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August 6, 2021

To: Alaska State House and Alaska State Senate Members

On behalf of the Alaska Travel Industry Association (ATIA) – the state’s leading nonprofit organization and the long-time manager of Alaska’s destination marketing program, thank you for your support for economic relief for tourism businesses and for statewide destination marketing funding in recent budget efforts. We recognize the challenging fiscal environment and the broader budget conversations among legislators this past session. We appreciate your recognition of the importance of tourism marketing funding as one tool to keep Alaska’s travel and tourism industry on the path toward recovery.

Alaska as a travel destination is beginning to see the results of investments in tourism marketing being implemented by ATIA. Two grants from the State of Alaska totaling just under \$7 million, have been obligated, and marketing strategies deployed by August 31 and December 31, 2021, per grant requirements.

Currently, there is no allocation for Alaska destination marketing in the operating or capital budgets. This potential gap in tourism marketing funding - and the pause in momentum created by grant funds currently in the marketplace - comes at a time when other competing destinations are increasing their tourism marketing budgets to attract potential travelers. Next year, international destinations will be back in the mix, offering even greater competition.

While Alaska has seen bright spots of returning visitors, many more Alaska tourism businesses and communities are still struggling to recover economic activity on par with pre-pandemic times. In a study by McKinley Research Group commissioned by ATIA, visitor volume fell by an estimated 82% between April and December periods of 2019 and 2020, from 2.4 million to just 427,000 visitors. Along with the economic analysis to quantify revenue lost to tourism businesses, the survey also asked respondents to share “other impacts” they experienced due to COVID19. One tour bus company shared they will only see 20-30% of revenue during a shortened summer season. Many other accommodations and tour guide businesses are not operating at full capacity. Below is one quote provided by a respondent:

In 2019, I fed thousands of guests on my food tours. In 2020, I fed 24. [Today] I watch my colleagues in the lower 48 restart and some are back to regular business. I'm not even close to that. I have tours, but no guests.

ATIA supports your continued conversations around important budget decisions as you begin this next special legislative session. We know the path to economic recovery for Alaska’s travel and tourism businesses has just begun and can be part of Alaska’s overall economic recovery.

Thank you as always for your leadership and public service.

Sincerely,

A handwritten signature in black ink that reads "Sarah Leonard".

Sarah Leonard
ATIA President & CEO

A handwritten signature in black ink that reads "Bill Pedlar".

Bill Pedlar, Knightly Tours
Chair, ATIA Board of Directors