

A PLAN TO GROW ALASKA'S TOURISM MARKETING PROGRAM

A BIG STEP FORWARD:

The 2008 Legislative Session saw the Legislature and the Governor act to save Alaska's tourism marketing program. HB147 passed the House 35-1, the Senate 20-0, and was signed into law by Governor Palin at an event highlighting the important role small businesses play in Alaska's economy.

The successful passage of HB147 ---

Ensures the **SURVIVAL** of Alaska's tourism marketing program --- a private industry-led, market-driven, research-based program that is the envy of competing destinations.

Identifies a **SUSTAINABLE** travel industry-generated funding source for Alaska's tourism marketing program.

Continues a significant **PRIVATE SECTOR CONTRIBUTION** to Alaska's tourism marketing program --- in real terms greater than all other States except Florida and California.

CHALLENGES AHEAD:

THE GROWTH IMPERATIVE --- The State of Alaska's \$9.0 million FY09 tourism marketing reinvestment, while a critical first step towards a long-term tourism marketing funding solution, is still well short of the \$20.0+ million level the travel industry believes is required to return sustainable growth to all industry sectors. And, well short of the \$22.7 million the State invested in tourism marketing twenty years ago [FY90].

A TICKING CLOCK --- While ensuring the survival of Alaska's tourism marketing program through successful passage of HB147, legislators at the same time recognized the long-term need to grow funding for Alaska's tourism marketing program. In an effort to motivate action on the growth imperative, legislators added 3-year sunset language [FY11 sunset] to HB147 and requested the travel industry come back to the table with a long-term tourism marketing funding growth plan.

STORM CLOUDS GATHERING --- With all sectors of Alaska's travel industry reporting an unprecedented drop in 2009 summer season advanced bookings [even greater than post 9-11], there exists an urgent need for action on a tourism marketing funding solution.

SOLUTIONS:

- 1) **SURVIVAL** Continue the reinvestment of vehicle rental tax revenues into Alaska's tourism marketing program [OTA contract] at the \$9.0 million level in the FY10 operating budget. To be matched with \$2.7 million in private sector funds.
- 2) **GROWTH** Pass legislation providing a tax credit to payers of the Cruise Line Corporate Income Tax for contributions to Alaska's tourism marketing program with the goal of sustainably growing Alaska's tourism marketing funding to at least \$20.0 million.
- 3) **ACCOUNTABILITY** Measure the results of Alaska's tourism marketing reinvestment. Appropriate \$850,000 in the FY10 capital budget to fund the Alaska Visitor Statistics Program [AVSP] and an economic impact study.

Alaska's Travel Industry: PROVEN ECONOMIC DEVELOPMENT

Alaska's travel industry represents proven economic development. Every day thousands of Alaskans are hard at work converting Alaska's travel resource into more than \$1.8 billion new dollars injected annually into Alaska's economy --- over 40,000 jobs for Alaskans --- tens of millions in revenues to local governments --- and, an FY09 contribution to the State government that will surpass 100 million dollars. Tourism marketing is the critical "economic pipeline" that makes it all possible.