

ALASKA

LEGISLATURE

COMMITTEE FILES

1991-1992

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HOUSE LABOR

& COMMERCE

ALASKA

Alaska Division of Tourism
P.O. Box E
Juneau, Alaska 99811-0800
Phone: (907) 465-2010

Department of Commerce &
Economic Development
State Office Building, Ninth Floor
333 Willoughby Avenue
Fax: (907) 586-8399

TELECOPIER TRANSMITTAL SHEET

DELIVER TO: Alaxis

FROM: Wray

Number of pages INCLUDING transmittal sheet: 2

DATE: 2/25/92

OPERATOR: _____

TIME: 9AM

IF TELECOPY DOES NOT TRANSMIT PROPERLY, PLEASE CALL (907) 465-2012.

Here's The resolution.
ct. ATMC never got to it.
AVA passed
- call if you have questions -
Wray



PROPOSED RESOLUTION

WHEREAS tourism has become the number one industry in the world, and in America, now provides over six million jobs and billions of dollars in revenues for communities throughout our nation; and

WHEREAS tourism provides opportunities to open the doors of the global community to create understanding between different cultures and environments; and

WHEREAS it is the official policy of the government of the United States to promote international tourism, as evidenced by the many programs carried out by the United States Travel and Tourism Administration in the Department of Commerce; and

WHEREAS elements of the tourism industry both public and private, both at home and abroad, have heavily invested in international tourism development; and

WHEREAS the Bureau of Consular Affairs in the U.S. Department of State plays a key role in international tourism, and through its Citizens Travel Advisory Service, may exert a profound impact, either positive or negative, on such international tourism

NOW THEREFORE be it resolved that the Secretary of State take the necessary steps to ensure that all public entities that might be affected by such travel advisories be identified, and that prior to release, these entities be given the chance to review the advisories for accuracy and to recommend changes where necessary.

ALASKA

FOR IMMEDIATE RELEASE
February 7, 1992

For Information Contact:
Connel Murray, Director
Alaska Division of Tourism
(907) 465-2012

NORTHERN TOURISM OFFICIALS CRITICIZE REPORTS OF STATE DEPARTMENT TRAVEL ADVISORY

ANCHORAGE, ALASKA -- Tourism officials in both Alaska and Canada reacted strongly today to reports of a travel advisory issued by the United States State Department, which indicated travelers might have trouble finding accommodations along the Alaska Highway in the Yukon Territory.

"We've read the advisory and frankly we're mystified as to how reports could be so misleading," said Connel Murray, Alaska's Director of Tourism.

One report, widely circulated in Alaska, stated flatly that finding a motel or a gas station in the Yukon can be tough. Not necessarily true, said Murray.

• more •



"We've been monitoring the situation closely, and while we are expecting a banner year because of the 50th anniversary celebration of the construction of the Alaska highway, we have no indication that travelers will have problems finding accommodations and other services."

Murray's views were echoed by Klaus Roth, director of tourism marketing for Canada's Yukon Territory. Roth indicated the Yukon has been aggressive in increasing its ability to accommodate visitors. As an example, he cited the expansion of existing R.V. parks and campgrounds, and the addition of new ones to accommodate the expected increases in traffic. He also noted the Alaska Highway, which gained fame as the "Alcan" when it was constructed through virtual wilderness in 1942, is now paved through most of its nearly 1,500-mile length.

He also stressed that while the highway did, indeed, traverse the Yukon's "frontier country" -- as the travel advisory described it -- services for the motorist were more than adequate.

"After all, people have been driving this highway for half-a-century now and we've had to generate the facilities to take care of them including hotels and motels, rural lodges, gas stations and service facilities, and medical facilities," stressed Roth.

Murray said the State of Alaska had also been taking the necessary steps to accommodate expected increases in highway travel. Waysides and parks have been upgraded and an ongoing highway improvement program is underway as weather permits, he said.

- more -

Additionally, Murray countered points made in the advisory about the highway.

- There is no point on the highway where there is more than 97 miles between gas stations, and the average is closer to 55 miles.
- Almost every town along the highway has medical facilities. The greatest distance between medical facilities is 150 miles.
- Gas prices throughout Canada are higher than U.S. On the highway, prices average \$2.19 per U.S. gallon, certainly not triple most U.S. prices.

Murray also said telephone and mail inquiries were pointing to a longer-than-average season on the highway. Businesses that serve motorists have been alerted to be prepared for visitors arriving earlier than usual, and departing later.

FOR RELEASE

February 7, 1992 #018

U.S. STATE DEPARTMENT ADVISORY CONSIDERED MYSTIFYING

WHITEHORSE - "There's no denying" says Tourism Minister Art Webster, "that compared to downtown Washington D.C., the Yukon is definitely 'frontier country.' But the services provided and the amenities offered by hospitable people throughout our beautiful territory exceed every expectation of the thousands of American highway travellers who safely visit the Yukon every year."

The minister was reacting to a U.S. State Department travel advisory released Wednesday.

It warned travellers that it may be hard to find a motel or gas stations along the Alaska Highway during this summer's 50th anniversary commemorations of the construction of the Alaska Highway.

"The statement is ridiculous," said Webster. "Certainly our bookings are up due to the Highway Anniversary, but recent indications are that plenty of accommodation is still available."

Webster went on to say although research indicates that the anniversary events this year may result in an increase of 18,000 to 20,000 visitors over last year, the expected increase equals tourist highs set in 1987.

"We certainly didn't have a problem accommodating tourist needs in '87," the minister said, "so I can't imagine why we would have one now. Our industry has developed significantly in the past four years and we are well-positioned to handle the numbers."

The advisory warned Americans that gas stations and medical facilities are limited.

.../2

"The Yukon portion of the Alaska Highway is about 600 miles, Webster continued. "There are gas stations approximately every 50 miles and medical facilities ranging from nursing stations to full-fledged hospitals in the communities along the route."

The Yukon Department of Tourism is currently working with representatives from Alaska, Tourism Canada and the Tourism Industry Association of the Yukon to correct the impressions left by the advisory.

"People who have been researching a trip to the Yukon are well informed about our geography and our amenities," the minister said. "However, we have to allay any false impressions to ensure future travellers aren't discouraged from travelling to the Yukon."

CONTACT:

John Spicer
Director, Tourism Development
(403) 667-5633

Dennis Senger
Public Affairs Bureau
(403) 667-5431

Government of the Yukon
Box 2703
Whitehorse, Yukon, Y1A 2C6

1. The U.S. State Department is warning travellers about visiting the Yukon. The Department has issued an advisory that contains a number of negative comments about travelling in the Territory. (Elaine Schiman) The traveller advisory is described in an Associated Press wire story. The advisory is categorized as a notice which means it's telling people which areas might be inconvenient or difficult to travel in. The notice on the Yukon says finding a motel room or a gas station can be tough. It says camping and motel facilities can range from primitive to non-existent, away from population centres. The notice also says traffic outside of towns can be very sparse even during peak tourist season and it says the Alaska Highway runs through some spectacularly beautiful areas but much of it is essentially uninhabited. Finally, the advisory noted the Yukon is definitely frontier country. Shauna Hutton is the executive director of the Tourism Industry Association of the Yukon. She was surprised to hear of the advisory but admits many people in the south believe the north is much rougher and tougher than it really is. Hutton says her association will try to educate people more on how good the highways up here really are.

(Hutton) "... I think the important thing that will come out of this is that we will have to put on a stronger thrust as far as educating people down south as to what we're all about up here." The Tourism Department of YTG only just heard of the travel advisory this morning. Spokesman Graham McDonald says the tourism people are looking into it to try to find out how it happened and how widely the news of it has been distributed. The Department had been informed of it by a tourism representative from Juneau who had heard it on the radio there and was quite concerned.

2. The Whitehorse Chamber of Commerce is hoping to hire someone to develop and implement a tourism plan for Whitehorse. That is one of two proposals put forward at a public meeting last night. The other is to hire someone to work at attracting conventions to the city. (Dave Cooper) About 30 people turned out at a public meeting last night to talk about ways to attract more tourists to Whitehorse. There are two main proposals. One is from the Tourism Industry Association. It wants to hire someone whose job would be to attract conventions to Whitehorse. It would cost from \$75,000 to \$150,000 to do that. The cost would be shared by the city, YTG, business

FAX
J. PERT
403 667-2634

I N F O R M A L M E S S A G E

Date posted: 06-Feb-1992 16:15 DST
From: HA Van der Veer WSHDC - 30
VANDEHACZ
Dept: WSHDC_UNTO
Tel No: (202) 682-7705

TO: J Normand Guerin UTO (GUERIJNC AT A1 AT UOTTEA)
TO: Paul Desbiens UTO (DESBIPC AT A1 AT UOTTOA)
TO: Gilles JW Tasse UTO (TASSEGJC AT A1 AT UOTTEA)

Subject: Travel Advisories YUKON

We have received the following from Yukon Tourism, which could be interpreted in several ways, including one that assumes subjective statements by the US Government about travel in Canada.

Rather than issuing a SPECIFIC advisory about the potential of MENENGITIS-related illness, the release editorializes whether the YUKON is definitely frontier, and that getting a motel room, medical care or car service in the Yukon may be tough. In fact, by inserting the health issue, the continuation of the text could imply that these conditions of lack of facilities prevail ANYWHERE in Canada outside Whitehorse.

Yukon Tourism has expressed concern about this kind of tactic, and addressed the fax to me since the dateline is Washington. Travel advisories are accessed through the public telephone system. Anyone interested in advisories, which usually range from health alerts to civil war and uprisings (Georgia, Haiti, Yugoslavia, Venezuela) can dial a phone number which gives that type of information.

Can you advise whether this merits any steps to be taken by the Department, Tourism Canada or this Mission to address the question of implicit discouragement of travel in Canada.

Here's the text as transmitted:
(WASHINGTON) THE STATE DEPARTMENT TOLD AMERICANS TODAY (WEDNESDAY) THAT FINDING A MOTEL ROOM IN THE YUKON CAN BE TOUGH, AND THERE AREN'T TOO MANY GAS STATIONS EITHER.

THE DEPARTMENT'S BUREAU OF CONSULAR AFFAIRS EXPECTS MORE TOURISTS TO DRIVE THE ALASKA-CANADA HIGHWAY THIS YEAR DURING ITS 50TH ANNIVERSARY, AND IT ISSUED A TRAVEL ADVISORY TO LET VISITORS KNOW WHAT THEY'RE IN FOR.

AMONG OTHER SUGGESTIONS - THE ADVISORY SAID TRAVELERS TO EASTERN CANADA SHOULD CONSIDER VACCINATING CHILDREN BECAUSE OF A RISE IN MENENGITIS CASES AND RELATED DISEASES.

THE ADVISORY SAID TRAVELERS CAN EXPECT TO FIND FEW MOTEL ROOMS AWAY FROM CITIES - AND LIMITED CAR REPAIR AND MEDICAL FACILITIES OUTSIDE OF WHITEHORSE.

IN FACT THE DEPARTMENT NOTED: "THE YUKON IS DEFINITELY FRONTIER COUNTRY".

① WASHINGTON NR 202 647-5225

328

FRANK H. MURKOWSKI
ALASKA

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February 7, 1992

Ms. Elizabeth Tamposi
Assistant Secretary
Bureau of Consular Affairs
U.S. Department of State
Washington, D.C. 20520

Dear Ms. Tamposi:

A recent travel advisory for Canada has come to my attention (copy attached). I would like to take the opportunity to express several concerns I have about the contents of this travel advisory, and the manner in which it was written.

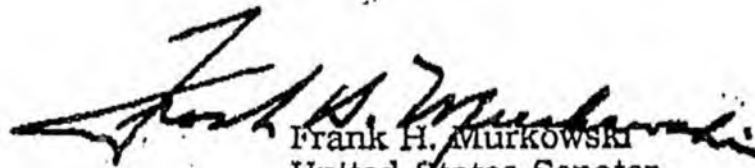
As you know, Alaska is a state that depends heavily on the tourism industry to support its economy. It is unfortunate that the travel advisory that was issued on Canada which concerned a Meningitis outbreak in the Eastern portion of Canada could be mistakenly associated with the advisory's notice about the 1992 celebration of the building of the Alaska Highway, the Alcan. Travelers may not realize the great distances that separate Eastern and Western Canada and may change their travel plans to Alaska accordingly, in order to avoid what they might perceive as a risk to their health. Obviously, this could easily adversely affect Alaska's tourism industry.

I understand that the State Department is attempting to inform travelers of conditions through Canada in this advisory. However, I take exception to the need for extreme detail. Travelers going through Canada to Alaska will probably expect that it is a long distance and do not need to be told, for example, that "Further away from population centers, the facilities can range from primitive to non-existent." On the contrary, the State of Alaska and Canada, in anticipation of the 1992 celebration, have expended much time and effort to provide quality facilities for travelers through these areas.

I am sure you realize that many Americans take seriously the State Department travel advisories. In the future, would it be possible to contact my office in advance of an advisory such as this, since advisory's affecting Western Canada, invariably affect Alaska?

It would be helpful in the future if the travel advisories were worded to be more sensitive to possible adverse outcomes in individual states. Perhaps a statement clarifying that an epidemic condition in one region has no specific bearing on another would be helpful. In this way, you may avoid an unfortunate misunderstanding by readers, and not bring an adverse economic effect.

Sincerely,



Frank H. Murkowski
United States Senator

Enclosure

NEWS



U.S. SENATOR

**FRANK
MURKOWSKI**

OF ALASKA

FOR IMMEDIATE RELEASE:
February 7, 1992

CONTACT:
Mike Heatwole 202/224-3924

Alaska Senator Blasts State Dept. Travel Advisory

Sen. Frank Murkowski today insisted that the State Department modify or rescind a travelers advisory issued Thursday. The advisory warns tourists who want to travel to the 50th anniversary of the Alaska Highway to vaccinate young children because of a meningitis outbreak in Eastern Canada and warned of a lack of hotel accommodations in the Yukon.

"I seriously question whether the person who wrote this advisory has ever been west of the Mississippi. This advisory makes conditions in the Yukon Territory sound worse than a third world country and that couldn't be farther from the truth. It's tone is just lamebrain.

"Americans and Canadians have been traveling the highway for years. It used to be a dirt road chock full of potholes, but now the road is paved almost the entire way. I think now the worst one can expect is a dirty car," Murkowski said.

"I take strong exception to the creative writing used in this advisory. While the accommodations in the Yukon won't rival the Waldorf Astoria, they certainly aren't primitive," Murkowski said.

Murkowski said he had two immediate problems with the advisory.

"While a meningitis outbreak is an issue of great concern, Eastern Canada is 1,250 miles away from where most visitors will be

traveling. Pairing this advisory with the Alaska Highway celebration was irrational and downright shameful.

"Second, the State of Alaska, the federal government and the government of Canada have been preparing for this celebration for years and have gone out of their way to make sure that each person traveling the Alaska Canada Highway this season has an incredible experience and will want to come back. In most cases the facilities and the hospitality a guest will receive will be better than most roadside inns," Murkowski said.

The Alaskan senator said the average distance between service stations was 20 to 50 miles with the longest stretch being 100 miles. In addition, both the Alaska Division of Tourism and the Yukon's Ministry of Tourism have made provisions to accommodate the expected additional visitors this year.

Murkowski said it was unfortunate that this advisory was issued at a time when most people are making their summer plans and that he hoped that the inaccurate advisory could be changed in time to prevent people from canceling their vacations.

Murkowski today sent a letter to the State Department's Bureau of Consular Affairs asking them to correct the traveler's advisory. Murkowski also has been in contact with the U.S. Consulate in Vancouver.

"It's fair to say that a little common sense will go a long way in planning for a journey along the Alaska Highway and the State Department Advisory should have emphasized that. The advisory recommended having reservations made in advance due to the large influx of visitors. The same could be said for someone visiting Hawaii or Vail, Colorado, during peak visiting months," Murkowski said.

The Alaska Highway construction project is generally recognized as one of the greatest engineering feats of the 20th century. During World War II, the Army saw a tactical need to have a road connecting the Lower 48 with the Alaska Territory in case of Japanese invasion. The 1520-mile road project, which took eight months and 12 days to construct, was placed on the "fast-track" after the Japanese bombing of Pearl Harbor.

"The Alaska Highway is full of history. I hope that everyone planning to come up this summer will do so and experience the magic of this place we call home," Murkowski said.

NORTH COUNTRY OVERTURE

Alaska Highway marks its 50th

By STANTON H. PATTY
FOR THE EMPIRE

We were driving north on the Alaska Highway, about 1,800 miles from Seattle. No vehicles had passed in either direction for more than a half-hour. Daybreak in the Yukon. Clouds parted. And suddenly, shafts of sunshine poured down on a chain of mountain peaks - snow-tipped steeples, 4,000 feet high and climbing that seemed to be hanging in the sky. A burst of sun flashed from a blue-white glacier that was fastened like a gaudy diamond in the wall of mountain.

It was a North Country overture, big, bold, and beautiful. "I never knew there were mountains like that anywhere," a grand daughter said from the back seat. The highway pointed north - a long, thin ribbon of road curving through birch and spruce forests toward faraway mountains, bounding over the saddles of low hills in the foreground and bending around river gorges like the track of a wandering grizzly.

The route from Dawson Creek, in northeastern British Columbia, through Canada's Yukon Territory and on to Fairbanks, deep in Alaska's heartland. Everything on the Alaska Highway is measured from Dawson Creek, milepost 0 since the northern highway was opened 50 years ago. Driving distance - 1,488 miles from Dawson to Fairbanks. And depending on which access route to Dawson Creek is chosen - from the west or from the east - motorist's river 2,312 miles from Seattle to Fairbanks, 2,354 miles from Great Falls, Mont., to Fairbanks.

"Nobody in front of us; nobody in back of us," said the granddaughter. "When are we going to start seeing bears?" Just ahead shimmering like liquid jade was Klunane Lake, the Yukon's largest. Milepost 1030 from Dawson Creek.

A light breeze ruffled a patch of pink and gold wildflowers by a wind-swept sign that marked the spot as Soldier's Summit. It was there, on a frosty day in November 1942, that American and Canadian officials cut a ribbon to open the Alaska Highway to north-bound military convoys.

America was at war. Japan had bombed Pearl Harbor. There were fears that enemy forces would invade Alaska - and six months later they did. Feb. 11, 1942, President Franklin D. Roosevelt ordered construction of an emergency highway to Alaska.

March 9, 1942. Thousands of shivering, bewildered American soldiers found themselves in tent camps in the 1,500-mile-long Yukon Territory. This was not just any motorcoach. It was 10 feet long and equipped with an add-on lounge unit attached to the rest of the coach with a sort of accordion fold - where an attendant serves pampered passengers with drinks and cookies.

How do you get one of the passengers called "Great day." He glanced at the Soldier's Summit sign, lit a cigarette and stretched. The ghosts of the Alaska Highway stirred. If the crews who built the remarkable road back in 1942 had seen anything like this fancy bus, they probably would have thought it was delivering passengers from another planet.

cludes the 18th, 35th, 93rd, 95th, 97th, 340th and 341st regiments.

Then came civilian contractors to straighten some of the curves and flatten dangerous grades.

The job was done in just eight months and 11 days.

The Corps of Engineers called the project "one of the greatest undertakings since the building of the Panama Canal."

And now it is time to remember. Throughout 1992, Alaska and Canada will be celebrating Alaska Highway Rendezvous '92, with a series of events to mark the highway's 50th birthday.

Rendezvous planners are predicting that at least 100,000 visitors will be traveling the Alaska Highway in 1992. That would compare with about 70,000 highway travelers in 1991.

Hopefully, says Susan Kemp, executive director of the Fairbanks-based Great Alaska Highways Society, the turnout will include many of those veterans who built the wartime road.

Today's Alaska Highway, while still an adventure road, is mostly a mild, two-lane highway that is paved for all but a few miles.

"We're going to have a party," she says. The highway-builders of 1942 faced brutal conditions. Bottomless muskeg swamps swallowed trucks and bulldozers. Flash floods ripped away dozens of bridges. Clouds of mosquitoes tormented workers.

Steel snapped in temperatures that fell to 70 degrees below zero. Trucks overturned on sharp curves around rivers and lakes, taking their passengers to frigid graves. Tired repair trucks, unaware of the hazards of hypothermia, pulled off the road for parts - and never saw them.

Brig Gen James A. O'Connor, the officer in charge of construction of the southern sector, said of the troops: "They were from the same pattern as the frontiersmen who followed Lewis and Clark across the continent."

"We were reading the sign at Soldier's Summit when a taney blue and white motorcoach crawled to a stop above Klunane Lake. The job was the side of the coach read 'Alaska-Yukon Express'.

This was not just any motorcoach. It was 10 feet long and equipped with an add-on lounge unit attached to the rest of the coach with a sort of accordion fold - where an attendant serves pampered passengers with drinks and cookies. How do you get one of the passengers

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If the crews who built the remarkable road back in 1942 had seen anything like this fancy bus, they probably would have thought it was delivering passengers from another planet.

Tourism was far from the minds of those tired, homesick men.

The first highway was a primitive truck trail. Conditions ranged from sudden mudslides to choking dust as the seasons changed.

Today's Alaska Highway, while still an adventure road, is mostly a mild, two-lane highway that is paved for all but a few miles.

"No longer a wilderness road, rather a road through the wilderness," says the editors of "The Milepost," the reliable Alaska Highway guide book. It is an accurate description.

By the way, the Alaska Highway never officially was the "Alcan." Alcan is a nickname of uncertain origin, left over from World War II Old-timers also dubbed it the "Oil Can Highway," for all the discarded oil cans and fuel drums strewn through the construction zones.

The modern Alaska Highway has an appeal for free-roaming travelers that is difficult to explain. It's something like trekking in the Himalayas or rafting the Amazon.

Robert Service, the Yukon's gold rush bard, tried to explain the spell of the North Country with rhymes that told of a land "where the mountains are nameless and the rivers all run God knows where."

But there's more to it than that, say highway travelers.

First, there is the solitude of the open road, the silence. "The aloneness," the Alaskans call it.

Nature turns up the volume for the snap of a twig, the song of a mosquito, the dive-bombing whine of a mosquito. The sky seems bigger, wider here.

You're on your own - it might be a half-day's drive between repair garages and doctors - but the feeling is one of exhilaration, not danger.

Another lure is the scenery - and the scale of it. The route through the vast wilderness of lofty mountains, stunning lakes, braided rivers and wildlife.

Mountains fill the sky. Forests spread across foothills, over the horizon, beyond unannounced. Herds of caribou, sometimes in the thousands, mass and move like tides over meadows and marshes. Highway wind atop ridges so high that at times the view is like looking down from a bush plane.

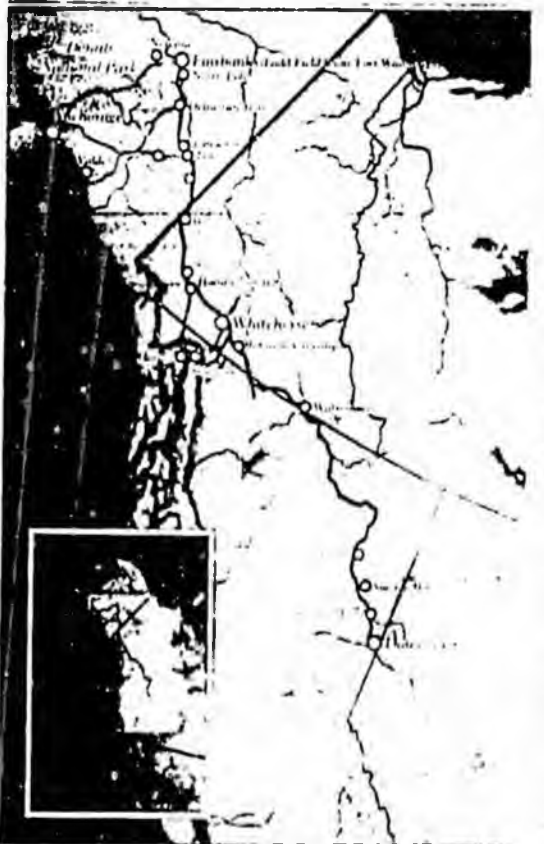
And only once in a while is there evidence of human presence - a battered highway hamlet, a huddle of log cabins, a cozy tourist lodge, a cafe that smells of many mornings, bacon on the griddle, a wind-battered country store, a tiny church.

The only "big" city in the almost. Please turn to Highway, Page 10



On the road: Mountains tower above the Alaska Highway near Klunane Lake in the Yukon.

THE ALASKA HIGHWAY



North to Alaska: The route from Dawson Creek, British Columbia, through Canada's Yukon Territory and across Alaska to Fairbanks.

Warning is eased Highway 'basic,' no danger

THE ASSOCIATED PRESS

The State Dept. revised a recent warning to travelers about trips on the Alaska Highway through Canada's Yukon Territory.

The department issued earlier's advisory Feb. 4 warning there were few motel accommodations and medical facilities along the Yukon stretch of the highway.

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey."

- Sen. Frank Murkowski

The highway runs from Dawson Creek, British Columbia, to Fairbanks, Alaska. Yukon are celebrating its 50th anniversary this year, and many are expected to travel the route this summer.

The revised advisory is less sensational language than a news release issued by Sen. Frank Murkowski.

Rather than saying "primitive to non-existent" Canadian stretch of the highway, the new advisory says lodgings, outside of the four main towns, also warns that the long trip between medical facilities is 150 miles, rather than saying "extremely remote" Whitehorse.

The new advisory encourages travelers to use common sense, which makes sense in planning long journeys. Murkowski at least in part the total trip that was released by Murkowski said the new advisory was issued after complaints from a congressional delegation of other Alaskans.

Last year, 80 million vehicles drove the two-lane road. Sometimes called the "Great Adventure Highway," this year, with Alaska and Canadian committees promoting the anniversary, the figure is expected to rise.

The first two words of the advisory are "Warning." Some think of the word as being born here in Alaska. Sen. C. Kemp, executive director of the Great Alaska Highway Society, said.

But tourist officials of the celebration, which begins today in Dawson Creek, say the problems for the up-coming summer tourist travel are often means of travel, miles of no service, signposts with human waste, waits for everything from elevators in Anchorage to the buses that take sightseers to Denali National Park.

The Los Angeles Times - to this road.

NORTH COUNTRY OVERTURE

Alaska Highway marks its 50th

BY JIM PATTY

They were driving north on the Alaska Highway, about 1,000 miles from Seattle. It passed in either direction in a half-hour. The Yukon. Clouds suddenly, shafts of sun down on a chain of snow-tipped steep hills and climbing. The sun flashed from a glacier that was fastened diamond in the wall of

North Country overture. A beautiful snow there were mountains anywhere," a grand day pointed north - a moon of road curving through spruce forests to low mountains, bounding hills of low hills in the road bending around river the track of a wandering

from Dawson Creek, in British Columbia, to the Yukon Territory, deep in Alaska. On the Alaska Highway from Dawson Creek since the northern is opened 50 years ago distance: 1,488 miles to Fairbanks. And which access route is chosen - from the east - motorists miles from Seattle to 254 miles from Great Falls, to Fairbanks.

in front of us, nobody in said the granddaughter are we going to start see-

had shimmering like liquid Klane Lake, the Yukon a hippopotamus 1000 from Dawson

A breeze ruffled a patch of wildflowers by a wood marked the spot as Sol-nut.

There, on a frosty day in 1942, that American and officials cut a ribbon to Alaska Highway to north-ernly convoys. It was at war had bombed Pearl Harbor, the fears that enemy forces had invaded Alaska - and six after they did.

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Brig. Gen. James A. O'Connor, the officer in charge of construction of the northern sector, said of the troops: "They were from the same pattern as the frontiersmen who followed Lewis and Clark across the continent."

We were reading the sign at Soldier's Summit when a fancy, blue-and-white motorcoach roared to a stop above Klane Lake. The logo on the side of the coach read: "Alaska Yukon Explorer."

He glanced at the Soldier's Summit sign, lit a cigarette and stretched. The ghosts of the Alaska Highway stirred. If the crews who built the remarkable road back in 1942 had seen anything like this fancy bus, they probably would have thought it was delivering passengers from another planet.

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By the way, the Alaska Highway never officially was the "Alcan." Alcan is a nickname, of uncertain origin, left over from World War II. Old-timers also dubbed it the "Old Can Highway," for all the discarded oil cans and fuel drums strewn through the construction zones.

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Robert Service, the Yukon's gold-rush bard, tried to explain the spell of the North Country with rhymes that told of a land "where the mountains are nameless and the rivers all run God knows where."

But there's more to it than that, say highway travelers. First, there is the solitude of the open road, the silence. "The aloneness," the Alaskans call it.

Nature turns up the volume for the snap of a twig, the song of a bird, even the dive-bombing whine of a mosquito. The sky seems bigger, wider here.

You're on your own - it might be a half-day's drive between repair garages and doctors - but the feeling is one of exhilaration, not danger.

Another lure is the scenery - and the scale of it. The route through the North Country is orchestrated with a vast - rider seas of lofty mountains, shining lakes, braided rivers and wildlife.

Mountains fill the sky. Forests spread across foothills, over the horizon, beyond imagination. Herds of caribou, sometimes in the thousands, mass and move like tides over meadows and marshes. Highways wind atop ridges so high that at times the view is like looking down from a bush plane.

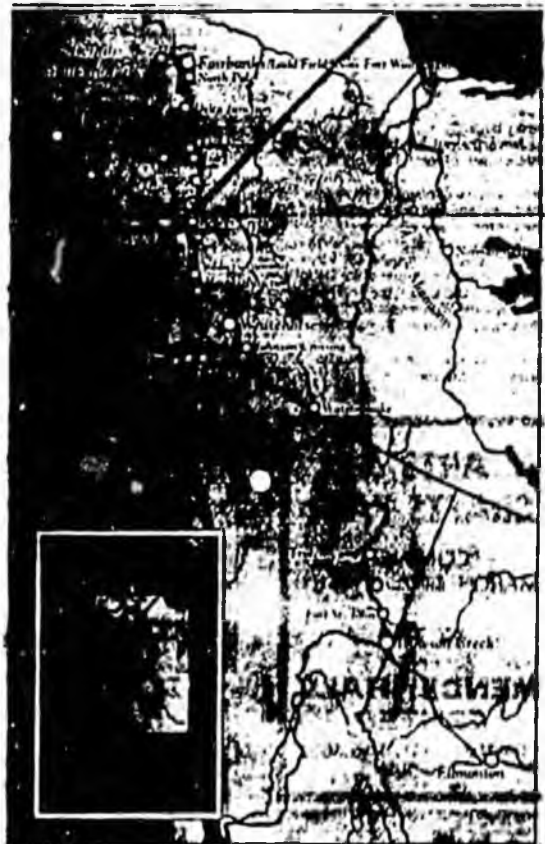
And only once in a while is there evidence of human presence - scattered highway hamlets, a bundle of log cabins, a cozy tourist lodge, a cafe that smells of many mornings' bacon on the griddle, a wind-battered country store, a tiny church.

The only "big" city in the almost 1,500-mile drive to Fairbanks. (Photo: Turn to Highway, Page 10)



On the road: Mountains tower above the Alaska Highway near Klane Lake in the Yukon.

THE ALASKA HIGHWAY



North to Alaska: The highway covers 1,488 miles from Dawson Creek to Fairbanks.

Warning is eased Highway is 'basic,' not dangerous

THE ASSOCIATED PRESS

The State Department has revised a recent warning to travelers planning trips on the Alaska Highway through Canada's Yukon Territory.

The department issued a traveler's advisory Feb. 4 warning that there were few motel rooms, service stations and medical facilities along the Yukon stretch of the highway.

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey."

- Sen. Frank Murkowski

The highway runs from Dawson Creek, British Columbia, through the Yukon to Fairbanks, Alaska and the Yukon are celebrating its 50th anniversary this year, and many tourists are expected to travel the highway this summer.

The revised advisory uses "far less sensational language," according to a news release issued recently by Sen. Frank Murkowski, R-Alaska.

Rather than saying lodging is "primitive to non-existent" along the Canadian stretch of the highway, the new advisory says lodging is "basic" outside of the four main towns. It also warns that the longest stretch between medical facilities is about 150 miles, rather than saying such facilities were "extremely limited outside Whitehorse."

"The new advisory encourages travelers to use common sense, which makes sense in planning any long journey," Murkowski said. "But at least it isn't the totally uninformative trips that was released earlier."

Murkowski said the new advisory was issued after complaints by Alaska's congressional delegation and other Alaskans.

Last year, 80,000 vacationers drove the two-lane road, which is sometimes called the last great driving adventure remaining in North America. This year, with both Alaska and Canadian governments actively promoting the anniversary, the figure is expected to be 30,000 higher.

The first two words are mystery and magic - that's what comes to me when I think of the road. And I was born here in Alaska," says Susan C. Kerns, executive director of the Great Alaska Highways Society.

But tourist officials do worry that the celebration, which kicked off 11 days ago in Dawson Creek, could pose problems for the roadway. Peak summer tourist travel on Alaska roads often means traffic jams, miles of no-vacancy signs, road stops piled with human waste and long waits for everything from diner reservations to a shower to seats on the buses that take sightseers into Denali National Park.

The Las Vegas Times contributed to this report.

Advisory

Continued from page A1

Friday and referred inquiries to its main office in Washington, D.C.

State Department officials in Washington, D.C., were unavailable for comment. The federal agency's 24-hour hotline to its Citizens Emergency Center in Washington, D.C., offered the taped recording about the Alaska Highway, along with numerous other taped messages about travel worldwide. The hotline number is (202) 647-5225.

The federal government's notice details difficulties in finding lodging, car repair and emergency medical care in the Yukon, and warns motorists that prices can be triple those charged in the United States.

Murray said he was mystified at the advisory's "misinformation." Costs along the highway are not even double that of the United States, there are plenty of accommodations, no more than 97 miles between gas stations and no more than 150 miles between medical facilities, he said.

"After all, people have been driving this highway for half a century now," said Klaus Roth, director of tourism marketing for the Yukon, in a statement Friday. "And we've had to generate the facilities to take care of them, including hotels and motels, rural lodges, gas stations and service facilities and medical facilities."

Drivers familiar with the Alaska Highway seemed unfazed Friday by news of the advisory.

John Spalding, sales manager for Niles Travelers Inc., an Anchorage recreational vehicle dealer, said he could imagine lines of unsuspecting travelers at motels along the highway and unprepared drivers hitching back to town for a tank of gas.

But Spalding, who has driven the highway many times, said driving the route always has required planning, and motels are almost always full in summer.

"People could get caught running out of gas in between places if they're not paying attention, but there are signs that say no gas for 260 miles or something like that," said Pat Keller, an Anchorage truck driver for the moving company Bekins Northwest.

The American Automobile Association always advises its members to make lodging reservations ahead of time, bring two spare tires, and fill the gas tank when its below half full, said Dan Winker, manager of AAA Alaska. The association also rates summer as the third best time to drive the Alaska Highway, with fall and winter ranked higher, he said.

"I think everybody's panicking (in the Lower 48) because they think 90 million people are coming up," Winker said. "I haven't talked to anybody on this end who's panicking."

The Anchorage

ANCHORAGE TIMES

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FOR MEMBERS OF THE LEGISLATURE
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ALASKA AIRLINES

SATURDAY, February 8, 1992

Locally owned since 1915, Alaska's best newspaper.

78 No. 39 25¢

U.S. warns travelers to avoid Iraq, Alaska Highway

By DOUG FORD
TIMES BUSINESS WRITER

No Hilton, no Holiday Inn, not even a Motel 6 with a light on awaits travelers along the 7,520-mile Alaska Highway. But does that mean unwary visitors will have to sleep in the rain?

Apparently the U.S. State Department thinks so.

To the chagrin of Alaska and Yukon Territory officials, the federal government has issued an emergency advisory warning people who may be considering visiting Canada and Alaska during the highway's 50th anniversary celebration that they could face an inhospitable wilderness.

Moreover, the taped travel advisory,

released earlier this week, comes on a telephone recording with alarming messages about an outbreak of meningococcal disease in eastern Canada, and hazards in war-torn Yugoslavia and Iraq.

Yes, travel to Alaska, or more precisely driving the highway named for the state that links the 49th state with its Lower 48 counterparts via Canada, has

managed to make the State Department's travelers' advisory on dangerous foreign places.

Rattling their own bureaucratic swords, Alaska and Canada's travel officials said Friday they object to the Alaska Highway being lumped with global hot spots by the U.S. government.

"What started as a localized situation,

has turned into an international flap," said Connel Murray, director of the Alaska Division of Tourism. The Alaska congressional delegation and Canadian Embassy have demanded the State Department revise the recording, he said. The State Department's district office in San Francisco declined to comment.

See Advisory, back page

Take a real ride on Alaska Highway, State Department

I always had Canada down as everything a person could ask for in a neighbor.

A place you could live next to without calling the cops all the time.

The occasions I've been to Canada — to western Canada mostly — I found the air pure, the water sweet and the people decent.

I learned you could sit down to a beer in an Alaska Highway roadhouse, and one of the regulars is certain to reach out and include you in friendly conversation.

I learned the shocks on your car can come apart, and there are people in the Yukon Territory who will figure that out and fix them for nothing.

And beauty?

The region helped write the book on natural beauty. You could take Kluane Lake, for one, and put it up against anywhere. And the lake will have no trouble holding its own.

Yes, I recommend Canada.

And I would especially recommend it to the folks in the U.S. Department of State, who issued a travel bulletin last week that puts Yukon right down there with Cuba and Romania and Iraq as places Americans should avoid.



Terry Carr

TIMES COLUMNIST

You know these State Department people. They are the kind who don't understand it when you wear wool shirts and talk in words of fewer than three syllables.

I say this to these people: Try Canada, folks. And while you're at it, try Alaska, which gets slammed in your warning, too, because you can't drive here except through Yukon Territory.

Then maybe you'll stop spreading around those cheap and silly things about it on your call-in travel advisories.

The way you're doing it now, you make western Canada sound like south-central Antarctica, or an African desert without the snow. The tale you are spreading around has anybody foolish enough to venture into Yukon Territory

ending up loony from the barren loneliness or naked prey to villainous businesses lining the Alaska Highway.

What is it? Are you people, by nature, unable to see anything but sour things everywhere you look in the world? Is it so bad you have to find rottenness even in friendly, peaceful Yukon Territory?

"We are not very impressed with the State Department message," said John Spicer, development director in the Yukon Territory's Office of Tourism.

Nor are a lot of other people, including the tourism crowd in Alaska. And they are all ganging up and bringing heat on the State Department.

Which, in turn, has got the State Department rethinking its message. Not ready to do anything about it just now, you understand. But rethinking it anyway.

"The message still stands," said David Johnson, the U.S. counsel general in Vancouver, B.C. "It is so people will have a little more information so it will make their travel more pleasant."

Johnson said critics have been liberal with "alternative ideas and language." He said the State Department is gather-

ing that information and may incorporate it in a revised message.

But, for now, the tape recordings the State Department are feeding the public through its Citizens' Emergency Center are still on the air.

And here's what it's saying:

- "Yukon is definitely frontier territory."
- "Distances are vast."
- "Facilities can range from primitive to non-existent."
- "Most of the area is essentially uninhabited."
- "The cost of food, gas and so on can be triple that in the U.S."
- "Car repair and medical facilities are 'extreme limited.'"
- "Americans skipping on their medical bills have made medical centers wary of treating Americans. They will often require cash payments on the spot."
- "Yukon Territory's celebration of the 50th anniversary of the Alaska Highway — called Rendezvous '92, which begins Friday — will pack what facilities there are, so finding a place to stay could be trouble."

All of which scorns up quite an image.

Don't misunderstand. There's no question the region is big and limited in population.

Those who have traveled it understand that. And nobody in the Yukon Territory, tourism office or otherwise, is going to deny it, either.

But vastness is what the place is all about. The wilderness of it all is the appeal — not something that goes on a State Department tape as a threat.

And Yukon officials insist that health care, vehicle repair services and other facilities are frequently available and do not approach the cost cited by the State Department.

I don't know if they will convince the State Department of any of that. I don't know if they will find anybody there who can understand that a place like Yukon Territory can be a wilderness, yet can also be safe to travel, too.

And I don't know — though I doubt it — if they will ever convince anybody in the State Department to travel the Alaska Highway themselves and find out what's there.

Terry Carr's column appears Tuesday, Thursday and Sunday.

HJR

82

(7)

HOUSE COMMITTEE REPORT

Date Referred: March 4, 1992

FURTHER REFERRALS:

Date of Committee Action: 3-18-92

The LABOR AND COMMERCE Committee considered:

HJR 82

HOUSE JOINT RESOLUTION NO. 82

RECOGNIZE TOURISM IN ECONOMIC STATISTICS

Requesting the federal Office of Management and Budget to revise the Standard Industrial Classification system so that distinct statistics for the travel and tourism industry are compiled.

RECOMMENDATIONS:

be replaced with [] the same title [] a new title

[] have attached amendments(s)

[X] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____

[X] zero fiscal note(s) House I TT

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Henry Pat Parnell</i>	✓				
<i>Adrian L. Taylor</i>	X				
<i>Lee McLaughlin</i> <i>Tuan</i>	X				
<i>Ed Finkstein</i>	X				

[Signature]
CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HJR 82

Revision Date: _____ Department Affected: _____
 Title: Requesting the federal OMB BRU: _____
to revise the SIC system Component: _____
 Sponsor: House ITT
 Requestor: _____ COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE						
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Rep. Tom Moyer *Tom Moyer* Phone: 465-4930
 Division: Chair, House ITT Date: 3-3-92

Approved by Commissioner: _____
 Agency: _____ Date: _____

HOUSE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811
(907) 465-2973



MEMORANDUM

DATE: March 4, 1992

TO: Representative David Finkelstein, Chair
House Labor and Commerce Committee

FROM: Representative Tom Moyer, Chair
House Special Committee on International Trade and Tourism *TOM*

RE: HJR 82 (Relating to the Standard Industrial Classification (SIC) listings by the U.S. Office of Management and Budget

I would like to respectfully request that you schedule HJR 82, requesting the federal Office of Management and Budget to revise the Standard Industrial Classification (SIC) system, for a hearing at your earliest convenience. Attached is background information for the committee files.

OMB maintains the Standard Industrial Classification system, which is used to measure industrial activity or material resources in various sectors of our economy. However, the SIC listings statistics for travel and tourism are not clearly and distinctly identified and are therefore not identifiable within the gross national product or the national trade balance figures.

The U.S. Travel and Tourism Administration is currently advocating for this revision and it appears that OMB is favorably disposed. The SIC revisions are not scheduled to take effect until 1997. Given that tourism is so important to Alaska, we should go on record early to help spur the process along.

HJR 32

Standard Industrial Classification (S.I.C.) Code List

Select the "Division" from the list below.

DIVISION A - AGRICULTURE, FORESTRY & FISHING

DIVISION B - MINING

DIVISION C - CONSTRUCTION

DIVISION D - MANUFACTURING

DIVISION E - TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SVCS.

DIVISION F - WHOLESALE TRADE

DIVISION G - RETAIL TRADE

DIVISION H - FINANCE, INSURANCE & REAL ESTATE

DIVISION I - SERVICES

DIVISION J - PUBLIC ADMINISTRATION

Check the sub-heading as set out under each "Division" on the list.

Select the title under the sub-heading that best describes your business activity.

Write the four-digit number that appears in front of your selection in the space provided on your application.

Numbers ending with 99 will indicate "nec," which means "not elsewhere classified."

If the S.I.C. Code that describes your business is printed in bold italics, you must meet additional regulatory requirements. Please see the instructions on the Alaska Business License Application.

DIVISION A. AGRICULTURE, FORESTRY & FISHING

- 0100 Agricultural Production-Crops**
 - 0134 Potatoes
 - 0160 Vegetables & Melons
 - 0170 Fruits & Tree Nuts
 - 0180 Horticultural Specialties
 - 0180 General Farms
- 0200 Agricultural Production-Livestock**
 - 0211 Beef Cattle
 - 0213 Hogs
 - 0214 Sheep & Goats
 - 0215 Commercial Livestock
 - 0240 Dairy Farms
 - 0250 Poultry & Eggs
 - 0270 Animal Specialties
 - 0271 Fur Animals & Rabbits
 - 0272 Horses & Other Equines
- 0700 Agricultural Services**
 - 0710 Soil Preparation Services
 - 0720 Crop Services
 - 0732 Crop Harvesting
 - 0738 General Crop Services
 - 0740 Veterinary Services
 - 0741 Veterinary Spec. Form. Laboratories
 - 0750 Animal Services
 - 0760 Landscaping & Horticultural Svcs.
 - 0781 Landscape Contracting & Planning
 - 0782 Lawn & Garden Services
- 0800 Forestry**
 - 0820 Forest Nurseries
 - 0850 Forest Services
- 0900 Fishing, Hunting & Trapping**
 - 0910 Fish & Shell
 - 0911 Commercial Fishing
 - 0912 Furfish
 - 0913 Sportfish
 - 0919 Miscellaneous Products
 - 0920 Fish Nurseries & Production
 - 0970 Hunt. Traps, Game Propagation

- 1700 Special Trade Contractors**
 - 1770 Plumbing, Heating, Air Conditioning
 - 1772 Painting, Paper Hanging, Papering
 - 1780 Electrical Work
 - 1782 Masonry, Stonemasonry, & Plastering
 - 1789 Carpentry & Joinery
 - 1791 Drywalling
 - 1792 Floor Laying & Floor Maint., exc.
 - 1798 Roofing & Sheet Metal Work
 - 1779 Concrete Work
 - 1788 Water Work
 - 1794 Iron, Structural Steel Contractors
 - 1795 Glass & Glazing Work
 - 1796 Electroplating & Refinishing Work
 - 1798 Special Trade Contractors, nec.

- 2000 Petroleum and Coal Products**
 - 2010 Petroleum Refining
 - 2050 Printing & Reducing Materials
 - 2060 Misc. Petroleum & Coal Products
- 3000 Rubber & Misc. Plastics Products**
 - 3070 Misc. Plastics Products
- 3100 Leather and Leather Products**
 - 3110 Leather Dyeing and Finishing
 - 3120 Boot & Shoe Cut Stock & Findings
 - 3140 Footwear Except Rubber
 - 3150 Leather Goods & Millions
 - 3170 Handbags & Personal Leather Goods
 - 3198 Leather Goods, nec.

DIVISION D. MANUFACTURING

- 3000 Food & Kindred Products**
 - 3010 Meat Products
 - 3020 Dairy Products
 - 3030 Preserved Fruits & Vegetables
 - 3040 Cereal Mill Products
 - 3050 Bakery Products
 - 3080 Sugar & Confectionary Products
 - 3070 Fats & Oils
 - 3080 Beverages
 - 3082 Milk Beverages
 - 3084 Wine, Brandy & Spirits
 - 3090 Distilled Liquor, Except Brandy
 - 3098 Bottled and Canned Soft Drinks
 - 3097 Ice Creaming & Syrups, nec.
 - 3099 Misc. Foods & Kindred Products
 - 3091 Canned & Cured Meats
 - 3092 Fresh or Frozen Packaged Fish
 - 3097 Miscellaneous
 - 3098 Food Preparation, nec.
- 3100 Tobacco Manufactures**
- 3200 Textile Mill Products**
 - 3270 Text. Converting Mills
 - 3272 Yarn & Thread Mills
 - 3280 Misc. Textile Goods
 - 3298 Textile Goods, nec.
- 3300 Apparel & Other Textile Products**
 - 3340 Misc. Apparel & Accessories
 - 3360 Misc. Fabricated Textile Products
- 3400 Lumber & Wood Products**
 - 3410 Logging Camps & Operations
 - 3420 Sawmills & Planing Mills
 - 3430 Millwork, Plywood, Medium Wood Containers
 - 3440 Wood Containers
 - 3450 Wood Distillates & Molasses
 - 3452 Misc. Wood
 - 3453 Prefabricated Wood Buildings
 - 3458 Misc. Wood Products
 - 3499 Wood Products, nec.
- 3500 Furniture & Fixtures**
 - 3510 Household Furniture
 - 3520 Office Furniture
 - 3540 Furniture & Fixtures
 - 3542 Misc. Furniture & Fixtures
 - 3549 Furniture & Fixtures, nec.
- 3600 Paper & Allied Products**
 - 3610 Pulp Mills
 - 3620 Paper Mills, Except Blep. Paper
 - 3630 Paperboard Mills
 - 3640 Misc. Converted Paper Products
 - 3642 Paper Containers & Boxes
 - 3649 Building Paper & Board Mills
- 3700 Printing & Publishing**
 - 3710 Newspapers
 - 3720 Periodicals
 - 3731 Book Publishing
 - 3732 Book Binding
 - 3733 Miscellaneous Publishing
 - 3748 Commercial Printing
 - 3750 Multiple Business Forms
 - 3752 Printing Trade Services
- 3800 Chemicals and Allied Products**
 - 2810 Industrial Inorganic Chemicals
 - 2820 Plastics and Synthetic
 - 2830 Drugs
 - 2840 Soap, Cleaners, & Toilet Goods
 - 2842 Industrial Chemicals
 - 2849 Miscellaneous Chemicals
 - 2850 Misc. Chemicals Products

- 3900 Petroleum and Coal Products**
 - 3910 Petroleum Refining
 - 3950 Printing & Reducing Materials
 - 3960 Misc. Petroleum & Coal Products
- 4000 Rubber & Misc. Plastics Products**
 - 4070 Misc. Plastics Products
- 4100 Leather and Leather Products**
 - 4110 Leather Dyeing and Finishing
 - 4120 Boot & Shoe Cut Stock & Findings
 - 4140 Footwear Except Rubber
 - 4150 Leather Goods & Millions
 - 4170 Handbags & Personal Leather Goods
 - 4198 Leather Goods, nec.
- 4200 Stone, Clay, and Glass Products**
 - 4210 Pottery and Related Products
 - 4270 Concrete Gypsum & Plaster Products
 - 4280 Clay Stone & Stone Products
 - 4288 Miscellaneous Mineral Products, nec.
- 4300 Primary Metal Industries**
- 4400 Fabricated Metal Products**
- 4500 Machinery, Except Electrical**
- 4600 Electric and Electronic Equipment**
- 4700 Transportation Equipment**
 - 4710 Motor Vehicle & Equipment
 - 4720 Aircraft & Parts
 - 4730 Ship & Boat Building & Repairing
 - 4740 Motorcycles, Mopeds & Parts
 - 4750 Misc. Transportation Equipment
 - 4762 Travel Trains & Cars
- 4800 Instruments and Related Products**
- 4900 Miscellaneous Manufacturing Industries**
 - 4910 Jewelry, Millinery, & Plated Ware
 - 4911 Jewelry, Precious Metal
 - 4912 Amateurs' Materials & Logistical Work
 - 4920 Musical Instruments
 - 4940 Toys & Sporting Goods
 - 4980 Costume Jewelry & Novelties
 - 4990 Misc. Miscellaneous

DIVISION B. MINING

- 1000 Metal Mining**
 - 1010 Iron Ore
 - 1020 Copper Ore
 - 1030 Lead & Zinc Ore
 - 1040 Gold & Silver Ore
 - 1080 Metal Mining Services
 - 1098 Metal Ore, nec.
- 1100 Anthracite Mining**
- 1200 Bituminous Coal & Lignite Mining**
- 1300 Oil & Gas Extraction**
 - 1310 Crude Petroleum & Natural Gas
 - 1320 Natural Gas Liquids
 - 1380 Oil & Gas Field Services
 - 1381 Drilling Oil & Gas Wells
 - 1390 Oil & Gas Refining Services
 - 1398 Oil & Gas Field Services, nec.
- 1400 Nonmetallic Minerals, Except Fuels**
 - 1410 Clay and Stone
 - 1420 Cement & Bricks
 - 1440 Sand & Gravel
 - 1450 Clay & Refractory Minerals
 - 1470 Chemical & Fertilizer Minerals
 - 1480 Misc. Nonmetallic Minerals
 - 1498 Nonmetallic Minerals, nec.

DIVISION C. CONSTRUCTION

- 7000 General Building Contractors**
 - 7100 Residential Bldg. Contractors
 - 7201 Nonresidential
 - 7221 Activities of Construction, nec.
 - 7230 Open Air Buildings
 - 7240 Nonresidential Bldg. Contractors
 - 7242 Nonresidential Construction, nec.
- 8000 Heavy Construction Contractors**
 - 8100 Highway & Local Construction
 - 8200 Heavy Construction, Except Highway
 - 8220 Docks, Tunnels & Elevated Highways
 - 8230 Water, Sewer, & Utility Work
 - 8290 Heavy Construction, nec.

- 4700 Transportation Services
 - 4712 Freight Forwarding
 - 4720 Transportation Arrangement
 - 4722 Arrangement of Passenger Transportation
 - 4730 Misc. Transportation Services
- 4800 Communication
 - 4810 Telephone Communication
 - 4820 Telegraph Communication
 - 4830 Radio Broadcasting
 - 4833 TV Broadcasting
 - 4890 Communication Services, nec.
- 4900 Electric Gas & Sanitary Services
 - 4930 Gas Production & Distribution
 - 4933 Distribution Utility Services
 - 4940 Water Supply
 - 4950 Sanitary Services
 - 4953 Sewerage Systems
 - 4990 Refuse Systems

DIVISION K. WHOLESALE TRADE

- 8000 Wholesale Trade Durable Goods
 - 8010 Motor Vehicles & Auto Equipment
 - 8013 Automotive Parts & Supplies
 - 8014 Tires & Tubes
 - 8020 Furniture & Home Furnishings
 - 8023 Lumber & Construction Materials
 - 8025 Sporting Goods, Toys & Hobby Goods
 - 8030 Jeweled Goods
 - 8033 Hardware, Plumbing & Heating Equip.
 - 8035 Machinery, Equipment, & Supplies
 - 8040 Misc. Durable Goods
 - 8043 Jewels, Watches, & Precious Stones
 - 8090 Durable Goods, nec.
- 8100 Wholesale Trade Non-durable Goods
 - 8110 Paper & Paper Products
 - 8113 Drugs, Proprietary, & Sundries
 - 8120 Apparel, Piece Goods, & Notions
 - 8123 Groceries & Related Products
 - 8130 Farm-Products Raw Materials
 - 8133 Chemicals & Allied Products
 - 8135 Petroleum & Petroleum Products
 - 8140 Beer, Wine, & Distilled Beverages
 - 8190 Misc. Non-durable Goods

DIVISION L. RETAIL TRADE

- 5200 Building Materials & Garden Supplies
 - 5210 Lumber & Other Building Materials
 - 5213 Paint, Glass, & Wallpaper Stores
 - 5215 Hardware Stores
 - 5220 Retail Nurseries & Garden Stores
 - 5270 Specialty Home Goods
- 5300 General Merchandise Stores
 - 5310 Department Stores
 - 5320 Variety Stores
 - 5390 Misc. General Merchandise Stores
- 5400 Food Stores
 - 5410 Grocery Stores
 - 5420 Meat Markets & Fresh Provisions
 - 5430 Fruit Stores & Vegetable Markets
 - 5440 Candy, Nut & Confectionery Stores
 - 5450 Dairy Products Stores
 - 5460 Retail Bakeries
 - 5490 Misc. Food Stores
- 5500 Automobile Dealers & Service Stations
 - 5510 New & Used Car Dealers
 - 5520 Used Car Dealers
 - 5530 Auto & Home Supply Stores
 - 5540 Gas Service Stations
 - 5550 Tire Dealers
 - 5560 Accessories and Utility Repair Dealers
 - 5570 Motorcycles Dealers
 - 5590 Automotive Dealers, nec.
- 5600 Apparel & Accessory Stores
 - 5610 Men's & Boy's Clothing & Furnishings
 - 5620 Women's Ready to Wear Stores
 - 5630 Women's Accessory & Specialty Stores
 - 5640 Children's & Infant's Wear Stores
 - 5650 Family Clothing Stores
 - 5660 Shoe Stores
 - 5670 Furriers & Fur Shops
 - 5690 Misc. Apparel & Accessories
- 5700 Furniture & Home Furnishings Stores
 - 5710 Furniture Stores
 - 5713 Floor Covering Stores
 - 5714 Drapery & Upholstery Stores
 - 5720 Misc. Home Furnishings Stores
 - 5730 Household Appliance Stores
 - 5733 Radio, Television, & Music Stores
- 5800 Eating & Drinking Places
 - 5810 Eating Places
 - 5813 Drinking Places
- 5900 Miscellaneous Retail
 - 5910 Drug & Proprietary Stores
 - 5913 Liquor Stores
 - 5920 Used Merchandise Stores
 - 5930 Sporting Goods & Bicycle Shops
 - 5940 Book Stores
 - 5950 Stationery Stores
 - 5960 Jewelry Stores
 - 5970 Food, Toy, & Gift Shops
 - 5980 Camera, Toy, & Photographic Supply Stores

- 5917 Gift, Novelty, & Souvenir Stores
- 5920 Luggage & Leather Goods Stores
- 5923 Sewing, Needlework, & Piece Goods
- 5930 Non-durable Goods
- 5933 Mail Order Houses
- 5940 Automobile Merchandising Machine Operators
- 5950 Direct Selling Organizations
- 5953 Fuel & Ice Dealers
- 5955 Fuel Oil Dealers
- 5960 Liquefied Petroleum Gas Dealers
- 5963 Florists
- 5970 Cigar Stores & Stands
- 5973 News Dealers & Newsstands
- 5980 Misc. Retail Stores, nec.

DIVISION M. FINANCE, INSURANCE, & REAL ESTATE

- 8000 Banking
 - 8010 Federal Reserve Banks
 - 8020 Commercial & State Savings Banks
 - 8023 State Banks, Federal Reserve
 - 8025 National Banks, Federal Reserve
 - 8030 Mutual Savings Banks
 - 8040 Trust Companies, non-deposit
 - 8050 Functions Closely Related to Banking
- 8100 Credit Agencies Other Than Banks
 - 8110 Real Estate & Financing Institutions
 - 8113 Savings & Loan Associations
 - 8115 Agricultural Credit Institutions
 - 8120 Personal Credit Institutions
 - 8130 Business Credit Institutions
 - 8140 Mortgage Banks & Brokers
- 8200 Security, Commodity Brokers & Services
- 8300 Insurance Carriers
 - 8310 Life Insurance
 - 8320 Accident & Health Insurance
 - 8330 Fire, Marine, & Casualty Insurance
 - 8340 Surety Insurance
 - 8350 Title Insurance
 - 8370 Pension, Health, & Welfare Funds
 - 8390 Insurance Carriers, nec.
- 8400 Insurance Agents, Brokers & Service
- 8500 Real Estate
 - 8510 Real Estate Operators & Lessors
 - 8513 Real Estate Brokerage Operators
 - 8515 Apartment Operating Operators
 - 8520 Mobile Home Site Operators
 - 8530 Real Estate Agents Managing
 - 8540 Title Abstract Offices
 - 8550 Subdividers & Developers
- 8600 Combined Real Estate, Insurance, etc.
- 8700 Holding & Other Investment Offices
 - 8710 Holding Offices
 - 8720 Investment Offices
 - 8730 Trusts
 - 8740 Misc. Investing

DIVISION N. SERVICES

- 7000 Hotels & Other Lodging Places
 - 7010 Hotels, Motels, & Tourist Courts
 - 7020 Rooming & Boarding Houses
 - 7030 Camps & Trailer Parks
- 7100 Personal Services
 - 7110 Laundry, Dressing, & Garment Bvcs.
 - 7120 Coin-op Laundry & Cleaning
 - 7130 Dry Cleaning Plants, Coin-op Rug & Upholstery Cleaning
 - 7140 Photo Studios, Portrait
 - 7150 Beauty Shops
 - 7160 Barber Shops
 - 7170 Shoe Repair
 - 7180 Personal Services & Cosmetology
 - 7190 Misc. Personal Services
- 7200 Business Services
 - 7210 Advertising Agency
 - 7213 Outdoor Advertising Service
 - 7220 Adm. Serv., nec.
 - 7230 Court Reporting & Collection
 - 7240 Mail, Reproduction, Stamp
 - 7250 Commercial Photography & Art
 - 7260 Services to Buildings
 - 7270 Window Cleaning
 - 7280 Disinfecting & Sanitizing
 - 7290 Building Maintenance Svcs., nec.
 - 7300 News Enterprises
 - 7310 Personnel Supply Services
 - 7320 Computer & Data Processing Svcs.
 - 7330 Misc. Business Services
 - 7340 Management, Consulting & Public Relations Services
 - 7350 Detective & Protective Services
 - 7360 Real Estate Rental & Leasing
 - 7370 Photo-finishing Labs
 - 7380 Business Services, nec.
- 7400 Auto Reg. Svcs. Services & Garages
 - 7410 Passenger Car Rental & Leasing
 - 7420 Truck Rental & Leasing
 - 7430 Utility Trailer & Recreational Vehicle Rental
 - 7440 Automobile Parking
 - 7450 Auto Repair Shops

- 7500 Auto Services, except Repair Car Washes
 - 7510 Misc. Repair Services
 - 7513 Electrical Repair Shops
 - 7515 Radio & TV Repair
 - 7520 Watch Clock, Jewelry Repair
 - 7530 Upholstery & Furniture Repair
 - 7540 Misc. Repair Shops
 - 7592 Washing Twp.
- 7600 Motion Pictures
 - 7610 Motion Picture Production & Service
 - 7613 Motion Picture Production, except TV
 - 7615 Motion Picture Production for TV
 - 7618 Services Related to Motion Pictures
 - 7620 Motion Picture Distrib. & Services
 - 7630 Motion Picture Theaters
 - 7633 Drive-in Motion Picture Theaters
- 7700 Amusement & Recreation Services
 - 7710 Amusement, Recreational Svcs. & Schools
 - 7720 Producers, Distributors, Entertainment
 - 7730 Entertainment & Entertainment Groups
 - 7740 Amusement, Recreational Svcs. & Schools
 - 7750 Bowling Allys
 - 7760 Commercial Sports
 - 7770 Misc. Amusement, Recreational Svcs. & Schools
 - 7780 Amusement, Recreational Svcs. & Schools
 - 7790 Amusement, Recreational Svcs. & Schools
- 8000 Health Services
 - 8010 Offices of Physicians
 - 8020 Offices of Dentists
 - 8030 Offices of Optometrists
 - 8040 Offices of Podiatrists
 - 8050 Offices of Chiropractors
 - 8060 Offices of Miscellaneous Health Svcs., nec.
 - 8070 Hospitals
 - 8080 Medical, Dental & Surgical Hospitals
 - 8090 Psychiatric Hospitals
 - 8100 Sanatoriums, Hospices, etc.
 - 8110 Medical Laboratories
 - 8120 Dental Laboratories
 - 8130 Outpatient Care Facilities
 - 8140 Health & Allied Services, nec.

- 8100 Legal Services
- 8200 Educational Services
 - 8210 Elementary & Secondary Schools
 - 8220 Colleges & Universities
 - 8230 Technical & Vocational Schools
 - 8240 Correspondence Schools
 - 8250 Data Processing Centers
 - 8260 Museums & Zoological Gardens
 - 8270 Vocational Schools, see Schools & Educational Services, etc.
- 8300 Social Services
 - 8310 Individual & Family Services
 - 8320 Counseling & Guidance Services
 - 8330 Child Day Care Services
 - 8340 Social Services, nec.

- 8400 Museums, Botanical, Zoological Gardens
- 8500 Membership Organizations
 - 8510 Business Associations
 - 8520 Professional Associations
 - 8530 Labor Organizations
 - 8540 Civic & Special Associations
 - 8550 Political Organizations
 - 8560 Religious Organizations
- 8600 Private Household
 - 8610 Miscellaneous Services
 - 8620 Engineering
 - 8630 Architectural
 - 8640 Land Surveying
 - 8650 Home Inspection Services
 - 8660 Organizations
 - 8670 Consulting, Analytical & Research Services, nec.

DIVISION J. PUBLIC ADMINISTRATION

- 9100 Executive, Legislative, & General
- 9200 Justice, Public Order, & Safety
- 9300 Finance, Taxation & Monetary Policy
- 9400 Administration of Human Resources
- 9500 Environmental Quality & Housing
- 9600 Administration of Economic Programs
- 9700 National Security & Int'l Affairs

**FINAL REPORT AND RECOMMENDATIONS
ON SIC CODES - TRAVEL AND TOURISM-RELATED SERVICES
Chuck Y. Gee, Chairman
TTAB Subcommittee-SIC Codes**

Background to Report

The United States Travel and Tourism Advisory Board has proposed a revision to the Standard Industrial Classification (SIC) to include an appropriate classification for the travel and tourism industry. This is a matter of considerable importance in recognizing the significant revenue and employment contributions of travel and tourism to the nation's economy. Currently, there is no divisional heading for travel and tourism-related services even though travel and tourism ranks first or second as an industry in 39 out of 50 states and is one of the only industries providing the U.S. with a positive balance of trade. The present code covers travel and tourism-related services under the various categories of transportation, retail trade, services and elsewhere, making it difficult to gain adequate recognition or support for the industry because it does not have an appropriate statistical base within the SIC system. Inter alia:

It would appear there is a sufficient critical mass to argue for a separate grouping to give tourism--an industry with domestic expenditures of \$350 billion in 1989 including \$34 billion in expenditures from foreign visitors, which generated \$335 billion in sales receipts after removal of retail sales tax, a payroll of \$73.5 billion, direct employment of 5.8 million persons, and \$42.9 billion in federal, state and local taxes--the recognition it deserves.

The rules proposing changes to the SIC, however, are complicated, dealing with such factors as industry classification, historic continuity, economic significance, specialization and coverage, statistical considerations, and cost considerations. The SIC Codes Subcommittee of the TTAB has undertaken a year-long study of the matter, and this final report reflects the subcommittee's assessment and recommendations to the USITA.

SIC System

The SIC is a system for classifying business and industry establishments by type of economic activity. Its purposes are (1) to facilitate the collection, tabulation, presentation and analysis of data relating to establishments, and (2) to promote uniformity and comparability in the presentation of statistical data describing the economy of the nation. The SIC is used by federal agencies that collect or publish data by industry. It is also widely used by state agencies, trade associations, private businesses, and other organizations. Due to difficulties in developing effective measurements for travel and tourism, there has never been a proper classification for this industry in the SIC.

Presently, there are 10 major economic sectors assigned under a divisional heading within the SIC, covering the industrial classification of hundreds of products or groups of products produced or distributed, or of services rendered. Travel and tourism activities are included among them, but not recognized as a separate entity. These 10 economic sectors in the SIC are:

<u>Division</u>	<u>Data Measure</u>
• Agriculture, forestry, and fishing (except agricultural services)	Value of Production
• Mining	Value of Production
• Construction	Value of Production
• Manufacturing	Value of Production
• Transportation, Communications, Electric, Gas, and Sanitary Services	Value of Receipts or Revenues
• Wholesale Trade	Value of Sales
• Retail Trade	Value of Sales
• Finance, Insurance, and Real Estate	Value of Receipts
• Services (including agricultural services)	Value of Receipts or Revenues
• Public Administration	Employment or Payroll

The federal SIC system, as currently structured, tends to reflect a national economy based on manufacturing and agriculture, rather than a service-based economy. This may be partly attributable to the fact that the service-based industries have not yet developed the consistency and acceptance of definitions, values and worth as they exist with the more traditional industries of agriculture, manufacturing and mining. Technically speaking, any product or service produced by the travel industry can be identified and coded under the SIC system.

At the state level, the SIC Code Subcommittee found that there was a need for departments/divisions responsible for the classification of industries for statistical purposes to be better educated on the tourism industry, its financial contribution, and its relationship to other sectors of the economy. In Missouri, for example, the department of revenue assigns SIC codes and has a great deal of flexibility. Hawaii generally follows the federal model, however, the department of labor maintains separate employment statistics for verification purposes. There are a number of inherent problems as a result of the states' flexibility

in adding and assigning SIC codes including the arbitrary decision of one person (either a business or a state agency employee) to assign the code which can make data between states incomparable. A national model, therefore, is the only logical approach. A 1990 USITR survey developed by the School of Travel Industry Management, University of Hawaii, which was conducted by Karen Cardran (Attachment B) and compiled by Nancy Langley at the University of Missouri-Columbia found that of the states responding (38/51 or 74.5% response rate) the major problems were: 1) difficulty in determining the respective shares of tourist vs. non tourist revenue 2) determining tourist-related revenue in related areas 3) lack of consistent definition of what constitutes travel and tourism 4) categorization of tourism-related businesses in other economic sectors 5) insufficient data and 6) no adequate measurements for tourism impact. Despite the difficulties in measurement, the responding states found SIC information to be most useful in: 1) economic planning (76.3%), 2) administrative decision-making (60.5%), 3) employment verification (55.3%) and 4) budgeting allocations (42.1%).

In 1987 USITR was unsuccessful in getting 12 new travel-related industry categories adopted within the SIC system because they met or exceeded the minimum economic significance criteria (i.e., number of employees, number of establishments, payroll, value addition, value of sales or revenue). In addition, there are a number of potential categories under "travel and tourism-related services" which are currently spread amongst the various SIC divisions.

Consideration of Options

In its assessment, the SIC Codes Subcommittee considered three options:

1. The establishment of a short title under the divisional heading of "services" that might be given a generic caption such as "travel and tourism-related services" to encompass a number of existing SIC categories and a few additional ones. The list included 23 SIC categories representing travel-related establishments that the Federal government recognizes as industries for statistical purposes in representing the U.S. economy. It also included recommendations for 6 additional categories. (See Column I in Attachment A).
2. The establishment of a new title "tourism" and the redesignation of existing SIC codes into new code numbers for the tourism industry proposed by Fred Couzans, Executive Director Plymouth Development Corp., Mr. Couzans' list included 25 SIC categories and included recommendation for 7 additional categories. (See Column II in Attachment A).

3. The retention of the current SIC code numbers but with some method of identification for cross-referencing so that the categories can be readily separated and arranged to meet research and analysis needs.

After consideration of the options, the SIC Codes Subcommittee recommends the third option which would avoid the need to renumber codes and may lessen the confusion that new code numbers might present. The list which follows, therefore, combines all of the SIC categories identified by the SIC Codes Subcommittee and Mr. Couzans in Options 1 and 2. It also includes additional categories recommended by the committee and Mr. Couzans. This list may be considered to be comprehensive and representative and is as follows:

LIST OF TRAVEL AND TOURISM-RELATED CODES

SIC 4

Transportation, Ground

4131 Intercity/Rural Bus transport
 4142 Bus charter service, except local
 4173 Bus terminal and service facilities
 7514 Passenger Car Rental
 7515 RV rental (part of)
 ---- Misc. Ground Transportation Services

Transportation, Water

4431 Deep Sea Transportation of passengers except by ferry
 4489 Water Transportation of passengers
 4493 Marinas
 4499 Misc. Water Transportation Services

Transportation, Air

4512 Air transportation, scheduled
 4522 Air transportation, non-scheduled
 4581 Airport/Terminal facilities
 ---- Misc. Air Transportation Services

Transportation, General

4724 Travel agencies
 4725 Tour Operators
 4729 Passenger transportation arrangement, nec
 4789 Transportation services, nec
 ---- Misc. transportation services, nec

Food and Drink Establishments

5812 Eating places
5813 Drinking places

Retail

5561 Recreational vehicle dealers
5947 Gift, novelty, and souvenir shops
5984 Bottled Gas Dealers
----- Misc. Retail Services for Tourists

Lodging

7011 Hotels and motels
7021 Rooming and Boarding Houses
----- Bed and Breakfast Inns
7032 Sporting and Recreation Camps
----- Health Spas and resorts
7033 Trailer parks and campsites
7041 Membership-basis organizations hotels
----- Misc. Lodging Services

Services

7312 Outdoor Advertising services
----- Tour Conducting and sightseeing
----- Tourism-related financial services
----- Conventions and meetings-related businesses
----- Tourism advertising and promotion services
----- Travel-related reservation services
----- Misc. services for tourists

Attractions

7992 Public Golf Courses
7996 Amusement Parks
7999 Amusement and Recreation, nec
8412 Museums and art galleries
8422 Botanical and zoological gardens
----- Misc. Attractions, nec

With the exception of the establishment of a separate category of tourism to be established, the SIC Codes Subcommittee is in basic agreement with the recommendations of Dr. Glenn Weaver, University Extension, University of Missouri, Lincoln University (Attachment C) which are as follows:

- Develop educational materials to inform departments of revenue of the nature and needs of the travel/tourism industry.

- Encourage state offices of tourism to establish closer working relationships with departments of revenue, helping to develop a reporting system that more accurately describes tourism businesses in the state.
- Establish a task force from within the tourism industry to prepare recommendations for the next technical committee on industrial classification.
- Propose that a separate category of tourism be established and that the percentages of tourism businesses generally attributed to various businesses (Reported by the Department of Commerce) be reported in the tourism category.
- The total reported for restaurants, motels, etc. can be flagged with an asterisk to show that a percentage was also reported under the category of tourism.
- Develop a standard research program to measure percentage of tourism related business in each category that relates to tourism. Encourage each state to use the research program to collect data and submit it to the USTTA to be used to refine and establish percentages for each business category related to tourism targeting business which do not have specific SIC codes but which relate to tourism.
- Special attention should be directed toward initiating an educational program through the USTTA to increase understanding of domestic tourism industry emphasizing the relationship and dependency of various business sectors of economy.

The SIC Subcommittee of the TTAB wishes to express its appreciation to Ms. Karen Cardran of USTTA, Dr. Glenn Weaver and his staff at the University Extension, University of Missouri/Lincoln University and Dr. George Ikeda, School of Travel Industry Management, University of Hawaii at Manoa for their invaluable assistance in preparing this report.

Attachment A

SOURCES OF TRAVEL AND TOURISM-RELATED CODES

The following list represents indicators of origin of code recommendations from the SIC Code Subcommittee's list (I) and Mr. Courant's list (II). Where a category appears on both lists it is so designated.

SIC #	I	II
4111		X
4173	X	X
4142	X	
4481	X	
4489	X	
4493		X
4499		X
4512	X	
4522	X	X
4581	X	X
4724	X	X
4725	X	X
4729		X
4789		X
5561	X	X
5812	X	X
5813	X	X
5947	X	X
5984	X	X
7011	X	X
7021		X
7032		X
7033		X
7034	X	X
7041	X	X
7512		X
7514		X
7519		X
7992		X
7996	X	X
7999	X	X
8412	X	X
8422	X	X

(Additional categories recommended by the SIC Sub-Committee)

Tour conducting and sightseeing	X
Tourism-related financial services	X
Conventions and meetings-related businesses	X
Tourism advertising and promotion services	X
Travel-related reservation services	X
Health spas and resorts	X

(Additional categories recommended by Mr. Couzans)

Misc. Ground Transportation Services	X
Misc. Air Transportation Services	X
Misc. Transportation Services, nec	X
Misc. retail services for tourists	X
Bed and Breakfast inns	X
Misc. Lodging Services	X
Misc. attractions, nec	X

Attachment B

SIC CODE SURVEY OF STATES

by Karen Cardon

Summary

as of December 12, 1990

Total response out of 50 states and Washington D.C. = 38/51 = 74.5%

System Used - Federal 38/38 = 100%

State 2/38 = 5.3%

Other 4/38 = 10.5% (2 same as US Travel Data Center, 1 special USDA, 1 developed by Price Waterhouse)

Major Problems - Can't determine what share is tourist vs. non tourist revenue - 19/38 = 50.0%

Tourist related revenues don't cover some related areas (ex. (taxi cab, car rental)

No consistent economic definition of what constitutes travel and tourism - 3/38 = 7.9%

Tourism related businesses are included in other Economic sectors

Not sufficient data available (ex. ESD of state sales tax for all 14 SIC's, corporate income tax) 4/38 = 12.2%

No adequate, simple measurements for tourism's impact - 3/38 = 7.9%

How SIC information is used?

Economic Planning 29/38 = 76.3%

Administrative Decisions 23/38 = 60.5%

Budgetary Allocations 16/38 = 42.1%

Employment Verification 21/38 = 55.3%

Others

- 1) Tracking measure for tourism activity within individual counties and states
- 2) Economic analysis
- 3) Distribution of travel impact
- 4) Relative importance of travel industry in the local economy
- 5) Research (Market Research)
- 6) Policy development and industry targeting
- 7) Estimates of economic impact for the state and local areas

- 8) Statistical reporting of retail sales and tax estimation models
- 9) Data for employers seeking labor and markets, data for workers seeking work
- 10) Tax accounting information
- 11) Primarily as input to our economic impact model
- 12) Tourism Planning
- 13) Monthly establishment survey of employment
- 14) Preliminary GNP
- 15) Information from the monthly estimate of Non-Agricultural wage and salary
- 16) Employment series also received broad coverage by the local media
- 17) Track growth of industries by geographic areas
- 18) Product searches
- 19) Forecasting employment projections
- 20) Wage surveys
- 21) Import / Export data Bases
- 22) Revenue forecasting
- 23) Education and training program planning

summary compiled by: Nancy Dixon Langley - University of Missouri - Columbia
Parks, Recreation and Tourism Extension



**University
Extension**
UNIVERSITY OF MISSOURI
LINCOLN UNIVERSITY

Attachment C

UNIVERSITY OF MISSOURI-COLUMBIA

DISTRIBUTION POINTS RECEIVED AND TOLKIN

KNOWLEDGE WORKING
FOR MISSOURIANS

619 East Hall
Columbia MO 65211
Telephone (314) 882-3025

December 12, 1990

Dr. Chuck Gee
Dean
School of Travel and Industry Management
University of Hawaii at Manoa

Dear Dr. Gee

We have again looked at the inherent problems for the tourism industry under the present SIC code system. A copy of the summary of information received from the survey Karen Cardran conducted of the state travel offices is enclosed. I know that you are aware of these problems and understand the situation better than most; however, Karen's study documents what you have known for a long time.

It appears to me that one of the overriding issues concerned with any changes in the system is fragmentation. As long as lodging, food services, transportation, etc. prefer specific identity for their businesses it will be difficult to get adequate changes in the system. Tourism, as you know, requires an amalgamation of numerous businesses and services. Until each of the related businesses acknowledges and supports the idea of an umbrella industry it will be difficult to significantly change the system.

Politically the transportation, food service and lodging industries etc. probably would lose industry support if they promoted themselves as a part of the tourism industry.

We have the technology to report percentages of sales and full time equivalences (FTE's) in employment to give each segment of the economy due recognition. This may be the only solution as an intermediate step. Ultimately, I think this nation has to address the organizational, educational, research, political and financial support for a Leisure Service Industry. Reporting of the sales and employment of leisure service businesses will have the same problems as tourism.

My recommendations:

- Propose that a separate category of tourism be established and that the percentages of tourism businesses generally attributed to various businesses (Reported by the Department of Commerce) be reported in the tourism category.
- The total reported for restaurants, motels, etc. can be slugged with an asterisk to show that a percentage was also reported under the category of tourism.

- Develop a standard research program to measure percentage of tourism related business in each category that relates to tourism. Encourage each state to use the research program to collect data and submit it to the USTTA to be used to refine and establish percentages for each business category related to tourism, targeting business which do not have specific SIC codes but which relate to tourism.

- Special attention should be directed toward initiating an educational program through the USTTA to increase understanding of the domestic tourism industry emphasizing the relationship and dependency of various business sectors of economy.

Recommendations from Previous Letter:

- Develop educational materials to inform departments of revenue of the nature and needs of the travel/tourism industry.

- Encourage state offices of tourism to establish closer working relationships with departments of revenue, helping to develop a reporting system that more accurately describes tourism businesses in the state.

- Establish a task force from within the tourism industry to prepare recommendations for the next technical committee on industrial classification.

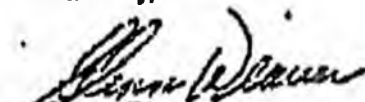
I received exhibit A from Fred Couzans, Executive Director Plymouth Economic Development Corps., Plymouth, Indiana.

As you know, any model that is adopted at a national level starts to break down and magnifies errors at a local level thus producing criticism and loss of confidence in the model. The national model is however the only logical approach because individual states can't afford the research to establish their own system and if they could there would be so many inconsistencies between the states that the data could not be aggregated to represent an accurate national picture.

I hope these thoughts are of some help.

Best wishes for the holiday season.

Sincerely,


Glenn Weaver

cc: Karen Cardran

CODE CHANGE?

Proposed Revision in U.S. Industry Statistics Could Benefit Travel in the Long Run

BY PETER HAMM

WASHINGTON— In what could turn out to be one of the most crucial victories the travel industry has ever had in federal lobbying, it appears a major revision of government statistics on business will include more specific numbers on travel and tourism.

The revised statistics, called the Standard Industrial Classification (SIC), could have a profound effect on how travel and tourism bodes in both federal and state lobbying efforts, how government policymakers treat the travel industry, and how travel agents—whose sales are now virtually invisible in government statistics—are viewed as part of the overall retailing industry. Getting more recognition through the SIC system could also lead to more political clout for the industry, more government attention and tax relief in lean years.

Though such a revision probably won't show up on paper for five years (1997 is the next time the system can be revised), industry officials are already celebrating positive signs from the Office of Management and Budget (OMB). Tourism's sway with the OMB and the White House has never been particu-

larly great. President Jimmy Carter, for example, once called tourism "frivolous."

But clearer SIC listings, according to John Keller, director of the U.S. Travel and Tourism Administration (USTTA), are "really the only way that tourism is ever going to be legitimately...included in the economic statistics of this country."

Rep. Robin Tallon (D-S.C.), chairman of the Congressional Travel and Tourism Caucus, says the move would be a good one for government as well as the industry. "More and more, we're seeing tourism regarded as an important factor in economic models and forecasts," he says.

"We can't afford to ignore the contribution that tourism makes to our economy and our balance of trade. Including tourism...will certainly recognize this industry as a rapidly growing and increasingly important sector of our economy."

Big Payoff

If the groundwork laid by private sector advisors to Keller (and begun by his predecessors, Donna Tuttle and Rockwell Schnabel) pays off in the OMB's 1997 revision of the SIC system, the end result could be the most significant contribution any USTTA

director has made to travel in the agency's 30-year history.

SIC data is used to calculate gross national product and the extent of the nation's trade deficit. Travel and tourism could benefit from a more distinct inclusion in the nation's balance sheet. The industry contributed a \$9 billion trade surplus last year, but since there's no such line on the ledger, only industry-generated publicity led to anyone knowing about it.

According to Robert Juliano, a labor lobbyist and a member of the advisory board of the USTTA, a revised SIC statistic would answer Capitol Hill critics who say travel does not contribute that much and who doubt the sales figures submitted by the industry.

Travel and tourism industry sales figures are currently "split up among lots of categories," Keller says. "The issue is [travel and tourism] is not recognized as an industry. Airplanes are one place, restaurants are someplace else, hotels someplace else."

More government recognition could be a major boost for travel agents, who are perhaps the biggest losers under the current classification system. The earnings of agents are buried deeply inside the stan-

dard umbrella classifications of either "Retail Sales" or "Services." With a separate travel and tourism line item, however, retailers could say they are the principal sales and distribution system of that government-reported economic figure. A subclassification in the listings could even show agency sales specifically.

Outlook Good

Unless cracks develop in the industry's lobbying efforts to change the SIC system, prospects appear strong that the new classification will be adopted. But a critical public comment period would precede the adoption of any change.

One reason OMB is finally reacting favorably, officials say, is that its analysts think the entire SIC system needs an overhaul in 1997.

USTTA's advisory board drafted a report on arguments in favor of an SIC line that has been submitted to the OMB, and most industry observers believe chances for a revision in the code in 1997 are good. "It's going to happen in the '90s," says James Gaffigan, an American Hotel and Motel Association vice president. "Tourism will be there."

HJR

84

(7)

HOUSE COMMITTEE REPORT

Date Referred: March 27, 1992

FURTHER REFERRALS:

Judiciary
Finance

Date of Committee Action: 4-16-92

The LABOR AND COMMERCE Committee considered:

HJR 84

HOUSE JOINT RESOLUTION NO. 84

CONFIRMATION OF INSURANCE DIRECTOR

Proposing an amendment to the Constitution of the State of Alaska relating to the duties, appointment, confirmation, and removal of the head of the agency that regulates the business of insurance.

RECOMMENDATIONS:

the same title

be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Division of Elections

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
				X	
	✓				
	✓				

CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HR 84

Revision Date: _____
Title: Amendment to the Constitution Re: Duties, Appointment, Confirmation and Removal of the Head of the Agency that Regulates the Business of Insurance.
Sponsor: HOUSE JUDICIARY COMMITTEE
Requestor: HOUSE LABOR & GOVERNANCE COMMITTEE

Department Affected: Office of the Governor-Elections
SRU: Division of Elections
Component: II-Primary and General Elections

COMPONENT SERIAL NO. 1 0 0 2

Expenditures/Revenues (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	2.2*	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	2.2*	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING (Thousands of Dollars)

GENERAL FUND	2.2*	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) * This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.50, and programming for DataVote counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.4.

Prepared by: LAUREN A. GIBSON, Projects Coordinator
Division: Elections

Phone: 465-4611
Date: 04/14/92

Approved by Commissioner: _____
Agency: Office of the Governor

Date: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, CMI/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 12/07/81
H/RS4.FNS

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN
SEAT A

3111 "C" STREET, SUITE 450
ANCHORAGE, ALASKA 99503
(907) 561-7629 (FAX) 562-4376

ALASKA LANDINGS • BENTZEN • BIRCHWOOD • CHESTER CREEK • HEATHER MEADOWS • LINCOLN PARK • MIDTOWN • NORTHSTAR
NORTHWOOD • ROMIG • ROOSEVELT PARK • SPENARD • THOMPSON • TURNAGAIN • WINDEMERE • WOODLAND PARK




CHAIRMAN
JUDICIARY COMMITTEE

VICE CHAIRMAN
REGULATION REVIEW COMMITTEE

MEMBER
RULES COMMITTEE
LABOR AND COMMERCE COMMITTEE

MEMORANDUM

To: Members of the House Labor and Commerce Committee

From: Representative Dave Donley 
Chair, House Judiciary Committee

Re: HJR 84, A resolution relating to the confirmation of the
Insurance Director

Date: April 13, 1992

Thank you for hearing HJR 84, a resolution calling for legislative confirmation of the Insurance Director.

The House Judiciary Committee introduced HJR 84 in recognition of the extensive powers given by statute to the Director of the Division of Insurance. Although Alaska's Constitution requires legislative confirmation of appointments to regulatory agencies, the founders of our constitution did not anticipate the types of powers given to the Director of Insurance and therefore did not specifically provide for legislative confirmation of this appointee.

The Director of the Division of Insurance has broad quasi-judicial and regulatory powers and statutory authority to operate independently of the Commissioner of Commerce and Economic Development. This appointee has significant impact on the lives of all Alaskans (15% of the average household budget is spent on insurance). As a result of the constitutional limitation on the legislature's involvement in the confirmation process, Alaskans are left without adequate safeguards against unqualified persons being appointed to fill this important policy-making position.

It is clear the the founders of our constitution believed confirmation authority was a critically important and appropriate tool to assure public accountability of appointees to public agencies. HJR 84 is an extension of that wisdom, and I urge your support for the measure.

DD/jmn

JUNEAU OFFICE

(During Legislative Session January through May)

P.O. BOX 11 JUNEAU ALASKA 99811 (907) 463-2802 (FAX) 463-5661



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B

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 26

Revision Date: 1/21/91 Department Affected: Commerce & Economic Dev.
 Title: An Act relating to loans under the Commercial Fishing Loan Act BRU: Investments
 Sponsor: Zharoff Component: _____
 Requestor: Labor & Commerce COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Martin J. Richard, Director Phone: 465-2510
 Division: Investments Date: 2/7/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 26

3

Revision Date: 3/13/91 Department Affected: Fish and Game
 Title: Commercial Fishing Loans/ BRU: Commercial Fisheries
Limited Entry Permits Component: Commercial Fisheries
 Sponsor: Senator Zharoff
 Requestor: Governor COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Bob Clasby Phone: 465-4210
 Division: Commercial Fisheries Date: 3/13/90
 Approved by ^{DEPUTY} Commissioner: RON SOMERVILLE by MSA
 Agency: ADFG Date: 3/18/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

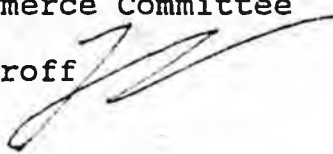
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DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Representative David Finkelstein
Chairman
House Labor and Commerce Committee

FROM: Senator Fred F. Zharoff 

DATE: May 15, 1991

RE: CS For Senate Bill 26 (Finance) - "An Act relating to loans under the Commercial Fishing Loan Act and to limited entry permits pledged as security for those loans; and providing for an effective date."

CSSB 26 amends the statutes for the state's Commercial Fishing Loan Program, which is managed by the Division of Investments in the Department of Commerce and Economic Development. The bill has a zero fiscal note. It changes some of the procedures in the program without creating additional cost.

The purpose of CSSB 26 is to solve some of the problems commercial fishermen have experienced with the program by allowing the division to respond to problem loans on a more flexible, case by case basis.

CSSB 26 approaches the problem from two directions. It provides more notice to borrowers about problem situations and the options available, and it allows the division to respond with more flexibility when a borrower cooperates in putting his financial affairs back in order.

CSSB 26 was crafted to protect the state's interests and to safeguard the solvency of the loan program. The bill was written in close cooperation with the Department of Commerce. The Division of Legislative Audit recommended this legislation in its 1988 audit of "Commercial Fisheries Loan Programs' Procedures".

The following backup information is attached:

1. Sectional analysis.
2. Department of Commerce position paper and fiscal note.
3. Department of Fish and Game fiscal note.

4. Resolution from the Bristol Bay Native Convention.
5. Excerpt from the Division of Legislative Audit's "Special Report on the Department of Commerce and Economic Development Commercial Fisheries Loan Programs' Procedures", released March 14, 1988.
6. Commercial Fishing Loan Act statutes.



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5259

DURING SESSION:

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1

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

CS FOR SENATE BILL 26 (Finance)

"An Act relating to loans under the Commercial Fishing Loan Act and to limited entry permits pledged as security for those loans; and providing for an effective date."

SECTION 1

Amendment to 16.10.335(a).

(3) Clarifies existing language by changing "arrearages" to "the debtor's outstanding principal and interest".

(5) Provides debtors with 120 days, rather than the current 60 days, to bring their loans current. This gives the debtors an opportunity to bring their loans current up until the day the limited entry permit is repossessed. The extension will help rural fishermen, in particular, who do not start trying to solve their loan problems until the 60 day time limit has passed. Under current law, a debtor has 60 days to bring the loan current and 60 days to pay off the note in full before repossession proceedings are initiated.

(6) New paragraph. Provides the debtor with the option of submitting a new plan of repayment. The plan is subject to the commissioner's approval.

(7) Clarifies existing language.

SECTION 2

Repeal and reenact 16.10.335(d).

Allows the commissioner of the Department of Commerce and Economic Development to waive any of the time limits in the previous section for a period not to exceed 60 days. The debtor must demonstrate good cause and the commissioner must provide written findings when a waiver is approved.

SECTION 3

Amendment to 16.10.335(e).

Makes existing statute consistent with other amendments.

SECTION 4

Amendment to 16.10.335. New subsection (f).

(f) Eliminates the existing conflict between state statutes -- which require a demand to be issued in all cases -- and the superseding federal bankruptcy statutes which prohibit enforcement action -- such as issuing a demand -- after a debtor files bankruptcy.

SECTION 5

Amendment to 16.10.338. New subsection (b).

(b) In the case of a missed payment or default on a boat loan where a limited entry permit has been pledged as collateral, the commissioner of commerce shall notify the borrower that he has the option of selling the vessel and renegotiating the balance due. Selling the vessel is a possibility under present law, but official notification is needed in order to encourage people to do it. The department also does not now have the authority to renegotiate the remaining payments.

SECTION 6

Amendment to 16.10.350. New subsection (b).

(b) The commissioner is required to submit an annual report to the legislature about the number and nature of reinstatements authorized by this legislation.

SECTION 7

Amendment to 16.30. New section, 16.10.253. WAIVER OF CONFIDENTIALITY.

(a) Makes clear that information about a borrower's loan can be released at any time to any individual authorized by the borrower.

(b) Establishes a form on which the borrower can designate individuals (attorney, accountant, business consultant, trusted friend, etc.) and organizations (Native non-profit association, business development center, etc.) that will automatically receive copies of any default notice the Division of Investments mails out. This would enable individuals and organizations trusted by the borrower to find out when a loan is in trouble. They would then be able to assist the borrower in correcting the situation.

SECTION 8

Amendment to 16.43.960. New subsection (j).

Makes the Commercial Fisheries Entry Commission statutes in Title 16 consistent with the amendment in Section 4.

SECTION 9

Immediate effective date.

SB 26: "An Act relating to loans under the Commercial Fishing Loan Act and to limited entry permits pledged as security for those loans; and providing for an effective date."

SB 26 makes a number of changes to the Commercial Fishing loan program, most dealing with limited entry permits and the foreclosure process. The department recognizes the important role that limited entry permits play in the economies of communities throughout the state and supports legislative efforts to provide additional flexibility to work with delinquent borrowers. Below are the major changes that this bill will make to the Commercial Fishing loan program. The parenthetical notations at the end of each provision reference the appropriate sections of SB 26.

1. The time period during which a delinquent borrower can bring a loan current after the postmark date of the default notice is increased from 60 to 120 days (Section 1).

This change allows additional time for delinquent borrowers to respond. Existing statute requires that the loan be paid in full after the 60th day.

2. A provision is added that allows the department to waive the 120-day time limit under AS 16.10.335(a) if the debtor shows good cause (Section 2).

The department strongly supports this provision because it will provide additional flexibility to work with delinquent borrowers that show good cause even in cases where the 120-day time limit has not been met. For example, if a borrower fails to contact us prior to the 120th day and later requests an extension or finds someone to assume the loan, the department would be able to work with the borrower to resolve the delinquency. This is not possible under existing statute. The department already has the ability to negotiate beyond the expiration of a demand notice for vessels, real estate, and gear and strongly supports the ability to do so for permits as well.

A Legislative Budget and Audit Committee Report dated March 14, 1988, suggested that a change such as this be considered by the Legislature.

3. A provision is added that addresses the situation where a borrower has pledged a limited entry permit for a loan that was used toward a vessel (Section 5). Subject to the commissioner's acceptance, the borrower may sell the vessel and renegotiate payment of the balance due on the loan without loss of the pledged permit.

The department supports this provision because it provides more flexibility to deal with delinquent borrowers who find themselves in the position of wanting to sell a vessel that is worth less than the outstanding loan balance.

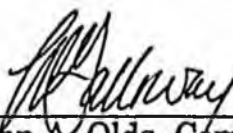
4. A provision is added to terminate a debtor's interest in a limited entry permit when a debtor has filed bankruptcy and the automatic stay is no longer in effect (Sections 4 and 8). This only applies in cases where the debtor has not reaffirmed the debt.

The department supports this provision as it eliminates the existing conflict between the state statutes which requires that a demand be issued in all cases and the superseding federal bankruptcy statutes which prohibit enforcement action, such as issuing a demand after a debtor has filed bankruptcy. Since the department appears before the bankruptcy court in numerous cases, it is advantageous to eliminate conflicts such as these whenever possible.

5. A provision is added which allows the department to release information about a borrower's loan when authorized by the borrower (Section 7). This section also allows a borrower to designate persons or organizations to whom a copy of any notice of default must be sent.

This provision codifies existing department policy.

In summary, the department recognizes the ripple effect that can take place when a limited entry permit is repossessed and has always considered repossession a last resort. The department, however, also has an obligation to protect the assets of the loan fund. The provisions contained in SB 26 will provide the department with additional flexibility in its collection efforts and will enable the department to strike a good balance between assisting borrowers who are experiencing difficulties while, at the same time, protecting the assets of the Commercial Fishing Revolving Loan Fund for future loans.



Glenn A. Olds, Commissioner
Date: 2/2/1991

4

BRISTOL BAY NATIVE CONVENTION
Resolution 86-22

- WHEREAS: commercial fishing within the Bristol Bay watershed has had poor harvest records for some of the Bristol Bay Fishermen; and
- WHEREAS: the 1986 projected harvest forecast for Bristol Bay is also low; and
- WHEREAS: fishermen from Bristol Bay have no other alternative source of income; and
- WHEREAS: many fishermen have obtained from the State of Alaska loans to purchase new boats and permits to enhance their fishing efforts; and
- WHEREAS: many fishermen put up their commercial fishing entry permit as collateral to obtain their state loans; and
- WHEREAS: many of these commercial fishing entry permits are now at risk due to poor salmon harvests; and
- WHEREAS: the State set up the loan program to help local fishermen become more self sufficient, efficient and competitive and not to take boats and permits from the local residents.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Convention and delegates assembled requests the State Loan Program and Governor of the State of Alaska see and implement ways so that local fishermen do not lose their boats and permits.

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of the resolution adopted by the delegates to the 1986 Bristol Bay Native Convention, February 23, 24, 25, & 26, Dillingham, Alaska, at which a quorum was present.

WITNESS My hand and seal this 26th day of February, 1986.

Shirley P. Johnson
Chairman, Bristol Bay Native Convention

WITNESSED:

H. Diller, Jr., III.
Chairperson, Resolutions Committee

Excerpt from:

"A Special Report on the Dept. of Commerce and Economic Development
Commercial Fisheries Loan Programs' Procedures", March 14, 1988.

5

PUBLIC POLICY CONSIDERATIONS

Though no conclusive evidence exists that correlates a reduction of permit flow out of rural areas with the degree of lenient lending practices, the Legislature may want to consider additional forms of subsidization specifically for those rural areas that have become economically distressed due to an outflow of fishing permits. Action such as HB 509 which increases the maximum loan terms on permit loans to 30 years should ease the debt service burden for those finding it difficult to afford purchasing a fishing permit.

It should be noted, however, that the inherent quality of state lending programs creates a two-edged sword. On the one hand, the fiduciary responsibility of protecting the public's assets must be maintained; while at the same time, the socioeconomic aspects of meeting the public need must be considered. Policy decisions are necessary to establish at what point an appropriate balance occurs. If legislative or executive policy is willing to accept a higher risk situation and deems that increased emphasis should be placed on the societal aspects, such direction needs to be expressed. As a result, however, increased delinquencies, foreclosures, and losses may occur.

Consideration may also be given to changing the Commercial Fishing Loan Act to require all repossessed permits be returned to CFEC, who in turn could make the permits available to persons who meet the standards for initial issuance (AS 16.43.250). Areas where commercial fishing provides the primary economic base which can be determined to be economically distressed could be so designated. Applicants residing within these areas who meet CFEC criteria could be chosen, perhaps on a lottery based system, to be given the right of first refusal on the purchase of an available limited entry permit. (Currently, the Commercial Fishing Loan Act requires CFRLP to offer CFEC a right of first refusal at a price equal to the amount outstanding on the foreclosed note plus any costs CFRLP directly incurred in administering the loan. This provision is related to the CFEC's inactive buy-back program under AS 16.43.310 which, in the opinion of the Attorney General, offends the constitutional prohibition against dedication of funds.)

Consideration may be given to amending the Commercial Fishing Loan Act (AS 16.10.335) to provide more flexibility to CFRLP in allowing borrowers in default who have pledged permits as security, greater opportunities to bring their loans current. Presently, the law establishes a definite timetable in foreclosing on defaulted loans of this nature. DCED feels they have less workout capability in these cases in order to avoid repossession of the permits.

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Date Referred: May 6, 1991

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 5-20-91

Committee of LABOR AND COMMERCE considered:

CSSB 35(JUD)

FOR SENATE BILL NO. 35 (JUDICIARY)

USE OF RENTED PROPERTY/LAW VIOLATIONS

An Act relating to termination of tenancies and recovery of rental premises for nonpayment of rent and certain illegal activities, to tenant responsibilities, to the civil remedies of forcible entry and detainer and nuisance abatement, and to the duties of peace officers to notify landlords of arrests involving certain illegal activity on rental premises.

RECOMMENDATIONS:

Replaced with HB 35 (L+C) [] the same title [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

DOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[x] fiscal impact Dept. of C&W

[x] fiscal note(s) _____

[] zero fiscal note _____

[x] zero fiscal note(s) DCKA & Ct. System

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
		<i>[Signature]</i>		X	
		<i>[Signature]</i>		✓	
		<i>[Signature]</i>		✓	
		<i>[Signature]</i>			✓
		<i>[Signature]</i>		-	

[Signature]
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 35 (Jud)

Revision Date: _____ Department Affected: Department of Law
 Title: "...relating to termination of tenancies...rental promises..." BRU: Consumer Protection
 Component: Consumer Protection
 Sponsor: Senator Pourchot
 Requestor: House Labor & Commerce COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	10.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.0					

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	10.0					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared By: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Date: May 15, 1991
 Approved by Commissioner: Charles E. Cole, Attorney General
 Agency: Department of Law Date: May 15, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 35 (Jud)

This bill amends several statutes relating to termination of tenancies and recovery of rental premises for nonpayment of rent and certain illegal activities. The bill adds illegal activity involving alcoholic beverages, a controlled substance, or an imitation controlled substance to the list of activities that constitute a nuisance that may be enjoined and abated in a place used for the activity. All of the changes will have the effect of substantially changing the information the Department of Law provides to the public in its pamphlet on landlord and tenant rights. The department's publication of the pamphlet is mandated by AS 44.23.020 (b)(8).

The department therefore requests \$10,000 to revise and republish the information pamphlet. Of this amount, \$2,500 will be used to publish a pamphlet supplement in the state BAR association's monthly newsletter, and \$7,500 will be used to publish a revised pamphlet for use by the general public. These funds should be sufficient to publish between 7,500 and 10,000 pamphlets.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 35 (JUD)

Revision Date: _____
Title: Termination of Tenancies
Sponsor: Rep. Pourchot
Requestor: Senate Judiciary

Department Affected: Public Safety
BRU: Alaska State Troopers
Component: Detachments
Bureau _____

COMPONENT SERIAL NO.

	7	9	9
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EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact _____

ANALYSIS: (Attach a separate page if necessary)

(See attached).

Prepared by: Lt. John Myers
Division: Alaska State Troopers
Approved by Commissioner: *Richard L. Burton*
Agency: Department of Public Safety

Phone: 269-5976
Date: 2/11/91
Richard L. Burton
Date: 3/08/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, and Impacted Agency(ies).

CSSB 35(JUD) amends existing landlord-tenant laws to allow property owners to terminate rental agreements for residential property with renters engaged in certain alcohol and drug violations. The bill creates a duty on the part of police officers who arrest persons for certain alcohol, drug, and imitation drug offenses committed in residential rental property to make a reasonable effort to discover the identity of the property owner and to notify the owner of the arrest either in person or at the last address listed on tax records and at any other address known to police. The notice requirement applies to alcohol violation arrests for sales from unlicensed premises and for possession or sale of alcohol where prohibited by local option; to drug violations involving the manufacture or distribution of all drugs except small amounts of marijuana; and to imitation drug violations involving the manufacture or distribution of imitation drugs, or possession of certain precursor chemicals used in the manufacture of imitation drugs. Based upon past arrests for these offenses, it is estimated that the Department of Public Safety will have to notify approximately three hundred property owners per year. We anticipate that in-person notice would be given in many (perhaps most) cases. If a written notice is necessary, we estimate that research required to identify the property owner, determine the last address listed on tax roles and any other addresses known to police, and to prepare the written notice, will take approximately one hour per occurrence.

The Alaska State Troopers estimates approximately 100 arrests for violation of the "local option" laws, and approximately 200 arrests for applicable drug offenses. It is expected that approximately 80% of the alcohol offenders and 60% of the drug offenders reside in rented property.

There will be fiscal impact upon the Alaska State Troopers. For arrests requiring a written notice, a clerk would have to research the identity of the owner and prepare notices as required. There will be costs for materials, preparation time, and postage. Since these offenses will be spread throughout the state, no one person would handle them all; the impact would be felt by detachment personnel handling the cases. There is no way to quantify this impact, however. It will be absorbed, as best as can be, within the existing workload. Notices will be mailed out in the normal course of business, as clerical staff can find time to process them. They would not be handled on any sort of emergency or expedited basis.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CS SB 35

Revision Date: _____ Department Affected: Community & Regional Affairs

Title: "An Act..termination of tenancies..
illegal activities.." BRU: _____

Sponsor: Senators Pourchot & Halford Component: _____

Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director Phone: 465-4708

Division: Administrative Services Date: 3/11/91

Approved by Commissioner: El. Beth J

Agency: Community & Regional Affairs Date: 3/11/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill No. SB 35

Revision Date: _____ Department Affected: Alaska Court System
 Title: An Act amending ... civil remedy ... BRU: Trial Courts
Uniform Residential Landlord & Tenant Act Components: _____
 Sponsor: Pourchot
 Requestor: Pourchot COMPONENT SERIAL NO.

000 000	000 768
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: C. S. Christensen III, Staff Counsel Phone: 264-8228
 Division: Alaska Court System Date: 02/04/91

Approved by: Arthur H. Snowden, II, Administrative Director
 Agency: Alaska Court System Date: 02/04/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

The Senate Judiciary Committee adopted the following Letter of Intent:

LETTER OF INTENT

CSSB 35 (JUD)

An Act relating to termination of tenancies and recovery of rental premises for nonpayment of rent and certain illegal activities, to tenant responsibilities, to the civil remedies of forcible entry and detainer and nuisance abatement, and to the duties of peace officers to notify landlords of arrests involving certain illegal activity on rental premises.

Omission of other criminal behavior or activities not addressed in this bill should not be construed as acceptable behavior by tenants.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

MEMORANDUM

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TO: House Labor & Commerce Comm.
Rep. David Finkelstein, Chair
Rep. Pat Parnell, Vice-Chair
Rep. Betty Bruckman
Rep. Dave Donley
Rep. Ivan Ivan
Rep. Robin Taylor
Rep. Jim Zawacki

DATE: May 14, 1991

FR: Senator Pat Pourchot

A large, stylized handwritten signature of "Pat" in black ink.

RE: CS SB 35 (JUD) - Use of Rented Properties/Drug Violations

The goal of the proposed legislation is to shorten the length of time it takes to evict a tenant:

- 1) For nonpayment of rent;
- 2) For engaging in felony alcohol or drug activities related to manufacture and delivery; and
- 3) To assist neighborhoods in halting drug trafficking.

The bill has passed the Senate by a vote of 17 - 0, and carries a zero fiscal note.

REFERRAL FILE

FROM

HOUSE LABOR AND COMMERCE COMMITTEE

SENATE BILL 35

(LANDLORD-TENANT BILL)

- I. Bills, Various Possible Committee Substitutes,
Possible Amendments (Concrete and Conceptual),
and Senate Letter of Intent
- II. Agency Fiscal Notes and Position Papers
 - A. Department of Law
 - B. Department of Public Safety
 - C. Department of Community and Regional Affairs
 - D. Court System
- III. Analyses, Comments, Letters, and Memoranda
 - A. Sen. Pat Pourchot (prime sponsor)
 - B. Jack Chenoweth, Legislative Counsel
 - C. Don Clocksin
 - D. Barbara J. Hood, Alaska Legal Services Corp.
 - E. Richard Illgen
 - F. Alaska Civil Liberties Union
- IV. Committee Report, Minutes, and Witness Lists
- V. Statutes and Court Rules

SUMMARY

CS SB 35 (JUD) would expedite eviction of tenants in the following situations:

1) For nonpayment of rent - Currently, a landlord must give the tenant a 10-day written notice of intent to evict for nonpayment of rent. SB 35 would reduce the notification period to 5 days. Alaska has the longest notification period of the other 12 western states: three states require a five day notice; nine states require only a three day notice.

2) For engaging in felony alcohol or drug activities - There is no specific provision in statute allowing a landlord to evict for illegal alcohol or drug activities. As proposed in this bill, a commercial or residential tenant who engages in these activities could be noticed and evicted under the same procedures as for nonpayment of rent.

3) To assist neighborhoods in halting drug trafficking - The nuisance statutes are amended to include felony alcohol and drug activities related to manufacture and delivery. This would allow a landlord or neighbors to petition the court to abate the nuisance. The order of abatement would terminate a rental agreement. Under the nuisance statutes, evidence of reputation would be admissible by the court in proving the existence of a nuisance.

In all cases where a tenant refuses to pay rent or move after having received notice, the landlord must seek eviction under the forcible entry and detainer (FED) statutes which provide due process protection. To eliminate statutory ambiguity and in accordance with court practice, a provision is included to allow the notice required under the landlord-tenant statutes to serve as the notice required under the FED statutes.

Finally, a provision is included requiring a police officer to make a reasonable effort to notify the owner in person or in writing when a tenant is arrested for violation of felonies relating to manufacture or delivery of drugs or alcohol.

The bill carries a zero fiscal note.

**FLOW CHART FOR EVICTION FOR NONPAYMENT OF RENT
(AVERAGE TIME SCENARIO UNDER CURRENT STATUTE)**

DAY

- 1 **Rent due (rent due on 1st and deliquent on 6th in most rental agreements)**
2
3
4
5
6 **10-day notice given tenant** **[SB35 would reduce notification**
7 **period from 10 to 5 days]**
8
9 **(If landlord accepts full or partial payment of rent,**
10 **the process is voided; must start over by giving**
11 **another 10-day notice.)**
12
13
14
15
16
17 **Complaint filed in Court - Court sets Hearing date**
18
19 **(Law states that tenant must be served by Process**
20 **Server at least 2 days prior to Hearing date which**
21 **is usually set 7-10 days following filing of Complaint.**
22 **If tenant cannot be served in time, landlord must go**
23 **back to Court for a new Hearing date.)**
24
25 **Court Hearing date - obtain Order to Vacate**
26 **(Tenant has minimum of 2 days to vacate; Judge may**
27 **grant additional time.)**
28 **Tenant remains: obtain Writ of Assistance - deliver to Troopers**
29 **(Troopers usually remove tenant within 24 hours)**
30 **House back in landlord's possession**

NOTE:

- 1) **TIME MAY BE EXTENDED**
 - if, the day Court assistance is needed (filing Complaint, Hearing, etc.) falls on a Saturday, Sunday or holiday - extend days accordingly;
 - if tenant fights eviction, Judge may grant Continuance;
 - if tenant cannot be served, landlord has to go back to Court for new hearing date;
 - if 10-day notice not immediately given - time extended accordingly.

- 2) **TIME MAY BE SHORTENED**
 - if there is no 5-day "grace" period in rental agreement;
 - if tenant can be served immediately; Hearing date can legally be set for 3rd day after filing of Complaint if Court calendar permits.

- 3) **The eviction process does not recover any cost other than for filing fees, service and process fees and postage under Court Rule 79 and attorney fees under Court Rule 82; motion to recover costs must be filed within 10 days of Clerk entering FED Order; treated as a judgement. Getting back rent is another more lengthy process.**

- 4) **If process is not completed within the 1st month, landlord will be out rent for additional time tenant remains on premises.**

**FLOW CHART FOR EVICTION FOR ILLEGAL ALCOHOL OR DRUG
ACTIVITIES AS PROPOSED IN SB 35**

[Time frames represent best possible scenario. If day court assistance is needed falls on Saturday, Sunday or holiday, time will be extended. If tenant cannot be served, court has to set new hearing date. If tenant fights eviction, Judge may grant continuance.]

**Landlord/Tenant/FED
Approach**

Nuisance Approach

5-day notice given to tenant	DAY 1	File complaint/Summons/ temporary restraining order or injunction (may exceed one day). Tenant has 20 days to respond as to why order of abatement should not be issued. During this time, tenant is liable for criminal contempt if injunction is violated.
Institute FED Process if tenant refuses to move. Complaint filed in Court Hearing date set. (usually takes 7-10 days)	DAY 7	
Court Hearing date/obtain Order to Vacate	DAY 15	
Tenant remains/Writ of Assistance	DAY 18	
House back in Landlord's Possession	DAY 20	
	DAY 22	
	DAY 23	Half-day trial/Order of abatement issued/rental agreement terminated. Institute FED process if tenant refuses to move. File complaint in court, get hearing date (usually 7-10 days)
	DAY 31	Court Hearing date/ Order to Vacate and Writ of Assistance issued.
	DAY 33	House back in landlord's possession.

SUMMARY

EVICTON FOR NONPAYMENT OF RENT

[Amends both the Forcible Entry and Detainer (FED) statutes and the Landlord-Tenant (LLT) Act]

The proposed CS for SB 35 retains the provision in the original bill that reduces the length of time a landlord must wait after giving written notice to vacate from 10 to 5 days before instituting FED proceedings.

EVICTON FOR CERTAIN ILLEGAL ALCOHOL/DRUG ACTIVITIES

Originally, SB 35 focused on making it easier for the landlord to evict a tenant under LLT statutes by allowing "arrest" to trigger eviction through the FED process.

Because of constitutional problems, this provision was dropped. Instead, two separate options are proposed which would:

1) shorten the notification period for eviction for certain illegal activities under current LLT/FED statutes, and 2) amend the nuisance statutes to allow landlords or neighbors to get the nuisance abated.

Current Statutes

Under current LLT/FED statutes, to get rid of a tenant who is in noncompliance with a rental agreement takes approximately 34 days (20 day notice required under the LLT statutes plus 10 days for the FED proceedings).

Option 1

Using the same remedy (LLT/FED), Option 1 under the proposed CS would take approximately 20-23 days. To accomplish this the LLT and FED statutes are amended to reduce the notice period to 5-days for specified illegal activities - treated with the same severity as nonpayment of rent.

Option 2

Option 2 would amend the Nuisance statutes to allow abatement of property being used for certain illegal alcohol or drug activities. This procedure involves filing a complaint, the court issuing an

injunction or restraining order, a 20-day period for the defendant to respond, followed by a short trial at which an order of abatement would be issued terminating the rental agreement. Evidence of reputation would be admissible by the court to prove the existence of a nuisance. From time of filing complaint to issuance of abatement order would be approximately 24 days. Although it is highly unlikely the tenant would not voluntarily move from the premises before the order of abatement were issued (to protect his/her personal property), if such were the case, the landlord would be able to resort to the FED remedy.

Although the eviction process under Option 1 (and probably Option 2) is shorter than under current law, Option 2 has the advantage of giving the landlord an additional tool for getting rid of a recalcitrant tenant, as well as providing a means, not now available, for neighbors to halt specified illegal drug activities.

Other Considerations:

Violation of an injunction or restraining order is criminal contempt.

To remove an occupant who refuses to leave - regardless of the reason - requires going through the FED process; i.e., a landlord can't physically move a tenant out.

To eliminate confusion, a provision is included to allow the FED notification period to run concurrently with the notification period required under the LLT and nuisance statutes.

A provision is included to allow the court to enter an order to vacate and a writ of assistance at the same time (although the tenant still has two days to vacate) to save the landlord another court visit.

OPTION 1

OPTION 2

[Time frames represent best possible scenario. If day court assistance is needed falls on Saturday, Sunday or holiday, time will be extended. If tenant cannot be served, court has to set new hearing date. If tenant fights eviction, Judge may grant continuance.]

Landlord/Tenant Approach

Nuisance Approach

5-day notice given to tenant

DAY 1

File complaint/Summons/
temporary restraining order or
injunction (may run into day 2).
Tenant has 20 days to respond as to
why order of abatement should not be
issued. During this time, tenant is
liable for criminal contempt if
injunction is violated.

Institute FED Process
Complaint filed in Court
Hearing date set. (usually
takes 7-10 days)

DAY 7

Court Hearing date/obtain
Order to Vacate

DAY 15

Tenant remains/Writ of
Assistance

DAY 18

House back in Landlord's
Possession

DAY 20

DAY 22

DAY 23

Half-day trial/Order of abatement
issued/rental agreement terminated.
Institute FED process. File
complaint in court, get hearing date
(usually 7-10 days)

DAY 31

Court Hearing date/
Order to Vacate and Writ of
Assistance issued.

DAY 33

House back in landlord's possession.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

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MEMORANDUM

DATE: January 22, 1991

TO: Senator Steve Frank, Chair
Senate Community and Regional Affairs Committee

FROM: Senator Pat Pourchot *pat*

RE: Scheduling of SB 35, an Act amending the Uniform
Residential Landlord-Tenant Act

Attached is a copy of SB 35 which 1) shortens the notice period for tenants who have not paid rent from 10 to 5 days (tenant's rights in the judicial Forcible Entry and Detainer process are not impinged), and 2) allows landlords to use an immediate eviction process against tenants arrested for certain drug- or alcohol-related crimes. A provision is also included that would require law enforcement officials to notify property owners when they arrest renters for these types of offenses.

This bill would still allow well-intentioned tenants sufficient time to work out their financial difficulties but would accelerate the eviction process for tenants unwilling to pay or those engaged in drug-related or bootlegging activity.

I would be most appreciative if you would schedule SB 35 for a hearing before the Senate Community and Regional Affairs Committee at your earliest convenience.

Senator Pat Pourchot
February 5, 1991

SUMMARY

SB 35 would make two major changes to the Alaska Uniform Residential Landlord-Tenant Act.

The first proposal would expedite eviction of tenants who fail to pay their rent when due by shortening the notification period from ten to five days prior to eviction. Currently, landlords who are trying to evict tenants for nonpayment of rent must give a ten-day notice of intent to evict prior to filing a complaint. The earliest the eviction process can be completed is approximately three weeks (see attached Flow Chart); the more likely eviction scenario is a month to six weeks. This places an undue hardship on landlords, many of whom rely on rental income for their livelihood.

Compared to 12 other western states, Alaska provides a long notice period. For example, only three days' notice by the landlord to the tenant is required in California, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming. Five days required notice is required in Arizona, Hawaii and Nevada.

I believe the five-day notification period would still allow well-intentioned tenants to work out their difficulties but accelerate the eviction process for tenants unwilling to pay. This proposal in no way interferes with the tenant's rights in the judicial Forcible Entry and Detainer (FED) process.

The second proposal would assist landlords trying to evict tenants who are engaged in specified drug-related or bootlegging activities (related to manufacture and distribution). SB 35 would allow landlords to immediately start the eviction process if the tenant was arrested for one of the specified violations. Law enforcement officials would also be required to make a concerted effort to notify a property owner(s) when making an arrest for these types of offenses. The tenant's rights in court under the FED process are unaffected.

ALASKA EVICTION LAW

FLOW CHART FOR EVICTION FOR NONPAYMENT OF RENT (AVERAGE TIME SCENARIO UNDER CURRENT STATUTE)

DAY

- 1 Rent due (rent due on 1st and delinquent on 6th in most rental agreements)
- 2
- 3
- 4
- 5
- 6 10-day notice given tenant [SB35 would reduce notification period from 10 to 5 days]
- 7
- 8
- 9 (If landlord accepts full or partial payment of rent, the process is voided; must start over by giving another 10-day notice.)
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17 Complaint filed in Court - Court sets Hearing date
- 18
- 19 (Law states that tenant must be served by Process Server at least 2 days prior to Hearing date which is usually set 7-10 days following filing of Complaint. If tenant cannot be served in time, landlord must go back to Court for a new Hearing date.)
- 20
- 21
- 22
- 23
- 24
- 25 Court Hearing date - obtain Order to Vacate
- 26 (Tenant has minimum of 2 days to vacate; Judge may grant additional time.)
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- 3) The eviction process does not recover any cost other than for filing fees, service and process fees and postage under Court Rule 79 and attorney fees under Court Rule 82; motion to recover costs must be filed within 10 days of Clerk entering FED Order; treated as a judgement. Getting back rent is another more lengthy process.
- 4) If process is not completed within the 1st month, landlord will be out rent for additional time tenant remains on premises.

FROM SEN. POURCHOT