

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2843 SCOMM 124: HOUSE SPEC.COMM. EC.DEV. TRADE & TOURISM 2001-02 607



# RECORDS CERTIFICATION



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Signature of Camera Operator

1/22/2004  
Date

SCOMM 124: HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE  
AND TOURISM, 2001-02

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MEMBERS:

REPRESENTATIVE LESIL MCGUIRE, CHAIR  
REPRESENTATIVE HARRY CRAWFORD  
REPRESENTATIVE FRED DYSON  
REPRESENTATIVE JOE GREEN  
REPRESENTATIVE GRETCHEN GUESS  
REPRESENTATIVE JEANNETTE JAMES  
REPRESENTATIVE CARL MORGAN  
REPRESENTATIVE BEVERLY MASEK  
REPRESENTATIVE NORMAN ROKEBERG

Established by House Resolve No. 1, 2001.

Contents: 19 files. 15 tapes are also available of meetings held  
1/18/01 - 3/21/02.

LIST OF FILES (PAGE 1)

MICROFICHE #

1. ALASKA INDUSTRIAL DEVELOPMENT & EXPORT  
AUTHORITY (AIDEA), 2/01/01
2. ALASKA SCIENCE AND TECHNOLOGY FOUNDATION,  
2/06/01
3. DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
(DCED), RE: ALASKA ECONOMIC INFORMATION SYSTEM  
(AEIS), 2/28/02
4. DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT  
(DCED), RE: ALASKA TOURSIM INDUSTRY ASSOCIATION  
(ATIA), 2//05/02
5. PACIFIC NORTHWEST ECONOMIC REGION, RE:  
RELATIONSHIP BETWEEN PARTNERS, 3/21/02
6. UTILITY CORRIDOR AND RAILROAD RIGHT-OF-WAY TO  
CANADA, 2/20/01
7. NORTHWEST TERRITORIES DELEGATION PRESENTATION,  
3/27/01
8. HB 24, BOROUGH REVENUE FOR TOURISM MARKETING,  
2/08/01
9. HB 36, ENTERPRISE ZONES, 2/22/01 & 3/15/01

**SCOMM**

**124:1**

# Development Finance Projects

| Project                                       | Cost                                                          | Construction Jobs | Permanent Jobs    | Status                                                                                                                                                                                                         |
|-----------------------------------------------|---------------------------------------------------------------|-------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DeLong Mountain Transportation System (DMTS)  | \$180 million                                                 |                   | 350               | Project is complete and in operation.                                                                                                                                                                          |
| Unalaska Marine Center                        | \$7 million                                                   |                   |                   | Facility is complete and in operation.                                                                                                                                                                         |
| Federal Express Aircraft Maintenance Facility | \$30.75 million                                               |                   | 20+ direct jobs   | Facility is complete and in operation.                                                                                                                                                                         |
| Healy Clean Coal Facility                     | \$267 million (\$117.3 million grant from federal government) | 200+ for 2 years  | 35                | Facility is complete. AIDEA and GVEA have reached a settlement on HCCP that protects ratepayers and provides for payback of AIDEA's investment.                                                                |
| Suneel Coal Load-Out Facility                 | \$6.9 million                                                 |                   | 100 jobs retained | AIDEA purchased a 49% equity interest in the facility in 1995 to help retain jobs related to coal export. The facility is in operation.                                                                        |
| Ketchikan Shipyard                            | Transferred from DOT/PF                                       |                   | 28+ direct jobs   | Contract awarded in amount of \$2.4 million to expand shipyard production facilities to support current level of activity.                                                                                     |
| Skagway Ore Terminal                          | \$25 million                                                  |                   |                   | Terminal is vacant. AIDEA is looking at potential use options.                                                                                                                                                 |
| Snettisham Hydroelectric Project              | \$100 million                                                 | 20                | 4                 | Project has completed second year of operation under local ownership and control.                                                                                                                              |
| Alaska Seafood Center                         | \$50 million                                                  | 17                | 450               | AIDEA has signed an agreement with existing partners to restructure the organization and provide short-term funding for continuation of operation. Discussions are ongoing with potential additional partners. |



ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY



813 WEST NORTHERN LIGHTS BLVD.

ANCHORAGE, ALASKA 99503

907 / 269-3000

FAX 907 / 269-3044

**AIDEA's Mission:** *"To encourage economic growth and diversification in Alaska."*

### **AIDEA's History:**

- Created in 1967
- Until 1980, provided only tax exempt stand-alone revenue bonds to qualified manufacturing and industrial enterprises
- Early 1980's, legislature expanded scope to tourism, mining, commercial fishing and small business enterprises
- 1981 - legislature appropriated \$23 million cash, \$166 million of DOR and DCED loans, and assets and liabilities of Alaska State Development Corporation, Small Business Development Corporation and Alaska Toll Bridge Authority, with fund balances of \$2.5 million
- 1980 - loan participation program authorized (taxable and tax exempt umbrella bond program)
- 1982 - multifamily housing program authorized
- 1984 - development finance program authorized
- 1985 - legislature appropriated \$143,511,300 in state business loans and cash from the multifamily housing fund for bond support to the Red Dog mine
- 1987 - multifamily housing program repealed
- 1988 - business and export assistance program authorized
- 1996 - AIDEA dividend program authorized

### **AIDEA is and is Not:**

- AIDEA is a profit motivated self-sustaining entity
- AIDEA provides financial assistance for small and large projects
- AIDEA is not a grant making entity
- AIDEA does not compete with the private sector

**AIDEA's Programs:**

- Development Finance Program
- Loan Participation Program
- Business and Export Assistance Program
- Conduit Revenue Bond Program

**AIDEA's Dividend Program:**

- \$109 million in dividends to the state since 1996

**AIDEA's Outreach Activities:**

- AIDEA speaking bureau
- Alaska Business Plan Competition
- Alaska InvestNet
- AIDEA/Bank meetings
- USAID Sakhalin Development Agency project
- Mentoring for UAA Entrepreneurship Program

**SCOMM**

**124:2**

# Alaska State Legislature

Rep. Lesil McGuire, Chair  
Rep. Joe Green, Vice-Chair  
Rep. Fred Dyson  
Rep. Jeanette James  
Rep. Beverly Masek  
Rep. Carl Morgan  
Rep. Norman Rokeberg  
Rep. Harry Crawford  
Rep. Gretchen Guess



State Capitol  
Juneau, AK 99801-1182  
(907) 465-4955

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

### **AGENDA** **Tuesday, February 6, 2001**

#### **Tuesday, February 6**

**Overview:** Alaska Science and Technology Foundation (ASTF)  
Dr. James Kenworthy, Executive Director

**This meeting will be teleconferenced**



## Legislative/Chamber Briefing

**Jamie Kenworthy**

**Alaska Science and  
Technology Foundation (ASTF)**

**www.astf.org**

**jkenworthy@astf.org**

**272-4333**



## Legislative/Chamber Briefing

**Alaska Economy**

**Business Survey**

**Summit Process**



## *Alaska Science and Technology Innovation Index*

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### Where Alaska is doing well:

- Growth rate in technology jobs, but starting from a small base
- Households with internet access and computers, Alaska ranks 1<sup>st</sup> in the nation
- Percentage of adults with high school degree



## *Alaska Science and Technology Innovation Index*

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### Where Alaska is doing average:

- Per capita personal income equal to US average
- Percentage of workforce with Ph.D.'s in Science & Engineering
- Adults with college degrees



## *Alaska Science and Technology Innovation Index*

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### Where Alaska is doing poorly:

- High outward migration of college students and younger aged workers
- Slow growth rate of per capita income, Alaska is lowest of the 50 states
- Low percentage of high-tech workers
- Venture capital is essentially nil
- Low R&D expenditures per capita and low share of industry R&D



## **Economic Development**

**Economic Dev = Expansion of  
state economic base**

**Base = traded goods/services**

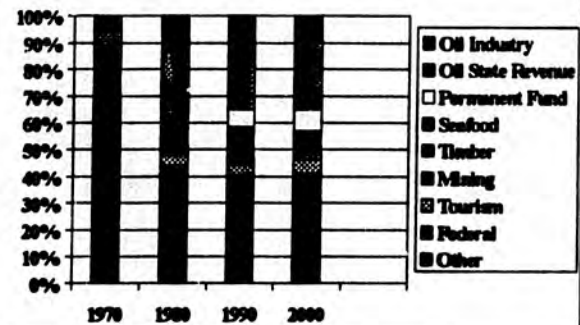
**Oil, Seafood, Mining, Tourism,  
Forest Products, Tech, services  
sold outside state**



### Jobs In Base

|                                        |        |
|----------------------------------------|--------|
| State/Local Government (Oil Paid Only) | 37,000 |
| Federal                                | 16,400 |
| Oil & Gas                              | 8,500  |
| Mining                                 | 3,000  |
| Seafood                                | 6,000  |
| Forest Products                        | 1,000  |
| Other Manufacturing                    | 2,700  |
| Self-Employed Fish/Tourism/Ag          | ???    |

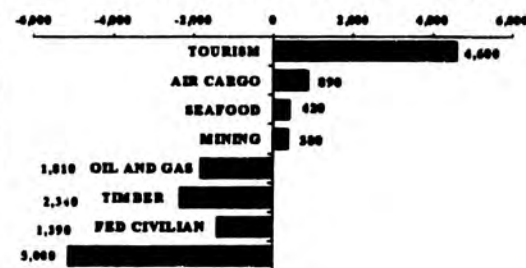
### Composition of State Economic Base



### Comparing AK to US 1985-1999 (Peak to Peak)

|                  |        |
|------------------|--------|
| AK Growth Rate   | 20.3%  |
| U.S. Growth Rate | 31.3%  |
| "Lost" Jobs      | 25,628 |

### BASIC JOBS: Growth Since 1990



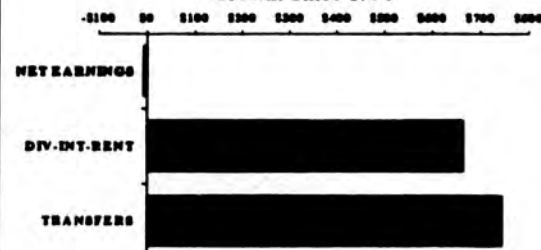
SOURCE: ISER, UAA

### % INCOME GROWTH: 1990 TO 1998

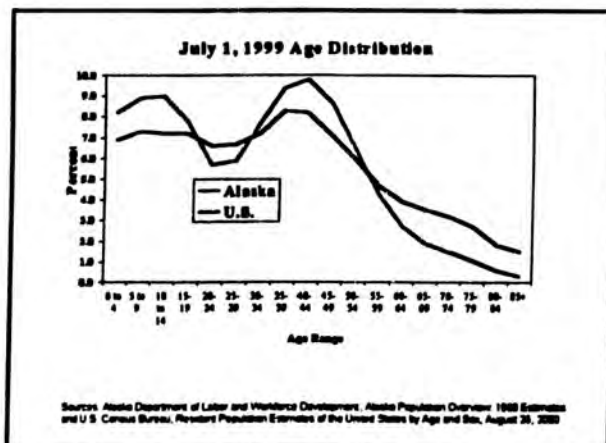


SOURCE: ISER, UAA

### PERSONAL INCOME: Growth Since 1990



SOURCE: ISER, UAA



## Conclusions

**Not Getting Richer**

**Adding Jobs Faster than Wealth**

**Fixed Economic Base tied to Fiscal Problem**

**Time to Address Structural Issues**

## Conclusions (cont'd)

**Alaska Declining Share of World Market for Oil, Salmon, Timber**

**Being Commodity Exporter is Pushing on String**

**Products which embed technology produce more wealth**

**Need to export more final products and services**

## Business Survey

**480 Respondents Nov-Dec/00**

**State/Local Chambers**

**Resource Dev. Council**

**Alaska High Tech Business Council**

**Commonwealth North**

**27 Other Industry Groups**

**DCED/ASTF**

## Business Survey

### Alaska's Economy

|           | <u>Current</u> | <u>3-5 Years</u> |
|-----------|----------------|------------------|
| Excellent | 5%             | 11%              |
| Good      | 48%            | 44 %             |
| Average   | 41%            | 36%              |
| Poor      | 5%             | 8%               |

## Business Survey Key Issues

**1. Opportunity for Young People to Have a Good Career in Alaska**

**95% Important/Very Important**

**49% AK Poor, 35% Average**



### **Business Survey Key Issues**

#### **2. Adequate Supply Skilled Workers**

**94% Important/Very Important**

**36% AK Poor**

**47% Average**



### **Business Survey Key Issues**

#### **3. Quality of Life**

**93% Important/V Imp**

**12% AK Excellent**

**49% AK Good**



### **Business Survey Key Issues**

#### **4. Quality and Availability**

**Higher Ed/Post-HS Training/K-12**

**91-92% Important/V Imp**

**68%-76% AK Poor/Average**



### **Business Survey Key Issues**

#### **5. Level and Growth of Personal Income**

**92% Important/Very Important**

**32% AK Poor, 47% Average**



### **Business Survey AK Issues**

#### **Ranked Lowest**

- 1. Dependence on Oil and Gas to fund  
public services 57% Poor**
- 2. Lack of state fiscal plan, 53% Poor**
- 3. Lack of state econ dev strat 53% Poor**
- 4. Lack of local/regional strat 44% Poor**



### **Business Survey Other Issues**

#### **% AK Average/Poor**

|                                           |            |
|-------------------------------------------|------------|
| <b>Cost of Doing Business</b>             | <b>80%</b> |
| <b>Lack of Risk Capital</b>               | <b>78%</b> |
| <b>Participation in New Economy</b>       | <b>76%</b> |
| <b>Scope/quality of Physical Infrast.</b> | <b>75%</b> |
| <b>Environment Reg and Permit</b>         | <b>74%</b> |

### **Business Survey**

| <u>Investment Principles</u>  | <u>Agree</u> |
|-------------------------------|--------------|
| Sustainable Market Economics  | 91%          |
| Appropriate Risk/Reward       | 86%          |
| Appropriate Cost and Benefits | 85%          |
| Build Local Capacity          | 80%          |
| Bang for Buck/ROI             | 69%          |
| Equity/Fairness               | 54%          |

### **SURVEY CONCLUSIONS**

Glass Half Empty/Full on current economy  
AK not growing wealth and enterprises like US  
Good Quality of Life but concern if good jobs  
for children  
Need to start work to improve growth inputs  
(tech, skilled workers, capital)  
97% want private/public work together to  
focus on economic growth

### **Summit Process**

#### **Process**

**Ask Alaska Next**  
**Statewide Summit**  
**Regional Plans ?**

### **Summit Process**

**Statewide Summit (Personal  
Opinion, not Group)**

- 1. Define Success**
- 2. Define Investment Principles**
- 3. Not tell Regions what to do or use  
Process for political/budget battles**
- 4. Strengthen public/private partnerships  
to attack problems/opportunities**

### **Legislative/Chamber Briefing**

**Jamie Kenworthy**  
**Alaska Science and  
Technology Foundation (ASTF)**  
**[www.astf.org](http://www.astf.org)**  
**[jkenworthy@astf.org](mailto:jkenworthy@astf.org)**  
**272-4333**

**COMMITTEE: HOUSE  
ECONOMIC DEVELOPMENT,  
TRADE & TOURISM**

***SUBJECT: Overview: Alaska Science & Technology Foundation - by James Kenworthy, Executive Director***



**DATE: February 6, 2001**

**PLEASE SIGN IN**

**PLEASE PRINT:  
NAME & TITLE**

**ADDRESS  
(MAILING & ZIP)**

**PHONE**

## REPRESENTING

(No Acronyms, Please)

**DO YOU  
WANT TO  
TESTIFY ?**

[illegible]

**SCOMM**

**124:3**

**COMMITTEE: HOUSE  
ECONOMIC DEVELOPMENT,  
TRADE & TOURISM**

**SUBJECT: Overview: Department of  
Community & Economic Development  
Re: Alaska Economic Information System**



**DATE: February 28, 2002**

***PLEASE SIGN IN***

**PLEASE PRINT:  
NAME & TITLE**

**ADDRESS  
(MAILING & ZIP)**

**PHONE**

## REPRESENTING

(No Acronyms, Please)

**DO YOU  
WANT TO  
TESTIFY ?**

[illegible]

# *Alaska State Legislature*

Rep. Lesli McGuire, Chair  
Rep. Joe Green, Vice Chair  
Rep. Fred Dyson  
Rep. Jeanette James  
Rep. Beverly Masek  
Rep. Carl Morgan  
Rep. Norm Rokeberg  
Rep. Harry Crawford  
Rep. Gretchen Guess



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716 West Fourth Avenue, Suite 430  
Anchorage, Alaska 99501  
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Fax (907) 269-0163

## *House Special Committee Economic Development, Trade & Tourism*

**AGENDA**  
**Thursday, February 28, 2002**  
**4:00 P.M.**

### **Thursday, February 28**

- **Overview:** Peter <sup>F</sup>~~Greer~~; Economic Development Project Manager  
Department of Community and Economic Development  
*Overview of "Alaska Economic Information System" (AEIS). A web based database tool that describes and analyzes the Alaska economy by industry sector and census area.*

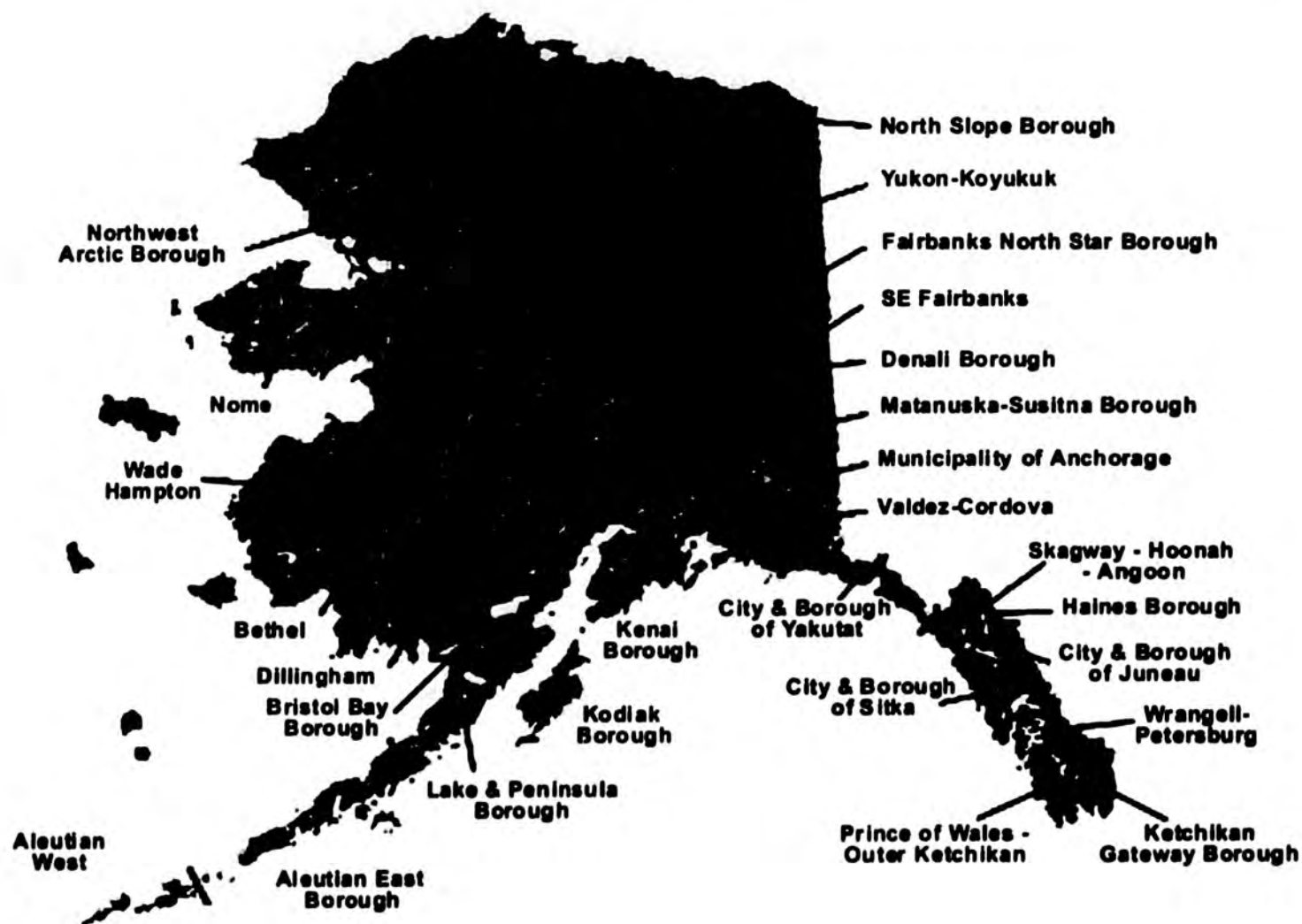
# Alaska Economic Information System

[Alaska State Home Page](#)

[Department Home Page](#)

[Division Home Page](#)

## Alaska Census Areas



# AEIS

## Alaska Economic Information System

A Web Based Product  
Based on Mapped Census Areas

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## Multi-Layered Internet Information System

- Short and Sweet Narratives
- Loaded with Graphics, Tables & Spreadsheets
- Drill Down to get Greater & Greater Detail
- Links to Information Sources
- Links to Specific Issues, Assumptions, Definitions and Footnotes
- Links to Related Sites, e.g., USDA, Census, BEA

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## Alaska Economic Information System

- Department of Community and Economic Development Role:

Supplement and do not duplicate local efforts.

Focus on common supply and demand issues.

The ultimate objective: Expand the Economic Base.

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# **CORRECTION**

**THE FOLLOWING DOCUMENT(S)  
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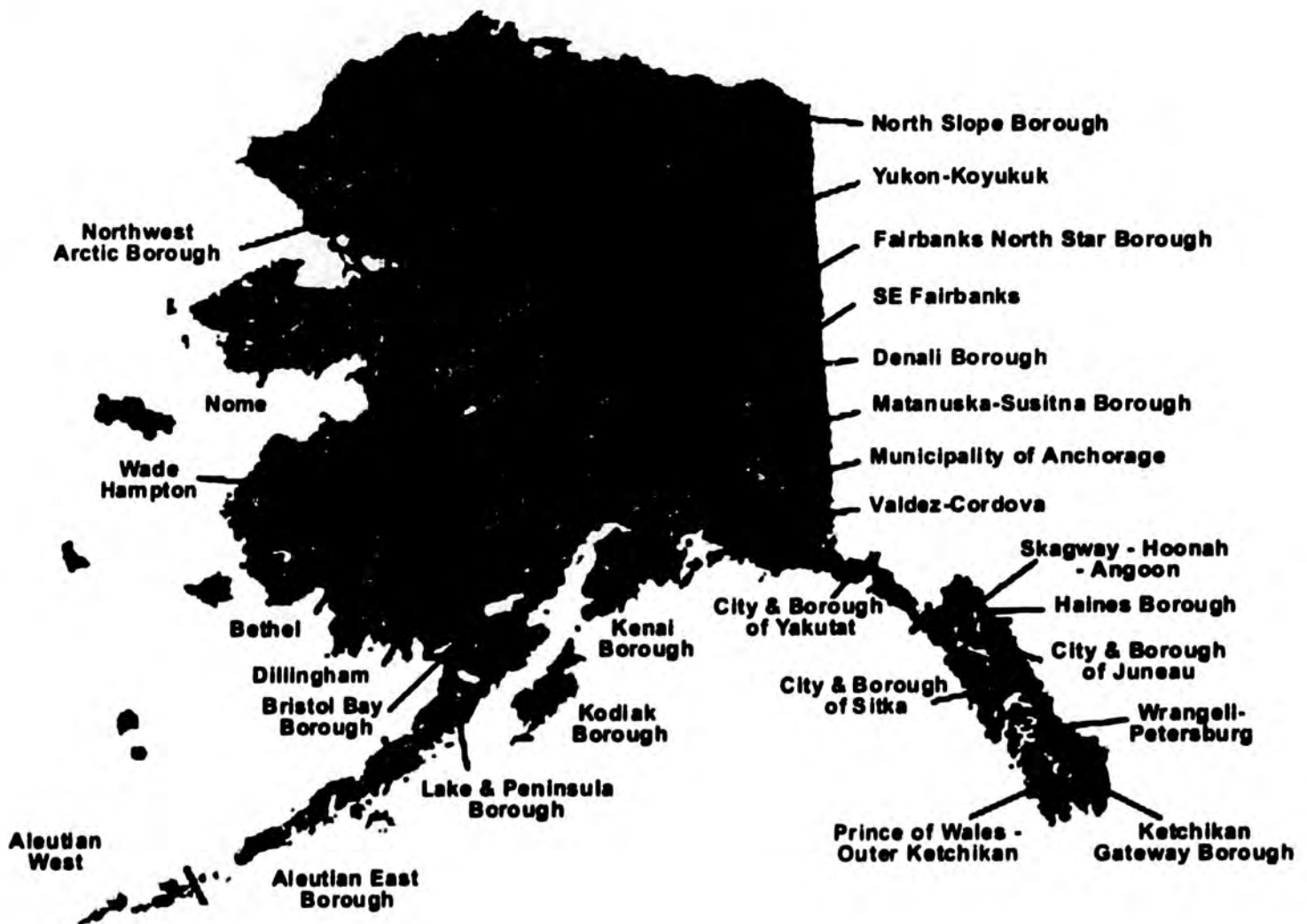
# Alaska Economic Information System

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## Alaska Census Areas



Interactive Map Based Economic Information System

# **ALASKA ECONOMIC INFORMATION SYSTEM – the AEIS**

## ***Growing the Base Economy of Alaska***

The AEIS is a tool to help grow Alaska's base economy. It is a content-rich, web-based economic database that describes and analyzes the Alaska economy by industry sector and census area. It is based on the belief that good information is the foundation for investment, development and opportunity.

### **Features:** The AEIS will:

- *Provide timely, current, **Alaska-Specific** information*
- *Tell prospective investors about our resources and opportunities*
- *Create a baseline for evaluating industry activity*
- *Offer a user-friendly, easy-to-navigate format*
- *House the most comprehensive economic development site on Alaska*

**Contents:** Good information is the staple of sound decision making. The AEIS provides and collates a vast amount of economic and supporting information through:

- **Economic Development Narratives.** Each census area contains a regional economic overview and economic narratives on oil and gas, tourism, mining, fisheries, agriculture, timber, transportation, utilities, energy and subsistence.
- **Portal to Relevant Material.** The AEIS will link directly to many supporting websites, as well as to specific plans, studies, reports and other related documents.
- **Source Material Availability.** The website is graphics-rich and supported throughout with source material. The user can "drill down" from the narratives and graphics and find the charts, figures, tables and databases that support the text.

**Users:** Information about Alaska and its regional economies will be available globally. We anticipate users will include:

- |                        |                         |                      |
|------------------------|-------------------------|----------------------|
| • Investors            | • Local Residents       | • Entrepreneurs      |
| • College Students     | • Corporations          | • Industry Staff     |
| • Local Governments    | • Researchers           | • Rural Campuses     |
| • State Agencies       | • Federal Agencies      | • Small Business     |
| • Regional Non-Profits | • Tribes                | • Rural Schools      |
| • ED Organizations     | • Community Non-Profits | • Trade Associations |

The Alaska Economic Information System puts the state's economy, industries and regions at the fingertips of the world. It combines economic information and electronic access in a dynamic format meant to serve Alaskans by promoting opportunities for economic development.

**For further information contact: Peter Freer, 465-4815**

***Alaska Department of Community and Economic Development***

***Division of Community and Business Development***

# AEIS

## Alaska Economic Information System

A Web Based Product  
Based on Mapped Census Areas

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## Multi-Layered Internet Information System

- Short and Sweet Narratives
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## Alaska Economic Information System

Department of Community and Economic Development Role:

Supplement and do not duplicate local efforts.

Focus on common supply and demand issues.

The ultimate objective: Expand the Economic Base.

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### Alaska Economic Information System

**Who Are Potential Users of AEIS?**

- Community and Regional Decision Makers
- State Policy Makers
- Entrepreneurs
- Business Leaders
- Academics/Students
- State and Federal Agencies
- Chronic Internet Surfers Who Need-a-Life

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### General Format

- A Statewide Overview
- Twenty-Seven Census Area Overviews
- The Economic Sectors within Census Areas
- Specific Opportunities and Challenges

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### Focus on the Economic Base

- Industries that create or bring new wealth to Alaska, or
- Industries that reduce Alaska's dependence on imports.

- Oil and Gas Extraction
- Mining
- Timber Processing
- Subsistence
- Seafood Processing
- Agriculture
- Non-Resident Tourism
- Federal Government
- Native Arts

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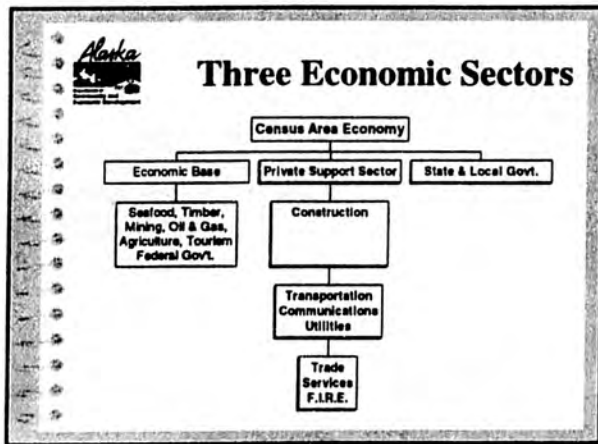
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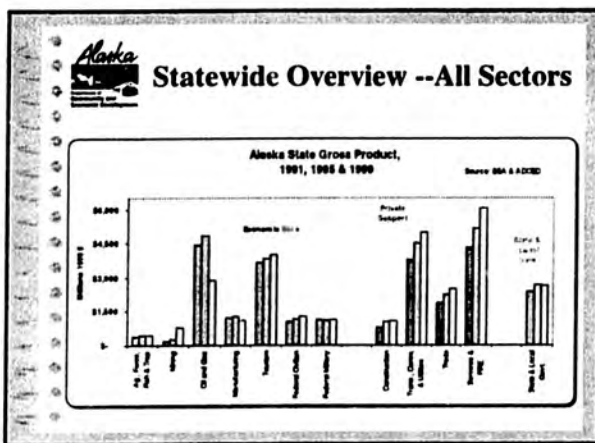
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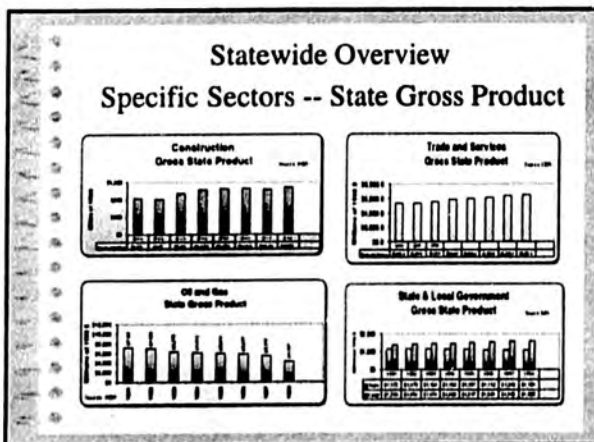
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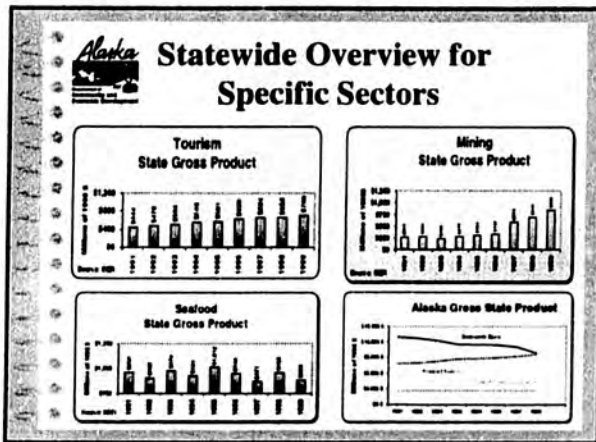
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- Alaska** Economic Overviews for State and Census Areas
- ☐ The Economy at a Glance
  - ☐ The People at a Glance
  - ☐ Economic Sectors
  - ☐ Opportunities and Challenges
  - ☐ Employment, including Commercial Fishing and Tourism Employment
  - ☐ Unemployment
  - ☐ Adults Not in the Work Force
  - ☐ Wages and Income
  - ☐ Per Capita Incomes
  - ☐ Transfer Payments
  - ☐ Subsistence

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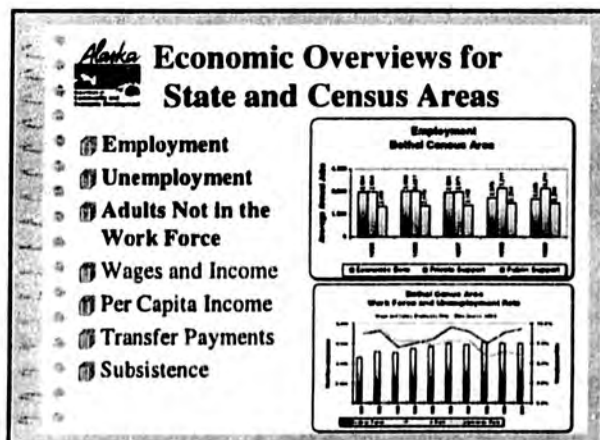
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**Alaska** Economic Overviews for  
State and Census Areas

Spreadsheets for Figures and Graphics

**Belhel Census Area Work Force and Unemployment**

Belhel CA

|              | 1990  | Jan   | Feb   | Mar   | Apr   | May   |
|--------------|-------|-------|-------|-------|-------|-------|
| 1990         | (7)   | (7)   | (7)   | (7)   | (7)   | (7)   |
| Labor Force  | 6,885 | 6,195 | 6,122 | 6,047 | 6,760 | 6,760 |
| Employment   | 6,485 | 5,673 | 5,563 | 5,471 | 6,088 | 6,088 |
| Unemployment | 500   | 522   | 559   | 576   | 672   | 672   |
| Rate         | 8.4   | 8.4   | 9.1   | 9.5   | 11.8  | 11.8  |

|                              | 1990  | 2000 |
|------------------------------|-------|------|
| Adults Not in the Work Force | 45.0% | 0.0% |
| Below Poverty Line           | 30.0% | 0.0% |

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**Alaska** Economic Overviews for  
State and Census Areas

- ☐ Employment
- ☐ Unemployment
- ☐ Adults Not in the Work Force
- ☐ Wages and Income
- ☐ Per Capita Income
- ☐ Transfer Payments
- ☐ Subsistence

**Belhel Census Area Trends in Real Wages and Salaries**

**Commercial Fishing Gross Earnings Belhel Census Area**

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**Alaska** Economic Overviews for  
State and Census Areas

- ☐ Employment
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- ☐ Adults Not in the Work Force
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- ☐ Per Capita Income
- ☐ Transfer Payments
- ☐ Subsistence

**Per Capita Income Belhel Census Area**

**Transfer Payments Belhel Census Area**

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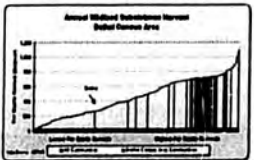
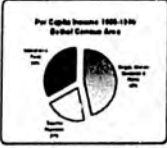
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**Alaska** **Economic Overviews for State and Census Areas**

- ☐ Employment
- ☐ Unemployment
- ☐ Adults Not in the Work Force
- ☐ Wages and Income
- ☐ Per Capita Income
- ☐ Transfer Payments
- ☐ Subsistence


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**Alaska** **Economic Overviews State and Census Areas**

- ☐ The Economy at a Glance
- ☐ The People at a Glance
- ☐ Economic Sectors
- ☐ Opportunities and Challenges
- ☐ Special Situations
- ☐ Population Growth
- ☐ Birth/Death Rates
- ☐ Ethnicity 1990-2000
- ☐ Poverty 1990-2000
- ☐ Net Migration

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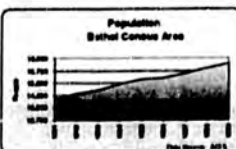
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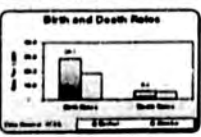
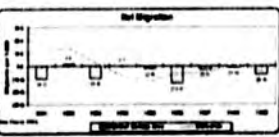
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**Census Area Demographics**




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## Economic Overviews Statewide and Census Areas

- ☐ The Economy at a Glance
- ☐ The People at a Glance
- ☐ Economic Sectors
- ☐ Opportunities and Challenges
- ☐ Special Situations
- ☐ Industries/Processors
- ☐ Employment and Earnings
- ☐ The Current Market and Future Outlook
- ☐ Opportunities/Barriers to Expand & Diversify

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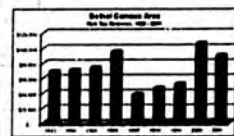
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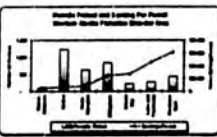
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## Economic Sector Commercial Fishing



**2001 Commercial Fisheries and Stock Condition Report of Alaska**

| Species    | Area    | Stocking | Harvest | Stocking Ratio | Harvest Ratio |
|------------|---------|----------|---------|----------------|---------------|
| Pollock    | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Salmon     | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Crab       | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Shrimp     | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Scallop    | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Clam       | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Sea urchin | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Starfish   | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Crab       | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Shrimp     | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Scallop    | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Clam       | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Sea urchin | Central | 100,000  | 100,000 | 1.0            | 1.0           |
| Starfish   | Central | 100,000  | 100,000 | 1.0            | 1.0           |




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## Economic Overviews for State and Census Areas

- ☐ The Economy at a Glance
- ☐ The People at a Glance
- ☐ Economic Sectors
- ☐ Opportunities and Challenges
- ☐ Special Situations
- ☐ Opportunities to Expand & Diversify the Economic Base
- ☐ Related Transportation Issues
- ☐ Related Energy Issues
- ☐ Work Force Mobility & Skills
- ☐ Capital Improvement Projects

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## Economic Overviews for State and Census Areas

Opportunity: there are six Community Development Quotas (CDQs) for Bering Sea Fish.

- Reinvestment in local fisheries & seafood processing.
- The potential of adding new fisheries to the program.
- Study of the economic impacts of the CDQ program.



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## Economic Overviews for State and Census Areas

Transportation: Opportunities and Constraints

- Link to Area Plans & Studies
- Transportation Cooperatives
- O&M Issues
- Possible Consolidation of Facilities
- Community Support



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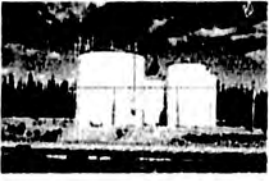
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## Economic Overviews for State and Census Areas

Energy Issues

- Population Per kWh
- Customer Base R/C
- Cost Per kWh
- Power Cost Equalization Subsidy (PCE)
- Fuel Costs Per kWh
- Generator Efficiency
- Alaska Village Electric Cooperative (AVEC)



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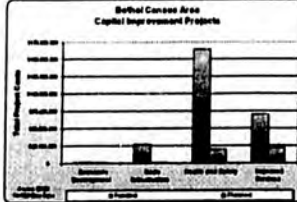
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## Economic Overviews Capital Improvement Projects

-- Economic Development  
-- Basic Infrastructure  
-- Health & Safety  
-- Improved Services



**Bethel Census Area Funded and Planned Capital Improvement Projects**

|                      | Funded                | Planned              | Total                 | % of Total    |
|----------------------|-----------------------|----------------------|-----------------------|---------------|
| Economic Development | \$ 1,200,000          | \$ 974,225           | \$ 2,174,225          | 6.0%          |
| Basic Infrastructure | \$ 24,000,000         | \$ 600,000           | \$ 24,600,000         | 69.9%         |
| Health and Safety    | \$ 104,477,617        | \$ 19,132,500        | \$ 123,610,117        | 34.1%         |
| Improved Services    | \$ 40,962,519         | \$ 12,304,954        | \$ 53,267,473         | 15.0%         |
| <b>Total</b>         | <b>\$ 169,640,136</b> | <b>\$ 41,011,679</b> | <b>\$ 210,651,815</b> | <b>100.0%</b> |

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## Economic Overviews Capital Improvement Projects



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## Economic Overviews for State and Census Areas

Potential Links to Native Corporations Web Sites

- The Economy at a Glance
- The People at a Glance
- Economic Sectors
- Opportunities and Challenges
- Special Situations



- Regional Corporations
- Village Corporations
- Non-Profit Organizations

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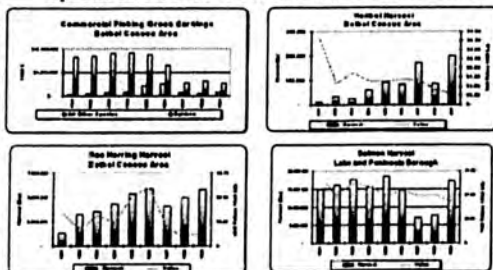
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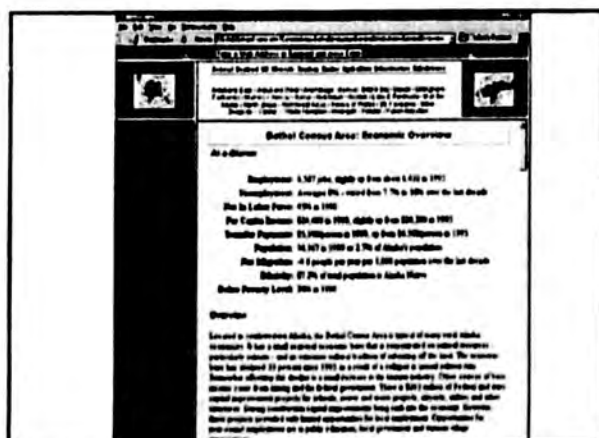
**Special Situations: Western Alaska Disaster Area**

## Alaska Economic Information System

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There are two types of  $\mathcal{H}_\infty$  norm,  $\|\cdot\|_\infty$  and  $\|\cdot\|_{\infty, \infty}$ . For  $\mathcal{H}_\infty$  norm,  $\|\cdot\|_\infty$  is the maximum singular value of the matrix, and  $\|\cdot\|_{\infty, \infty}$  is the maximum row sum of the matrix. For  $\mathcal{H}_\infty$  norm,  $\|\cdot\|_\infty$  is the maximum singular value of the matrix, and  $\|\cdot\|_{\infty, \infty}$  is the maximum row sum of the matrix.







**Small Business & Minority Equity, Social Security, Retirement, Mortgages**

Financial Planning & Investment Services, Inc. (FPI) is a leading national firm specializing in financial planning and investment services for small business owners, executives, and individuals. FPI has over 20 years of experience and a proven track record of success. FPI is currently seeking qualified individuals to join its growing team.

**Qualifications:** Bachelor's degree in Finance, Business, or related field. Minimum 5 years of experience in financial planning or investment services. Strong analytical and communication skills. Ability to work independently and as part of a team.

**Compensation:** Competitive salary and benefits package. FPI offers a comprehensive benefits program including health, dental, and vision insurance, as well as a 401(k) plan.

**Location:** FPI has offices in major cities across the United States. The ideal candidate will be based in the New York City area.

**Application:** Please send your resume and cover letter to: Financial Planning & Investment Services, Inc., 1234 Main Street, New York, NY 10001. All applications will be reviewed on an ongoing basis.



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**Figure 1** consists of three main parts:

- Top Left: Map of the Study Area**
  - A map showing the location of the study area within the state of Georgia, USA.
  - The map includes the state boundary, major cities (Atlanta, Savannah, Macon, Albany, Columbus, Marietta, Dalton, Gainesville, Tallahassee, Jacksonville, Orlando, Miami, Fort Lauderdale, Tampa, St. Petersburg, Pensacola, Panama City, Tallapoosa, Columbus, Macon, Albany, Dalton, Gainesville, Tallahassee, Jacksonville, Orlando, Miami, Fort Lauderdale, Tampa, St. Petersburg, Pensacola, Panama City, Tallapoosa), and the study area (indicated by a shaded region).
- Top Right: Table of Land Use Data**

| Land Use     | Area (km <sup>2</sup> ) | Percentage (%) |
|--------------|-------------------------|----------------|
| Forest       | 1,234,567               | 65.2           |
| Grassland    | 567,890                 | 30.1           |
| Water        | 123,456                 | 6.5            |
| Urban        | 45,678                  | 2.4            |
| Barren       | 23,456                  | 1.2            |
| <b>Total</b> | <b>1,900,000</b>        | <b>100.0</b>   |
- Bottom: Line Graph of Vegetation Indices**
  - The graph plots the Normalized Difference Vegetation Index (NDVI) on the Y-axis (ranging from -0.2 to 0.8) against the Julian Day on the X-axis (ranging from 1 to 365).
  - Four data series are shown: Forest (solid line), Grassland (dashed line), Water (dotted line), and Urban (dash-dot line).
  - The Forest series shows a peak in NDVI around Julian Day 150 (mid-June) and a minimum around Julian Day 250 (mid-September).
  - The Grassland series shows a peak in NDVI around Julian Day 150 and a minimum around Julian Day 250.
  - The Water series shows a relatively constant NDVI around 0.2.
  - The Urban series shows a relatively constant NDVI around 0.1.

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**Special Project: The Shiloh House, Shiloh, Kentucky, 1861-1862**

**Project Description:** The Shiloh House, located in Shiloh, Kentucky, is a two-story, brick house built in 1861-1862. It is a fine example of the Shiloh style of architecture, which is a blend of the Federal and Greek Revival styles. The house is built of brick with a gabled roof and a central chimney. It has a small porch on the front and a side porch on the left. The house is surrounded by a large lawn and a small garden.

**Project Goals:** The goal of this project is to restore the Shiloh House to its original condition. This will involve repairing the brickwork, the roof, and the interior. It will also involve restoring the original furnishings and fixtures.

**Project Timeline:** The project is scheduled to begin in the spring of 2003 and will be completed by the end of 2004. The project will be completed in three phases: the first phase will involve the exterior work, the second phase will involve the interior work, and the third phase will involve the final touches.

**Project Budget:** The estimated cost of the project is \$100,000. This includes the cost of materials, labor, and other expenses. The project is being funded by a grant from the National Endowment for the Arts and by private donations.

**Project Contact:** For more information about the project, please contact the project manager, [Name], at [Phone Number] or [Email Address].

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**Alaska Economics Information System**

 **That' all folks!**



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**SCOMM**

**124:4**

# *Alaska State Legislature*

Rep. Lesli McGuire, Chair  
Rep. Joe Green, Vice Chair  
Rep. Fred Dyson  
Rep. Jeanette James  
Rep. Beverly Masek  
Rep. Carl Morgan  
Rep. Norm Rokeberg  
Rep. Harry Crawford  
Rep. Gretchen Guess



Session  
State Capitol Building, Rm 418  
Juneau, Alaska 99801-1182  
Phone (907) 465-2995  
Fax (907) 465-6592

Interim  
716 West Fourth Avenue, Suite 430  
Anchorage, Alaska 99501  
Phone (907) 269-0220  
Fax (907) 269-0163

## *House Special Committee Economic Development, Trade & Tourism*

### **Committee Schedule**

Capitol Room 17  
8:00 AM – 10:00 AM

Noticed: 1/29/02

#### **Tuesday, February 5**

**Overview:** Dept. of Community and Economic Development and Alaska Travel  
Industry Association  
Re: Tourism's Contribution to Alaska's Economy

**Meeting will be teleconferenced.**

**Teleconference Order Form****Fax #465-2864****#4339**

| Sponsor and/or Committee Name             |               |                      | Date                            |
|-------------------------------------------|---------------|----------------------|---------------------------------|
| <b>HEDT – Rep. McGuire, Chair</b>         |               |                      | 02-05-02                        |
| Start/End Time                            | Chairing site | Juneau Room          | Testimony                       |
| 8:00am / 10:00am                          | Juneau        | 17                   | Yes ___ No ___ Invitational ___ |
| Contact Person and                        | Phone Number  | Other sites may add? | Testimony Limit                 |
| David Brewster                            | 465-4955      | Yes                  |                                 |
| Subject of meeting and/or Bills on agenda |               |                      |                                 |

**Overview:** Dept. of Community and Economic Development and Alaska Travel  
Industry Association  
Re: Tourism's Contribution to Alaska's Economy

| Sites - LIOs   |   | Sites - Offnets | Phone # |
|----------------|---|-----------------|---------|
| Anchorage      | X |                 |         |
| Barrow         |   |                 |         |
| Bethel         |   |                 |         |
| Cordova        |   |                 |         |
| Delta Junction |   |                 |         |
| Dillingham     |   |                 |         |
| Fairbanks      | X |                 |         |
| Glennallen     |   |                 |         |
| Homer          |   |                 |         |
| Juneau         |   |                 |         |
| Kenai          |   |                 |         |
| Ketchikan      | X |                 |         |
| Kodiak         |   |                 |         |
| Kotzebue       |   |                 |         |
| Matsu          | X |                 |         |
| Nome           |   |                 |         |
| Petersburg     |   |                 |         |
| Seward         |   |                 |         |
| Sitka          |   |                 |         |
| Tok            |   |                 |         |
| Valdez         |   |                 |         |
| Wrangell       |   |                 |         |
| Notes          |   |                 |         |
|                |   |                 |         |
|                |   |                 |         |
|                |   |                 |         |
|                |   |                 |         |

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Fax (907) 269-0163

## *House Special Committee Economic Development, Trade & Tourism*

### **AGENDA Tuesday, February 05, 2002**

#### **Tuesday, February 5**

- **Overview:** Jeff Bush; Deputy Commissioner  
Department of Community and Economic Development  
*Tourism summary from the DCED perspective and departmental overview.*
- **Overview:** Tina Lindgren; President & COO  
Alaska Travel Industry Association  
*The state of the tourism industry in Alaska.*

**Meeting will be teleconferenced.**

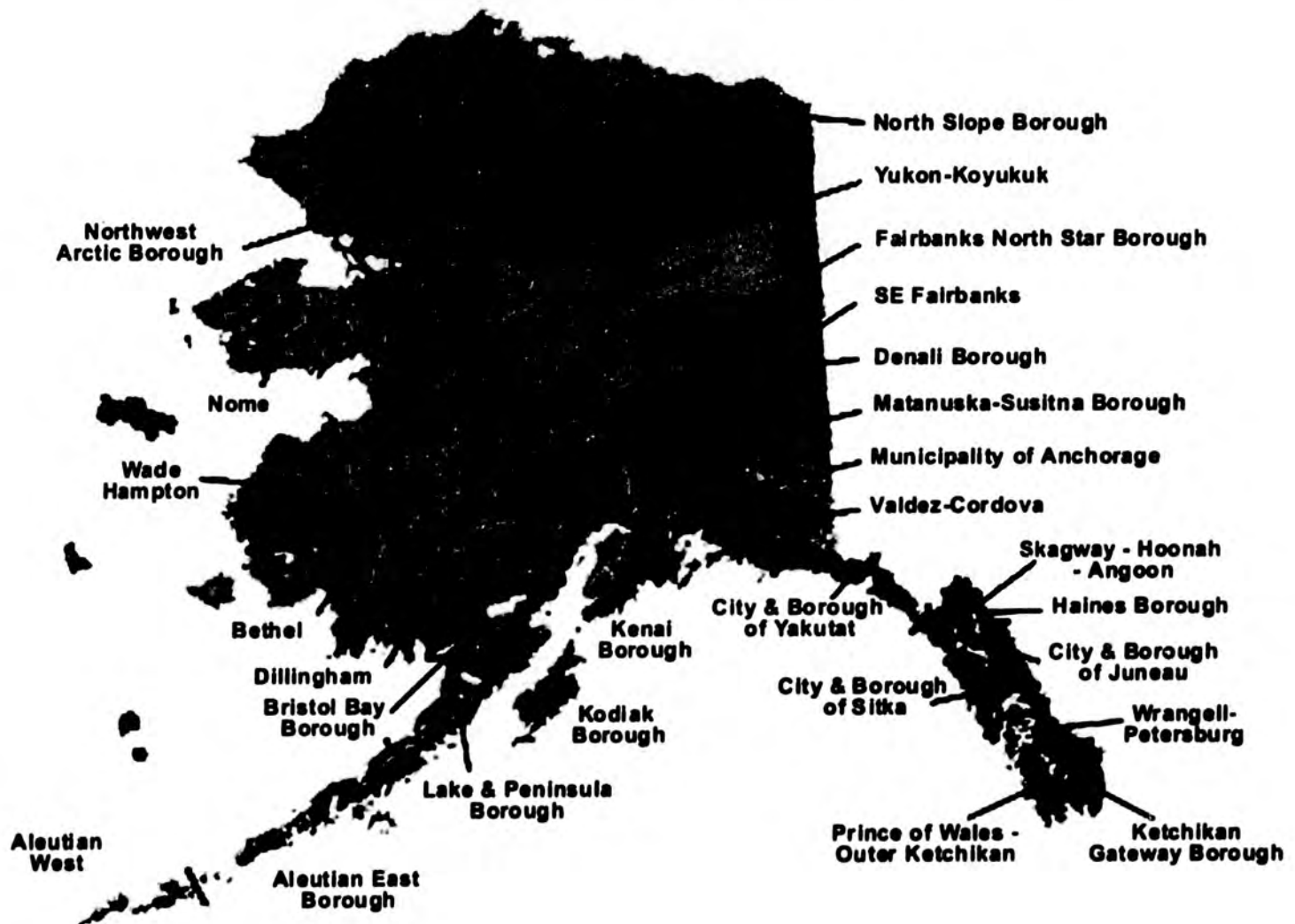
# Alaska Economic Information System

[Alaska State Home Page](#)

[Department Home Page](#)

[Division Home Page](#)

## Alaska Census Areas



Interactive Map Based Economic Information System

# **ALASKA ECONOMIC INFORMATION SYSTEM – the *AEIS***

## ***Growing the Base Economy of Alaska***

The AEIS is a tool to help grow Alaska's base economy. It is a content-rich, web-based economic database that describes and analyzes the Alaska economy by industry sector and census area. It is based on the belief that good information is the foundation for investment, development and opportunity.

### **Features:** The AEIS will:

- *Provide timely, current, **Alaska-Specific** information*
- *Tell prospective investors about our resources and opportunities*
- *Create a baseline for evaluating industry activity*
- *Offer a user-friendly, easy-to-navigate format*
- *House the most comprehensive economic development site on Alaska*

**Contents:** Good information is the staple of sound decision making. The AEIS provides and collates a vast amount of economic and supporting information through:

- **Economic Development Narratives.** Each census area contains a regional economic overview and economic narratives on oil and gas, tourism, mining, fisheries, agriculture, timber, transportation, utilities, energy and subsistence.
- **Portal to Relevant Material.** The AEIS will link directly to many supporting websites, as well as to specific plans, studies, reports and other related documents.
- **Source Material Availability.** The website is graphics-rich and supported throughout with source material. The user can "drill down" from the narratives and graphics and find the charts, figures, tables and databases that support the text.

**Users:** Information about Alaska and its regional economies will be available globally. We anticipate users will include:

- |                        |                         |                      |
|------------------------|-------------------------|----------------------|
| • Investors            | • Local Residents       | • Entrepreneurs      |
| • College Students     | • Corporations          | • Industry Staff     |
| • Local Governments    | • Researchers           | • Rural Campuses     |
| • State Agencies       | • Federal Agencies      | • Small Business     |
| • Regional Non-Profits | • Tribes                | • Rural Schools      |
| • ED Organizations     | • Community Non-Profits | • Trade Associations |

The Alaska Economic Information System puts the state's economy, industries and regions at the fingertips of the world. It combines economic information and electronic access in a dynamic format meant to serve Alaskans by promoting opportunities for economic development.

**For further information contact: Peter Freer, 465-4815**

***Alaska Department of Community and Economic Development  
Division of Community and Business Development***

**DATE: 02-05-02**

# Tourism's Contribution Alaska's Economy

**UPDATE #:**



**P R I N T YOUR NAME**

**ADDRESS (MAILING & ZIP)**

## REPRESENTING

DO YOU WANT  
TO TESTIFY?  
Y or N

[illegible]

**COMMITTEE: HOUSE  
ECONOMIC DEVELOPMENT,  
TRADE & TOURISM**

**SUBJECT: Overview: Department of  
Community & Economic Development /  
Alaska Travel Industry Association**



**DATE: February 5, 2002**

**PLEASE SIGN IN**

**PLEASE PRINT:  
NAME & TITLE**

**ADDRESS  
(MAILING & ZIP)**

**PHONE**

## REPRESENTING

(No Acronyms, Please)

**DO YOU  
WANT TO  
TESTIFY ?**

[illegible]

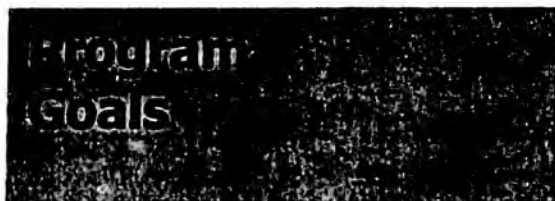


## **Department of Community and Economic Development Division of Community and Business Development**

### **Alaska State Office of Tourism Mission Statement/Goals**

The Alaska Office of Tourism endeavors to stimulate sustainable, diversified economic growth and job opportunities in Alaska, while strengthening cultural values and maintaining quality of life for Alaskans.

The mission is accomplished by providing training, research, and information, as well as planning, business development and product development assistance to communities, businesses, agencies and residents.



Encourage community-led decision-making regarding the appropriateness of tourism development, and the types and levels of tourism a community can and will support.

Where tourism development is desired, promote planning to disperse economic benefits throughout the state and the calendar year, while retaining significant benefits in the communities where visitation occurs.

Maintain and improve overall visitor satisfaction by encouraging infrastructure development and protection of the environment and quality of life.

Assist communities in increasing resident satisfaction with the visitor industry, by minimizing the negative impacts of tourism to residents and communities.

**Caryl McConkie**

Tourism Program Manager  
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- Tourism Staff Supervisor
- Alaska Travel Industry Association Liaison
- Research
- Tourism Policy, Research, Planning and Media Contact

**Aneta Synan**

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- Community Planning/Business Development
- Regional Tourism Planning
- Resource Development
- Research
- Alaska Coastal Management Program

**Odin Brudie**

Tourism Transportation & Product Dev  
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odin\_brudie@dced.state.ak.us

- Tourism and Transportation
- Interagency Coordination
- Alaska Public Lands Information Centers
- Infrastructure/Product Development

**Lillian Ruedrich**

AlaskaHost Program Coordinator  
907-465-2162  
lillian\_ruedrich@dced.state.ak.us

- AlaskaHost Program
- Tourism Workforce Development
- Communications
- Clerical Supervisor
- Grant Administration

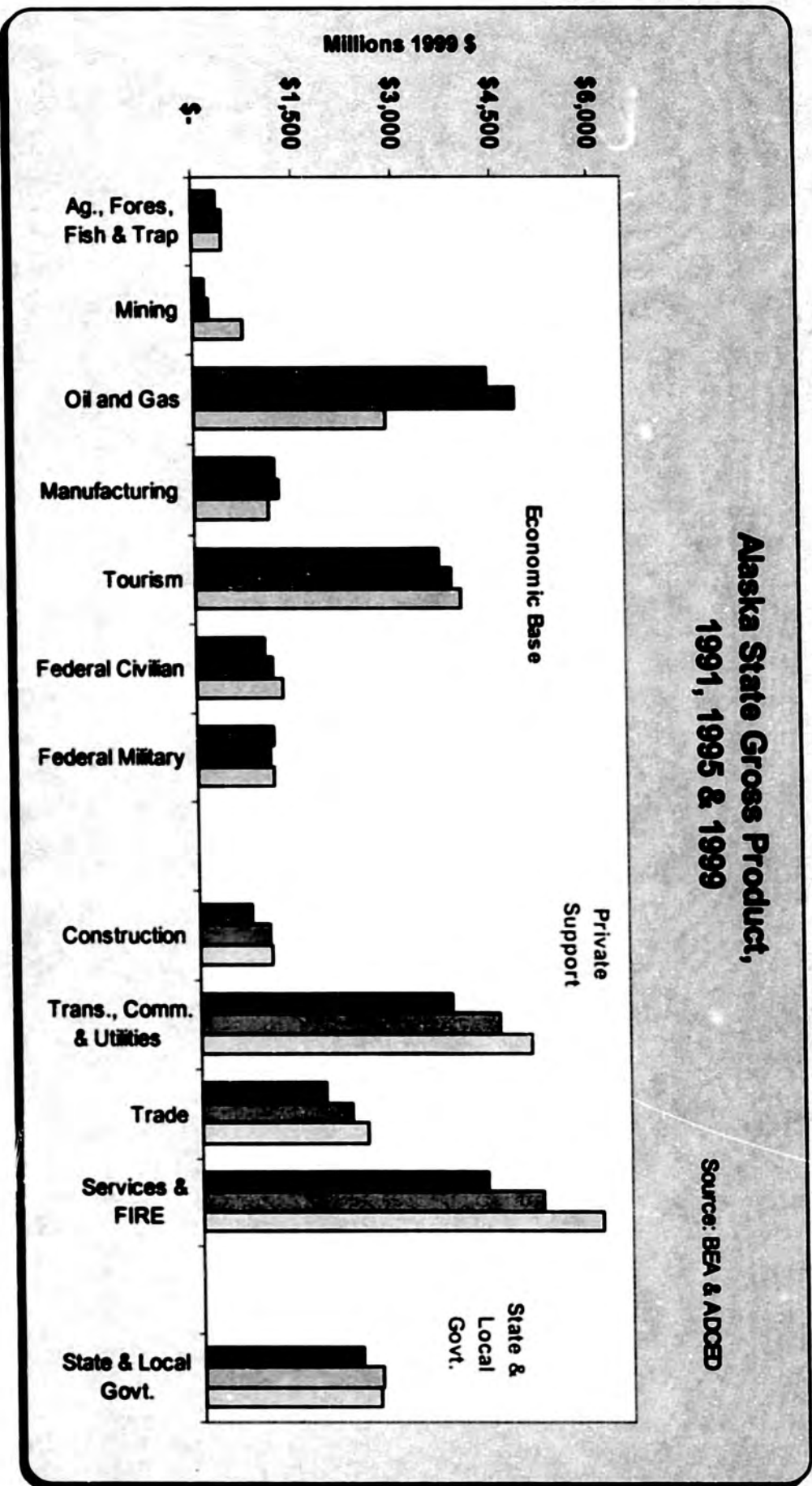
**Lisa Conrad**

Manager Supervisor - Tok APLIC staff  
907-883-5667  
lisa\_conrad@dced.state.ak.us

- Tok - Alaska Public Lands Information Center
- Visitor and Highway Information
- AMHS Ticket sales and reservations

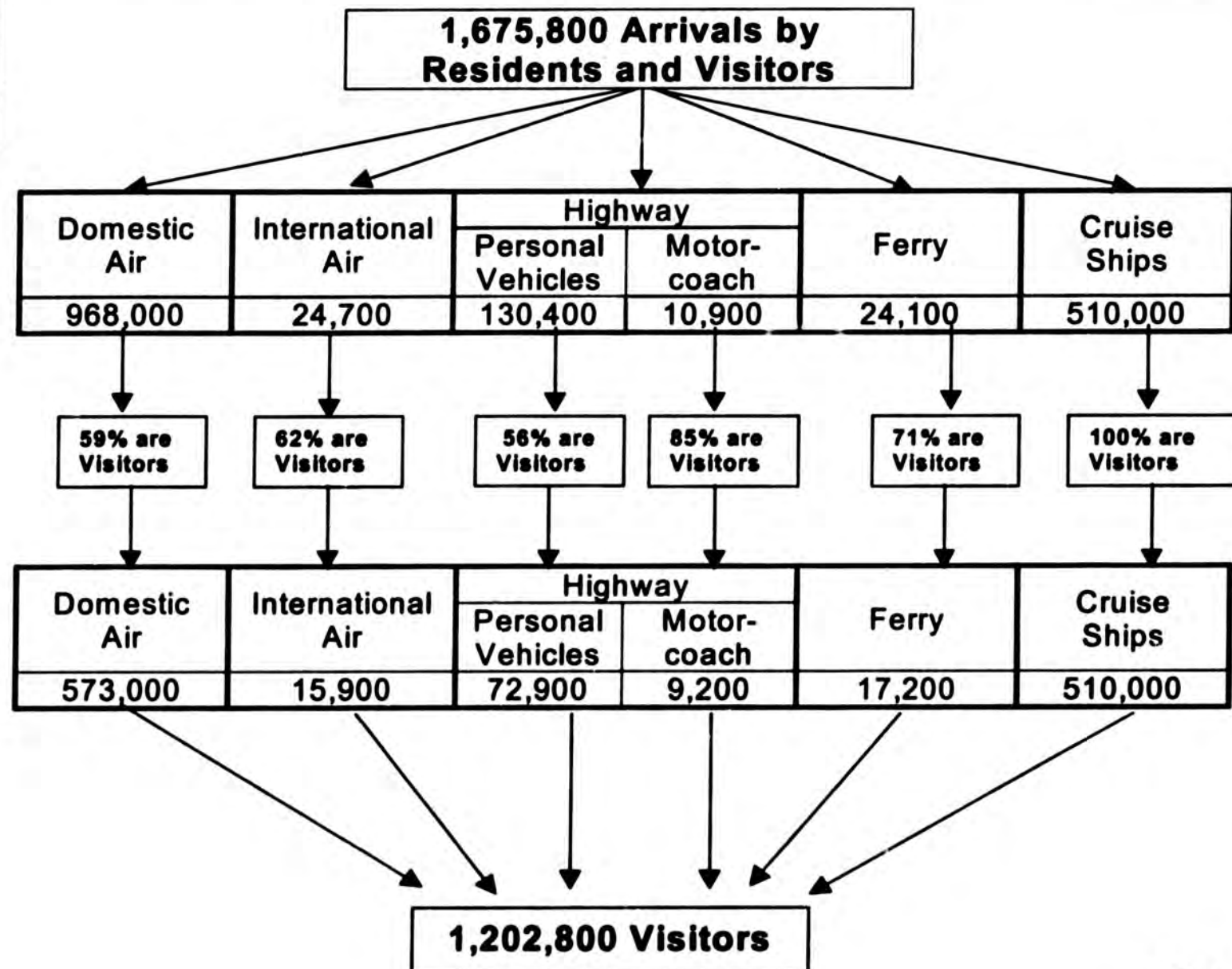


# Statewide Overview --All Sectors



# AVSP IV Summer 2001

## Alaska Visitor Statistics Program IV Summer 2001 Data Summary

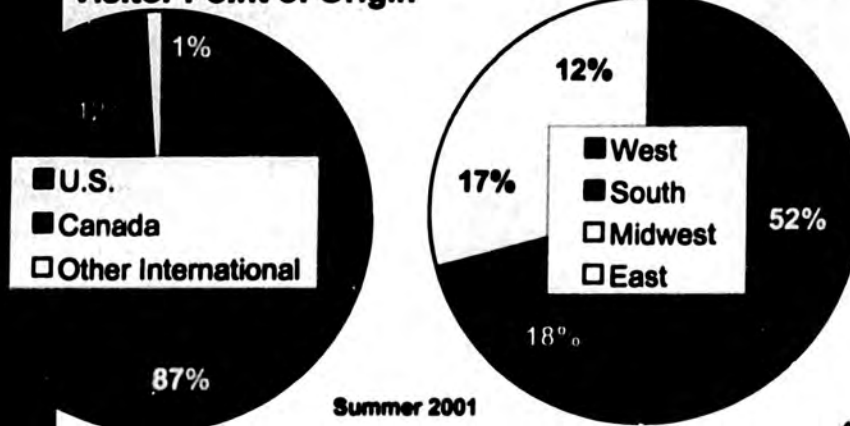


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## Visitor Point of Origin

NORTHERN  
ECONOMICS

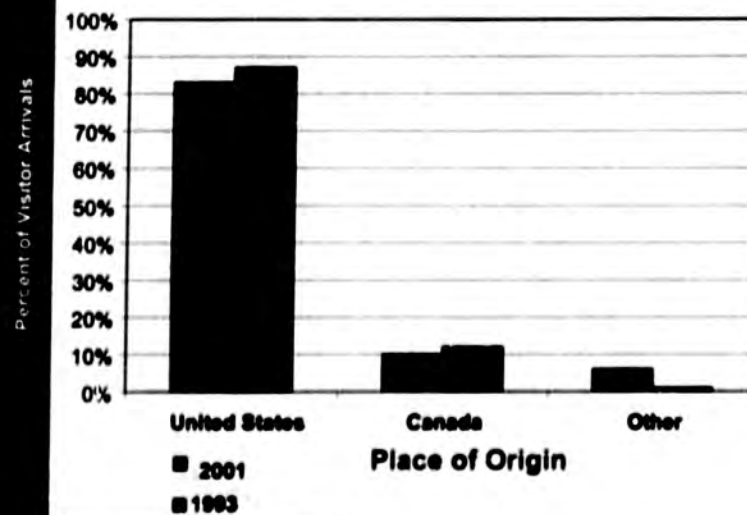
Visitor Point of Origin - U.S. Visitor Point of Origin



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## Trends in Visitor Place of Origin

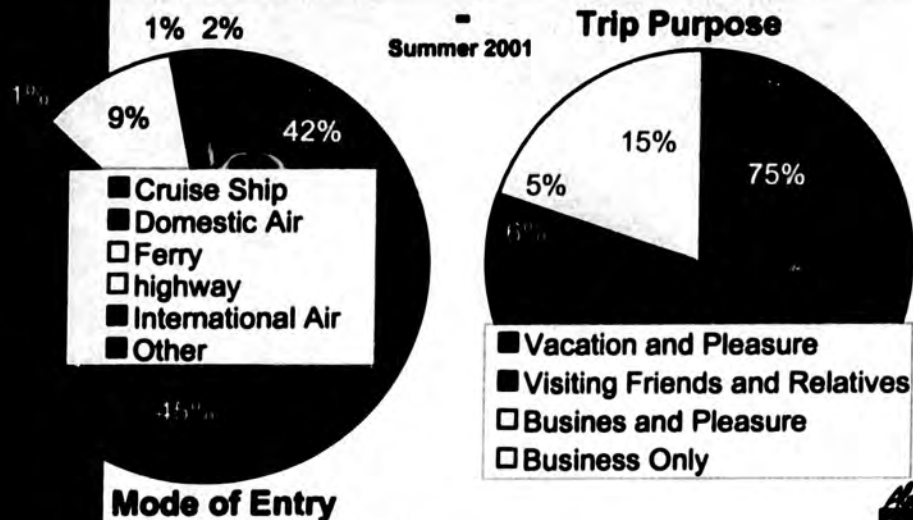
NORTHERN  
ECONOMICS



DRAFT

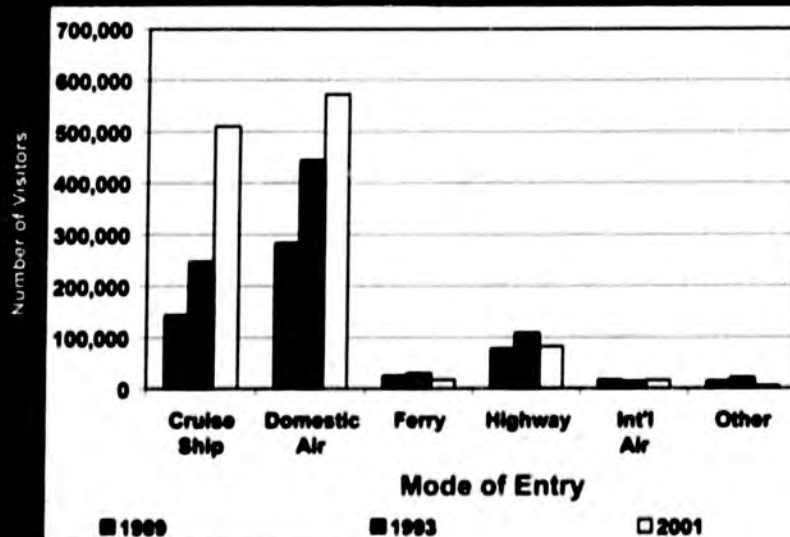
## Mode of Entry and Trip Purpose

NORTHERN  
ECONOMICS



## Trends in Number of Visitors by Mode of Entry

NORTHERN  
ECONOMICS

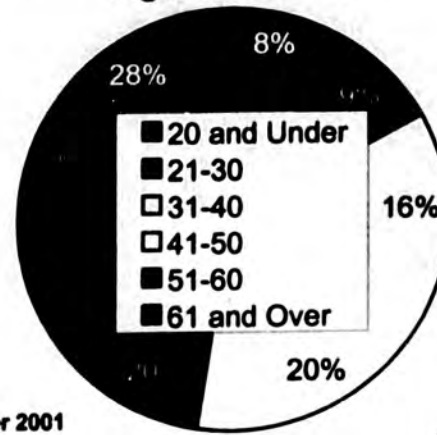


## Gender and Age of Visitors NORTHERN ECONOMICS

Gender of Visitors



Age of Visitors



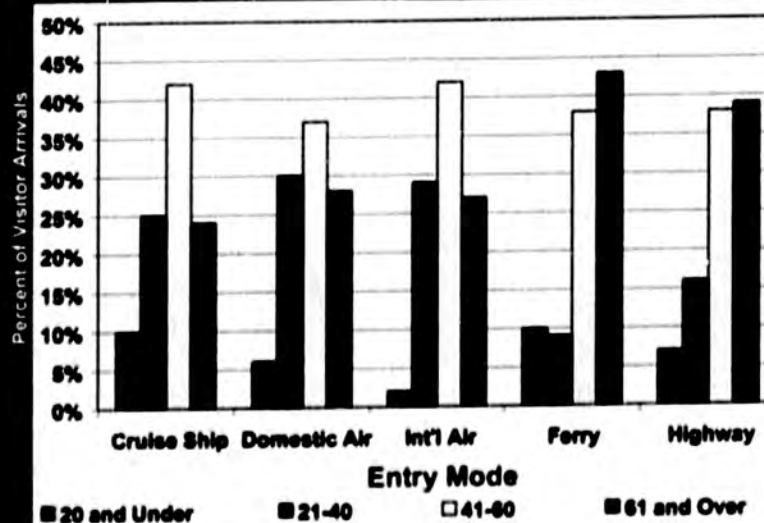
Summer 2001

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## Visitor Age Groups by Mode of Entry

NORTHERN ECONOMICS

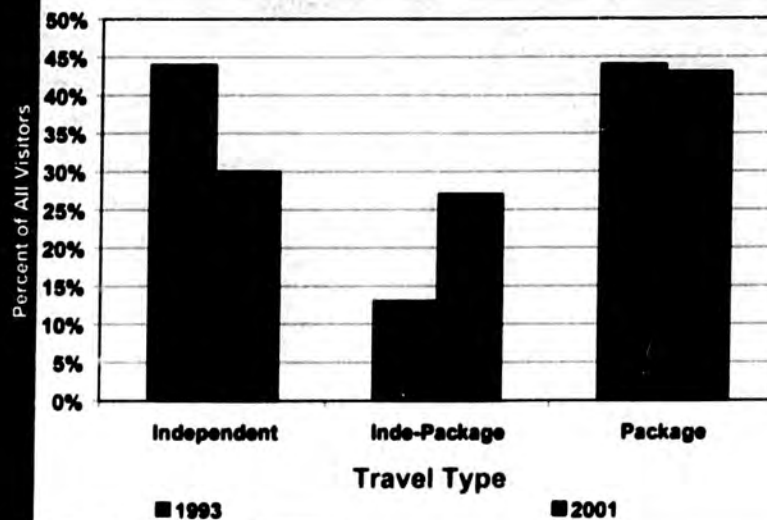


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## Trends in Visitor Type

NORTHERN  
ECONOMICS

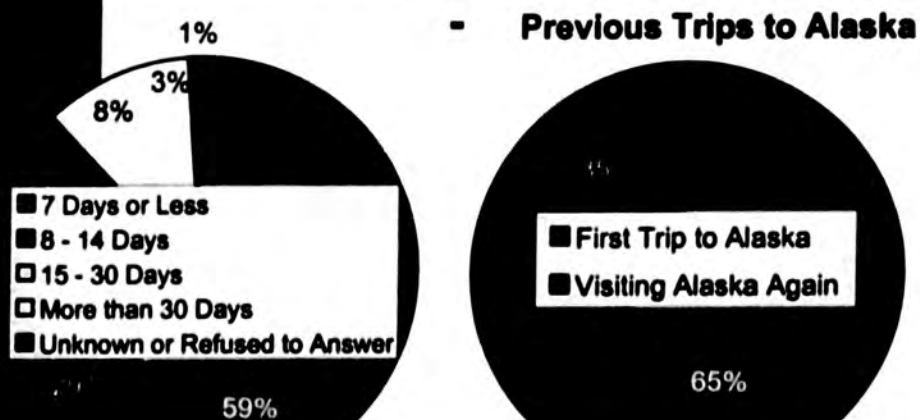


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## Length of Trip and Previous Trips to Alaska

NORTHERN  
ECONOMICS



Anticipated Trip Length

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**Official Tourism Marketing Organization for the State of Alaska**

**ATIA/DCED MARKETING CONTRACT  
FY01 Year End Report**

**Submitted: August 2001**

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## Reporting Period

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In accordance with ATIA's contract with the State of Alaska/Department of Community & Economic Development (DCED), this report contains a summary of activities accomplished during the preceding fiscal year and includes a report of expenditures associated with the FY01 Tourism Marketing Campaign implemented July 1, 2000 through June 30, 2001.

## ATIA Year in Review

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The State of Alaska/DCED and Alaska Travel Industry Association (ATIA) embarked on a journey this year that included many new challenges and opportunities. Working together, the State and ATIA successfully transferred programs previously conducted by the State Division of Tourism, Alaska Tourism Marketing Council and the Alaska Visitor Association to ATIA, the newly established non-profit trade association. Early indications show the journey was a success and ATIA enthusiastically looks forward to continuing its work on behalf of the State to promote Alaska as a premiere year-round travel destination throughout the world.

During the year, a total of 11 marketing sub-contracts were competitively bid, resulting in an extremely talented and dedicated team of professionals responsible for promoting Alaska throughout the world. Some existing contractors were retained, bringing stability and experience; many new contractors were chosen, bringing new perspective and diversity to Alaska's repertoire. All contractors share a common trait: unbridled enthusiasm and interest in showcasing Alaska to potential visitors.

The Images of Alaska 2000 study provided ATIA with new insight into the size of Alaska's potential visitor market. An estimated 29 percent of all U.S. adults - approximately 59 million people - are considered to be prospective Alaska travelers. Of these, 34.8 million have expressed interest in visiting Alaska. This translates into huge potential for the state. The study also provides a demographic and geographic profile of current Alaska visitors in addition to identifying their media habits. Using this information, ATIA is able to refine marketing messages and select media vehicles most likely to reach and influence this select group. Bottom line, ATIA's targeted, research-based approach results in efficient and effective marketing that generates an impressive return on investment.

All marketing efforts are tracked extensively during the year to ensure various advertising, direct mail and newspaper campaigns are meeting projected results. Weekly tracking reports chart the total number of consumers responding directly to each media vehicle and preliminary year-end reports indicate the response goal will not only be met, but exceeded. Altogether, Alaska's message was seen or read by 72.8 million individuals throughout the world and nearly 610,000 were motivated to contact ATIA and request Alaska trip-planning information.

ATIA is looking forward to the release of the Alaska Visitor Statistics Program (AVSP) report, which will allow us to gauge progress made toward meeting marketing goals and objectives. National research shows that leisure travel is relatively flat, meaning there was limited growth or no growth at all. Typically, national trends are good indicators for what we may see in Alaska, so rather than anticipate an increase in Alaska travel in FY01, it is more realistic to expect visitation levels from the previous year have been maintained. According to the June 28, 2001 issue of Travel Industry Indicators (TII), a monthly industry trends and outlook newsletter, domestic airline traffic was down by 0.4 percent through May, 2001, domestic hotel room demand was flat, and car rental companies experienced no growth. TII also reports that upscale, more expensive travel products are experiencing some difficulty. These national trends do not bode well for Alaska, since ATIA research has repeatedly shown that travel to Alaska is perceived to be more costly than other travel destinations.

Internationally, many of the same trends are being seen. Although outbound and inbound traffic was slightly ahead of numbers from the previous year, in May the normal seasonal upturn was non-existent. Inbound foreign travel from Europe is below expectations and TII credits some of this weakness to the cumulative effect of the decline in the Euro which is just now starting to take its toll.

The good news is that consumer confidence appears to be holding. Retail spending has not shown any real decline and the prospect of tax refund checks and lower paycheck withholdings will actually boost consumer incomes slightly. This, combined with attractive travel pricing, should serve as an inducement to consumers and delay future fall-off in leisure travel demand.

The introduction of specialty niche marketing efforts during FY01 was especially gratifying. While maintaining an overall consumer marketing effort, ATIA delivered on its commitment to expand the range of statewide marketing campaigns developed for specific segments of Alaska's visitor industry. Individual marketing campaigns were conducted to reach potential visitors interested in emerging and growing specialty travel segments. By reaching out to these diverse groups, ATIA strives to increase the amount of visitors to the State and diversify the types of travelers coming to Alaska.

To elevate awareness and interest in Alaska as an adventure travel and ecotourism destination, ATIA created [www.adventuresalaska.com](http://www.adventuresalaska.com). In order to drive traffic to this niche website, specific marketing efforts are being employed to reach potential visitors most likely to be interested in nature-based travel. Another niche website has been created for fishing enthusiasts. The [www.sportfishinginalaska.com](http://www.sportfishinginalaska.com) site provides detailed information on key fishing

areas throughout the state and businesses that offer fishing-related products and services. Final touches are also being added to the [www.culturalalaska.com](http://www.culturalalaska.com) website so ATIA can specifically target those visitors most interested in learning more about Alaska's rich and diverse cultural heritage.

ATIA continues to be a serious contender in the electronic marketing arena. The Official Alaska Travel Website, [www.travelalaska.com](http://www.travelalaska.com), along with the niche sites, collectively received more than 23.5 million hits and 1.1 million visitor sessions during the year. This is a huge increase in web traffic compared to previous years and well-exceeds other Alaska travel-related sites. Generating this volume of traffic required a two-fold approach. The site design and navigation underwent significant changes and enhancements to improve the overall visitor experience. In addition, significant focus was placed on Internet marketing - banner ads were placed on select sites, systems were employed to ensure travelalaska.com ranked high on search engines and opt-in e-mail and other e-marketing tools were utilized.

Trade and International efforts from past years continued to be carried forward in FY01. Representation has been maintained in six countries including Japan, German-speaking Europe, Australia, United Kingdom, Taiwan and Korea. During the year, nearly 1,000 qualified leads were generated through trade and international events. These leads were shared with event participants, community partners and ATIA member businesses via a direct online program.

Alaska's entire economy benefits from a strong tourism industry. Increased visitation translates into increased visitor spending within the state, improves infrastructure and creates new jobs for Alaskans.

With support from the State of Alaska, the journey has begun - the transition is complete and the tourism marketing program is growing. Alaska's marketing efforts continue to be dwarfed by competing destinations with substantially larger marketing budgets, but on the positive side, benefits from the re-organization efforts are beginning to be realized. Consolidating all tourism marketing efforts under one roof has led to cost savings in administrative costs. Postage expenses have also decreased because mailing efforts have been combined and qualify for bulk rate discounts. In addition, new programs are being developed and supported by the industry. Many challenges still exist for Alaska's tourism industry, but we're headed in the right direction and we're optimistic toward what the future may hold.

Respectfully,

Tina Lindgren, ATIA President/COO

## Goals/Objectives

---

The following goals and objectives are far-reaching in nature and each year, ATIA will chart progress toward achieving these goals. The strategies developed and implemented in FY01 are listed throughout this report, along with progress made within the fiscal year.

1. **Goal:** Maintain or increase the average length of stay in Alaska.  
**Objective:** No decrease from 9.8 nights during summer season and 8.2 nights during fall/winter season.
2. **Goal:** Increase year-round employment of Alaskans in the visitor industry throughout the state.  
**Objective:** Increase visitor-related employment of Alaskans to 30,700 direct and indirect full-year jobs.
3. **Goal:** Attract a diverse mixture of visitors who travel to and within Alaska by a variety of travel modes.  
**Objective:** Increase travel by all modes.  
**Objective:** Increase travel to all regions of the state.
4. **Goal:** Endeavor to position Alaska as a year-round destination.  
**Objective:** Increase fall/winter arrivals by 3%.  
**Objective:** Increase summer arrivals by 3%.
5. **Goal:** Increase total visitor expenditures statewide; endeavor to maintain or increase per-trip expenditures.  
**Objective:** Increase visitor expenditures above the current figure of \$949 million statewide.  
**Objective:** No decrease in per-person, per-trip spending from current estimated level of \$726.00.
6. **Goal:** Increase independent visitation to Alaska.  
**Objective:** Define current independent visitation and establish benchmark for future tracking.

7. **Goal:** Increase the rate of repeat visitation.  
**Objective:** Include repeat visitation in the Alaska Visitor Statistics Program (AVSP) to establish a benchmark.  
**Objective:** Include repeat visitors in the Images IV study to establish benchmarks.
8. **Goal:** Increase interest in Alaska as a visitor destination.  
**Objective:** Increase the number of inquiries to all ATIA marketing programs.  
**Objective:** Complete the Images IV study to establish baseline trends.
9. **Goal:** Increase awareness and participation of businesses in the marketing program.  
**Objective:** Implement database tracking of total number of businesses who participate in marketing programs.  
**Objective:** Implement tracking program for participation in individual programs.
10. **Goal:** Increase private-sector funding of state tourism marketing programs.  
**Objective:** Generate at least 30% of program costs.

# Consumer Marketing Programs

The role of ATIA consumer marketing programs is to find potential visitors and provide them with compelling information about Alaska in an effort to convert their interest in Alaska as a travel destination into actual travel to the state. The ATIA has designed an aggressive direct-response program to reach out and locate over 574,105 potential visitors and motivate them to request Alaska trip planning information, using a wide variety of marketing vehicles and messages.

## Direct Mail

Direct mail continues to dominate ATIA's marketing program, allowing ATIA to deliver Alaska's message directly into the hands of more than 2.4 million potential visitors at a very effective cost. A personal letter from Governor Knowles was enclosed in the direct mail package and continues to be extremely well-received. A variety of targeted mailing lists (outlined below) were used and from this effort, ATIA generated 344,669 qualified requests (also referred to as "leads") for Alaska trip-planning information. This amounts to roughly 58% of the program's total responses. Segmentation strategies were employed to ensure the lists included those individuals most likely to travel to Alaska. By narrowing down the target audience, printing and mailing costs were decreased, while rate of return increased. In addition to using lists that have a proven history of producing results for ATIA, several new lists were tested in an effort to identify new sources of potential visitors to the State.



ATIA also sent direct mail packages using an internal database containing individuals that requested trip-planning information during the prior year. This group received a modified letter from the Governor acknowledging their past interest in visiting Alaska. This effort continues to produce outstanding results. ATIA also tested the application of a second year computer model to a select sub-set of this database.

When completed, the FY02 Conversion Study will show how successfully the computer model predicts those most likely to travel to Alaska.

**FY01 DIRECT MAIL STRATEGY:** Execute direct mail program to generate 400,140 requests for printed Alaska vacation planning information from qualified prospects with high conversion and low cost per response.

**PROGRESS:**

- Direct mail packages were sent to approximately 584,000 individuals that had previously requested Alaska vacation planning information. More than 113,500 responded to the mailing (19.5 percent) and requested additional information.
- Sent direct mail packages to approximately 1.7 million potential visitors using purchased lists that performed well in prior years, generating over 220,000 requests (13 percent)
- Sent direct mail packages to approximately 117,000 potential visitors testing lists not utilized in the past. Nearly 11,000 responses were generated, resulting in a response rate of 9.4 percent. ATIA also back-tested lists used in FY00 and these tests performed at a response rate of 11 percent.
- Direct mail packages were also sent to subscribers of magazines with high Alaska and/or travel content such as Alaska Magazine, Alaska Airlines Magazine, National Geographic Traveler, and Frommers Budget Travel.
- Employed segmentation strategies to ensure those receiving ATIA direct mail packages met Alaska's target audience:
  - Age: 35+
  - Employed or Retired
  - Single or Married
  - No Children in the home

**FY01 DIRECT MAIL LISTS**

Alaska Magazine  
 National Geographic Traveler  
 Target Source  
 Buyers Choice  
 Donnelly  
 TWA Ambassadors Club  
 Backroads  
 Last Frontier Alaska  
 NAEA Cruise and Travel  
 Frommers Budget Travel  
 Travel Holiday Club  
 Travel America  
 AARP

RV Book and Directory  
 Cruise America  
 Econo Senior Tours  
 Premier Luxury Class  
 Adventures Abroad  
 Behavior Bank  
 Good Sam Club  
 Lifestyle Selector  
 Motorhome  
 Trailer Life  
 Readers Digest  
 ATIA Past Inquirers

## Online Marketing

ATIA continues to explore the use of electronic media advertising. The Internet has become the single most powerful source of information for travelers, and ATIA has aggressively tested online methods including banner ads, opt-in e-mail and online travel newsletters. The Images of Alaska 2000 research study indicates there has been astronomical growth in Internet use with 44 percent of visitors to Alaska indicating in 2000 they are more likely to use the Internet to plan their trip compared to 5 percent in 1996. We also found that most people relied on search engines (72 percent) to locate websites, although three in ten (28 percent) found website addresses in newspaper and/or magazine ads.

Additional information regarding the increasing importance of the Internet is found in the Travel Industry Association of America's comprehensive report "2001 Outlook for Travel and Tourism," which emphasizes the growing importance of the Internet as a tool for the travel industry. Today, 90 million "online travelers" have access to the Internet - a 15 percent increase from last year and a 200 percent increase over 1996. The study also shows there has been a 58 percent increase in the number of people using the Internet to book travel since 1999; and the five items that most people look for in a travel website are (1) being able to compare prices, (2) the opportunity to save money, (3) up-to-date information, (4) a wide range of options/choices, (5) destination information that is easy to find.



This year, ATIA's website - [www.travelalaska.com](http://www.travelalaska.com) - was substantially modified to enhance the usability of the site. Navigational paths were modified, additional links were added so visitors could easily link to community websites and an improved search mechanism now makes it easier to connect potential visitors with the Alaska businesses that offer the travel products, services and attractions they are specifically interested in.

ATIA also focused heavily on increasing traffic to the site. Search engine optimization - a process that involves using a customized list of relevant and high-traffic words guaranteed to attract qualified leads to [www.travelalaska.com](http://www.travelalaska.com) was employed. Optimized pages were continually submitted to major search engines such as Yahoo, Alta Vista, Google, infoseek, excite, Lycos, HotBot, msn.com and webcrawler. In addition, the optimized pages were strategically indexed on go.com, Snap!, aol.com and Yahoo.

Keyword buys were included as a component of the online marketing plan in order to secure high ranking positions within search engines. This directly supports the finding in Images 2000 that shows 72 percent of visitors to Alaska utilize search engines to locate websites. Banners and pop-up ads were also strategically placed - and performance monitored weekly - on Yahoo, discovery.com, travelocity, aol.com, weather.com, realmedia, highwire, goto.com, netzero and away.com in order to increase traffic to the website.

Opt-in e-mail campaigns were conducted, with 76,000 electronic messages being sent to potential visitors throughout the U.S. This campaign was timed to coincide with a printed direct mail piece so ATIA could test whether the electronic or printed message was more effective in driving people to the ATIA website. Results of this test will be known when the FY02 Conversion Study is completed.

These online efforts paid off handsomely during the year, with site traffic reaching new heights in terms of traffic and unique visitors to the site. ATIA generated roughly 23.5 million hits and 1.1 million visitor sessions in FY01, averaging approximately 1.96 million hits and more than 91,500 visitor sessions per month.

**FY01 INTERNET STRATEGY:** Execute Internet Advertising program to generate 32,045 requests for printed Alaska vacation planning information from qualified prospects with high conversion potential.

**PROGRESS:**

- ATIA's website address was prominently featured in all consumer magazine advertising and direct mail materials.
- Banner ads were placed on sites that contained Alaska travel content so potential visitors could link directly to [www.travelalaska.com](http://www.travelalaska.com) and access Alaska travel information. The banners exceeded expectations by 35 percent, generating roughly 8,806 requests for Alaska trip-planning information.
- A limited opt-in e-mail test program was implemented, resulting in 10,672 requests for Alaska travel planning information. This performed slightly under expectations (82 percent of goal), and will be tested again in FY02.

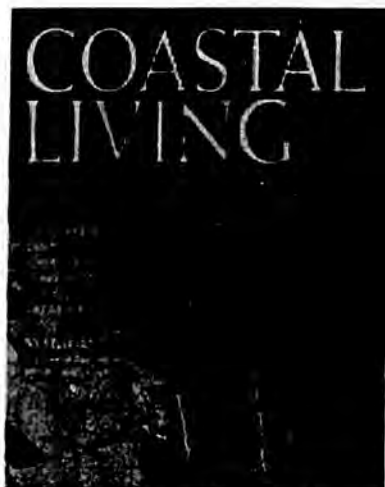
- Options for establishing a consumer electronic newsletter were explored and the program will be launched in FY02.
- Search engine optimization was employed during the year leading to phenomenal growth in website traffic.

## Advertising

In addition to the online advertising efforts already addressed, ATIA utilized traditional advertising vehicles such as magazine and newspaper.



Full-color, full-page ads with business reply cards (BRC's) were placed in 38 U.S. and four Canadian consumer magazines (see lists on next page). Ads were primarily placed between the months of September through February to coincide with key trip-planning periods. Ads were customized to include images that reflected the editorial focus of each publication. ATIA also conducted two tests to determine how responses would be affected if readers were only given the option of going to the website for information, rather than being given the choice of responding by mail, phone or Internet. One test involved placing full-page ads, while the other tested the placement of a smaller ad (1/3 page) with multiple insertions over four months. Both tests indicated a clear preference toward offering consumers the choice of how they preferred to request more information. And clearly, the full-page ad received greater response than the smaller space ad, reinforcing results from past tests.



Two advertorial sections were produced to coincide with magazine ad placements in Coastal Living (10 pages) and Readers Digest (8 pages). ATIA worked with editorial staff, providing photos, story ideas and fact-checking assistance to ensure Alaska was accurately portrayed as an enticing year-round travel destination. A total of 28 Alaska businesses and communities joined ATIA in this effort by placing ads within the advertorial section and therefore increasing the number of Alaska pages contained in the publication.

During the months of February and March, ATIA placed cooperative newspaper ads in 15 Special Travel Sections in select national markets. The effectiveness of the ads was bolstered by the fact that placement schedules coincided with editorial featuring Alaska. Each section was roughly 3-4 pages in length so the state received tremendous exposure in these markets. A total of 30 Alaska businesses and communities participated in the program, reaching approximately 670,000 potential visitors from California, Minnesota and Arizona.

In order to support coverage of winter in Alaska - and exposure for the Special Olympics held in Anchorage - the ATIA ran winter television spots nationwide March 10-24, 2001. By placing the spots in programs related to the Special Olympics, ATIA was able to capitalize on the substantial exposure Alaska was receiving as a result of Anchorage being the host city. The spots appeared on PAX TV Cable Channel, a national network cable affiliate that reaches 83 million homes.

**FY01 ADVERTISING STRATEGY #1:** Execute U.S. consumer magazine advertising program to generate 136,482 requests for printed Alaska Vacation Planning information from qualified prospects with high conversion potential and low cost-per-response.

**PROGRESS:**

- Full-page, full-color magazine ads with business reply cards (BRCs) and Internet website address were placed in 38 U.S. consumer magazines with a combined readership of 59 million. A total of 159,552 requests for Alaska trip-planning information were generated as a result.
- 23 magazines also advertised Alaska on their reader service request cards and forwarded these leads directly to ATIA so Alaska trip-planning information could be sent.
- 20 magazines provided links to ATIA on their websites so readers could easily access trip-planning information on Alaska.

**FY01 ADVERTISING STRATEGY #2:** Execute joint Yukon advertising program to generate requests for qualified prospects with high conversion potential.

**PROGRESS:**

- Placed full-page, full-color ads with business reply cards and Internet website addresses in four Canadian consumer magazines: Harrowsmith/Country Life, Canadian Geographic, Chatelaine, Canadian Living. A total of 6,028 qualified responses were generated as a result of this campaign.
- Placed full-page, full-color ads with business reply cards and Internet website addresses in four U.S. consumer magazines geared to highway travel: VIA, Journey, Westways, Trailer Life. A total of 11,678 qualified responses were generated as a result of this campaign.

**FY01 U.S. MAGAZINES**

|                   |                       |                     |
|-------------------|-----------------------|---------------------|
| Blue              | Coastal Living        | Audubon             |
| Travel America    | Journey               | Trailer Life        |
| NW Airlines       | Readers Digest        | Popular Photography |
| Colorado Motorist | Vacations 50 & Beyond | Sunset              |
| Yankee            | Atlantic Monthly      | Alaska Magazine     |
| American Heritage | Arizona Highroads     | Sierra              |
| Westways          | VIA                   | Prevention          |
| Midwest Living    | TWA Ambassador        | National Wildlife   |
| Coast to Coast    | Home & Away           | Outdoor Photography |
| National Parks    | Utne Reader           | Midwest Traveler    |
| Canoe & Kayak     | Delta Sky             | Travel Holiday      |
| Discover          | Alaska Airlines       | Outdoor Life        |
| America West      | Camping Life          |                     |

**FY01 TEST MAGAZINES**

Frommers Budget Travel  
(test website only ad)  
Outside Magazine  
(tested series of 1/3 page ads)

**FY01 CANADIAN MAGAZINES**

Harrowsmith/Country Life  
Canadian Geographic  
Chatelaine  
Canadian Living

**FY01 NEWSPAPERS**

Oakland Tribune  
Alameda Times Star  
Fremont Argus  
Pleasanton Tri-Valley Herald  
San Mateo County Times  
Ramon Valley Herald  
Vallejo Times Herald

St. Paul Pioneer Press  
Chandler Arizonan Tribune  
Gilbert Tribune  
Mesa Tribune  
Scottsdale Progress Tribune  
Tempe News  
Sun City

## **Public Relations**

Public relations is a key component to the ATIA marketing program. A positive, visitor-friendly image of Alaska was created through feature articles, guidebooks and television programs that promoted travel to the state. ATIA staff and contractors worked with more than 1,000 media representatives throughout the year to ensure needed support was readily available to compliment their Alaska travel articles and to ensure published information was accurate and plentiful. In addition to providing support materials such as film footage, photography, itinerary planning and fact-checking, ATIA also provided story ideas, e-bulletins and reference materials to ensure all areas of the state, modes of travel and a wide variety of activities and attractions were featured throughout the year.

E-bulletins were sent to 225 targeted writers and editors on a bi-monthly basis to keep Alaska up front and center in their minds, spur interest in Alaska and to highlight the diversity of activities throughout the state. In addition, ATIA is able to assist Alaskan communities by introducing writers and editors to different communities and letting them know about local events taking place throughout the state. FY01 e-bulletin topics are listed at the end of this section.

During the year, a total of five new feature stories were written and made available to writers and publications. In addition, five stories that had been written in previous years were given new life by being updated, refreshed and re-circulated. Topics highlighted in FY01 feature stories include: Alaska Archeological Digs, Sportfishing, Russian Influence in Alaska, Mat-Su Overview, Survey of Alaska B&B's, Alaska's Shoulder Season, Harriman Expedition, Anchorage in Winter, Fairbanks in Winter, Ecotours in Alaska, Alaska Watersports, and stories highlighting Gustavus, Fairbanks, and Kodiak.

ATIA brought a total of 15 travel writers to Alaska between May 26 and June 21, choosing from one of five distinct summer press trips. Another 10 writers participated in winter press trips that took place February 9 through March 31, choosing from one of four distinct itineraries. More than 20 communities helped ATIA host writers through these organized trips. The winter press trip featured downhill and Nordic skiing, dog sledding, snow-machining, winter halibut and salmon fishing, whale watching, winter scuba diving, museum tours, theater performances and glacier flightseeing. The summer press trips provided writers the opportunity to enjoy cultural centers and museums, horseback riding, golfing, sea kayaking, rafting and canoeing, hiking and biking, fine dining, riverboat tours, gold mining, natural hot springs, totem pole carving, wildlife viewing and glacier trekking.

In addition to organized press trips, ATIA assisted individual writers visiting the State to gather research and write articles on Alaska. Post-trip assistance was also provided to supplement experiences while in the state. Examples of the range of assistance includes:

- Assisted PBS with the production of a television special on Alaska
- Provided film footage to King-5 TV in Seattle for a segment that featured Alaska in their "101 Things you Should do Before You Die" segment
- Assisted producers associated with Special Olympics by providing film footage and providing resource information.
- Assisted travel editor with The Bergen Record by securing B&B accommodations in Seward and Anchorage.

**FY01 PUBLIC RELATIONS STRATEGY #1:** Work with media to generate travel stories that feature a variety of Alaska travel product and regions.

**PROGRESS:**

- Timely story ideas were provided to travel editors at major magazines and newspapers throughout the year.
- Editors and writers were repeatedly reminded to contact ATIA when looking for travel information about Alaska, photography and other assistance.
- Wherever possible, the public relations toll-free 800 number, consumer website and ATIA mailing address were placed as a reference sidebar to Alaska editorial.
- ATIA staff and contractors worked extensively with broadcast media, specifically targeting television crews and encouraging them to develop Alaska feature programs.
- Alaska press kits were developed and distributed to roughly 140 media outlets and editors nationally and internationally.

**FY01 PUBLIC RELATIONS STRATEGY # 2:** Continue to enhance media center on the ATIA Website.

**PROGRESS:**

- Modified photo gallery to allow easier downloading of images by media.
- Rebuilt media center to ensure all areas were accessible and easily navigatable.
- Re-wrote computer code for Calendar of Events to facilitate full search capabilities and compiled Calendar of Events into one database rather than the previous three.
- Created mechanism so content could be easily maintained by staff.

**FY01 PUBLIC RELATIONS STRATEGY #3:** Assist qualified writers with trip planning and bring qualified writers to Alaska.

**PROGRESS:**

- Conducted separate press trips during winter and summer, hosting 10 travel writers between February and March and 15 travel writers between May and June.
- Provided press kits to all members of the press attending the World Adventure Congress that took place in Anchorage in September 2001.
- Coordinated itineraries, complimentary services and worked with media on story angles, photos and other materials in order to secure maximum coverage of Alaska.
- Worked with Destination Marketing Organizations across the state on media trips, media assistance requests and information requests.

**FY01 PUBLIC RELATIONS STRATEGY #4:** Continue to include winter and other seasonal promotion as part of the overall public relations effort.

**PROGRESS:**

- Assisted more than 1,000 travel writers and editors throughout the year offering a broad range of support services such as fact-checking, photography, itinerary planning, accommodations, airfare assistance, film footage, etc.
- Conducted a Winter Press Trip, offering four distinct itineraries and hosting travel writers representing publications such as Alaska Airlines Magazine, Skiing Magazine, The Denver Post, Yankee, Sunset, Chicago Tribune, Seattle Times, The Oregonian, New York Post, Delta Sky, KSTP-AM and KATP TV in Minneapolis, Outside Magazine.
- Assisted Special Olympics organizers with public relations efforts associated with 2001 World Games.
- Worked with Destination Marketing Organizations and winter operators to conduct a targeted winter promotion and contest that aired on KATU in Portland, OR.

**FY01 PUBLIC RELATIONS STRATEGY #5:** Feature a variety of market segments and geographical regions in public relations program.

**PROGRESS:**

- Send out bi-monthly e-bulletins to 225 travel writers and editors featuring important events, regions of the state and seasonal activities.

- Solicited input from Destination Marketing Organizations and industry businesses around the state by conducting several Media Briefings throughout the year.
- Developed five new feature stories for publication featuring a variety of attractions and areas throughout the state.
- Refreshed five existing feature stories to increase the amount of editorial ready for publication on Alaska.

**FY01 PUBLIC RELATIONS STRATEGY #6:** Ensure ATIA Board is prepared to respond to any travel-related crisis.

**PROGRESS:**

- Preliminary work on the ATIA crisis communication plan was performed in FY01, using past crisis plans as a starting point.
- The ATIA Crisis Communication Management Plan is designed to serve as a guide for ATIA staff, board of directors, advisors, committee members and others operating under the authority of the association. The goal is to formulate more comprehensive ideas and explanations prior to the occurrence of a crisis so they can be averted or better managed when they occur.

**FY01 PUBLIC RELATIONS STRATEGY #7:** Coordinate public relations efforts with member businesses and destination marketing organizations.

**PROGRESS:**

- ATIA scheduled Media Briefings with Destination Marketing Organizations throughout the year to facilitate communication and coordination of public relations efforts.
- Alaska businesses received regular updates on ATIA programs and activities via an electronic newsletter.
- Media Briefings allowed ATIA to exchange and identify possible synergies for gaining maximum exposure for all marketing segments and regions.
- ATIA staff also met with key representatives associated with Cultural, Adventure/Ecotourism, Sportfishing, Winter, Bed & Breakfast and Highway organizations to discuss opportunities for co-promotion and/or complementing other organizations' efforts.

**FY01 E-BULLETIN TOPICS**

Sitka WhaleFest  
Athabaskan Fiddling Festival  
Alaskan Artists

Top of World Classic/AK Shootout  
Russian Christmas & Starring  
Fairbanks Winter Solstice Festival

Alcan 2000  
NW Coast Arts Symposium  
Alaska's Warm Winter - 2000  
Iditarod Trail  
Festival of Native Arts  
Paranormal Symposium/Skagway  
Winter Fishing  
2001 Special Olympics

Willow Winter Carnival  
2001: A Fish Odyssey  
Ice Carving  
Pillar Mountain Golf Classic  
Wearable Art Show/Ketchikan  
Eskimo Women's Coop  
Orphaned Grizzly Bear Cub  
Southeast Alaska Fair

### **Marketing Program Outreach**

ATIA was busy throughout the year traveling to communities and providing updates on Alaska's Tourism Marketing Program. Communities ATIA visited over the course of the year include:

Alaska Hotel and Motel Association  
Alaska Campground Owners Association  
Anchorage CVB Board of Directors  
Alaska Wilderness Recreation & Tourism Assn.  
Bed & Breakfast Annual Conference  
Fairbanks Tourism Town Meeting  
Homer Chamber of Commerce  
Kenai Peninsula Tourism Marketing Council  
Kenai Chamber of Commerce  
Mat-Su Convention & Visitors Bureau  
Prince William Sound Community College Tourism  
Soldotna Chamber of Commerce  
Annual Winter Conference  
Southwest Alaska Municipal Conference

Valdez  
Anchorage  
Anchorage  
Juneau  
Valdez  
Fairbanks  
Homer  
Kenai  
Kenai  
Mat-Su  
Glennallen  
Anchorage  
Anchorage  
Anchorage

## Niche Marketing Programs

As part of the commitment to expand the statewide marketing program, special niche segments were featured. ATIA staff met with representatives from several organizations to determine what marketing, if any, was being conducted in each market segment. From this input, ATIA was able to better identify needs within each market segment and determine what programs would complement - rather than compete - with existing efforts. Based on this preliminary analysis, marketing plans were created and implemented.

It is important to point out ATIA originally planned to produce individual printed collateral materials to address each niche segment. It was later decided that this may limit participation, and since this was a new program that would be built from the ground-up during the inaugural year, it was felt an online promotion would have further reach.

### Adventure/Ecotourism

Adventure/Ecotourism was the first niche campaign developed in FY01. ATIA staff met with member businesses that offered adventure and ecotourism tours and packages. In addition, input was solicited from the Alaska Wilderness Recreation and Tourism Association.

These discussions resulted in the creation of the [www.adventuresalaska.com](http://www.adventuresalaska.com) website. In addition, an online marketing campaign was implemented with 60,000 e-mail messages being sent to individuals that specified an interest in adventure/ecotourism offers. As a result of this campaign, a total of 6,686 requests for Alaska trip-planning information were generated.



The [www.adventuresalaska.com](http://www.adventuresalaska.com) website contains a total of 74 ads placed by Alaska businesses interested in tapping this growing segment of the industry. The website contains the following information so potential travelers can plan their adventure of a lifetime:

- Overview of Adventure Travel and Ecotourism in Alaska

- Searchable database by 12 different categories or by keyword
- Information on Alaska Parklands
- Alaska Wildlife Information
- Tips on Low Impact Travel
- Links to related adventure travel and ecotourism sites
- Link to ATIA consumer website for additional trip-planning information.

ATIA also featured adventure/ecotourism travel in full-page ads in five national publications, resulting in 14,544 requests for travel information.

- Canoe & Kayaking
- Camping Life
- National Wildlife
- National Parks
- Sierra

## Sportfishing

ATIA staff met with Alaska businesses and a representative from the Alaska Sport Fish Council to discuss possible ideas for promoting sport fishing in Alaska. Based on this input, a niche website was built and an online marketing campaign implemented in order to drive traffic to the site.



Information featured on the [www.sportfishinginalaska.com](http://www.sportfishinginalaska.com) website include:

- Overview of fishing in Alaska
- Business database containing product and tour description and contact information. Database is searchable by activity or keyword.
- Fishing license information
- Information on parks in Alaska
- Tips on how to be prepared for an Alaska fishing trip
- Links to related fishing sites
- Link to ATIA consumer website for additional trip-planning information

Currently Alaska businesses have purchased 21 ads on ATIA's sportfishing website and a flyer has been circulated to solicit further interest in advertising on the site. A targeted opt-in e-mail campaign was implemented using lists from MyPoints, Bulletmail, Deliver-e and Targitmail. ATIA purchased segments of these lists, sending messages only to those who specified an interest in sportfishing and

traveling. A total of 60,000 e-mail messages were sent and resulted in 8,126 responses for Alaska trip-planning information.

### **Bed & Breakfasts**

The Bed & Breakfast niche segment provided unique challenges in that most B&B's in Alaska are extremely small businesses with marketing budgets to match. Therefore, developing new advertising opportunities was not likely to be met with much success due to limited marketing budgets.

ATIA staff took the opportunity to meet with B&B owners from throughout the state by attending the Bed & Breakfast Association of Alaska Convention that took place in Valdez in May 2001. In addition to purchasing booth space, a presentation on ATIA marketing programs was delivered which resulted in productive dialogue throughout the remainder of the convention.

Ideas were discussed regarding how ATIA could help promote this industry segment and increase awareness and interest in the Alaska Bed & Breakfast experience. One message was loud and clear: additional ATIA marketing opportunities are not needed as much as increased exposure for B&B's through existing programs. Of particular interest were the ATIA's banner ads and search engine optimization efforts that have greatly increased traffic to the [www.travelalaska.com](http://www.travelalaska.com) website.

Although new programs designed for the Bed & Breakfast niche were not introduced in FY01, B&B's were promoted regularly through the following public relations and advertising efforts:

- Ads are regularly placed in U.S. magazines that feature Bed & Breakfasts. Examples include: *Sunset*, *Coastal Living*, *Country Inns*.
- Journalists such as Martha Stewart were offered Bed & Breakfast accommodations while working on stories featuring Alaska, thereby exposing them to a wide range of accommodations.
- A feature story on Alaska B&B's is highlighted on ATIA's website media center.

It is also worth noting that the Images 2000 study provides valuable information on Alaska visitors staying at Bed and Breakfasts. This information is useful in planning the ATIA's marketing efforts, but also assists B&B owners in better understanding who their guests are and how they can better market to them. Highlights from the Images 2000 study that pertain to Bed & Breakfast guests include:

- Most U.S. B&B visitors to Alaska come from the South, followed by the East and West.

- 45 percent of those visitors staying at an Alaskan B&B have a household income over \$75,000
- Alaska B&B visitors primarily arrive by air and 55 percent spend 8-14 days in the state.

## Cultural

ATIA staff met with representatives from the Alaska Native Heritage Center (ANHC) and others actively promoting cultural tourism. Ideas on how to cooperatively work together were discussed and a cultural site is under construction.

Cultural tourism was also promoted through ATIA core marketing programs:

- For the second year in a row, an Alaska Native design was featured on the cover of 450,000 Official State Vacation Planners.
- Cultural information and images were contained within the Vacation Planner and Invitation to Alaska brochure highlighting cultural attractions/events and how visitors can learn about Alaska's rich history and varied cultures.
- Cultural information and images were highlighted on the ATIA media website center so travel writers and editors have 24/7 access to information.
- Full-page, full-color ads featuring Alaska Native images were run in the U.S. magazines American Heritage and Discover.
- ATIA hosted six travel writers, touring them through several museums to learn about Alaska's diverse cultural heritage and rich history. Participants visited museums in Fairbanks, Homer, Sitka and Juneau. Writers represented national publications such as the Denver Post, Chicago Tribune, Seattle Times and San Francisco Chronicle.
- Promoted cultural tourism through e-bulletins distributed to 225 media writers. Topics included the Athabascan Fiddling Festival in Fairbanks, Russian Christmas celebrations in Sitka, Kodiak and Unalaska/Port of Dutch Harbor and Festival of Native Arts.

## Winter

Winter promotion is integrated throughout ATIA marketing efforts. Winter activities are featured in the Official State Vacation Planner, ATIA assists travel writers and editors with stories about Alaska winter and winter images are included in television commercials. In addition, specific winter projects that specifically focus on increasing interest in travel to Alaska during the winter months were conducted. One example is the winter press trip; ATIA brought 10 travel writers and editors to the state so they could experience Alaska's winter first-hand.



Another winter-specific project was a special Alaska Winter Promotion and Contest co-sponsored by ATIA and KATU, a Portland-based television station reaching 4.4 million viewers. Alaska promotional segments began airing in March, and resulted in an increased number of phone calls on the toll-free 800 number. The Alaska contest was also promoted on the homepage of KATU's website at [www.katu.com](http://www.katu.com); the site receives 1.8 million hits per month. The promotion focused on Alaska winter activities and events including downhill skiing, Fairbanks Ice Art Festival and dog sledding. Alaska's native culture and history were also highlighted.

A summary of winter-focused marketing activities and tactics included:

- Travel writers participating in ATIA sponsored winter press trips represented national publications such as the Denver Post, Sunset Magazine, Seattle Times, Chicago Tribune, Outside Magazine, San Francisco Chronicle and SnoWest.
- Four distinct winter itineraries were featured, and activities included in these itineraries included dog sledding, snow machining, heli-skiing, winter scuba diving, cultural events, whale watching, ice fishing and cross-country skiing.
  - Adventures, History and Art in Southeast Alaska (Feb 9-16, 2001)
  - The Ride of Your Life: Iditarod (March 1-7, 2001)
  - Fairbanks: Alaska's Winter Festivals and Fun (March 7-12, 2001)
  - A Taste of Alaska's Winter (March 23-31, 2001)
- Electronic news bulletins, highlighting winter activities and events in Alaska were sent to over 225 highly qualified travel writers:
  - Ice Carving Competitions
  - Iditarod Trail
  - Winter Fishing Opportunities
  - Pillar Mountain Golf Classic
  - Extreme Sports
  - Special Olympics/Winter in Alaska
- Provide 41 minutes of general Alaska winter scenes and Native/Cultural footage for use in the Special Olympics opening ceremony video.
- Met with representatives from Special Olympics to ensure travel writers and editors interested in covering Alaska prior to or following the 2001 World Games were referred to ATIA.
- Promoted winter travel to Alaska by including winter images and information in the State Vacation Planner.
- Included a winter section on the [www.travelalaska.com](http://www.travelalaska.com) website.
- Participated in the Annual Winter Conference, held in Anchorage.
- Worked with media representatives from Blue Magazine, Maui Times magazine and the UK version of Marie Claire to promote winter tourism in Alaska.

## Highway/Marine Highway

Tourism North is ATIA's primary highway program and ATIA staff assumed the seat formerly held by the State Department of Community and Economic Development. The purpose of this cooperative tourism marketing program that includes Alaska and several Canadian jurisdictions effort is three-fold:

- Increase the number of people traveling through northern British Columbia, Alberta, Prince Rupert, the Yukon Territory and on into Alaska.
- Improve the tourism opportunities for highway visitors.
- Increase the length of stay and amount of money spent by these highway visitors per day.

Through its involvement in the Tourism North program, ATIA is able to leverage highway /ferry tourism marketing efforts by combining efforts with Canada. In FY01, Alaska's contribution to the more than \$1 million program was \$200,000. ATIA also contributed an additional \$25,000 to the Tourism North program so the national television crew for Martha Stewart Living could travel to Alaska/Yukon and produce a one-hour TV program promoting highway travel.

During February, ATIA and the Fairbanks Convention and Visitors Bureau hosted the Tourism North planning meeting. Prior to the meeting, ATIA randomly surveyed past Tourism North advertisers to determine which programs were considered essential and what new highway opportunities they would like the group to explore. Research on the effectiveness of the program, was something that many felt was lacking and will be a focus in coming years.

In addition to participation in Tourism North, ATIA promotes highway and ferry travel through other marketing efforts as well. The Official Alaska State Vacation Planner and Official Alaska Travel Website contain detailed information regarding ferry and highway travel. In addition, a full-page highway map in the Planner shows approximate distances between major U.S. cities and Fairbanks, Alaska. Driving distance between Alaska communities is also illustrated. A brief table highlighting

Alaska and British Columbia ferry schedules and tariffs is also included in the Vacation Planner.



Through public relations and media advertising, ATIA is able to promote travel to and within the state via car, RV and/or ferry. Magazine ads featuring images of highway travel are placed in national publications and travel writers and editors are assisted with articles they are writing about traveling through Alaska by highway or ferry.

This year there was quite a bit of concern that high fuel costs would negatively impact highway travel, however, reports from the Travel Industry Association of America (TIA) indicate that high gas prices had little effect on travel with only one in five auto travelers indicating they modified their travel plans due to high gasoline prices. Research done for the Recreational Vehicle Industry Association (RVIA) reinforced TIA findings.

**FY01 HIGHWAY STRATEGY #1:** Provide potential highway and marine highway travelers with planning information.

**PROGRESS:**

- Placed a full-page ad in the Yukon Vacation Guide to encourage potential Yukon visitors to extend their trip into Alaska.
- Added Tourism North contact information to the list of information sources in the Official State Vacation Planner.
- ATIA's Inquiry Fulfillment Center responded to requests regarding highway and ferry travel. In addition, names/addresses of potential visitors are forwarded to Tourism North's fulfillment contractor and the Alaska Marine Highway System so additional travel information could be sent.

**FY01 HIGHWAY STRATEGY #2:** Increase awareness of highway and marine highway travel opportunities.

**PROGRESS:**

- Promoted highway and ferry travel to Alaska by including highway and ferry images and information in the State Vacation Planner and Invitation to Alaska brochure.
- Assisted travel writers and editors with articles they were writing on highway or ferry travel to Alaska.
  - Assisted with update of the Alaska Highway Book.
  - Assisted Seattle Times with a story on ferry travel for a special travel supplement.
- Featured highway travel in full-page ads in seven national publications, resulting in 20,926 requests.
  - Trailer Life
  - Westways (AAA)
  - VIA
  - Colorado Motorist (AAA)
  - Arizona Highways
  - Journey - WA (AAA)
  - Midwest Traveler (AAA)