincerely,

William G. Moran, Jr.
President

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



DENALI STATE BANK

"Your Community Bank"

Member FDIC

January 24, 2002

Senator Gary Wilken
State Capitol
Juneau, AK 9801-1182

Dear Senator Wilken,

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

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

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

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

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119 N. CUSHMAN
FAIRBANKS, AK 99707
(907) 458-1200
FAX (907) 458-0210

GOLDEN HEART BRANCH
P.O. BOX 74562
1929 AIRPORT WAY
FAIRBANKS, AK 99707
(907) 458-4280
FAX (907) 458-4270

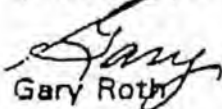
TOK BRANCH
P.O. BOX 276
MILE 13 1/4 ALASKA HWY
TOK, AK 99780
(907) 885-1285
FAX (907) 885-2288

www.denalystatebank.com

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

Thank you for your consideration.

Sincerely yours,


Gary Roth
President & CEO



Northrim Bank
Customer First Service

January 28, 2002

Representative Eldon Mulder
State Capitol
Juneau, Alaska 99801-2282

Dear Representative Mulder:

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

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

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

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

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

Sincerely,


Gary Roderick

Gary Roderick

01/29/02 03:31

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