

Alaska State Chamber of Commerce 2008 Position

Support funding for the Alaska Travel Industry Association (ATIA) Marketing Program

The Alaska Chamber of Commerce supports funding for the Alaska Travel Industry Association (ATIA) marketing program with two legislative priorities:

- 1) Change the required match ratio from the current 50/50 to 90-state/10-industry.
- 2) Increase the State's Tourism Marketing contribution from \$5.0 to \$8.0 million in FY09 and continue funding the Independent Traveler Marketing grant with an increase from \$0.9 to \$1.0 million.

The ATIA contracts with the State of Alaska to market the state as a visitor destination. ATIA develops the Criteria for subcontracts or program implementation and their selection committees approves. At a minimum, the criteria will include preference for:

- 1) Alaskan vendors
- 2) Alaska Travel Industry Association Members
- 3) Lower cost for similar quality
- 4) Relevant experience

A combination of Cooperative Marketing Programs, Voluntary Industry Contributions (in lieu of taxes) and State Matching Funding has financed Alaska's statewide marketing since ATIA's creation in 2001. New taxes on the travel industry have eliminated the voluntary industry contributions and have resulted in a shortfall of approximately half of ATIA's industry-provided funding. To counter this trend, ATIA is asking the State of Alaska to reinvest some of travel industry generated tax revenue back into the Statewide Tourism Marketing Program.

Marketing is critical to ensure top-of-mind presence of Alaska as a visitor destination. However, new taxes on the tourism industry have changed the funding landscape for Alaska's Statewide Tourism Marketing program. The tourism industry has identified funds raised by taxes on the tourism industry – the statewide vehicle rental tax, and cruise line corporate income tax – as appropriate to fund marketing efforts to insure the health of Alaska's tourism industry.