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**Camille Ferguson**  
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**Lt. Gov. Kevin Meyer**  
State of Alaska, *EX OFFICIO*



April 30, 2021

**Alaska State House Finance  
Committee Co-Chairs**

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On behalf of the more than 620 members of the Alaska Travel Industry Association (ATIA), Alaska's only leading statewide tourism marketing organization, thank you, members of the Finance Committees in both the State Senate and State House for your leadership and support of Alaska's travel and tourism industry.

We are writing you today to ask for your support of ATIA's priorities that we have adopted since the beginning of the pandemic and believe will keep Alaska's tourism businesses on the path toward recovery:

- Continued economic relief in the form of targeted grants to tourism businesses and organizations, and
- Timely Statewide and regional destination marketing investment with existing organizations.

As you know, Alaska's travel and tourism industry has been significantly impacted by COVID19. Pre-pandemic Alaska saw close to 60 percent of our visitors arrive by cruise in the summer months, and over one third by air, with the rest arriving by the Alaska-Canadian Highway by land or via the Alaska Marine Highway. More than 2.5 million visitors in 2019 generated \$4.5 billion in economic activity for the state, including generating \$215 million in tax revenues for the state and local governments. Alaska's tourism industry normally supports 52,000 direct and indirect jobs. That is 1 in 10 Alaska jobs.

Since March of last year, every entry point to Alaska by travelers has been impacted. Nearly 100 percent of cruise sailings were cancelled in Alaska in 2020. Air travel has been impacted and with the Canadian border closures since March 2020 - and now extended - large ship cruise and highway travel continue to be impacted.

The US Census Bureau in a report published April 28<sup>th</sup> shows Alaska suffering disproportionately negative impacts to small businesses in the past year, an average of 12% more so than the rest of the country. These devastating losses translate into people's jobs. The March issue of the *Alaskanomics's Blog* reported February employment was down 7.0 percent from February 2020 — a loss of 22,300 jobs – with leisure and hospitality continuing to record the largest losses. These are our friends, our neighbors, our colleagues, our fellow Alaskans. From our frontline customer service teams to our outdoor tour guides, these are our livelihoods.

Alaska Travel Industry Association  
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Anchorage, Alaska 99501  
(907) 929-2842 \* [www.AlaskaTIA.org](http://www.AlaskaTIA.org)

ATIA has employed a multi –pronged approach toward moving and keeping Alaska’s tourism industry onto the economic path toward recovery:

**First, advocating for economic support to the hardest hit businesses and organizations with grants** to support stabilizing business operations now and to be able to recover and stay open this season and into 2022. Direct grant programs for travel and tourism businesses would continue to provide the much-needed flexible assistance Alaska’s tourism businesses need to pay on-going operating expenses during a time of uncertain revenue and limited economic activity.

**Coupled with investments in destination marketing which continue to drive potential travelers to choose Alaska to complement efforts to stabilize tourism businesses this summer, fall and winter seasons.** We know the future of Alaska’s tourism industry and the short and long-term recovery, is about investing in the marketplace. Alaska is competing with other destinations for every single traveler and every single dollar now. ATIA is already in the marketplace with a campaign targeted to the independent traveler. Statewide destination marketing investments toward expanding this reach versus creating new campaigns, will effectively and most efficiently touch more travelers who are thinking about their next vacation.

For example, according to a recent Longwoods International tracking study of American travelers: **“88% of U.S. travelers now have travel plans in the next six months, the highest level in more than a year.”** This is positive traveler sentiment; however, this means even greater competition among destinations for the visitor this summer. Alaska as a destination may be overlooked by travelers in favor of a competitor destination. Alaska is competing with other U.S. States actively investing in the marketplace today.

The American Rescue Plan (ARP) Act includes important provisions for aid to impacted industries such as tourism, travel, and hospitality. This includes the valid use of tourism marketing and promotion for states and communities that have suffered economic injury due to losses in travel.

As you determine the uses of ARP funds, we ask you to maintain your focus on supporting the tourism industry through additional investments in statewide destination marketing through existing organizations to attract independent travelers this summer. We also ask you look forward to next year and continued recovery and ensure funding for statewide destination marketing remains in the FY 22 capital budget.

After a devastating 2020 visitor season which saw more than 99% percent of cruise travel cancelled, declines in air travel, and the closure of the Canadian border, Alaska’s tourism industry cannot withstand additional economic loss.

ATIA remains committed to work with Alaska’s legislative leaders to identify ways to help Alaska’s travel and tourism industry recover. Thank you for your service, leadership, and support of our vibrant, diverse, and statewide industry during these challenging times.

Sincerely,



Sarah Leonard  
ATIA President & CEO



Bill Pedlar, Knightly Tours  
Chair, ATIA Board of Directors

cc: Lt. Governor Kevin Meyer  
Bill Thomas, Special Assistant, Office of the Governor