

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2448 SCOMM 103: HOUSE SPEC. COMM. INTL. TRADE & TOURISM, 1997-98



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SCOMM 103: HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE
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SCOMM

103:1

PERSPECTIVES ON ALASKA'S PUBLICLY FUNDED
INTERNATIONAL TRADE PROGRAMS

HOUSE SPECIAL COMMITTEE ON
INTERNATIONAL TRADE AND TOURISM

CHAIRMAN: REPRESENTATIVE JOHN J. COWDERY
20TH ALASKA STATE LEGISLATURE

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM
— 20TH ALASKA LEGISLATURE —

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REPRESENTATIVE JOHN J. COWDERY

Dear Fellow Alaskan:

This report is about change. In 1983, I sponsored legislation to establish foreign trade offices in Seoul, Korea and Taipei, Taiwan. We were full of anticipation about burgeoning economies in the Pacific Rim nations. We wanted Alaska to reap some benefits in international commerce. To be sure, global trade increased; so did competition. The economies of Pacific Rim nations expanded as we thought they would. Recently, they crashed like we didn't think they would. I look at the results we get from the offices I sponsored a long time ago and I see that they didn't fulfill the hopes we had for them.



The economies of all nations change. It suggests to me that Alaska's approach to international trade should be adaptable to changing conditions in the world markets. We should follow the advice of the great and mysterious American patriot who said, "follow the money."* It is less than optimal to promote trade and tourism in countries that are undergoing a financial crisis. Yet, we can't afford to do everything, everywhere. So choices must be made.

We won't always make the best choices. We'll err sometimes and succeed at others. What we absolutely can not do is to shrink from self evaluation. We need to give ourselves honest feedback about the cost effectiveness of state funded activities that take place under the umbrella of international trade.

This report is offered in the spirit of self evaluation. To the extent it highlights problems, it does so without levying blame. Many governors, many legislators and many bureaucrats have tried sincerely to do the job of increasing Alaska's international business activity. Our programs are not working as well as they should. We must try something different. If there is blame to be levied, it will be for the lack of courage to set out in new directions when we see that change is needed. This report is about change. It's never easy.

Respectfully submitted,

Representative John J. Cowdery, Chairman

* Deep Throat

EXECUTIVE SUMMARY

This report reviews existing International Trade programs offered by the State of Alaska, the United States Department of Commerce and private sector programs. Research initiated by the 19th legislature is reviewed and the conclusions applied to current programs. Analysis unveiled several primary areas of concern.

- First, Alaska's international businesses assistance services are fraught with duplication. Multiple agencies publish information, offer market research, and conduct business assistance programs that are an exercise in redundancy. In no sector is there a State sponsored service or program that is not available in a more effective format from the private sector or the Federal government. As conditions stand now, Alaska's General Fund expenditures for International business promotion are grossly ineffectual.
- Second, there exists within Alaska's international business assistance programs an absence of meaningful performance measures. There are none. Monies are allocated and activities are initiated with little or no relation to actual private sector demand. On occasions where private enterprise is actually contacted or involved, there is no evident effort to objectively assess agency effectiveness. State programs and private sector needs are like bubbles in a breeze. They randomly collide and occasionally move in the same direction as the atmosphere shifts around them.

State programs and private sector needs are like bubbles in a breeze. They randomly collide and occasionally move in the same direction as the atmosphere shifts around them.

- Third, this report considers the fundamental question: what is an appropriate role for the State of Alaska in relation to international business assistance? Options for streamlining and privatization are set forth and their respective merits discussed.
- Finally, research and analysis leads to the conclusion that State sponsored international business assistance services be substantially reduced while the Seoul and Tokyo offices be reorganized and funded to match the Taiwan model. Services currently offered would be better performed by contracting with the World Trade Center of Alaska who may offer international assistance to qualifying Alaska companies on an as-needed basis. Contractual service with the World Trade Center could fulfill the "one stop" export model desired by the private sector. They offer unrivaled international contact potential, overseas market analysis and a credible demand-based structure of support that has proven responsive to the changing business environment. In an effort to move the discussion forward, the Department of Commerce's response to similar previous proposals is summarized and discussed

INTERNATIONAL TRADE AND TOURISM COMMITTEE REPORT
20TH ALASKA LEGISLATURE, 1997-1998
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BUILDING ON THE PAST

Thanks to Previous Legislature's Initiatives on Alaskan Foreign Trade

In an effort to determine the State's proper role in the emerging International business frontier, the previous legislature had the foresight to spearhead two unprecedented research projects. Their goal was to identify the most effective means of assisting Alaskan businesses in their international trade endeavors. Specifically, they studied the nature and trends of Alaska's exporters: what motivated them to enter the global marketplace, where they go to find information on foreign markets and how they establish business contacts. This report builds on the work of previous legislators and researchers. A special acknowledgment is due to this committee's previous chairperson, Representative Beverly Masek of Willow.



Representative Bev Masek
Immediate Past Chair

Private Sector International Business Needs Assessment

First, in July 1995, the 19th Legislature commissioned the World Trade Center of Alaska to conduct a "Private Sector International Business Needs Assessment" ¹.

This is the most comprehensive review of Alaska's international business community ever undertaken. It queried 2,000 Alaskan businesses about their overseas trade experiences, frustrations and aspirations. Potential exporters described the services they would most likely use. Businesses were asked about their motivation for and their perceived obstacles to international trade. Finally, they were asked to detail what services an ideal state business assistance program would offer.

Of the two thousand businesses contacted, 271 (13.5%) responded. Key findings of the survey included:

- The State's current trend of providing broad, generic support and promotion for Alaska products benefits large natural resource firms in Pacific Rim markets while disenfranchising smaller firms who need a more global, customized approach to trade assistance.
- The array of agencies offering business support services leads to confusion among potential users. A one-stop contact point would add credibility and effectiveness to the state's position.
- While there is some measure of need for government services, many internationally active companies hire private expertise to deal with overseas challenges.
- One of the greatest challenges for exporters is the lack of export finance information or assistance in assessing what funding opportunities may exist for a specific business.

Agency Evaluation Recommendations

Once the results of the Private Sector International Business Needs Assessment were compiled, the 19th Legislature contracted with International Trade Consultant, Timothy Lane. Mr. Lane composed a

review titled "Agency Evaluation Recommendations" in which he outlined structural weaknesses and service gaps in the State's existing business assistance framework. Mr. Lane's observations bring the following points to bear:

- Coordination between international assistance services within the state is "virtually nonexistent."
- Little distinction is made between efforts intended to promote foreign investment and those designed to assist Alaskan businesses interested in overseas trade. Consequently, establishing performance benchmarks is "nearly impossible."
- The state's current export assistance scheme favors large companies at the expense of small business. In essence, Alaska is helping those who do not need it while overlooking those who do.
- Alaskan companies would profit from the services of an export finance specialist.

Mr. Lane summarized his evaluation of Alaska's international trade assistance network:

*"Alaska's international service network is a hotbed of service duplication, obsolete market assumptions, intense inter-organizational competition, and governmental waste. Clearly, Alaska can do better."*²

*"Alaska's international service network is a hotbed of service duplication, obsolete market assumptions, intense inter-organizational competition, and governmental waste. Clearly, our state can do better."*²

- the consolidation of State export services,³
- the co-location of State services with those offered by the Federal government and the private sector,³
- the formation of an export finance assistance program, and ³
- the gradual reduction of funding to fixed overseas offices in favor of a more global trade assistance program.³

TOURISM FINDINGS OF THE PREVIOUS COMMITTEE

Tourism is a major component of Alaska's economy and offers a perpetual source of economic stimulus. The previous Committee leadership diligently

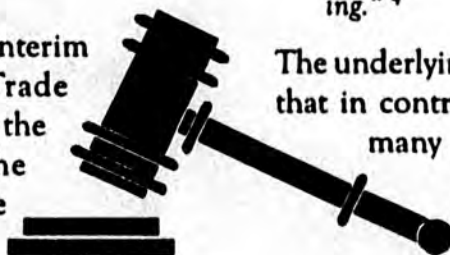
sought to discover and respond to the needs of Alaska's tour operators, and particularly those midsize and smaller concerns that can not mount a significant marketing campaign of their own. They found that the Alaska Tourism and Marketing Council and its primary contractor, the Alaska Visitors Association, were structurally inclined to benefit large tour companies and were generally less able to meet the needs of small or site specific operators.

*"The ideas and energies of major companies doing business in Alaska are self serving and have left a huge gap in the dispersion of tourism dollars in our state. Smaller businesses and individuals are left to survive on the trickle down economics of large scale promotion and funding."*⁴

Legislative Response, 1996

In response, the Senate/House Interim Task Force on International Trade adopted a resolution³ addressing the points brought forward by the legislature's research. In review, the resolution encourages:

The underlying concern of the committee was that in contrast to most smaller companies, many of the large firms are not Alaskan owned.⁵ In some measure, small, localized tourism busi-



nesses feel the efforts of ATMC and AVA are not supportive of Alaska's principle economic interest: Alaska's businesses.

*"...the type of advertising being funded by the Legislature must be state-of-the-art and must reflect more site specific markets. Generic advertising has been designed to blend nicely with the advertising of major tour companies, but does little or nothing to fill the huge gap in the smaller communities and markets throughout the state."*⁶

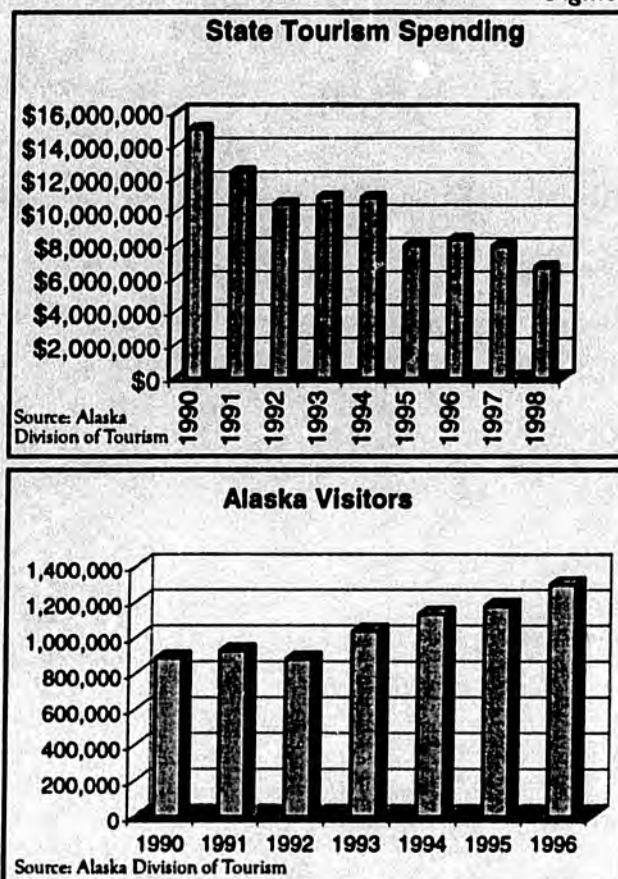
Part of the problem is that not everyone understands the goal of the state/ATMC advertising effort. According to Mary Pignalberi, former Director of the Division of Tourism and current Manager of the Alaska Film Office,

"The advertising program's primary thrust is to attract tourists to the state. That's the priority. We sell generic Alaska instead of specific business venues. If people don't understand that, then their expectations get inflated. We should probably educate our own industry about the limits of the advertising program. We can do more to promote small Alaskan businesses to tourists but it will cost more. Our top priority simply has to be to attract them here."

20TH LEGISLATURE'S CHALLENGE

Against this backdrop, the 20th Legislature's International Trade and Tourism Committee initiated an effort to assess the effectiveness of

Figure 1



Alaska's international trade and tourism programs.

Then and Now

In the past, it was possible to show a direct correlation between the state dollars we spent promoting tourism and the number of tourists who travel here. The more money spent, the more tourists came here. It was easy for the legislature to see the effect of their budgetary commitment. However, as our tourism industry grows and diversifies, the correlation is less clear.

Despite our dwindling tourism promotion bud-

gets, our tourist numbers have grown steadily. AVA and ATMC are quick to point out that the industry has greatly expanded its carrying capacity to Alaska. There are more cruise ships with more staterooms and more airline flights with more seats than ever before. Sophisticated internet marketing and reservation capability allow the carriers to increase sales with last minute, deep discount fares. The industry spends a staggering amount of money promoting their Alaskan packages. They criticize the state for being an inconstant partner in this regard (see Figure 1). Their expenditures, additional capacity and technology are responsible for our increase in tourists.

But, the volume of tourists is not the whole story. Not all tourists are created equal. Some spend more than others. Many small shop owners say the number of non-spending tourists is increasing. They spend all their money on their package tour and have negligible extra money to patronize local vendors. This situation begs the



question of whether the state's spending cut-backs disproportionately affect our small, independent vendors. Additional questions exist about redundancy, administrative cost and role confusion between the three voices of the tourism industry, i.e. Alaska Division of Tourism, Alaska Tourism Marketing Council and the Alaska Visitors Association.

Tourism Industry Rises to the Challenge

"The time has come for change. The visitor industry cannot afford to watch as the state's tourism contributions continue to erode the effectiveness of our marketing. This, combined with the increasing competitiveness of other destination, dictates the need for a proactive approach."

In response to legislative initiatives to decrease state spending, the tourism industry responded in a remarkably positive and constructive manner. AVA and ATMC put forward The Millennium Plan which restructures the long-standing private-public partnership between the industry and the State of Alaska. The Plan consolidates AVA, ATMC and elements of the Division of Tourism. It proposes a phase-down of state spending to a sustainable, annual level while increasing the industry's financial contribution for tourism promotion.

Senate Bill 350 was designed to implement the millennium plan. The measure would require that the state's contractor contribute 30% of the marketing campaign costs through June 30, 2001. On July 1, 2001, the contractor would be required to contribute 60% of the marketing costs. The Plan is undergoing evaluation and will be presented in final form to the next legislature.

*The Committee's materials will be turned over to House Records office at the end of the 20th Legislature.

INTERNATIONAL TRADE

In 1997, the House Special Committee on International Trade and Tourism held two oversight hearings on publicly funded programs that promote international trade. Testimony was taken from trade assistance experts, consultants and administrators from both the public and private sector. Virtually every state-produced publication that relates to international trade was gathered and reviewed*. This report is the result, in large part, of information presented to the Committee.

"We've got a lot of work to do"

- Representative John J. Cowdery

Internet Guide to Trade Services Offered by the State

- Alaska Division of Trade and Development
<http://www.commerce.state.ak.us/trade/>
- Alaska International Airport System
<http://www.dot.state.ak.us/external/aias/aia/aiawlcm.htm>
- Alaska Industrial Development Export Authority, <http://www.alaska.net/~aidea/>
- Alaska Seafood marketing Institute
<http://www.state.ak.us/local/akpages/COMMERCE/asmihp.htm>
- Alaska Center for International Business

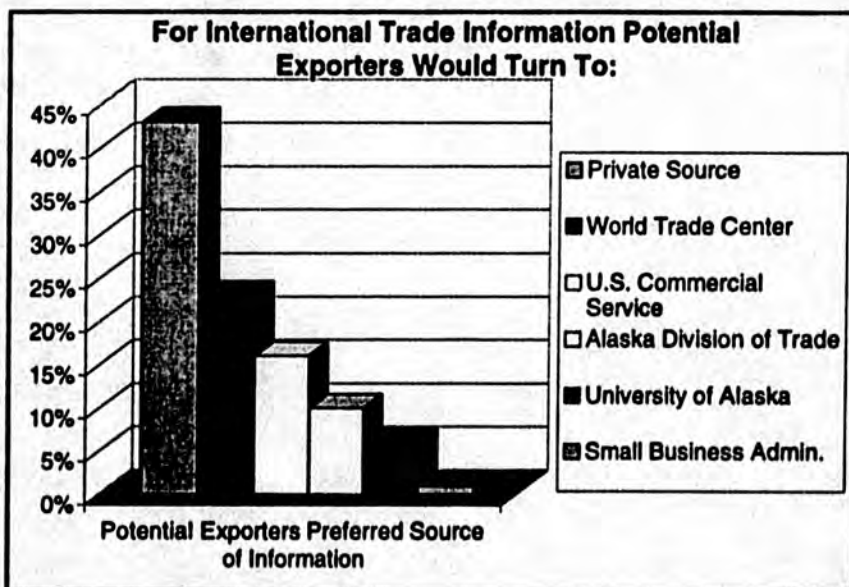


Figure 2

<http://genghis.scob.alaska.edu/CENTERS/acib.html>

- University of Alaska: American Russian Center
<http://www.arc.uaa.alaska.edu/arc/>
- World Trade Center, Alaska
<http://www.wtca.org/wtc/anchorage.html>
- Anchorage Economic Development Corporation, <http://www.aedcweb.com/>

Alaska Division of Trade

Alaska Division of Trade and Development (DTD), "serves as a commercial liaison for the state and for private sector businesses which trade in international markets."⁸ (see appendix E). The Division seeks to promote Alaska businesses and their products. They conduct research and analyze Alaskan business and international trade trends. Specialists assist the mining, logging and fishing industries in marketing their products and attracting outside investors. The Division offers overseas trade mission assistance, product marketing support and international market information.⁸

The Division delivers research through the distribution of printed materials and internet pages with downloadable publications. Business assistance services are rendered through locations in Juneau, Anchorage, Tokyo, Seoul and Taipei.

Publication Production

The Division of Trade and Development produces a number of publications including newsletters, market reports and brochures. These are available at the Division offices in Fairbanks, Juneau and Anchorage and are distributed to all State libraries.

The Division is currently working to make their



publications available through their web page. Currently there were nineteen (19) Division sponsored documents available on-line. As the internet becomes more accessible, costly print projects may be avoided in favor of the less expensive web-based publication.

Many of the Division's publications are produced with little regard to actual public need. For instance, the Division went to considerable time and expense to develop and print 2,500 copies of the 92 page guidebook "Establishing a

Business in Alaska." At a cost of \$3.68 each, the document "is expected to bring in revenue equal to the cost of printing and distributing."⁹ The Division sells the booklet for \$11.50 by mail and offers it for \$8.00 over the counter.

As of January 1998, one hundred and sixty seven had been sold. Assuming that this number does not include those distributed to State offices, the "expected revenue" amounts to \$1,385 dollars offsetting the \$9,200 production cost. (153 over the counter, 14 by mail) From a results-based perspective this amounts to a cost of \$55.08 per copy delivered.¹⁰

Overseas Offices

Through their contract offices in Seoul, Tokyo and Taipei, the Division offers overseas representation and on-the-ground contacts with potential Pacific Rim customers and investors. These offices are also responsible for promoting Alaskan tourism and seafood in their respective nations.

Expenditures in foreign offices have been reduced over the last several years. Additionally, the offices of Tourism and Trade in Korea and Japan have been co-located to increase efficiency. Including tourism promotion services, the overall cost of maintaining our foreign offices exceeded \$1.2 million dollars in FY 98.



A summary of foreign office activity from the Department of Commerce indicates that the Korea and Japan offices assisted in over 65 "trade missions" between Alaska and their respective nations.

However, DTD defines 'trade mission' very loosely as any group that is assisted by a trade office.¹¹

Additionally the offices produced numerous market reports, press releases and publications. Activities of our Taiwanese contractor are more limited, with only 5 trade missions conducted and a few publications produced. The Taiwan office apparently uses a more traditional definition of 'trade mission.'

Mr. Lane reviewed the operations of Alaska's foreign offices and observed,

"While export assistance is among DTD's strongest preoccupations, it is clearly the organization's weakest activity point."¹²

Additionally, Mr. Lane found that the Division's Pacific Rim focus is "obsolete" and a "potential barrier" to Alaskan businesses seeking to operate in an ever-evolving global marketplace. He asserts that in a time of global competition and global opportunities,

"... private sector international marketing plans consistently transcended the state's string of protocol efforts."¹²



One half of the International Trade budget is allocated to three Pacific Rim cities. Yet the *Private Sector International Business Needs Assessment* showed that Alaskan businesses are competing in a global marketplace.¹ The Division's unbalanced financial commitments present an effectual obstacle to those Alaskan entrepreneurs looking to tap the markets of Southeast Asia, Europe, China or South America, to name a few.

Foreign Office Contracts

The Division of Trade deems the foreign office contracts to be exempt from state procurement statutes. Consequently, these contracts are not subject to competitive procurement. Although professional people in Korea and Taiwan have written to DTD requesting information about the timetable and procedure to be considered for future contracts, they report that they received no reply from the Department. The procurement exemption and DTD's practices for manning the foreign offices should be reviewed by the legislature in the near future.

A separate procurement issue in the foreign offices that needs to be reviewed is the practice of sole sourcing publication contracts to former state employees.

China Policy: Few would dispute that mainland China represents tremendous potential for Alaska's petroleum, fish and timber resources. Yet, it is an open question whether Alaska's relationship with Taiwan will be an obstacle if we pursue greater economic ties with China. The time has come to engage in a thorough discussion of the risks and benefits of a one or two China policy.

Alaska International Expenditures FY 98 Trade Offices

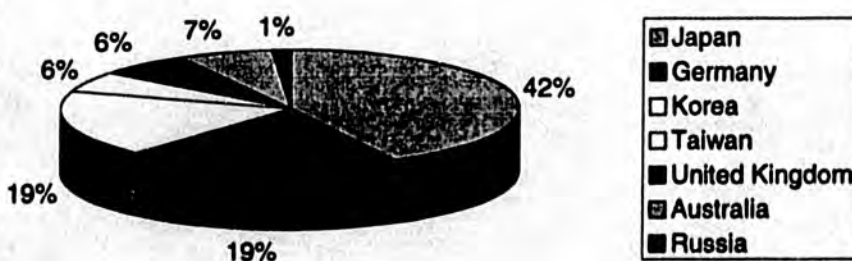


Figure 3

Furthermore, it would be prudent for the Administration to quantify China's market potential and set forth a policy and program to assist Alaska's private sector.

Personnel Problems

The personnel structure of the Division of Trade and Development is seriously flawed and will continue to give rise to many of the problems now plaguing the Division.



Specifically, many of DTD's Trade Specialists are political appointees who perform identical work as classified employees. Mr. Lane notes,

*"DTD is vulnerable to structural disintegration every time a new governor is elected."*¹³

During the past 18 months, turnover among Trade Specialists reached 100%. The Division lost significant talent in foreign language capability, in-country experience and educational credentials

As staff come and go, their individual experience and insights are lost. Lessons unique to Alaska's business environment are lost at the whim of new political leadership. This, in conjunction with exceptionally high Department-wide turnover, routinely forfeits institutional maturity, stability and consistency.

Until Division employees are granted a long-term commission and a more precisely focused role, the situation is unlikely to improve.

Virtually all of the Division's foreign business assistance programs stand as an ineffectual duplication of more efficient private sector and Federal services available to Alaskans at no cost to State government. The Division offers overseas contact points. So does the U.S. Commercial Service and World Trade Center.

The Division also publishes export statistics—information that is simply re-compiled from U.S. Customs reports available to any interested entity. In spite of this reality, the Division pursues its numerous programs with stubborn insistence that they remain invaluable to Alaska's business community. In view of the ambiguous demand¹⁴ for the Division's services, it appears that the Division is conducting activity in search of meaning—at significant expense to the State.



Anchorage and Fairbanks International Airports are linked through a common, dedicated fund and an Assistant Commissioner that oversees the International Airport System (AIAS). All revenues for operation of these two airports come from airport operations. No general funds are in their budget. They are internally funded and self-supporting.

The Anchorage airport operates at a profit. The Fairbanks airport operates at a loss which is offset by the International Airport Revenue Fund.

Anchorage International Airport - For FY 97, the income for Anchorage International Airport is an estimated \$50.1 million dollars.

Their marketing goals are focused on attracting domestic and international air carriers to utilize their facilities. Private contractors that specialize in marketing cargo and passenger services carry out most of their program. Their marketing budget is a modest \$450,000 sourced from the International Airport Revenue Fund. The Airport engages in targeted marketing of carrier groups,



Does the competition between Anchorage and Fairbanks confuse or drive away potential operators? Are the efforts of Fairbanks and Anchorage redundant?

freight consolidators and freight forwarding operations in countries geographically located to take advantage of Anchorage's northern routes, namely the Pacific Rim. Additionally, AIAS contracts with the Anchorage Economic Development Corporation in a partnering effort to take advantage of AEDC's overseas contacts.

Fairbanks International Airport contracts with the Fairbanks Industrial Development Corporation to market the airport internationally. The contract is structured as not-to-exceed \$100,000 annually. In fiscal year 1997, the FIDC billed the Fairbanks International Airport \$88,378. In contrast to Anchorage efforts, the Fairbanks airport, through FIDC, has been able to attract Allied Signal and Boeing to use Fairbanks Airport as their base for cold weather testing of jet technology.

The Fairbanks Industrial Development Corporation targets potential carriers and freight operators, promoting Fairbanks' geographic location and fueling advantages. It would appear that Anchorage and Fairbanks Airports engage in uncoordinated, separate and perhaps competing marketing programs. Are potential customers receiving a mixed message about the benefits of Anchorage versus Fairbanks or Fairbanks versus Anchorage? Does the competition between Anchorage and Fairbanks confuse or drive away potential operators? Are the efforts of Fairbanks and Anchorage redundant? Or, does the operation of two separately run, separately funded, pro-Alaska organizations increase the exposure of Alaska's air transport strengths internationally to the benefit of both organizations and the state as a whole? As both entities operate on carrier fees, these questions step beyond the scope of this review but certainly warrant more specific investigation.



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Alaska Industrial Development & Export Authority

The Alaska Industrial Development and Export Authority's mission is,



"To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment, and to create additional employment." ¹⁵

A brief review of AIDEA's annual report and project fact sheets reveals that the vast majority

During our Committee's oversight hearings it came to light that AIDEA's Export Assistance Program was never utilized during the entire ten years the statute was on the books. (AS 44.88.080)

of the Authority's resources and energy is directed at the development of large capital improvement projects. Hydroelectric plants, mining roads, fish processing plants and public docking facilities provide the necessary infrastructure for domestic business success. The following list of recent AIDEA projects details the Authority's predisposition to larger enterprises.:

tails the Authority's predisposition to larger enterprises.:

- Healy Clean Coal Project (\$69.6 million)
- DeLong Mountain Road (Red Dog Mine) (\$103 million)
- Alaska Seafood Center (up to \$50 million)
- Alyeska Alloys, L.L.C. (up to \$50 million)
- Snettisham Hydroelectric Project (up to \$100 million)
- Skagway Ore Terminal (\$25 million)
- Federal Express Aircraft Maintenance Facility (\$28 million)
- False Island Marine Center and Public Dock (\$5.9 million)
- Unalaska Ballyhoo Dock Expansion (\$7 million)

During our Committee's oversight hearings it came to light that AIDEA's Export Assistance



Program was never utilized during the entire ten years the statute was on the books. (AS 44.88.080)

AIDEA contracted with a consultant to perform a study on alternatives for Export Assistance. The consultant made three key findings:

1. To the extent that Alaskan businesses need export finance assistance, their need is in combination with conventional loan assistance.
2. There was no identifiable demand for Export Financing Assistance that wasn't already being met, and
3. AIDEA could provide no additional service that wasn't being provided already through the federal Export-Import Bank and local banks.

It is less than clear why both the Division of Trade and Development and ASMI have independent marketing programs for Alaska's fisheries.

AIDEA developed House Bill 386 which passed the House on March 20 and was signed into law on June 18, 1998.

HB 386 converted the Export Assistance Program into an integral component of AIDEA's Business Assistance Program.

Specifically, the new program allows borrowers to utilize the loan guarantees and forego political risk insurance in certain cases.

One legislative analyst summarized the AIDEA study and HB 386 as, "a new rationale to keep the status quo."

While HB 386 represents no new initiative to provide export assistance, it facilitates AIDEA's strategy of coupling local export services with federal programs such as the World Bank. This "piggy back" approach to other programs may be a model for the Division of Trade to emulate.

Alaska Seafood Marketing Institute

The Alaska Seafood Marketing Institute (ASMI) was founded in 1981 to market Alaska's number

one export: seafood. While it does not receive any general fund dollars, ASMI's contribution to Alaska's international presence is significant.

The Institute is mandated to generically market Alaskan seafood products in both the domestic and international markets. ASMI's funding comes from three major sources: federal grants, a seafood processor tax and an ex-vessel value fish tax.

Self Supporting: Roughly \$3 million dollars of Federal funding is used to target international markets in mainland China, Japan, Taiwan, Australia, and most European Union countries, including Spain, France, and Great Britain. ASMI re-

ceives a 3/10ths percent tax from fish processors and a 1% gross ex-vessel value tax from fisherman. This 1% tax is statutorily mandated to fund domestic marketing efforts. The wisdom of restricting their marketing in this way has been questioned and may be reconsidered. In 1998, their operating budget was near \$8 million dollars.

It is less than clear why both the Division of Trade and Development and ASMI have independent marketing programs for Alaska's fisheries. The legislature should consider consolidating them in the most cost effective manner.

Salmon & White Fish: ASMI's primary focus is salmon promotion. In recent years they made significant inroads in the national school lunch program and food service wholesale distributors.

ASMI also undertakes promotion of Alaska's many white fish species and realizes considerable success. While competition from farmed salmon is increasing, white and bottom fish species offer more stable and growing markets.

Alaska Seafood Marketing Institute's charter automatically sunset on June 30, 1998. Renewal legislation unnecessarily occupied ASMI and the Legislature until late in the session. (Its new ten-

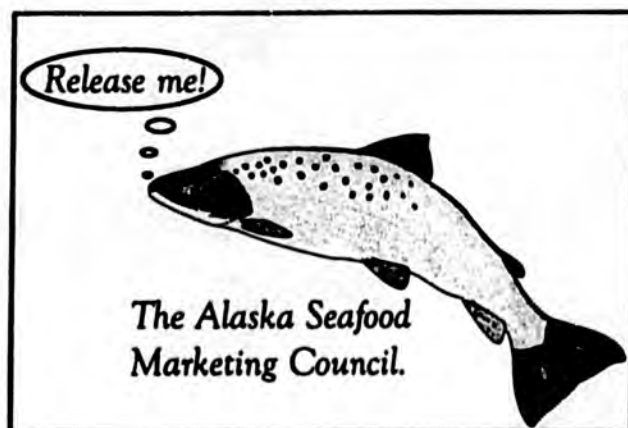


ure expires 2003). Additionally, each year ASMI must come before the legislature for budget approval and program scrutiny.

Call For Legislative Restraint ASMI uses no state funds. The taxes paid by the fishermen and processors are voluntary taxes collected by the state, but not mandated by the state. They are used as matching funds for a federal grant. ASMI is an example of an industry paying for itself. As such, the legislature should unfetter ASMI. They have a Board of Directors competent to manage their affairs. Legislative oversight is largely unnecessary and distracting from their goals. The legislature should consider exempting ASMI from the Executive Budget Act. A marketing cooperative or non-profit corporation may be a more suitable form of organization for their mission.

The Alaska Center for International Business was defunded in Fiscal Year 1998 per the recommendation of the Interim Task Force.

University of Alaska: Alaska Center for



International Business

The University Board of Regents created the Alaska Center of International Business (ACIB) in 1984. Their goal was to:

"... facilitate the development of sound business and economic relations with nations of the Asia-Pacific region and other nations of the world, and to help Alaska diversify its economy and expand its economic base through international

trade." (<http://genghis.scob.alaska.edu/CENTERS/acib.html>)

The Center maintained a trade database which tracked Alaska export and import activity. Echoing a familiar trend, the ACIB tracked the flow of natural resources from Alaska, particularly with the pacific rim countries.

The Alaska Center for International Business was defunded in Fiscal Year 1998 per the recommendation of the Interim Task Force. The bulk of the savings were transferred back into the Alaska Technology and Science Foundation. (The termination of the ACIB's funding was not done as part of a comprehensive plan or effort to streamline or improve the state's overall international strategy.) In fact, it was the only Task Force recommendation actually implemented.

University of Alaska: American Russian Center

Operated by the University of Alaska and primarily funded by grants from the United States Aid for International Development and the United States Information Agency, the mission of the American Russian Center,

*"... is to train Russian entrepreneurs, promote the development of Russian small business activities in the Russian Far East, and promote linkages between US and Russian companies."*¹⁶



Through its offices in Anchorage, Khabarovsk, Sakhalin, Yakutsk, and Magadan the Center focuses on educating Russian citizens in the methods of successfully operating businesses in a free-market context. Business management practices, protocol and techniques are taught with the goal of establishing a prosperous small-business infrastructure in the Russian Far East. To date, 14,000 people have completed classes

offered through the American Russian Center.¹⁶

Alaska's geographic proximity to the Russian Far East makes the establishment of a stable business environment there of interest to all Alaskan companies with international trade capabilities. Indeed, one of the Center's stated goals is,

*"... the promotion of the business linkages between U.S. and Russian companies."*¹⁶

Additionally, the Center offers logistical support for U.S. businesses in the Russian Far East. Translators, transportation, and communication assistance are available on a "cost reimbursement basis."¹⁷

Every year the American Russian Center's programs and effectiveness are reviewed by the U.S. State Department prior to annual grant approval. This analysis ensures that the Center's programs are on-target and responsive to the actual needs of potential business people on both sides of the international date line. Federal funds being applied effectively through the University system serve to enhance Alaska's international trade stature and avail more business opportunities for Alaskans.

United States Commercial Service

The United States Commercial Service is a component of the U.S. Department of Commerce with offices in Anchorage, and 135 foreign cities. The mission of the Commercial Service is to:

- "Promote the export of goods and services from Alaska
- Maintain job security, and create jobs
- Protect and advocate for Alaskan business interests abroad
- Assist Alaskan firms in realizing their export potential

by providing expert counseling and advice, information on overseas markets, international contacts, and trade promotion vehicles

- Support the export promotion efforts of other public and private organizations creating, through partnership, a full-service export development infrastructure."¹⁸

In the *Private Sector International Business Needs Assessment* the U.S. Commercial Service was the most preferred choice for export assistance. Mr. Lane notes that,

*"[The] CSUSA provides Alaskan companies access to the most comprehensive range of trade support services in the United States (at no cost to the State of Alaska). CSUSA's services are so complete that every state supported export assistance organization in Alaska essentially duplicates CSUSA services in one way or another."*¹²

On December 12, 1997 the Alaska Department of Commerce and the U.S. Commercial Service announced that their Anchorage offices would be co-located in the Frontier Building. Co-location is an important step towards fulfilling the "one-stop" export assistance needs of Alaskan businesses. However, the conspicuous question remains:

Does the State of Alaska have any business duplicating

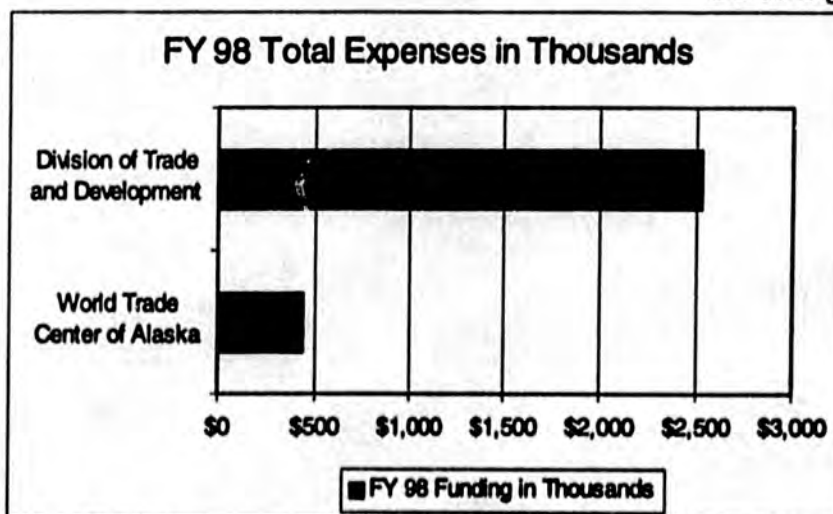


Figure 4

Federal services even if they are next door? What damage would be done by simply referring interested Alaskan exporters to the Commercial Service? "They're right down the hall."

World Trade Center

The mission of the World Trade Center of Alaska (WTCA) is:

*... "to provide a quality service in an efficient manner to members so that trade is facilitated for Alaskan businesses in the international marketplace."*¹⁹

The World Trade Center is supported by a variety of fees charged for membership, conferences, services and publications.

Through its association with over 300 World Trade Centers in over 100 countries, the WTCA provides networking opportunities second to none. Additionally, the WTCA offers educational courses on export, import, trade and business issues. As part of the World Trade Center system, the Alaska chapter offers worldwide communication services, global business profile databases, and on-line information systems designed to expedite international trade efforts.

In 1998, the World Trade Center for Alaska will receive no Federal or unearned State funds. For less than half of the cost of the State's overseas offices alone, the World Trade Center effectively and efficiently provides its 200 members with services that surpass those offered by State administered programs.

The World Trade Center Alaska is a franchise license owned by the University of Alaska. It has been in competition with other international trade programs at the University. Too frequently it is treated as the political bastard-child of the governor's office and the University President's office. The State of Alaska's Division of Trade and Development is its primary competitor.

During the past year, the WTCA attempted to incorporate as an independent nonprofit corporation. However, they were stymied by the governor's office; and the University refused to transfer the license. Instead, for reason that is unclear, the University terminated all of WTCA's employees without consultation with the Director. New appointees to the Board of Directors were pre-approved by the Governor and new employees were hired. Non-profit corporation status was finally achieved as of July 1, 1998.

Yet, the State of Alaska, Division of Trade and Development remains the most significant competitor and worst detractor of the World Trade Center, Alaska.

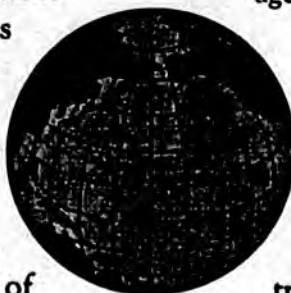
Anchorage Economic Development Corporation



AEDC is the Municipality of Anchorage counterpart to the state's Division of Trade and Development. It has the same mission for Anchorage as the Division does for the state. AEDC is a private, nonprofit corporation. Its funding comes from private donations, state and municipal grants. In FY 98, their budget is \$1.24 million for both domestic and international operations.

AEDC's involvement in international trade is inherent in its charter and in its role as marketing contractor to the International Airport System. It publishes an Annual Work Plan, a Five Year Business Plan and periodic project status reports. Its goals are well defined and lend themselves to measured performance.

AEDC is developing an econometric model to demonstrate the advantages of Anchorage based logistical operations. It will be used in making presentations to attract companies to Anchorage from overseas and the lower 48.



ISSUES OF CONCERN

Redundancy Reduction

Duplication of services among agencies is one of the principle causes of inefficiency within the State's export assistance framework. A review of material published by the Division of Trade and Development reveals that the bulk of services offered by State agencies are available from other State funded efforts, the United States Commercial Service or long-standing organizations in the private sector.

According to the chart published by the Division of Trade,²⁰ there are no services offered by the State that are not also available in the private sector. In fact, a more detailed analysis indicates that according to the Department's own criteria (what they think is important to businesses) there is not a single service offered by the State of Alaska that is not also available through Federal or private organizations. When budgets are being cut on all sides, and lawmakers are forced to find the least severe method of reducing spending, such apparent redundancy raises the question: is it responsible for the State to continue duplicating services available elsewhere?

Non-Existent Performance Measures

The Division of Trade suffers from the lack of a tangible mission and measurable goals. In his response to the Governor's expanded FY 99 budget, Representative Mark Hanley, House Finance Committee Co-Chair summarizes the legislative majority's results-based budgeting guidelines:

When budgets are being cut on all sides, and lawmakers are forced to find the least severe method of reducing spending, such apparent redundancy raises the question: is it responsible for the State to continue duplicating services available elsewhere?

"Our goal is to develop budgets based on results. That requires cooperation between the legislature and the administration to develop goals, evaluate performance and require accountability. Good performance should be rewarded and emulated, poor performance should be altered and ultimately eliminated." - Representative Mark Hanley

Given the multi-million dollar budget of the Division of Trade and Development and the hundreds of thousands of dollars sent abroad, the inability to measure the Division's performance is a red flag.

Budget accountability is a problem that plagues all economic development programs. According to a study conducted by Conway

and Nothdurft,²¹ too many foreign trade offices try to justify themselves with,

*"activity numbers, e.g., the number of meetings attended, phone calls answered, trade seminars attended or sponsored, leads listed, etc."*²¹

Alaska is not alone in finding it difficult to report "hard export sales." Other states have the same problem. They are doing innovative work to stay on mission and be focused.

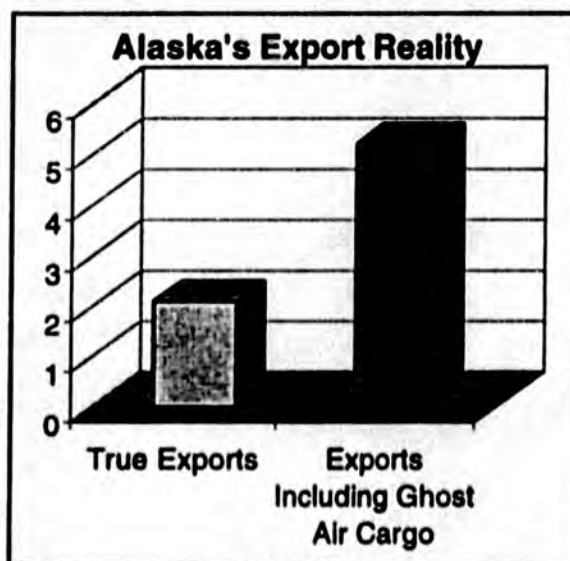


Figure 5

Of course, the Alaska Division of Trade is quick to cite the growth of Alaska's exports. They highlight "trade missions" and related activities.

Based on their study of similar programs throughout the lower 48, Conway and Nothdurft caution:

"Under current fiscal conditions, clinging to activity numbers while hoping for the best is no longer sufficient. More-

over, legislative audits of state trade program have found that even these "results" are weakly documented, inaccurate and sometimes significantly exaggerated."²¹

Results from Alaska's foreign trade program would be easier to measure if they were more tightly defined. Increased definition, however, makes shortcomings easier to criticize. Once we have a good program in place, we need to look at shortcomings in our results as guide marks for our future course.

Distilling Ghosts

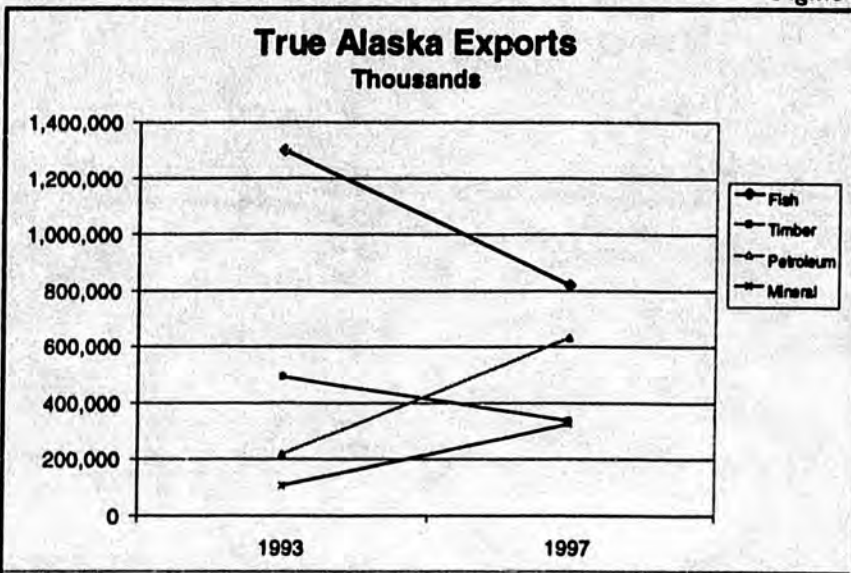
The federal government collects massive amounts of information on foreign trade and travel. The information is feedstock for user groups who distill it for their own purposes. Sometimes, state agencies take the feedstock, do not distill it, and simply repackage it with their own label.

Consequently there is a lot of questionable information available about the nature of Alaska's foreign trade.

For example, a state publication entitled, *Alaska's Top Ten Export Markets*, lists the People's Republic of China, Belgium, Italy and Thailand among our top ten trading partners. Most Alaskans would be surprised to read that Alaska exported \$87 million worth of chemical products to the PRC, \$29 million worth of transportation equipment to Italy (a lot of dogsleds?) and \$790K of rubber to Belgium. Surprising? Yes! Correct? No!

Ghost Exports

Each day international shipping giants



move millions of dollars worth of cargo through Anchorage International Airport. This activity

generates billions in ghost export figures for the state; figures which are quickly cited by those asking the state to spend more to promote trade growth.

Upon inquiry by IT&T Committee staff we learned that the data is derived from export declaration forms required by the

U.S. Customs Bureau, distilled by the U.S. Census Bureau, then repackaged and labeled by the Alaska Division of Trade and Development.

It seems that Anchorage is the official U.S. Customs exit-port for many U.S. cargo aircraft that transit Anchorage International Airport enroute to their overseas destinations. U.S. Customs, and in some cases U.S. Shippers, register the exports at the official exit-port instead of the state of origin. However, our State foreign trade officials refuse to recognize the disparity between U.S. Customs records and the records of exports actually produced in Alaska.

For lack of distilling the Customs data into a relevant information product, the State of Alaska has been publishing misleading reports about our export activity.

While the Division of Trade benefits by painting a rosy picture of Alaska's export growth, the reality is that two of our major economic sectors are not doing well.



"Irrational Exuberance"

A hard look at the facts about Alaska foreign trade reveals a disturbing trend. Fishing and timber exports have fallen sharply in the last several years, offset only partly by increases in oil and mineral exports.

Underlying this shift is a more troubling observation. The fishing and timber industries are more job intensive than the petroleum and mining industries. The fishing industry, especially, spins off more jobs for small business and individuals than any other industry. They have the most direct impact on the economic welfare of the greatest number of Alaskans.

In contrast, oil and mineral reserves are extracted by large out-of-state, even foreign, corporations. Their greatest impact is directly on the state treasury. While the Division of Trade paints a rosy picture of Alaska's export growth, the reality is that two of our major economic sectors are not doing well.

A close look at the numbers presented in Alaska's Top Ten Export Guide (see appendix D) reveals that the vast proportion of trade with foreign entities is conducted by large corporations who use Alaska merely as a raw material source or transportation pit-stop on their way to Pacific Rim profits. According to International Trade Consultant Timothy Lane, most of Alaska's export deal-making occurs through long-established corporate and financial channels, few of which exist in Alaska. "Today, the export of natural resources is largely controlled by outside intermediaries. . ."²²

"Indeed, the Private Sector International Needs Assessment found that most international trade flow from and through Alaska is conducted by corporations who employ international trade specialists and maintain foreign networks independent of any State agency."²³



APPROPRIATE STATE INVOLVEMENT

Alaska needs to regroup and rethink the role of state government in fostering a healthy international business climate.

The State occupies a vital position in the eyes of potential foreign customers. Foreign corporations often seek assurances that the companies they deal with are reputable and in good standing with the State authorities.

Perhaps most important, the State of Alaska occupies a unique position in the eyes of foreign governments. While the role of the state in private enterprise is minimal in the United States, in foreign societies government involvement is often quite high. The state's chief role must be to support its resident businesses by providing a "government-to-government" presence where it is most expected and needed.

Mr. Lane noted that in the event that an Alaskan business finds itself the target of unfair foreign business practices, or governmental harassment, the State may consider "going to bat" for Alaskan companies.¹²

* * *

House Bill 472, An Act relating to apportionment of business income, is an excellent example of government's appropriate role in fostering overseas business. With the Alaska Supreme Court ruling in February 1998 that the Department of Revenue may tax foreign-flagged ships and planes, Alaska's position as a competitive trade stop was jeopardized. Indeed, such taxation could have cost businesses that operate in Alaska



HB 472 prohibited a tax policy that hurt the cruise ship industry.



millions of dollars yearly, thus driving consumer costs higher. By taxing foreign vessels, Alaska would expose its water carriers to retaliatory taxation by the affected countries.

As the ramifications of the Court's decision became known, Alaskan businesses sought relief from the legislature. The House Labor and Commerce committee, Chaired by Representative Norm Rokeberg, sponsored House Bill 472 to prohibit the anti-business taxation policies sought by the governor and to enhance Alaska's standing in the international arena. The measure overwhelmingly passed both bodies of the legislature. Good location, low taxes and minimal regulatory interference remain Alaska's best trade lure.

There is a significant responsibility placed on those who would encourage small, young Alaskan companies to engage in the volatile, unforgiving game of international trade.

infrastructure development is high. The cost of transportation is high. There are no end markets near Alaska's potential production centers. As of yet, there are virtually no marketable consumer goods that Alaskans can produce in volume which are capable of competing on the world market against similar goods produced in China, Thailand, or Taiwan.

"From an international-trade perspective, perhaps the greatest difference [between Alaska and Lower 48 states] is that Alaska has virtually no manufacturing base." - Robert Poe²⁴

There is a significant responsibility placed on those who would encourage small, young Alaskan companies to engage in the volatile, unforgiving game of international trade. Two Alaskan companies claimed as trade successes

by the Division of Trade and Development²⁵ have suffered from the realities of foreign market instability and the high cost of engaging in overseas competition. A small clothing design company cited by the Division ceased selling to Japan because of the burden it placed on their domestic sales capability. A seafood marketer in Southcentral Alaska is on the brink of collapse due to the Asian market downturns. The lesson is that success needs to be measured over the long-term, not in episodic events.

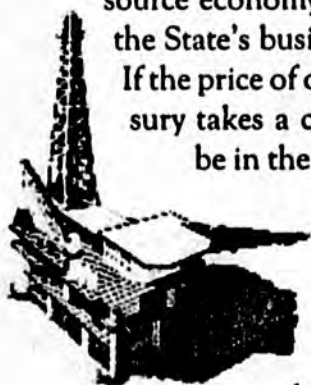
Alaska's current economic strength lies in its natural resource reserves and its proximity to Pacific Rim energy and seafood markets. As previously noted, the companies involved in these profitable foreign markets are the least in need of State assistance. With this reality in view, expending State monies to stimulate overseas exports of natural resources to Japan and Korea amounts to "gilding the lily." In contrast to the Division of Trade's focus, the future for homegrown Alaskan businesses lies in the worldwide delivery of trade and

OBSERVATIONS & RECOMMENDATIONS

Forming Obtainable Objectives

Alaska's financial well-being has always been vulnerable to the ups and downs of a natural resource economy. If salmon prices are high, the State's businesses enjoy a cash infusion. If the price of oil goes down, the State's treasury takes a corresponding dip. It would be in the interest of all State residents, therefore, to foster a more diversified economy. With this simple objective in mind, the Department of Commerce has pursued market research, hundreds of overseas trade missions and produced considerable amounts of literature. Yet, substantial results remain elusive.

With the exception of northern novelties the geography and location of Alaska inhibits the establishment of a sustainable manufacturing economy. The cost of labor is high. The cost of



CAUTION
WATCH YOUR STEP



services, including the lower 48. An Alaskan company that is internationally trade capable with a product or service in demand can find all the assistance and expertise necessary in the private sector. In fact, it has been said that an entrepreneur who can not, or will not, afford international business consulting, is not prepared for the international market.

Focusing Alaska's Export Assistance

The Alaskan businessperson interested in learning more about International trade issues and opportunities is confronted with a confusing array of choices.

- The Division of Trade and Development
- Alaska Industrial Development and Export Authority
- American Russian Center
- Alaska State Chamber of Commerce
- World Trade Center
- Small Business Development Center
- U.S. Commercial Service
- Export Council of Alaska
- Small Business Administration



Implementing this transition must be a united effort of the legislative and administrative branches of government.

In the face of such a daunting matrix of "services" it is no wonder research²⁶ indicates many Alaskans interested in overseas trade seek the assistance and expertise of friends, family members and the private sector. At least those sources offer one-stop potential.

It is out of this amalgam of state and federal programs that state policymakers must forge a unified, focused State program that dovetails the offerings from the private sector.

Creating a Client Responsive Program

As discussed earlier, the absence of salient performance measures leaves both the Division and policymakers in an information vacuum. Programs are initiated with little or no substantiated demand from the private sector. While the Division has made good faith efforts to establish ways to measure its effectiveness, the free market has already established the decisive test: are businesses willing to pay for the services or information offered?

Research requests, trade mission assistance and contacts that generate business activity will be gladly paid for by any business serious about international trade. Indeed, the U.S. Commercial Service and the World Trade Center have developed highly effective assistance organizations based on the fee-for-service principle. It is important to the growth of new business that

essential startup information and basic services be available at affordable rates. Once a fee schedule has been established that respects the needs of both small and large businesses, the validity of business assistance activities may be easily evaluated based on income from

each service. While complete cost recovery may not be practical in all instances, more valuable will be the information conveyed by business spending patterns.

Harnessing Existing Private Expertise

The Department of Commerce could expend tens of thousands of dollars and take years to research, propose and actually implement a program that was truly responsive to the real needs of Alaska's business community. Assuming that the Department could agree on a cohesive strategy, experience has shown that unless the program is structured to expand and contract with the actual need for service, soon the State will



be burdened with yet one more deficient bureaucracy.

Research indicates that of potential exporters 89.5% would turn to the private sector for overseas business expertise.²⁷ With such an overwhelming preference among those businesses the private sector, common sense argues that the State follow their lead instead of reinventing the wheel.

The Gap

Successful international trade results should be measured by the value of contracts between businesses. Though government is integrated with business in some countries, under our system, government must remain distinct from business in order to maintain evenhandedness and avoid the practice of favoritism toward a particular business. Information and contact referrals are the most valuable services our state offices are allowed to provide. A service made available to one business must be made available to all.

A gap exists between the services the state is allowed to provide and the ingredients necessary to consummate a business contract. Entrepreneurial aptitude is important in the business milieu. It is not a trait included in the job qualifications for a state trade representative. Without a "nose for a deal," a financial incentive, binding authority of any kind, nor accountability for risk taking, it is doubtful that public employees can play a meaningful role in achieving international business contracts.

International Trade Representatives

However, through our government-to-government role, it may be possible to encourage the establishment of a cadre of trade brokers from

Our principle Asian opportunities were created and are well-maintained by the private businesses that profit from them.



foreign countries who would live in Alaska. They would become expert about Alaskan business and conduct the entrepreneurial activities necessary to make business happen. They could be funded by whatever combination of private and government funds they can arrange from their own country. They would endure only as long as their patron deems their results worthwhile. Alaska's role could be to provide some limited subsidy for communications, office space, trans-

lation or other services that could be partially donated from the private sector. Mutual government involvement would be the verification of business credentials and to provide some de minimis certification that the trade representative is in good

standing with the government.

If Alaska is going to compete for international business with British Columbia, Washington, California, and other power houses in the lower 48, we must consider new approaches to cementing business relationships. Representative John Cowdery outlined this approach in meetings with executives in Taiwan, Korea and Alaska. Responses have been enthusiastically positive. A concerted effort from Alaska is in the waiting.

A One-Stop Export Assistance Model

In over a decade of expenditures, the State of Alaska has made numerous well-meaning attempts to act as a catalyst for Alaskan businesses in the international trade arena. For all of these efforts, expenses and programs, the results are disappointing at best. While the agencies desperate for funding can conjure up a few anecdotal "success" stories, the reality is that the State of Alaska has spent large sums of money with the barest of results. Misassumption and illusory visions of Alaska as a major export power in the world market are the primary causes of

failure. Additionally, the State's "obsolete" Pacific Rim focus and scattering of assistance resources has contributed to the diffusion of effectiveness in state programs.¹²

Throughout the review of materials, services and programs, one organization stood head and shoulders above the rest; the World Trade Center. They have a structure of client support which insures responsive, dynamic service in tune with the needs of their clients. They operate entirely on funds raised in the private sector, or earned from contracts with government. They offer a comprehensive range of services for membership fees that start at just three hundred dollars. They succeed despite reaction from the State's Division of Trade that ranges from indifference to hostility.

It has become apparent that the State of Alaska could save hundreds of thousands of dollars, consolidate all State international trade assistance activities into a one-stop location, and insure a higher level of service to potential Alaskan exporters by establishing the World Trade Center as the official State Export Assistance Center.

Presently there are too many turf wars among the players. The governor favors state control with directly funded state programs. Representative Cowdery and many other legislators favor contracting for private sector services, like the World Trade Center, and retaining only protocol and trade mission coordination in the governor's office.

A simple formula of funding should be developed which insures a long-term support framework for the World Trade Center based upon actual demand for services. Demand may take the form of services needed by the State executive and

An Alaskan company that is internationally trade capable with a product or service in demand can find all the assistance and expertise necessary in the private sector.

legislative branches. It may also include certain, defined, services to Alaskan small businesses. It should be recognized that all state provided services are direct subsidies and must be evaluated against a measure of public benefit.

As a condition of support, the World Trade Center should be asked to establish a solid working exchange with the United States Commercial Service. An effective relationship with the USCS would prevent the duplication of market research and foreign office services that now drain Alaska's assistance resources.

Export Finance Expertise

The legislature's research highlighted one service the State has not provided that would be greatly appreciated by the Alaskan business community: an export finance counselor. The Senate/House Interim Task Force on International Trade Resolution states in part,

"FURTHER RESOLVED that the information services provided should include specialized export finance information, which probably will need to be provided through an experienced specialist; . . ."

To date, this call has been unheeded. AIDEA's report seems to indicate that additional expertise isn't necessary. Our foreign trade community needs to come together on this issue.

In keeping with the "one-stop" philosophy, the World Trade Center is an ideal seat for an export finance advisor. As the demand for this expertise will rise and fall unpredictably, this position would most efficiently be staffed on a contractual basis.

Establishing the World Trade Center as the State's sole source for international trade assistance would bring



International Trade is not for the faint of heart.



Alaska's business community the greatest benefit, at the least State expense.

Reinforcement

In order to review the findings of the *Private Sector International Business Needs Assessment*, the Senate President and House Speaker appointed an Interim Task Force on International Trade in 1996. The task force reviewed the survey findings and Mr. Lane's evaluations and made a series of recommendations. Their report, titled, "International Support Network Restructuring Recommendations" (see appendix F) outlines a number of program enhancements and reductions that parallel the needs described above.

Prescriptions deserving continued discussion include:

- Direct the Division of Trade to discontinue all export assistance services (including export counseling, exported related publications, etc.)
- Eliminate funding for DTD office in Seoul, Korea.
- Eliminate funding for DTD office in Tokyo, Japan.
- Direct DTD to reclassify all employees as classified.
- Direct DTD to strategically reassess staff qualifications based on elimination of export assistance services.

In February of 1996, the Department of Commerce responded to many of these points, in some cases with resistant language. Using the words "critical mistake", "undercut", "undermine" and "deeply troubled",²⁸ then Deputy Commissioner Sedwick countered the most substantive recommendations of the task force with essays on the "critical role" played by our foreign offices and the essential services provided by

All indicators point to the need for a change in direction.

the Division of Trade and Development.

Yet, research and critical review indicate that substantive change is imperative to the well being of Alaska's international trade network. All indicators point to the need for a change in direction. Implementing this transition must be a united effort of the legislative and administrative branches of government. Effective customer interface and responsive program development will not occur without positive support from the legislature and substantial initiative from the Department. In view of the sharp disparity between the Interim Task Force's recommenda-

tions and the convictions of the Department of Commerce, it is appropriate to move the discussion forward by addressing these core differences.

The assertions of program necessity made by the Department rest on three false assumptions.

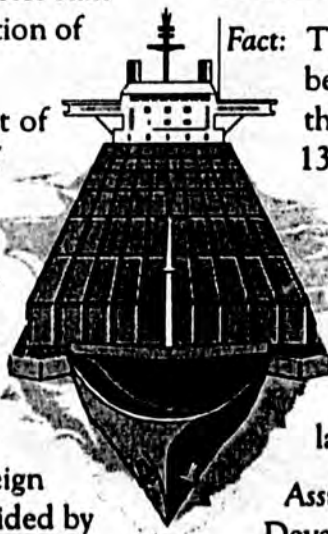
Assumption: The Division of Trade and Development offers unique information.

Fact: Trade information and market analysis are available from the U.S. Commercial Service, U.S. Customs, and the World Trade Center.

Assumption: The three foreign offices supported by DTD are the only overseas contact points available to Alaskans.

Fact: The World Trade Center has five member service offices in Japan alone, while the U.S. Commercial Service offers over 135 foreign outlets. If that were not enough, Japan, Korea, Mexico, Canada, Norway, Finland, France, Sweden, Germany, Great Britain and the Russian Federation offer trade assistance and market information services through their respective Consular Corps, in Alaska. (see appendix I)

Assumption: The Division of Trade and Development's programs are vital to the



health of Alaska's international trade.

Fact: According to international trade consultant Timothy Lane, the vast majority of Alaska's export income flows through long-established trading channels in Seattle and elsewhere, negotiated by private sector expertise, paid for through out-of-state money connections and maintained by large and diverse corporations.

In fact, sixty percent of the export trade claimed by the Division to be a cornerstone of their success merely lands at Anchorage International Airport and takes off again. In one simple sweep the legislature could trim hundreds of thousands from the State budget while creating a unified, focused source of effective, non-redundant business assistance services. In doing so the legislature would send a clear message of support and responsiveness to the Alaska business community and create a support framework in-line with the twenty-first century's global marketplace.

What has developed is reminiscent of the chicken and the egg. The Division of Trade and Development operates under the naïve presumption that Alaska's international employers need the Division's services to succeed. The reality is that private corporations have seen an opportunity, taken a risk, and reaped the rewards. Rewards which the Division then publishes as an export statistic establishing their worthiness for funding.

In summary, the Division of Trade and Development asserts that closing the foreign offices would result in the following dangers:

*"Jeopardize key Asian markets"*²⁹

- Our principle Asian opportunities were created and are well-maintained by the private businesses that profit from them.

*"Ignore private sector demand"*²⁹

- There exists no meaningful, unique, private sector demand for Division of Trade services. The little private sector demand that exists may be well met by private and Federal programs already in place. Division of Trade's real strength lies in its ability to generate support

from its political allies on behalf of their own programs.

*"Cut off vital trade and government contacts"*²⁹

- Some Alaskan presence and ties will be lost. The adjective "vital" is misplaced. Those that generate the vast majority of Pacific Rim receipts main-

tain their own array of trade and government connections. The DTD needs to realize that its position, its government status, and its very real funding limitations, will never allow the Division of Trade to be all things to all people in foreign trade. Only by applying the state's limited resources to the more focused goals of trade mission and protocol assistance, will the state become the channel for international success that it aspires to be.

*"Undercut efforts to refocus overseas trade program,"*²⁹

- Cutting these offices is the rational and overdue "refocusing" effort.

The Division of Trade and Development has worked hard to establish the programs and offices now in place. Unfortunately, their techniques and focus have been ill-guided. The time has come to trim the Division's dated programs and refocus the role of State involvement. Real needs and opportunities exist in the realm government-to-government relations, advocacy for Alaskan interests under attack and the promotion of the State as an attractive investment target.

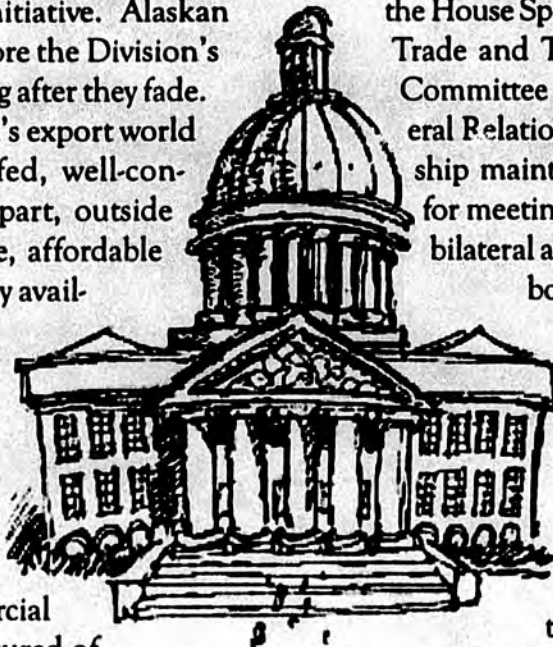
In fact, sixty percent of the export trade claimed by the Division to be a cornerstone of their success merely lands at Anchorage International Airport and takes off again.



Summary

International business success is rooted in private sector expertise and initiative. Alaskan success overseas existed before the Division's programs and will thrive long after they fade. The major players in Alaska's export world are well-funded, well-staffed, well-connected and, for the most part, outside owned. There are effective, affordable international services readily available through the World Trade Center and the U.S. Commercial Service. With a relatively minor contribution to the World Trade Center and the fostering of strong working relationships with the U.S. Commercial Service, Alaskans can be assured of streamlined, robust international business assistance service for years to come.

The Legislature is not immune from criticism about redundancy in international trade activities.



The House has two separate committees dealing with international trade issues. In addition to the House Special Committee on International Trade and Tourism, and the House Special Committee on World Trade, State and Federal Relations, the Senate and House leadership maintain separate staff and programs for meeting the obligations of protocol and bilateral agreements with foreign legislative bodies.

Due to cooperation among the leadership and the committee chairpersons, the appearance of redundancy has been greater than the reality. However, in order to eliminate confusion and invoke the same streamlining for the legislature that is herein preached for the executive branch, it will be recommended by Chairpersons, Representative John Cowdery and Representative Ramona Barnes, that the 21st Legislature should form a single house committee for international affairs.

* * * * *

EPILOGUE

"To make no mistake is not in the power of man; but from their errors and mistakes the wise and good learn wisdom for the future." - Plutarch

In Tom Morris's book, *If Aristotle Ran General Motors*,^a he adopts the Aristotelian view that four transcendent values have been present in all cultures throughout history. They are Truth, Goodness, Beauty and Unity. Mr. Morris says these values reinforce each other and cannot be achieved absent each other.

Further, Mr. Morris develops the rationale that certain organizational models foster these transcendent values while others inhibit them.

He describes the Competitive Organization, the Comparative Organization and the Collaborative Organization. Then he relates certain behavioral characteristics that are manifest in each model.

The Competitive Model is characterized by adversarial thinking. At the other end of the continuum, the Collaborative Model is characterized by synergism and partnering.

By the lights of many who are involved in Alaska's international trade activities, we have an abundance of resources chasing scattered notions of success. "Synergism and partnering" would go a long way toward improving the results we get from our public expenditures.

Change is needed. Organizations change for better or worse just like people do. They can change as a result of conscious decisions, or drift along like bubbles...

a - *If Aristotle Ran General Motors; The Soul of New Business*, Thomas V. Morris, Henry Holt & Company, New York, 1997

FOOTNOTES

- 1 - *Private Sector International Business Needs Assessment*, by the World Trade Center for the Alaska Legislature, 1995, pages A-1, A-2
- 2 - *Agency Evaluation Recommendations*, Mr. Timothy Lane for the Alaska Legislature, 1995, page 2.
- 3 - Resolution of the Interim Task Force on International Trade, 1996, See Appendix "C".
- 4 - 1996 International Trade and Tourism Committee Report on Tourism, Recommendations 1(b).
- 5 - *Summary Report on Tourism*, Representative Beverly Masek, ITT Committee past Chair, pages 2-3.
- 6 - 1996 International Trade and Tourism Committee Chair recommendations, point #3.
- 7 - Alaska Visitors Association, *Millennium Plan*, as submitted to the 20th Legislature, 2nd session.
- 8 - *Alaska: Guide to Export Assistance*, Division of Trade and Development, State of Alaska, page 14
- 9 - *Establishing a Business in Alaska*, Division of Trade and Development, State of Alaska, back cover.
- 10 - Per personal communication with Ms. Pricilla Wohl, DTD Trade Specialist.
- 11 - Ibid.
- 12 - *Agency Evaluation Recommendations*, Mr. Timothy Lane for the Alaska Legislature, 1995, page 4, 5.
- 13 - Ibid, page 10
- 14 - *Private Sector International Business Needs Assessment*, by the World Trade Center for the Alaska Legislature, 1995, (Of the 271 respondents to the *Private Sector International Business Needs Assessment* only 17 businesses (6.5%) indicated that they did or would use the Division of Trade and Development for assistance.)
- 15 - AIDEA, 1997 Annual Report, inside cover.
- 16 - <http://www.acib.uaa.alaska.edu/arc/missionstat.htm>
- 17 - *Alaska: Guide to Export Assistance*, Division of Trade and Development, State of Alaska, page 17
- 18 - (<http://www.alaska.net/~export/>)
- 19 - *Alaska: Guide to Export Assistance*, Division of Trade and Development, State of Alaska, page 34
- 20 - Ibid, pages 2-3
- 21 - *The International State, Crafting a Statewide Trade Development System*, Carol Conway and William Nothdurft, The Aspen Institute, 1996, pages 96-97
- 22 - *Agency Evaluation Recommendations*, Mr. Timothy Lane for the Alaska Legislature, 1995, page 2
- 23 - *Private Sector International Business Needs Assessment*, by the World Trade Center for the Alaska Legislature, 1995, Table VII-E.
- 24 - Robert Poe & Associates, "Financing Alaskan Exports" prepared for AIDEA, page 32
- 25 - February 7, 1996 Division of Trade and Development Discussion Paper, Section B (see appendix G).
- 26 - *Private Sector International Business Needs Assessment*, by the World Trade Center for the Alaska Legislature, 1995, pages B-16, B-21
- 27 - Ibid, Table VII-B
- 28 - February 7, 1996 Division of Trade and Development Discussion Paper (see appendix G).
- 29 - Ibid.

APPENDICES

- A: *Private Sector International Business Needs Assessment* (1995), an exhaustive study of the needs of Alaska Businesses conducted by the World Trade Center under contract to the Alaska Legislature.
- B: *Agency Evaluation Recommendations* (1995), an analysis of the *Needs Assessment* by International Trade Consultant Timothy Lane under contract to the Alaska Legislature.
- C: Resolution of the Interim Task Force on International Trade (1996), spells out the conclusions and recommendations of the Task Force in light of the Needs Assessment and Mr. Lane's report.
- D: *Alaska Top Ten Export Guide*, Division of Trade and Development, State of Alaska.
- E: *Alaska Guide To Export Assistance*, Division of Trade and Development, a comprehensive Department publication which outlines all of the business assistance services available in Alaska
- F: Interim Task Force on International Trade, *International Support Network Restructuring Recommendation Recommendations*, specific funding allocation recommendations of the Task force in light of the Needs Assessment and Mr. Lane's report.
- G: February 7, 1996 Ms. Sedwick letter to International Trade & Tourism Chairs, the Department's response to the Task Force's recommendations.
- H: International Trade and Tourism Committee Meeting Excerpts which highlight the findings of the Needs Assessment.
- I: Alaska Consular Corps Table.

Note: Appendices are in the possession of the House Special Committee on International Trade and Tourism until the end of the 20th Legislature at which time they will be transferred to House Records, 130 Seward street, Suite 211, Juneau, AK 99801

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APPENDIX

A

III

State of Alaska

**Private Sector
International Business
Needs Assessment**

Commissioned by:

**Alaska State Legislature
July -October 1995**

**Prepared by:
World Trade Center Alaska**

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- Special Letters from Hilmer Johnson, Northern Hemisphere Inc. Exhibit B
- Special Letter from Mark Fryer, FPE Roen Exhibit C
- Special Letter from Terry Brady Exhibit D
- Needs Assessment Survey and Cover Letter Exhibit E

Part A

Executive Summary

EXECUTIVE SUMMARY

A. INTRODUCTION

In early 1995, the Alaska State Legislature proposed conducting a comprehensive evaluation of the state's international trade strategy. The process was to include three primary elements:

1. A survey of the international business needs of Alaskan private sector companies.
2. A public review of state international trade facilitation organizations.
3. An examination of international trade promotion efforts in other states.

Together, the three elements will be used in the (legislature led) development of an unified and effective state international policy.

The following report is a compilation and analysis of the results of the private sector business international needs assessment segment of the policy review.

B. PRIVATE SECTOR SURVEY RATIONALE

The presence of international trade assistance organizations (ITAOs) in Alaska has grown dramatically in recent years. Consequently, it has become widely assumed that Alaskan companies, across industry lines, are in theory increasingly able to procure assistance for developing viable tactical export marketing strategies. However, because most Alaskan ITAOs do not conduct regular effectiveness assessments of their services in terms of the actual needs of current and potential exporters in the state, the extent to which ITAOs have spurred economic growth in Alaska remains undetermined. Conducting an independent survey of Alaska's private sector was necessitated by the lack of any previous assessment of the needs of current and potential exporters in the state.

C. KEY FINDINGS

1. Among Alaskan businesses, a measure of demand does exist for government provided international trade assistance services. However, the nature and delivery of these services must be closely tied to the specific needs of individual companies in order to be effective (i.e., services should be customized rather than generic).
2. Small businesses and service exporters require an export assistance package clearly distinct from export promotion strategies appropriate for large companies, manufacturers, and natural resource exporters. Several companies within the former sector group reported feeling "neglected" by the state's narrow international trade promotion efforts (i.e., the state's traditional focus on assisting established businesses, natural resources, and markets in the Asian Pacific Rim).
3. Export finance, industry specific global market information (and trade leads), improved coordination among state trade assistance agencies, and relief from burdensome legal restrictions were reported as exporters' primary international business needs. Among potential exporters, industry specific global market information and support for small businesses and service sector firms seeking to export were listed as primary needs.
4. While international trade talk in Alaska has historically focused on markets in the Asian Pacific Rim, surveyed companies reported having a comparatively "global" market focus (particularly in the service sector).
5. The number of organizations in the state which report to offer some sort of "international service" has led to confusion among Alaskan companies looking for export or other trade assistance.
6. While there are very few private sector export management companies in the state, a number of Alaskan exporters reported utilizing private sector sources for their international

trade needs. This indicates that several types of private trade intermediaries or specialized in-house / inter-industry expertise are being used in Alaska.

7. Alaskan companies are interested and capable of successfully conducting international business in the changing global marketplace. Like all businesses in the rapidly changing world economy, Alaskan companies face a number of export related challenges. However, integrating the unique export needs of Alaskan companies into a comprehensive state international policy is certainly not an unapproachable matter.

D. METHODOLOGY OVERVIEW

Prior to this study, no academic or trade organization in the state had compiled a comprehensive list of current or potential exporters in Alaska. Thus, determining who to sample was an arduous task. A sample size of 8,000 to 10,000 Alaskan companies was initially considered for the survey. However, the project oversight committee indicated that only a small percentage of Alaskan companies (then estimated at around 1,000) had likely ever exported or considered exporting. Consequently, the final sample size was reduced to 2,000 (the extra 1,000 companies were added to increase representation by service sector businesses). The actual sample / mailing list was developed through the following procedure:

1. A copy of the state's master database list of all registered Alaskan companies was obtained.
2. Businesses without an Alaskan zip code were deleted from the list.
3. Major industry groups were classified by respective SIC Codes.
4. The total number of companies within each SIC Code range was determined.
5. Mailing lists from the U.S. Commercial Service (1995 version), World Trade Center Alaska (1994 - 1995 version), Alaska Office of International Trade (1994 version), Alaska Seafood Marketing Institute (1994 version), and Alaska Foresters Association (1995 version) were incorporated into the master mailing list. * (The oversight committee suggested that companies which had previously responded to trade agency mass mailings would be more likely to respond to an international trade questionnaire than companies randomly selected from the state's master database list).
6. Duplicate company listings, government agencies, non-profit organizations, and companies within non-targeted industry groups (i.e., hotels, hair salons, car dealerships, etc.) were deleted. Companies were re-sorted by Standard Industrial Classification (SIC) and assigned serial numbers correlating to their respective SIC Code (to maintain confidentiality, company names were not matched with actual responses anywhere in the analysis process - instead, surveys were coded within major industry / SIC code groups).

Notes on specific survey questions can be found in the appendix. Throughout the survey results, companies which provided responses to open-ended questions are identified according to the following major industry groups:

- (n) = Natural resources
- (o) = other (light manufacturing, retailing, etc.)
- (s) = services

* "Export interested" service sector company names came primarily from CSUSA and World Trade Center Alaska lists.

= The Alaska Center for International Business was contacted but did not have a list of Alaskan current / potential exporters in the state.

E. ANALYSIS NOTES

The survey's primary objective was to gather general information on the needs of Alaskan businesses in the international marketplace in terms of services currently being provided by trade assistance organizations in the state. To enhance the potential usefulness of the results, companies were classified within major industry categories (represented in the survey results by SIC Codes) and export activity levels (i.e., current and potential exporters.) Because detailed information on the export of commodities from Alaska was already available, service sector companies comprised approximately seventy-five percent of the mail-out sample. Only businesses with an Alaskan ZIP code were targeted to receive surveys.

Specific survey analysis points included:

- To what extent are businesses within certain industry classifications (especially the service sector) exporting?
- What factors primarily motivate Alaskan companies to export?
- To what extent is exporting an element in a company's long-term business development plan?
- To what extent do Alaskan companies utilize intermediaries for exporting?
- Are Alaskan companies actively engaging joint ventures?
- Where are Alaskan companies going for export finance assistance?
- Which markets are Alaskan companies actually exporting to?
- Are Alaskan companies interested in international trade?
- What are the major complications Alaskan companies face in establishing and maintaining an export operation?
- What are the primary regulatory restrictions hindering the international success of Alaskan firms?
- What suggestions do Alaskan firms have for "globalizing" the state economy?
- Which organizations do Alaskan companies turn to the most for international assistance -- if at all?

The results of the survey were intended to clear up several questions on the export tendencies of Alaskan firms. While many questions do remain, this survey is a first step towards the development of a streamlined and effective state international policy.

Part B

Survey results

Survey results I (results to Part I, question 1 and Part II, question 2)
What motivates Alaskan companies to export / consider exporting?

Table I-A, current exporters

<i>Motivation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MEG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Unsolicited trade leads	0	0%	4	11%	2	18%	6	10%
b. Unsolicited foreign orders	0	0%	7	18%	3	27%	10	17%
c. Declining domestic sales or excess inventories	0	0%	5	13%	2	18%	7	12%
d. Part of a long-term business development plan	1	1%	11	29%	3	27%	15	26%
e. Special knowledge of a foreign market opportunity	5	56%	8	21%	1	9%	14	24%
f. Other (see below)	3	33%	3	8%	0	0%	6	10%
Total by industry sector	9		38		11		58	

f. Other motivations:

- Received twice the price as if sold locally (n)
- International is the best market for our product - logs (n)
- Much higher price paid in export market (n)
- Response by others to advertising (s)
- Humanitarian - gave help to a neighbor (s)

Table I-B, potential exporters

<i>Motivation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MEG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Unsolicited trade leads	0	0%	3	6%	0	0%	3	5%
b. Unsolicited foreign orders	0	0%	0	0%	0	0%	0	0%
c. Declining domestic sales or excess inventories	1	17%	5	10%	1	33%	7	11%
d. Part of a long-term business development plan	3	50%	24	46%	1	33%	28	46%
e. Special knowledge of a foreign market opportunity	2	33%	15	29%	0	0%	17	28%
f. Other (see below)	0	0%	5	10%	1	33%	6	10%
Total by industry	6		52		3		61	

f. Other responses:

- To broaden our market base (o)
- We have a surplus of used electrical equipment (s)
- Personal interest in foreign countries (s)
- To bring foreign tourists into the state (s)
- Unsolicited domestic order (s)

Survey results I. continued (results to Part I, question 1 and Part II, question 2)
Suggestions Alaskan companies have for motivating more businesses to export.

Exporter suggestions

Address legal restrictions

- Health certificate program - export documents for foodstuffs - USDA state inspection program would help (o)
- 1. Reduce size and scope of government at all levels.
- 2. Legislative veto of administration regulations inconsistent with statute intent
- 3. Break open banking community (s)
- Help getting approval to export to EU (s)
- All the mines have been closed due to adverse state / federal regulation - these regulations should be reconsidered (s)
- Advance notice of the state's future / long-term plans (s)
- In the case of this company (forestry), the single greatest service would be to release replenishable natural resources and manage said resources at sustainable levels as per article VIII of the Alaska Constitution (n)
- Provide more raw materials to export. Markets for forest products are very strong and are expected to be that way for years (n)
- Eliminate EPA and have DEC responsible for regulating Alaska. Reduce the time it takes to get environmental permits (n)

Market research / intelligence

- More trade leads to and from Alaska (s)
- State should research advertising media in dynamic foreign markets and help advise business how and where to advertise their products in those markets. Communication methods also need to be known. - e.g., telephone to Magadan is too difficult and limited to use (s)
- Assist in seafood marketing abroad (s)
- Possibly by communicating trade leads in more public forums (s)
- Provide information on specific industries or professionals in other countries and what the needs are (s)
- Acting locally, thinking globally. Our world is a market - not just the U.S. (s)
- Support for foreign (Far East) small business owners in establishing contacts with Alaskan businesses (s)
- Maintain foreign offices - Japan, etc. (o)
- Better information to Alaskan tourism companies on the services the state can provide - translating brochures, marketing Alaskan business at foreign trade shows (o)

Export finance

- Provide export finance programs (s)
- Local office with knowledgeable staff for actually helping with paperwork required by government regulations (foreign and domestic) helping in payment guarantees (s)
- Expand scope of Office of International Trade. Push AIDEA to be more helpful (u)
- Offer local businesses better lines of credit to purchase inventory for export (o)
- Education on export opportunities - Programs to provide financial assistance / insurance, etc. (o)
- Export financing - i.e., feasibility grants, low interest loans (non-banking) for domestic manufacturers producing products for export. ACCESS TO MONEY (o)

Other comments

- Please do nothing! (s)
- Use of World Trade Center, Alaska International Trade Office (state) (s)
- The University of Alaska Fairbanks starting commercial thinning of their forest lands (n)

Potential exporter suggestions

Industry specific export assistance

- More information - especially for small businesses (s)
- The development of an awareness that Alaskans have expertise in design and construction in Arctic and Antarctic regions. (s)
- Many Alaskan companies are small businesses and cannot afford expensive trips and / or conventions. However, our special expertise on Arctic conditions and technology is unique. Training on how to tap cheaper services of leads and contacts would be a great help (s)
- Engineering or specialty services involving Arctic conditions. Arctic (especially high latitude) construction and civil engineering services (s)
- As a professional services firm, we think we have special knowledge in Arctic design and have considered the Russian Far East and Canada as possible markets (s)
- Information about potential service markets and assistance in making contact with key individuals (s)
- Programs or services related to tourism industry. Tourism is our future (o)
- The tourism industry needs more support from the state level in bringing people into the state - such as an overseas representative for the industry (s)

- Timber processing requirements for F.S. harvests (n)
- Demand for product or service (s)

Market research / intelligence

- International information provider where we can get reliable information without getting scammed (s)
- A broader distribution of the UAA newsletter on international developments (s)
- How to - Exporting for Dummies (s)
- SBA services - contacts in foreign countries - interpreter service - market analysis of foreign countries specific to trade / business (s)
- The ability to get valid market data on volumes, prices, competition, etc. on foreign markets from the Office of International Trade or a referral to a source of good information from them (n)
- Improve infrastructure and information systems, continue programs which promote travel and trade shows (s)
- Any type of forum which would initiate contacts with prospective clients (s)
- Interpreter services - published lists of foreign needs if available (s)

Export finance

- 1. Encourage ASTF to support more large-scale commercial demonstration projects to increase marketability of value added natural resources (such as low rank coal water fuel)
- 2. Provide funding to support long term testing of products to assist in Asian market assistance (s)
- Export subsidies for a limited period to offset documented incremental extra costs of developing export markets (e.g., extra foreign travel, communications, freight, etc.) (s)
- Federal programs such as USAID or USIA which fund a variety of projects by Alaskans in the Russian Far East (s)
- Funding, U.S. trade policies, and foreign government cooperation (o)
- An interpreter to overcome language barriers (n)

Survey results II (results to Part I, question 8a and Part II, question 4a)

A company is suddenly given an international trade lead. What priority is the trade lead given?

Table II-A, current exporters

<i>Responses to Hypothetical Situation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. The same priority as domestic business leads	6	67%	29	74%	10	91%	45	76%
b. Secondary priority to any domestic leads	1	11%	6	15%	1	9%	8	14%
c1. Our intermediary handles exports	0	0%	1	3%	0	0%	1	2%
c2. We already have all of the business we can handle	0	0%	1	3%	0	0%	1	2%
c3. We are concerned about international business risk	0	0%	1	3%	0	0%	1	2%
c4. Product or service does not lend itself to exporting	0	0%	0	0%	0	0%	0	0%
c5. Other (not specified)	0	0%	0	0%	0	0%	0	0%
d. Does not apply (we only do international)	2	22%	1	3%	0	0%	3	5%
Total by industry	9		39		11		59	

Table II-B, potential exporters

<i>Responses to Hypothetical Situation</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. The same priority as domestic business leads	5	63%	29	55%	2	67%	36	56%
b. Secondary priority to any domestic leads	3	38%	20	38%	1	33%	24	38%
c1. Our intermediary handles exports	0	0%	0	0%	0	0%	0	0%
c2. We already have all of the business we can handle	0	0%	1	2%	0	0%	1	2%
c3. We are concerned about international business risk	0	0%	1	2%	0	0%	1	2%
c4. Product or service does not lend itself to exporting	0	0%	0	0%	0	0%	0	0%
c5. Other (not specified)	0	0%	1	2%	0	0%	1	2%
d. Does not apply (we only do international)	0	0%	1	2%	0	0%	1	2%
Total by industry	8		53		3		64	

Survey results III. continued (results to Part I, question 13)
Regulatory restrictions hindering export activity (exporters only).

- State agencies generally have not been focused on developmental assistance of foreign trade in any respect as far as I can see. Most are regulatory in focus and not "pro-trade" for assistance values unless under some federal grant money where the focus is only on assistance (s)
- Lack of assistance from employees of the state international agencies. "It is not my job" or "that is not public information" is all I hear (s)
- None, but state political leadership does little to support international trade (s)
- We have never considered Alaska's laws, regulations, or published policies as burdensome. Lack of agencies following own laws, regulations, and policies has been disastrous for us (n)
- Since we grow seed of native species only, we must collect seed of the native species in the wild for research and development of crop fields. The Alaska Department of Natural Resources is the main block in development. Regulations on the search for plant materials is very restrictive (s)
- I know of no real problem with the state. However, the lack of USDA officials can (or allowed) to approve meat, poultry, and potatoes drives this important export to Seattle. Potatoes would be a tremendous export for Alaska (s)
- The cumulative impact of state, federal and local regulations is taking an ever increasing percentage of management time and is giving customers the impression that we can't be steady, long-term, reliable suppliers of forest products (n)
- Title 16 (s)
- Our timber sale regulations (s)
- DEC inconsistent enforcement of regulations (n)
- Jones Act, OSHA (o)
- The Jones Act (n)
- Jones Act maybe (o)
- Enforcement - failure of state and federal government to make sure that foreign companies offering trips in Alaska have permits and follow the same regulations as Alaskan owned businesses (o)
- In our experience, the issue of regulatory barriers to Alaska's ability to compete internationally is largely a myth (s)

Survey Results III. continued (results to Part I, question 10)
Exporters' single greatest export burden.

Address legal restrictions

- Changing Russian import laws (s)
- Federal government policies based on politics (s)
- Joint venture in Russia will not keep their agreement. U.S. immigrations will not back the American businessman when then they find they have been used (s)
- Foreign import laws and customs (s)
- Inability to compete in an open, competitive market. If it were left up to the Russian market alone, competition would soon benefit both parties and countries. The constant changing of Russian customs, fees, and regulation have a way of stifling legitimate competition and, in some cases, encouraging unethical practices (s)
- Lack of stable telephone communications and tax demands in Russia (s)
- Communications (s)
- EU import restrictions and requirements (s)
- Understanding foreign regulations and import procedures (s)
- Documentation for foodstuffs - different for every country - need an united set of regulations (o)
- Changeable foreign tax structures (o)
- Alaska and U.S. regulations to ship product - tug escorts, etc. (o)
- Inconsistency between US Government and State or Alaska fisheries and processing laws - particularly the new IFQ program (n)
- Staying in business because of environmental restrictions. Constant terror imposed by EPA (n)
- Assuring our customers that we can be providers of a long term supply of timber products (n)

Market research / intelligence

- Finding potential customers and making them aware of my services (s)
- The time and resources to meet all of our expectations and opportunities (s)
- Knowledge of market - need for engineering consulting (s)
- Finding markets (s)
- Finding foreign customers (s)
- Lack of knowledge of foreign markets (s)
- Identifying leads on consistent basis (s)
- Qualification of potential buyers and their valid needs (s)
- Very competitive international seafood environment (finding buyers at profitable levels) (s)
- Obtaining background information (s)
- Matching product to market with highest return (n)

Export finance

- Lack of understanding of "service" exports by government and financial providers of assistance (s)
- Letters of credit (s)
- Lack financing (s)
- Payment guarantees (s)
- Cost of shipping (s)
- Committed funds in American dollars in American banks (s)
- Having inventory on hand to meet increased demand (s)
- Operating capital, line of credit financing (s)
- 1. Economical transport from Alaska to markets
- 2. Lack of state / local government cooperation (s)
- No money for marketing research, development, marketing and no money for financing productions (o)
- Lack of inventory to export (o)
- Cost of exposure to new markets (o)
- Getting adequate credit coverage from Russian customers (o)
- Travel costs to promote our product - i.e., Alaskan trips (o)
- Obtaining financing for working capital (n)

Product related

- Securing product (s)
- Civil engineering materials expertise (s)
- No longer have products to service (s)
- Lack of stumpage (available timber) (s)
- Price for product - market is getting too flooded (o)
- Not enough product (o)
- No market at this time (n)
- Lack of Alaska raw material for value added processing (n)

- Arranging and finding lowest cost alternative for shipping the product (n)

Other

- Communications, as we deal mostly with Russia (s)
- Order mistakes by U.S. suppliers (s)
- Time required to get visas and to actually begin (s)
- We were providing professional engineering services in Guam. The biggest problem was getting people to move to Guam or finding competent help on the island (s)
- Uncertainties with support and logistics. Communications can also be difficult (s)
- Snow and breakdowns (n)
- Transport within Alaska (n)

Survey results III. continued (results to Part I, question 11)
Suggestions exporters have for easing operational export complications.

Address legal complications

- Force DNR to follow the law - article VIII of Alaska's constitution. Quit giving timber to insects, rot, and fire (n)
- Streamline environmental permit procedures (n)
- Food export certification program within D.E.C. (o)
- Be realistic on liability (o)
- Strict enforcement of bilateral agreements at very level - i.e., the removal of the new 30 % tariff the Russians have put on food products. This should have been dealt with instantly and firmly with similar tariffs (s)
- Support all export efforts as a policy decision (s)
- Sell more state timber (s)
- Tax break on foreign sales (s)
- Reduce overwhelming government (s)
- Provide up-to-date information on customs (Russian) laws (s)
- Revise the title 16 recognizing that there are other and equal values than just habitat (s)
- Inequities in customs laws which allow imports into U.S., but prevent us from exporting similar products. Example: Canadians in our business freely work in Alaska and conduct geophysical or geological services in Alaska, but we can't export the same services to Canada (s)

Export finance

- More money, insurance break (n)
- AIDEA support (n)
- Loan funds - non-banking type (o)
- Financial assistance with trade shows (o)
- Use Washington model for export assistance centers. Assist companies trying to find export financing through the entire process (s)
- Provide sources of export finance (s)
- Local bank programs that interact with foreign (banks) and World Bank (s)

Market research / intelligence

- Agent / Distributor program, U.S. Department of Commerce (s)
- None, the main problems are in foreign markets. Main problem is identifying bona fide buyers. To date service needs have been fulfilled by private companies based upon need (s)
- Compile list of Alaskan firms with a brief description of products and services - distribute to U.S. Embassies (s)
- Alaskan companies need someone to introduce them to the right people. If they need engineering services, who do we talk to in that country? (s)
- Setting up small "offices" or "message centers" in foreign locations where Alaskans could get information while working in other locations. Provide a way to make contact (s)

Recommendations for agencies

- State should joint venture with Alaska World Trade Center or other private groups as state has closed out all people of knowledge. The state has lost the ability to help (s)
- Better communications between foreign government and state Commerce Department offices for Alaska state support in initiating business relationships (s)
- Centralize information that is currently being duplicated by many different agencies - making this public information (s)
- Better or more cooperative information exchange (s)
- Governor's promotion of diplomatic relations (s)
- Better funding for Division of Tourism's international marketing program (o)
- Any time a state or federal organization tries to help, they inevitably screw it up (o)
- Office of International Trade (o)
- More educational programs outside of Anchorage (o)
- Government to government assistance for problems in foreign country such as collecting on letters of credit, false claims, etc. (n)

Other comments

- Getting Alaskan exporters together to share services to aid in support (o)
- Make it simpler to export goods to Russian Far East. I have to e-mail contact days in advance of shipping so my partner can make Russian customs aware that shipments are coming. Customs clearing can take days and several trips to the airport (s)
- Freight - scheduling, cost, frequency (s)
- Local availability to get visas (s)
- We are aware of most programs (s)

Survey results III. continued (results to Part II, question 3)

Suggestions potential exporters have for easing export operation start-up complications.

Industry specific / small business export assistance

- It would be best to make visits as part of trade organizations geared to design and construction (s)
- To organize and offer an Anchorage trade show for Alaska artists and foreign companies interested (o)
- 1. Retain (on an as-needed basis), an Alaskan office of international trade representatives who can facilitate trade in the Middle East (Arabic speaking countries) and another in Europe (s)
- More accessible assistance by UAA for small John Doe businesses. Maybe I just don't know how to ask for the right help. I get the feeling that if I worked for VECO or Marathon, that I would get more coaching on how to access available assistance. I understand the difference between big and small businesses and am prepared to accept it (s)
- Small business exporting education (s)
- Some kind of clearing house we can advertise in which would be distributed to large U.S. companies looking for expertise (s)
- Japanese Export Trade Organization (JETRO) offers an eight day study program for Alaskans interested in learning about business in Japan - all expenses are paid! More programs like this would be helpful - especially for small businesses like mine. Also, the state university could sponsor more "road shows" in which international exporters do presentations around the state - not just in Anchorage or Juneau (s)
- Within the construction industry, concerns are skilled workers, funding, and adequate materials (s)

Market research / intelligence

- It would be best if one department could handle financing, trade regulations and foreign laws in one location to better serve the business community (o)
- Have resident experts on staff - State of Alaska International Business - to assist import / export to specific economic regions in several countries at the local and regional level (o)
- Assistance in locating those firms that require our services (s)
- Companies to contact that would be interested in my product, getting over the language barrier, assistance in starting the process of exporting (n)
- Better market information (n)
- SBA services - contacts in foreign countries - interpreter service - market analysis of foreign countries specific to trade / business (s)
- Alaska has many sole proprietors that should be involved with the Pacific Rim - Russia, Japan, Korea (s)
- 2. Have semi-annual workshops in Anchorage in which ALL representatives come, give overviews of their region, and then provide time for one-on-one meetings with Alaskan businessmen to plan a strategy for exporting to that region (s)
- Information kits on (for instance) Russian import laws and customs regulations (s)
- General information on laws, regulations, tariffs, taxes and other impediments to importing goods and services would help. In Canada, the government often takes a much more proactive role in primary exports assisting with finances or payment methods, etc. (s)
- More information on NAFTA (o)
- I am an author and would like to see my books translated into Japanese and perhaps other languages and markets abroad. I do not have an agency but would like assistance in developing contacts abroad and connecting them with my business (s)

Other

- I'm not sure it is the government's business to assist in opening foreign markets. It comes close to becoming a business subsidy (s)
- Eliminate export bans (s)

Survey results III. continued (results to Part II, question 3)
Start-up export operation complications for potential exporters

Table III-B

Complication	NATURAL RESOURCES	SERVICES	RETAIL/ MFG	ALL GROUPS
	Total citing response	Total citing response	Total citing response	Total citing response
a. Finding foreign customers	0	24	2	26
b. Obtaining background information on foreign companies	0	7	0	7
c. Obtaining background information on foreign markets	0	11	1	12
d. Finding info. on the market for your company's particular product or service	3	25	1	29
e. Foreign relations complications	2	9	0	11
f. Finding companies to form joint partnerships with	1	11	0	12
g. Shipping, coordinating, or distributing the product or service	2	2	1	5
h. Finding and / or utilizing government trade assistance	1	3	1	5
i. Obtaining adequate financing	2	4	1	7
j. Establishing payment / credit terms with foreign customers	0	16	0	16
k. Handling foreign import laws, customs, or export documentation	4	6	1	11
l. Lack of in-house expertise	2	11	1	14
m. Other	4	16	1	21

m. (other significant obstacles in no particular order):

- Sorting the substance from the university (s)
- The time to overcome obstacles (s)
- Proposals to other foreign countries (s)
- Most of our products are illegal to export (made from animal parts) (o)
- Lack of marketing skills in a foreign cultural situation (s)
- Finding clients - cost of doing business (s)
- Finding agents in foreign countries who specialize in publications, translation work (s)
- Immigration (s)
- High shipping costs, low unit value of product - foreign material specifications (n)
- Wetlands restriction (s)
- License to operate (s)
- Cost of sharing for long term product testing in Asia (o)
- Our parent company's business plan includes markets other than Russia, Asia, Pacific Rim (s)
- Lack of opportunity (s)
- Currency exchange (s)
- Regulations requiring initial processing prior to exporting to non-U.S. markets (n)
- Market acceptance of coal of non-typical specifications (n)

Survey results III (results to Part I, question 9)
Start-up / operational export complications for exporters (only)

Table III-A

SERVICES

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

**Difficulty setting
started**

ONE	TWO	THREE	Mean	x	i
13	11	6	1.77	0	0
6	12	6	2	6	0
12	11	3	1.65	4	0
17	7	5	1.59	1	0
11	10	7	1.86	1	0
6	9	5	1.95	9	0
14	10	0	1.42	6	0
12	7	6	1.76	5	0
6	6	8	2.1	0	0
9	12	7	1.68	3	0
8	14	7	1.97	2	0
8	11	7	1.96	3	0

Operational difficulties

ONE	TWO	THREE	Mean	x
10	12	7	1.9	0
8	12	4	2.17	4
14	8	2	1.5	3
14	8	5	1.67	1
12	7	8	1.85	1
9	7	3	1.68	8
15	8	0	1.35	4
10	6	7	1.72	4
7	5	7	2	8
11	8	6	1.8	2
10	13	5	1.82	0
14	8	1	1.43	3

RETAIL / MFG.

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

ONE	TWO	THREE	Mean	x	i
2	4	4	2.2	1	0
4	1	3	2.38	6	0
5	4	0	1.44	0	0
5	3	1	1.35	0	0
7	2	0	1.22	0	0
0	3	0	2	0	0
3	2	3	2	5	0
6	0	1	1.29	1	0
2	1	2	2	2	0
4	5	1	1.7	5	0
7	1	1	1.33	1	0
4	4	1	1.66	0	0

ONE	TWO	THREE	Mean	x
3	3	2	1.88	0
4	2	2	1.75	0
6	2	0	1.25	0
6	1	1	1.38	1
8	0	6	1.86	0
0	1	2	2.67	5
3	4	6	2.23	1
6	1	1	1.38	0
2	0	2	2	5
4	0	2	1.67	2
4	2	1	1.57	1
3	4	0	1.57	1

NATURAL RESOURCES

- a. Finding foreign customers
- b. Obtaining background information on foreign companies
- c. Obtaining background information on foreign markets
- d. Finding info. on the market for your company's particular product or service
- e. Foreign relations complications
- f. Finding companies to form joint partnerships with
- g. Shipping, coordinating, or distributing the product or service
- h. Finding and / or utilizing government trade assistance
- i. Obtaining adequate financing
- j. Establishing payment / credit terms with foreign customers
- k. Handling foreign import laws, customs, or export documentation
- l. Lack of in-house expertise

ONE	TWO	THREE	Mean	x	i
3	3	1	1.71	0	0
1	3	2	1.42	3	0
4	2	1	1.57	3	0
4	2	1	1.57	2	0
6	0	1	1.29	2	0
3	2	0	1.4	4	0
1	2	4	2.42	2	0
1	0	2	2.33	5	0
1	1	1	2	4	0
2	3	0	1.6	2	0
2	1	1	1.75	3	0
2	0	2	2	3	0

ONE	TWO	THREE	Mean	x
4	2	0	1.33	1
2	2	1	1.8	1
3	2	0	1.4	3
5	0	0	1	3
3	0	1	1.5	3
3	1	0	1.25	3
1	1	3	2.4	2
1	1	2	2.25	4
1	1	1	2	3
2	1	0	1.33	3
2	1	1	1.75	3
3	0	1	1.5	3

ONE(1) = A minor / no difficulty; TWO(2) = A moderate difficulty; THREE(3) = A major difficulty
i = Use / used a private export management company for this
x = does not apply to our company's situation

Survey results IV (results to Part I, question 5)
Export finance (exporters only)

Table IV

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS	
<i>Export finance source</i>	Total citing response	Total citing response	Total citing response	Total citing response	Percent of response total
a. Bank line of credit					
Alaskan bank	1	10	6	17	61%
Non-Alaskan bank	2	5	0	7	25%
b. Special export bank loan					
Alaskan bank	1	0	0	1	4%
Non-Alaskan bank	0	0	0	0	0%
c. State export finance program					
AIDEA	0	0	0	0	0%
d. Federal government export finance program					
SBA (1), World Bank (1), TDA (2)	1	2	0	3	11%
Total (for all groups)				28	

Survey results V (results to Part I, question 4)
Joint venture activity (exporters only)

Table V-A

<i>Engaged in Joint Venture?</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
a. Yes	6	55%	18	46%	2	15%	26	41%
b. No	5	45%	21	54%	11	85%	37	59%
Total by industry	11		39		13		63	

Survey results VI (results to Part I, question 3)

Use of private export management companies - PEMCs (exporters only)

Table VI-A

<i>Used private export mgmt. company?</i>	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total	Percent of	Total	Percent of	Total	Percent of	Total	Percent of
	citing response	sector total	citing response	sector total	citing response	sector total	citing response	sector total
a. Yes	2	18%	7	18%	0	0%	9	14%
b. No	9	82%	32	82%	13	100%	54	86%
Total by industry	11		39		13		63	

Table VI-B, where are the PEMCs based?

(responses)

a. Alaskan intermediary only:	4
b. Alaskan and outside intermediary:	4
c. Outside intermediary only:	1

Table VI-C, why do companies prefer to use PEMCS?

(responses)

b. No specialized knowledge for exporting:	1
e. Export company / consultant is better able to procure contracts:	4
f. Other reasons:	3
• To understand the Russian law	
• Use of an American / Russian individual because of language and community knowledge in Russia	
• Use of intermediaries common in seafood industry	

Survey results VII (results to Part III, introductory question)
Use of government assistance for international trade

Table VII-A, exporter use of government assistance for international trade

	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
Used								
Govt. Assistance								
a. Yes	2	18%	21	48%	7	54%	30	44%
b. No	9	82%	23	52%	6	46%	38	56%
Total by industry	11		44		13		68	

Table VII-B, potential exporter use of government assistance for international trade

	NATURAL RESOURCES		SERVICES		RETAIL/MFG.		ALL GROUPS	
	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total	Total citing response	Percent of sector total
Used								
Govt. Assistance								
a. Yes	4	10%	14	11%	0	0%	18	9%
b. No*	36	90%	128	90%	9	100%	172	90%
Total by industry	40		142		9		191	

* Considers companies which responded "no" to Part II, question 1. as "no" respondents to Part III, initial question.

Survey results VII. continued (results to Part I, question 8b and Part II, question 4b)

A company is given an international trade lead. Where does the company go for more information?

Exporters

Private source

- We have many sources in Japan, Korea, and Taiwan and have a long relationship with our potential buyers there as well (s)
- We ask the customer. They are better suited to advise on product import restrictions (s)
- Personal network of contacts (s)
- International trade is handled through our Seattle office so far - not our Alaskan office (s)
- To our potential client, directly (s)
- Known and trusted individuals that have first hand, proven experience and knowledge (s)
- I would contact the foreign companies that would be interested in services (s)
- We would devise a payment guarantee for any foreign project either through the client or an international bank (s)
- To our Russian associates (s)
- Trade associates (s)
- Private resources, Seafax (s)
- The fish industry often markets through companies which are buyer / seller or wholesale distributors specializing in products or markets. Would contact others in industry, wholesale - distributor, publications, OIT (s)
- Direct to foreign source (s)
- Our brokers in Europe or Japan (s)
- We would use our intermediary to investigate (s)
- Companies currently doing business (s)
- Or established sales office in parent company - we have international sales team (s)
- To other private businesses that have done business in that area (s)
- Current customers and industry contacts (n)
- To the foreign customer directly (n)
- Friends in the same business (n)
- Consultants in marketing mineral concentrates (all in lower-48) - very specialized business - few exports (n)
- The country in questions - we develop direct contacts or leads from foreign associates in Asia, Europe, and Central America. (n)
- Seattle - freight forwarding company (o)
- The country of interest (o)
- International business directory (o)
- Probably handle on our own (o)

Government agency / other

- World Trade Center, Governor's Office of International Trade, Congressional Delegation (Ted Stevens), U.S. Department of Commerce (s)
- World Trade Center - U.S. Department of Commerce (s)
- World Trade Center (s)
- World Trade Center, UAA Business Department - International Business group - Northern Forum (s)
- Federal information, UAA, Business Center, State of Alaska, World Trade Center, library, specified are of opportunity on local arena. Network with individuals that are familiar with country or opportunity, Alaska governor's office (s)
- World Trade Center of Foreign Commercial Office (federal) (s)
- International Trade Center (s)
- World Trade Center, U.S. Department of Commerce (s)
- U.S. Department of Commerce, U.S. State Department (s)
- World Trade Center (s)
- World Trade Center, Office of International Trade, Department of Commerce, possibly UAA. (s)
- U.S. Department of Commerce, International Trade Administration (s)
- Alaska World Trade Center (s)
- America Russia Trade Center, University of Alaska Anchorage, ENRI (Environmental Natural Resource Institute) (s)
- World Trade Center and appropriate organizations in Seattle area (s)
- World Trade Center, Office of International Trade - we use the World Trade Center as our "one stop shop" with regards to all international matters (o)
- Alaska World Trade Center (o)
- World Trade Center, Department of Commerce, ASTF, SBDC (o)
- Depending on country - OIT, World Trade Center, or Department of Commerce (o)
- Alaska Division of Tourism (o)
- Office of International Trade, World Trade Center, TROIKA, Department of Commerce (n)
- American Embassy - commercial trade section (n)

Potential exporters

Private source

- I would contact long-time media sources with expertise in specific countries and then follow up on their leads (s)
- To the principals involved (s)
- To the source of the lead and then a long trail of phone calls (s)
- The customers are connected to the petroleum industry and leads come from U.S. and Western country contacts (s)
- Start at library and Chamber of Commerce - also with business associates that have provided foreign services (s)
- Try to contact client (and interpreter service in Anchorage) (s)
- We have had international advertising agencies contact us to advertise overseas (s)
- We would go to other businesses who are providing services or supplies to foreign markets. We are not aware of where else to turn for information (s)
- To the U.S. company involved or associated, the appropriate international division and finally to project management (s)
- The foreign market (s)
- Other business acquaintances (s)
- Rotary members with contacts in target area (s)
- To the source (o)
- Local fish dealers (n)

Chuck Becker (Director, CSUSA - Alaska)

- Chuck Becker (s)
- Chuck Becker, U.S. Department of Commerce (s)
- U.S. Department of Commerce - Chuck Becker (n)

Government agency / other

- Thomas Register, Alaska Center for International Business (s)
- World Trade Center, Office of International Trade (s)
- U.S. State Department, U.S. Department of Commerce, Small Business Administration - UAS or UAF (s)
- U.S. Department of Commerce (s)
- Office of International Trade - especially Tokyo office (s)
- International Trade Center, UAA, Expats (s)
- Office of International Trade - they have been very helpful in the past (s)
- World Trade Center (s)
- Not sure. Would depend upon the lead and type of project(s) involved. I am aware we have some ties with Japan and Korea but am unsure as to what assistance these would provide (s)
- Unknown - need help here (s)
- International Trade Commission or area legislature representative (s)
- Economic Development Corporation (s)
- UAA Alaska Center for International Business or the U.S. Department of Commerce (Foreign Commercial Service) (s)
- University of Alaska Trade Center (s)
- American Russian Center, Anchorage Center for International Business, UAA (s)
- Embassy of the foreign country and their information institute (s)
- World Trade Center (s)
- State Office of International Trade (s)
- UAA (s)
- U.S. Department of Commerce, American Petroleum Institute, potential clients in the international location. (s)
- World Trade Center and UAA (s)
- World Trade Center (s)
- State of Alaska - Department of Commerce and Economic Development, federal government mission or foreign offices (s)
- Department of Commerce (s)
- Alaska Division of Economic Development (s)
- State of Alaska - Department of Commerce (s)
- Customer, Parent company resource, World Trade Center, U.S. Department of Commerce International Trade Administration, private research (s)
- University of Alaska, Fairbanks (s)
- Back to that book - Exporting for Dummies (s)
- Local international trade organization, MOA, AEDC (s)
- Governor's Office and L.I.O. (s)
- Commerce Department (U.S. government), Alaska Department of Foreign Relations (o)
- Alaska Office of International Trade (o)
- UAA (n)
- State legislative personnel (n)
- Office of International Trade, U.S. Department of Commerce and World Trade Center (n)
- State of Alaska agencies, UAF Business School, other businesses conducting import-export operations in that country (n)

Survey results VII. continued (Part III, question 21)
Use of government assistance for international trade

Why haven't exporters used government assistance for international trade?

Government not capable

- These various agencies are not specifically established or motivated to dedicate adequate time into developing relations between a local and foreign company. Poor at best! Typical of government involvement - civil servants on yearly salaries with little or no motivation to excel! (s)
- Our company is the living embodiment of a business which has become very expert in a very specialized area of international trade over many years - only to see various politicians and political appointees travel to Asia on behalf of the state without so much as a briefing on the project - LESSON: get informed BEFORE going! (s)
- We have found most programs to be well meaning but ineffective. As experts in our field we have developed in-house capabilities. We do appreciate foreign market reports for bench marking. Also, we have found that government is inconsistent - advocating trade but restricting access to raw materials (n)
- Fully capable of dealing with these issues without government help (s)
- State can use all of the above, but not its present mode (s)
- In the real (non-government) world, I found the state department to be the only agency with reliable and up-to-date information which was available immediately (s)

Use intermediaries / in-house expertise

- Our main office is in Seattle as are virtually all seafood companies - sales are generated there. We receive no help whatsoever in marketing seafood internationally except for ASMI and an occasional trade lead which has never materialized into a sale. (s)
- Our company is an international company so most functions are already well established. Trade leads are the most important need we have (s)
- Very specialized business - but well known export procedures (s)
- International trade is handled through our Seattle office so far - not our Alaskan office (s)
- We have a branch firm in Canada handling Canadian business. Our product is too heavy to complete and needs to be manufactured in the country of use. Russia has the market but we have not located adequate partners (s)
- Another company bought the timber, I logged it, and they sold it to the foreign market (n)
- We deal with people we know personally or by reputation (both ways). Alaska Department of Natural Resources, Division of Lands is NOT supportive. Division of Agriculture and Plant Materials is an exception. They are very good (s)
- I deal with a very small group of companies and clients and they and they are very sensitive to sharing information with competitors. Many of these organizations have foreign nationals as members and far too often, one finds them attempting to be "middlemen" in the operation or passing information and leads to those companies they are associated with. I do not want to give the impression that I am dissatisfied with the groups or agencies listed on these forms - I just have very little need for them although I have given many of them information when they asked (s)
- We have established our own contacts, struggled through learning the procedures and have dealt with the Russian embassy ourselves. We did receive assistance from the U.S. State Department and the U.S. DOT during the beginning (s)

No need

- We have not had a need for any of the available assistance (s)
- No need to (s)
- I take care of myself and do not need any nosy bureaucrats (n)
- No need to (n)
- At this time - no need. I only did one job in a foreign market - they contacted me to do the work for them (s)
- Have not found it necessary (s)
- Not needed (o)

Not aware of agencies

- I am currently unaware of programs / services available from these sources that would be beneficial to my business (s)
- Don't know what they offer! (s)
- Don't know how to go about obtaining various government assistance (o)
- Not aware of many of the programs (o)
- I am an one man logging outfit. I only exported a certain amount last year because I could get a better price for higher grade logs. I do not actively seek to export - I would rather see something done with the logs locally (s)

Other

- We are in the fundamental stage and have not yet exported. We obtained information from OIT regarding the background of a company that solicited our products (o)

Why haven't potential exporters used government assistance for international trade?

Not aware of agencies

- These services are not readily known - small businesses have been ignored. As a small sole proprietor consulting engineer, I have not been provided any information. I think this is an area that needs improvement (s)
- Most small businesses are unaware of the services provided by the agencies listed above. More outreach by these agencies to small businesses would be helpful (o)
- I didn't know that these services were available. I'm interested in many of these services (n)
- Government services are not advertised in professional industry bulletins / periodicals I receive (s)
- Don't know what they are (n)
- Did not know any of these things were available to my business (n)
- Generally unaware of their (agency's) existence or use as a resource (s)
- Did not know these services were available (s)
- Was unaware that these services were available (s)
- Not aware that they were available and not aware of how to obtain them (s)
- Did not know what was available (s)
- Unaware of where to get the help (s)
- Have not investigated to know that such assistance was available (s)
- I did not know that these agencies were available and not familiar with the types of services they provide (s)
- Did not know any existed (s)
- They were never offered to us! (o)

Not focused on international trade

- Not focused on international trade (s)
- Looking at Russian opportunities, but waiting for better conditions, - stability (in Russia) (s)
- We are busy establishing our local and national ties (s)
- I spend 100 % of time on professional mechanical engineering in U.S.A. (s)
- We have not considered international trade, although with improved telecommunications we might be able to do so in the future (computer technical support and desktop publishing - computer publishing) (s)
- This is our first year of business - international trade is our long term business plan - 5 year (n)
- We have just been contacted from a foreign market regarding export out of Alaska. At some point we will use the above services if necessary (s)
- Not interested (s)
- Export of pipe prepared in Fairbanks is not encouraged (s)
- Sole proprietorship - too busy (n)
- Have not exported services yet (s)
- We have seen enough opportunity here, but we have not had the incentive to divert energy elsewhere - but we have given it thought and not ruled it out (s)
- I am a small sole proprietor of a company that is less than two years old and have all the business I can handle within the state without looking to outside markets (s)
- Just have not taken this step yet - need to resolve internal questions before getting into the international market (s)
- My product is engineering design, evaluation, investigation or reports. I am a sole proprietor - independent consulting engineer. Export could be worth investigating, but I have just not looked into - except in response to another company's inquiry (s)
- Have not done international work - I have used several of these agencies for Alaskan business information (s)
- No specific situation has required these services (s)
- No government assistance required (s)
- No need for any of the services (n)
- I am a legitimate (but small time) mineral resource developer. If my mining operation gets off the ground, then possibilities for international trade exist (n)

Company / product not suited for international trade

- Exporting sand / gravel / crushed stone is not a feasible venture (s)
- I have not seen a great demand for engineering services in other countries applicable to my firm (s)
- We have not used the services listed above in the last five years, but we have recently become aware of potential high Arctic latitude projects which may be within our potential market area (s)
- Our own contacts showed that the particular international venture was not feasible (s)
- My company is too small and localized (s)
- There is very limited opportunity for our services abroad and in the Pacific Rim. Because we are a small business, we would work as a sub-contractor to large U.S. companies or agencies with contacts abroad (s)
- Have not yet ventured into international trade but want to. Need help please (s)
- The above (agencies and services) are fine if you have the time or resources to devote. Generally with small businesses, this isn't the case (s)
- I'm too small at present (moderate capital) (s)

Other

- Because I believe that the role of business is to do business and the role of government is to stay out of business as much as possible (s)

- Currently, mineral processing (i.e., zinc) is not done in North America because environmental requirements make it cost prohibitive when compared to other parts of the world. We ship raw materials out, they are processed and then we have to pay import duties to bring them back in for use (s)
- Our (international business) attempts have been through projects of U.S. companies involved in overseas resource development. Our company president did attend the Department of Energy Seminar for the Russian ministers held at Alyeska Resort) (s)
- We have been working on our own contacts (s)
- Why does Alaska:
 - 1) duplicate federal agency services
 - 2) try to have a foreign policy - we are a state (s)
- We receive BISNIS which rates as 3 (s)
- So much for reduced government waste (s)
- A proposal I sent to the American Russian Center was rejected because I am a private company. Allow individuals to compete for federal funds allocated to the American Russian Center in Anchorage - I have requested and been denied funds (s)

Survey results VII. continued (results to Part I, question 8b and Part II, question 4b)

A company is suddenly given an international trade lead. Where does the company go for more information?

Table VII-E, exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS
<i>Assistance source</i>	Total citing response	Total citing response	Total citing response	Total citing response
Private source	5	20	4	29
World Trade Center Alaska	1	11	4	16
Commercial Service of the U.S.A.	1	8	2	11
Division of Trade and Tourism (OIT)	1	4	2	7
University of Alaska Anchorage	0	4	0	4
SBA / SBDC	0	0	1	1

Table VII-F, potential exporters

	NATURAL RESOURCES	SERVICES	RETAIL/MEG.	ALL GROUPS
<i>Assistance source</i>	Total citing response	Total citing response	Total citing response	Total citing response
Private source	1	15	1	17
Commercial Service of the U.S.A.	2	9	1	12
*Chuck Becker (by name) - CSUSA	1	2	0	3
Division of Trade and Tourism (OIT)	2	7	1	10
World Trade Center Alaska	1	8	0	9
University of Alaska Anchorage	1	4	0	5
Alaska Center for Int'l Business	0	3	0	3
University of Alaska Fairbanks	1	2	0	3
Alaska State Legislature	1	2	0	3
University of Alaska Southeast	0	1	0	1
SBA / SBDC	0	1	0	1

10

19-

Survey results VII, continued (Part III)

Government agency use / service rating (exporters)

Table VII-C

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**UAF, School of
Management**

Used	1s	2s	3s

Used	1s	2s	3s
1\64			1
1\64			1

Used	1s	2s	3s

1s	2s	3s

**UAF Arctic
Research**

Used	1s	2s	3s

Used	1s	2s	3s
1\64			1
1\64			1

Used	1s	2s	3s

1s	2s	3s

**UAA, School of
Business**

Used	1s	2s	3s
1\64		1	
1\64		1	

Used	1s	2s	3s
3\64		1	2
1\64		1	

Used	1s	2s	3s

1s	2s	3s
	1	

Agencies not marked: Division of Investments, Division of Banking, Kenai Peninsula Borough, Fairbanks North Star Borough, Fairbanks Airport, Southwest ARDOR, Southeast ARDOR, Prince William Sound ARDOR, Bering Straits ARDOR, Arctic ARDOR, Alaska Fisheries Development

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Re'errals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**World Trade Center
Alaska**

Used	1s	2s	3s
16\64	10	3	1
18\64	5	10	1
18\64	9	4	4
14\64	8	3	2
17\64	9	5	1

Used	1s	2s	3s
10\64	6	1	3
16\64	7	4	3
12\64	6	1	4
12\64	7	3	1
11\64	5	3	2
9\64	5	1	1
7\64	1		3
12\64	5	2	4

Used	1s	2s	3s
7\64	4		3
4\64	2		2
4\64	2		2
4\64	1	1	2
3\64	1		2

1s	2s	3s
8	3	1

**Alaska Center for
Int'l Business**

Used	1s	2s	3s
5\64	1	4	
4\64		4	
4\64		3	1
5\64	2	1	2
3\64		2	1

Used	1s	2s	3s
1\64		1	
1\64			1
2\64		2	
2\64		2	
3\64		1	2

Used	1s	2s	3s
1\64	1		

1s	2s	3s
3	1	1

**American Russian
Center**

Used	1s	2s	3s
3\64	1	2	
2\64		2	
3\64		2	1
3\64		2	1
2\64	1	2	

Used	1s	2s	3s
1\64		2	
1\64		2	
2\64		1	1
3\64	2	1	
2\64		2	
2\64		1	1

Used	1s	2s	3s
1\64		1	

1s	2s	3s
1	1	1

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Small Business
Development Cntr.**

Used 1s 2s 3s

1\64	1		

**Circumpolar
Health Studies**

Used 1s 2s 3s

Kenai College

Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used 1s 2s 3s

1\64	1		
1\64			1
1\64			1

Used 1s 2s 3s

1\64			1
1\64			1

Used 1s 2s 3s

1\64			1
1\64			1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used 1s 2s 3s

Used 1s 2s 3s

Used 1s 2s 3s

Overall agency satisfaction:

1s 2s 3s

1		
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1s 2s 3s

	1	
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1s 2s 3s

	1	
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**Alaska Science and
Tech. Foundation**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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**Alaska Industrial
and Export Auth.**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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**Alaska State
Legislature**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

1s 2s 3s

		1
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**Alaska Seafood
Marketing Inst.**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64		1	

Used 1s 2s 3s

1s 2s 3s

	1	
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**(AK) Dept. of
Commerce**

Used 1s 2s 3s

Used 1s 2s 3s

1\64			1
1\64			1

Used 1s 2s 3s

1s 2s 3s

	1	
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**Office of Int'l
Trade**

Used 1s 2s 3s

5\64	4	1	
7\64	3	3	1
9\64	4	4	1
7\64	4	1	2
8\64	3	5	

Used 1s 2s 3s

4\64	3		1
8\64	3	3	2
5\64	3		3
6\64	4	2	
8\64	3	4	1
4\64	1	1	2
2\64	2		
7\64	3	2	1

Used 1s 2s 3s

2\64	1	1	
2\64	1	1	
1\64		1	
1\64	1		
1\64	1		
1\64		1	

1s 2s 3s

3	1	1
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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:**Northern Forum**

Used 1s 2s 3s

**(AK) Div. of
Nat. Resources**

Used 1s 2s 3s

**(AK) Div. of
Tourism**

Used 1s 2s 3s

1\64		1	
1\64		1	
1\64			1

Used 1s 2s 3s

1\64		1	
1\64			1
1\64			1
1\64			1
1\64			1
1\64			1

Used 1s 2s 3s

1\64			1

Used 1s 2s 3s

1\64		1	

Used 1s 2s 3s

1\64			1

Used 1s 2s 3s

Used 1s 2s 3s

1s 2s 3s

	1	
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1s 2s 3s

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1s 2s 3s

	1	
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General Information (Including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

**U.S. Commercial
Service (US & FCS)**

Used	1s	2s	3s
11\64	7	1	2
11\64	4	3	2
10\64	5		3
10\64	6	1	2
10\64	5	3	1

Used	1s	2s	3s
5\64	1	2	2
8\64	4	2	1
7\64	1	2	2
7\64	6		1
5\64	3	1	
5\64	2	2	
4\64	3	1	
5\64	2	1	1

Used	1s	2s	3s
6\64	3	2	1
3\64	1	1	1
2\64		1	1
4\64	3	1	
2\64	2		
1\64	1		

**National Marine
Fisheries Service**

Used	1s	2s	3s

Used	1s	2s	3s

Used	1s	2s	3s

**Small Business
Administration**

Used	1s	2s	3s

Used	1s	2s	3s

Used	1s	2s	3s
2\64			2
4\64	1		3
1\64			1
1\64			1
4\64	1		3
1\64			1

1s	2s	3s
5	3	

1s	2s	3s
	1	

1s	2s	3s
1	1	2

Overall agency satisfaction:

General information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Congressional
Delegation**

Used 1s 2s 3s

1\64	1		
3\64	1	2	
3\64	3		
2\64	2		
2\64		2	

**Muni. of
Anchorage**

Used 1s 2s 3s

			1

**Anchorage Int'l
Airport**

Used 1s 2s 3s

1\64	1		
1\64		1	

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used 1s 2s 3s

1\64		1	
2\64	1	1	
1\64		1	
2\64	1	1	
1\64	1		
1\64		1	
1\64		1	
1\64	1		

Used 1s 2s 3s

			1
		1	
		1	

Used 1s 2s 3s

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used 1s 2s 3s

1\64	1		
1\64	1		
2\64	1	2	

Used 1s 2s 3s

Used 1s 2s 3s

1\64		1	
1\64		1	

Overall agency satisfaction:

1s	2s	3s
3		1

1s	2s	3s
		1

1s	2s	3s

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Anchorage
AFDOR**

Used	1s	2s	3s
1\64	1		
1\64	1		
2\64	2		
2\64	2		
1\64		1	

**Anch. Convention
and Visitors Bur.**

Used	1s	2s	3s

**Foreign trade
agency**

Used	1s	2s	3s
2\64	1		1
3\64	2		1
3\64	2		1
1\64	2		
1\64	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Used	1s	2s	3s
2\64	1	1	
2\64	1	1	
1\64		1	
1\64		1	
1\64	1		
1\64		1	
2\64	1	1	
1\64		1	

Used	1s	2s	3s
			1

Used	1s	2s	3s
1\64	1		
2\64	1		1
2\64	1		1
2\64	1		1
2\64			2
2\64		1	1
2\64	1		1
1\64	2		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Used	1s	2s	3s

Used	1s	2s	3s

Used	1s	2s	3s
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1
2\64	1		1

Overall agency satisfaction:

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2		
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Survey results VII, continued (results Part III)

Government agency use / service rating (potential exporters)

Table VII-D

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

**World Trade Center
Alaska**
Used 1s 2s 3s

3\182		1	
1\182			1
1\182		1	
1\182			1

**Alaska Center for
Int'l Business**
Used 1s 2s 3s

2\182			2
1\182		1	
1\182		1	

**American Russian
Center**
Used 1s 2s 3s

1\182			
2\182	1		
1\182	1		

1\182			1
1\182		2	
2\182		1	1
3\182		2	1
3\182		2	1
2\182		1	1
2\182			2
2\182		1	1

2\182		1	1
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2\182	1		1
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1\182			1
1\182			1
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1\182			1

1\182			1
1\182		1	

1\182	1		

Overall agency satisfaction:

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	1	
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2		
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Agencies not marked: UAF School of Management, UAF Arctic Research, UAA School of Business, Circumpolar Health Studies, Kenai College, Division of Tourism, Division of Investments, Division of Banking, Anchorage, Kenai Peninsula Borough, Fairbanks North Star Borough, Fairbanks Int'l Airport, Anchorage Int'l Airport, Fairbanks ARDOR, Anchorage ARDOR, Southwest ARDOR, Southeast ARDOR, Kenai ARDOR, Prince William Sound ARDOR, Bering Straits ARDOR, Arctic ARDOR

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Small Business
Development Cntr.**
Used 1s 2s 3s

1\182			1
1\182			1
1\182		1	

**Alaska Science and
Tech. Foundation**
Used 1s 2s 3s

1\182			1
1\182		1	

**Alaska Industrial
and Export Auth.**
Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182		1	
1\182		1	
1\182		1	
1\182		1	
1\182		1	

1\182		1	
1\182		1	

1\182		1	
1\182	1		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182			1

Overall agency satisfaction:

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General Information (Including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**Alaska State
Legislature**
Used 1s 2s 3s

1\182			1
1\182			1
1\182		1	
1\182			1

**Alaska Seafood
Marketing Institute**
Used 1s 2s 3s

1\182	1		
1\182		1	
1\182	1		
1\182	1		

**(AK) Dept. of
Commerce**
Used 1s 2s 3s

2\182	1		1
2\182	1		1
1\182	1		
1\182	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182			1
1\182		1	
1\182		1	
1\182			1
1\182		1	
1\182			1
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1\182			1

1\182	1		
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1\182		1	
1\182			1
1\182			1
1\182		1	

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

Office of Int'l
Trade
Used 1s 2s 3s

3\182		1	1
5\182	1	2	2
4\182	1	2	1
3\182	2	1	
1\182	2	1	

Northern Forum
Used 1s 2s 3s

1\182	1		
1\182	1		
1\182	1		
1\182	1		

(AK) Div. of
Natural Resources
Used 1s 2s 3s

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

4\182	1	2	1
4\182	2	1	1
3\182	2		1
3\182	1	1	1
2\182		1	1
3\182	1		2
3\182	1		2
4\182	1	2	1

1\182	1		
1\182			

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182	1		

1\182	1		

Overall agency satisfaction:

3

2

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Commercial
Service (US & FCS)**

Used 1s 2s 3s

1\182	1	3	
5\182	1	2	3
4\182	1	3	
3\182	1	2	
1\182		1	

**National Marine
Fisheries Service**

Used 1s 2s 3s

1\182		2	
1\182	1		
1\182	1		

**Small Business
Administration**

Used 1s 2s 3s

2\182		1	1
2\182		1	1
3\182		1	2
2\182			3
1\182			1

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

3\182		1	2
2\182	1	1	
1\182		1	
1\182		1	1
1\182		1	1
1\182			1
1\182			1
1\182			1

			1
1\182	1		1

2\182		1	1
2\182			3
2\182			3
2\182		1	1
2\182		1	1
2\182			2
2\182			2
1\182		1	1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

1\182	1		
1\182	1		

1\182		1	
1\182			1
1\182			1
1\182			1
1\182			1

Overall agency satisfaction:

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General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

**U.S. Congressional
Delegation**

Used 1s 2s 3s

1\182	1		
2\182	1	1	
1\182	1		
1\182	1		

**Anchorage Convention
and Visitors Bur.**

Used 1s 2s 3s

**AK Fisheries Dev.
Foundation**

Used 1s 2s 3s

1\182	1		
1\182	1		
1\182	1		

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

1\182	1		
1\182	1		
1\182		1	

1\182			1

1\182	1		
1\182	1		
1\182	1		
1\182	1		

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

**Foreign trade
agency**
Used 1s 2s 3s

General Information (including seminars, publications, etc.)

1. Information on exporting fundamentals
2. Background information on a foreign market (culture, language, etc.)
3. Information on markets for your company's product or service
4. Personalized export counseling session (question and answer)
5. Referrals to other sources of assistance (public or private)

2\182		1	1
2\182		1	1
1\182			1
1\182			1

Business Contacts

6. Assistance finding partners for joint ventures
7. Trade leads
8. Assistance finding a foreign representative, distributor, or agent
9. Assistance with foreign relations
10. Opportunity to attend a trade mission / show
11. Overseas advertising assistance
12. Customized trade missions
13. Background information on foreign businesses

2\182			2
2\182			2
1\182			1
1\182			1
2\182	1		1
1\182			1
2\182	1		1
1\182			1

Running the export operation

14. Assistance with export documentation
15. Export financing (export loans, etc.)
16. Assistance altering a product or service to foreign market specifications
17. Logistics, shipping, or distribution assistance
18. Assistance establishing credit / payment terms
19. Other international services

Overall agency satisfaction:

	1	
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