

Nature-Based Tourism in Southeast Alaska



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Executive Summary

In this report we calculate the economic importance of nature-based tourism in Southeast Alaska as measured by business revenue. Our estimates are based on field research conducted during 2005, 2006 and 2007. We define nature-based tourism as those tourism activities for which the natural environment is a significant input.¹

Our key findings include the following:

- Nature-based tourism generates about \$277 million per year of direct business revenues in Sitka, Juneau, Chichagof Island, Prince of Wales Island, Petersburg and Wrangell. This number is most likely an underestimate of total revenues because not all nature-based tourism businesses and business sectors could be included in our estimates. Our numbers do not include tips – which in some businesses might add 25% to revenues – or taxes and fees paid directly to local governments. In addition, the especially rainy weather of 2006 probably caused abnormally low sales for some businesses.
- Average revenue per visitor varies considerably among communities and activities; ranging from about \$140 per visitor in Juneau to more than \$2,600 per visitor on Prince of Wales Island. These differences reflect the range of activities offered -- from half-day excursions to multiple, overnight all-inclusive lodge stays.
- Nature-based tourism expenditures create a significant economic ripple effect that keeps money circulating through the economy. This money supports jobs in marketing, support services, food and beverages, accommodations, fuel sales, government, and other sectors.
- Communities are clearly striving to differentiate themselves and capitalize on local amenities such as the Stikine River, Anan Creek, the LeConte Glacier, Tracy Arm, Glacier Bay, Pack Creek and exceptional fishing and scenic opportunities.
- A large and growing portion of Southeast Alaska's visitors are cruise ship passengers. Both cruise passengers and independent travelers are similarly interested in nature-based tourism services. The majority of cruise ship shore excursions offer nature-based activities, from hikes and glacier viewing to flightseeing and forest canopy zip lines.
- Communities hosting large numbers of cruise passengers are actively developing new and creative tourism products such as forest canopy zip lines and mountain biking while those with fewer visitors tend to be focused on sport fishing. This appears to be the case even if local amenities exist to support a broader range of business and visitor activities. Thus, there appear to be unrealized opportunities in some communities, but these may also reflect an inadequate visitor base upon which to risk additional investment.
- There is a complex and competitive system for pre-booking cruise ship shore excursions. Businesses with exclusive cruise line contracts make price and tour information available only to cruise passengers and often agree to sell tours only through the cruise line.

¹ This report is part of a larger research project whose goal is to provide a broad overview of the regional economy of Southeast Alaska, including trends over time for individual communities and boroughs. A companion report, "The Regional Economy of Southeast Alaska," is available from the ISER Web site: www.iser.uaa.alaska.edu.

- The tourism businesses in cruise ports of call that appear to be most successful either have a cruise ship shore excursion contract or are catering to overnight (non-cruise) guests with high-quality and high-value services. Examples of these types of businesses include sport fishing lodges and multi-day yacht cruises.
- It is difficult to compete with established businesses holding existing cruise line contracts. Despite this hurdle, a number of companies are offering creative new products including zip lines through the forest canopy, glass-bottomed boats, and an amphibious “duck” tour.
- Some operators attribute the increased interest in adventure activities to a change in cruise ship clientele. In recent years, cruise companies have been catering to a younger crowd, targeting families. In any event, increasing numbers of passengers are interested in more active pursuits.
- Competition for cruise passengers exists both within and between communities, as people are booking their shore excursions in advance and look at all the options. Sitka companies mentioned they were carefully tracking zip line activity in Juneau and Ketchikan, dogsled tours on the Mendenhall Glacier, and other activities to see which market niche they could capture.
- There is some evidence that visitors are willing to pay premium prices for higher quality experiences in more pristine environments. However, it is not clear what specific attributes (seclusion, fishing experience, food, services, perceived exclusivity, and environmental amenities) are the key components of this higher market value.
- It is possible to design a community-based tourism program that provides employment to local residents as is occurring in Hoonah. However, Elfin Cove appears to bring in more in gross revenues than Hoonah with about one-eighth as many visitors because Hoonah’s operation relies on volume while Elfin Cove businesses rely on higher-priced fishing lodge experiences. Day trips seem to be relatively higher cost, lower profit operations.
- Independent travelers appear to try to avoid crowds and many are repeat visitors. Most tend to stay longer and have more open itineraries than those on cruise ships or organized tours. These characteristics make independent travelers more difficult to contact.
- Independent travelers also appear to seek communities with fewer visitors and those that they perceive to be more “authentic,” such as Petersburg, Wrangell, and communities on Chichagof Islands. A lack of transportation capacity, whether on scheduled jets or on ferries, may be limiting the opportunities for these smaller communities. Less marketing may also be a factor limiting visits by independent travelers.
- The primary marketing mechanisms for smaller, non-cruise related businesses are the internet and word of mouth. In addition, many customers return to the same fishing lodge, yacht tour, or charter business year after year.
- Wildlife viewing is highly attractive to visitors due to spectacular scenery and abundant wildlife including whales and other marine mammals. Companies in several communities expressed a desire to move toward more wildlife viewing and sightseeing and away from sport fishing. These operators preferred wildlife viewing as it was less stressful due to

less pressure to catch fish. Some operators were making this shift, while others thought they would not be able to match the revenue generated by sport fishing.

- Weather has a significant impact on business for companies whose tours are not pre-booked on cruise ships. Operators noted a marked difference between the sunny, dry summer of 2004 and the remarkably wet summer of 2006. Visitors walking off a ship in the rain were much less likely to go on marine tours or hikes in soggy conditions, and seasonal revenues were down. Businesses with cruise contracts did not experience this setback as passengers are not reimbursed for pre-sold tours when weather conditions are poor. The one exception was flightseeing, where companies had to cancel tours due to unsafe weather conditions.
- Promoting wildlife watching is an important marketing strategy for Southeast Alaska communities. Visitors bureaus currently produce pamphlets with charismatic large animals, such as whales and bears. Bureau staff cited studies showing the desire to see wildlife was attracting a large portion of out-of-state visitors.
- A significant policy question emerging from this research is how the public lands might be managed to increase the economic returns from tourism to residents of Southeast Alaska communities, especially the smaller communities that can only accommodate smaller numbers of visitors at one time. Bear viewing is one example of a high-value activity that depends on controlled access to specific infrastructure.
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**Table ES-1. Estimated annual gross revenues and number of visitors from nature-based tourism activities in Southeast Alaska
(data from summers 2005-2007)**

Community/Activity	Revenue (\$)	Visitors
Juneau		
Adventure	11,000,000	80,000
City Tours	31,000,000	560,000
Charter yachts	[included with Sitka]	
Dogsled Tours	16,000,000	31,000
Flightseeing	43,000,000	118,000
Freshwater/fly fishing	1,200,000	3,500
Lodges	9,400,000	3,400
Pack Creek Bear Viewing	525,000	510
Sportfishing Day Charters	7,440,000	29,000
Hunting	[included with Sitka]	
Tracy Arm Tours	2,150,000	16,000
Whalewatching	32,000,000	230,000
Juneau subtotal	153,715,000	1,071,410
Sitka		
Adventure	1,850,000	18,000
City Tours	8,200,000	97,000
Charter Yachts other than to Chichagof	15,449,750	2,945
Lodges	5,649,600	32,000
Sportfishing Day Charters	34,500,000	14,400
Hunting (includes Juneau)	1,500,000	310
Whalewatching	6,200,000	54,000
Wilderness drop off	590,000	320,000
Sitka subtotal	73,939,350	538,655

[continued on next page]

Table ES-1 (continued). Estimated annual gross revenues and number of visitors from nature-based tourism activities in Southeast Alaska (data from summers 2005-2007)

Community/Activity	Revenue (\$)	Visitors
<i>Chichagof Island</i>		
Elfin Cove		
Lodges	4,889,500	1,530
Small Cruise Ships*	90,000	3,000
<i>Elfin Cove subtotal</i>	<i>4,979,500</i>	<i>4,530</i>
Hoonah		
Marine charters/Fishing lodge	840,320	1,060
Hunting	252,000	20
Sightseeing/Wildlife	3,360,350	33,610
<i>Hoonah subtotal</i>	<i>4,452,670</i>	<i>34,690</i>
Juneau / Chichagof **		
Flight	268,230	--
Boat rental	209,000	72
Guided Kayaking	259,280	283
Charter Yachts	4,059,450	1,105
<i>Juneau / Chichagof subtotal</i>	<i>4,795,960</i>	<i>1,460</i>
Pelican		
Day Charters	396,900	300
Charters/Lodging & Lodging only	396,000	350
Drop-offs	17,130	90
<i>Pelican subtotal</i>	<i>810,030</i>	<i>740</i>
Sitka / Chichagof **		
Marine Charters/Kayaks	19,930	40
Flight Service	92,390	360
Multi-night	240,930	100
<i>Sitka / Chichagof subtotal</i>	<i>353,250</i>	<i>500</i>
Tenakee		
Marine Charters	155,000	100
<i>Tenakee subtotal</i>	<i>155,000</i>	<i>100</i>
<i>Chichagof Island Subtotal</i>	<i>15,546,410</i>	<i>42,020</i>

[continued on next page]

Table ES-1 (continued). Estimated annual gross revenues and number of visitors from nature-based tourism activities in Southeast Alaska (data from summers 2005-2007)

	Revenue (\$)	Visitors
Prince of Wales Island		
Coffman Cove		
Accommodations	221,853	649
Lodges and daycharters	1,259,064	522
Other	3,555	
Craig		
Fishing	6,442,816	2,592
Klawock		
All businesses	1,324,113	851
Thorne Bay		
Lodging and fishing	1,806,335	932
Whale Pass***		
Lodging and fishing	136,230	284
Off the Road System		
Lodging and fishing	18,197,295	5,324
Prince of Wales Island subtotal	29,391,261	11,155
Petersburg		
Whale Watching	158,061	528
LeConte Glacier tours	162,986	624
Fishing-Lodges and Charters	2,036,453	2,562
Flightseeing	231,800	1,552
Other	164,622	6,239
Petersburg subtotal	2,753,921	11,505
Wrangell		
Anan Creek	\$304,448	1,447
Stikine River	\$731,998	3,796
LeConte Glacier tours	\$118,211	542
Saltwater Fishing	\$240,929	618
Other	\$249,629	1,533
Wrangell subtotal	1,645,215	7,936
Grand Total - Southeast Alaska	276,991,157	1,365,881

* Small cruise ships numbers only include Elfin Cove activity and are underestimates of economic activity attributable to small cruise ships.		
** Juneau and Sitka Chichagof Island numbers are not included in the independent Juneau and Sitka sections; there is no double counting and figures are additive		
***The Lodge at Whale Pass is included with off the road system lodges to protect proprietary information.		
Flight service companies provided only very rough estimates of passengers. Revenues were estimated based on numbers provided by businesses receiving clients from flight service companies that did not include transportation in their tour prices. These are likely underestimates.		
Sources: Company interviews and websites, 2005-2007.		

Figure ES-1. Distribution of nature-based tourism revenues in Southeast Alaska by community (\$ million)

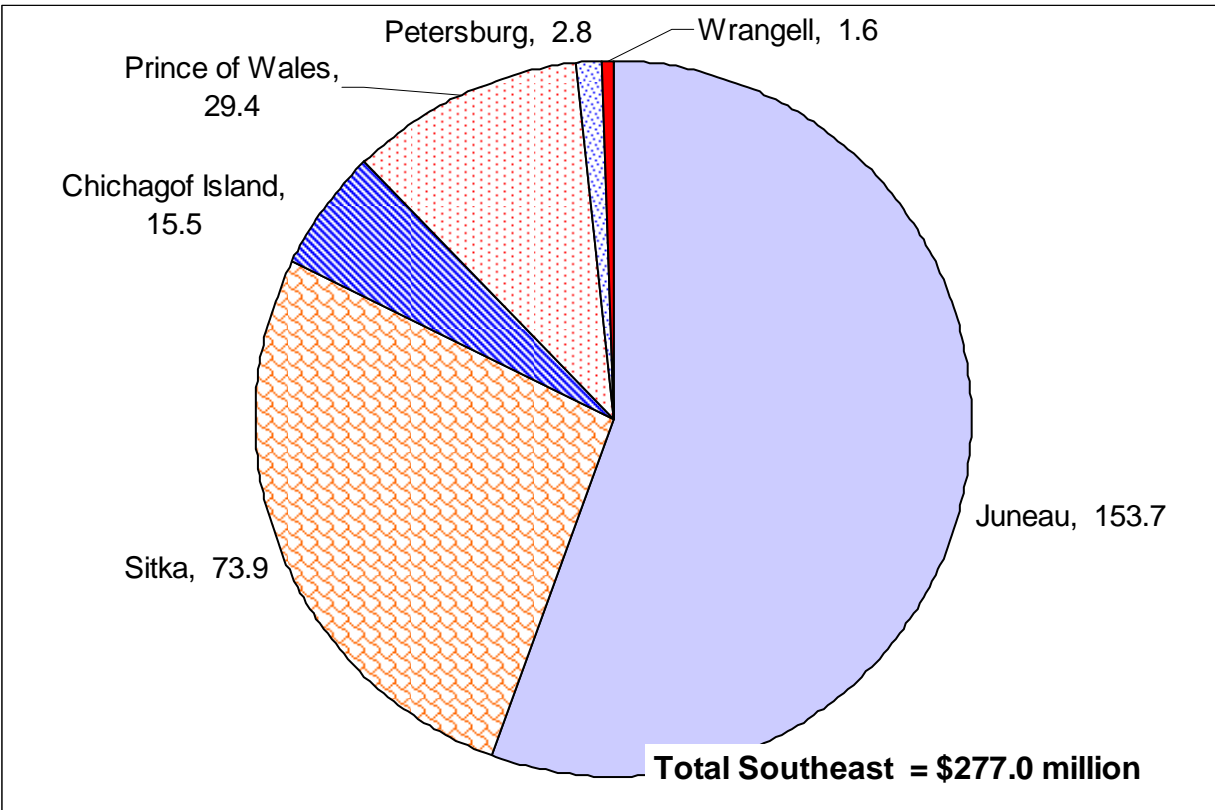


Table ES-2. Revenue per visitor from nature-based tourism by community

Community	\$ per visitor
Juneau	143
Sitka	333
Chichagof Island	370
Prince of Wales	2,635
Petersburg	239
Wrangell	207
Southeast average	203

Figure ES-2. Nature-based tourism revenues in Juneau by activity (summer 2006)

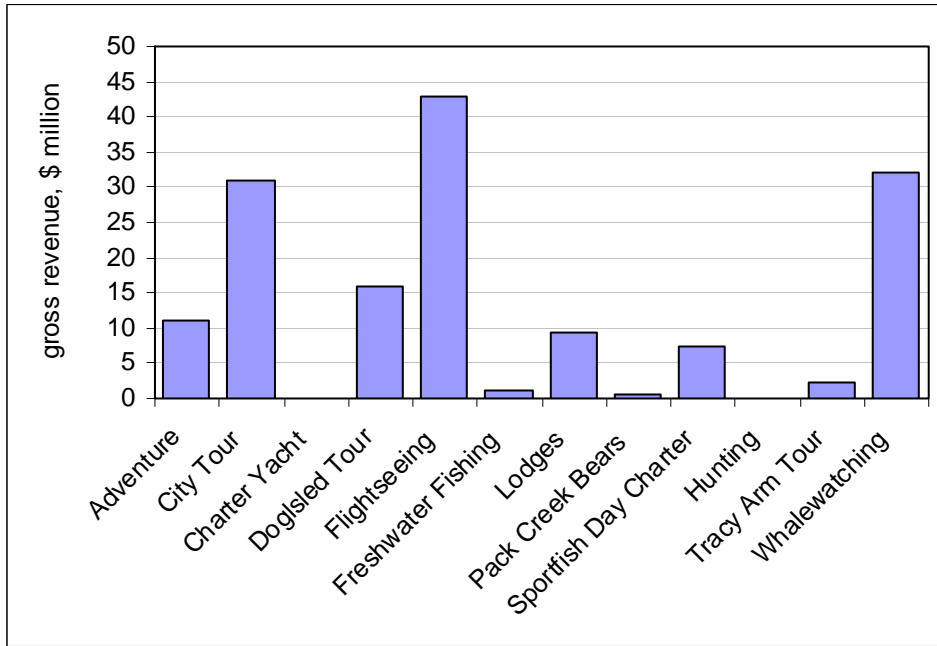


Figure ES-3. Nature-based tourism revenues in Sitka by activity (summer 2006)

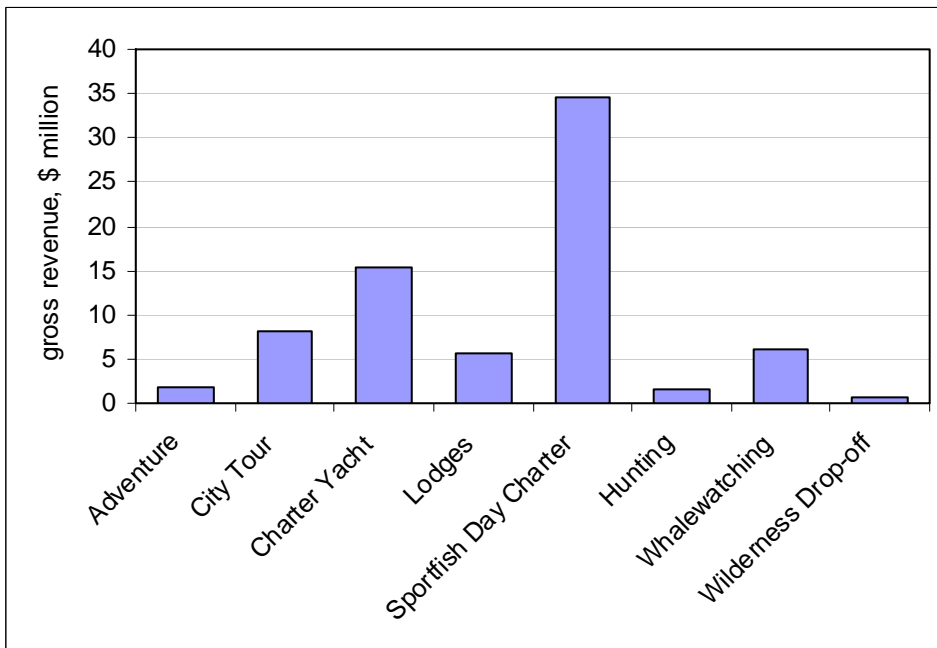
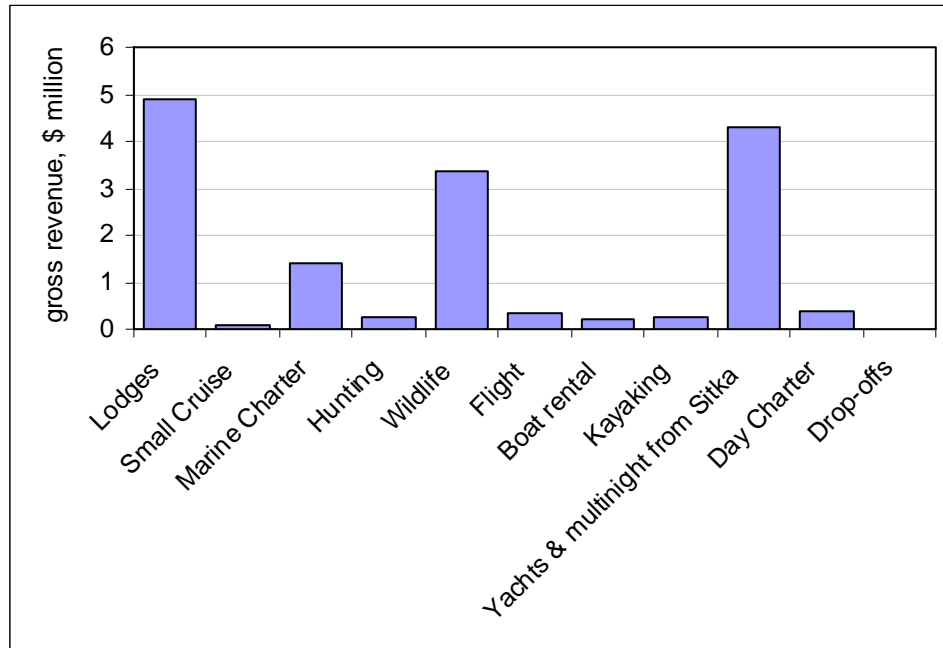


Figure ES-4. Revenues from nature-based tourism activities on Chichagof Island by activity (summer 2005)



Note: Small cruise ship revenue is based only on shore activities and expenditures by passengers in Elfin Cove.

1. Introduction

In this report we calculate the economic importance of nature-based tourism in Southeast Alaska as measured by business revenue. We also provide qualitative information on recent trends, market structure, and emerging changes in this sector. We define *nature-based tourism* as those tourism activities for which the natural environment is a significant input.² Our estimates are based on extensive field research conducted during 2005, 2006, and 2007. The purpose of this report is to add to the information and knowledge base available to help people make informed decisions.³

The nature-based tourism industry is growing rapidly in Southeast Alaska. However, its contribution to the regional economy is difficult to assess using conventional economic analysis based on publicly available data, such as wage employment. To gain more accurate information, we conducted field research during the summers of 2005, 2006, and 2007. We focused on the amount of revenue generated, which activities are attracting tourists, and how the money they spend flows through the economy.

In 2005, field research was organized as two case studies: 1) Ketchikan as a *gateway community* for nature-based tourism activities, and 2) Chichagof Island as a *destination* (Map 1). We chose these two approaches because tourism in Ketchikan is driven mainly by cruise ships, with people leaving town on partial-day excursions. Chichagof Island, on the other hand, encompasses several small communities, is more difficult to access, and attracts primarily independent travelers visiting a wider geographic area. We interviewed both businesspeople and visitors.

An important outcome of the summer 2005 field work was our conclusion that collecting data directly from business owners and operators is the most efficient and effective way to determine the significance of this diffuse sector of the economy. Therefore, in 2006 and 2007 we interviewed only tourism operators. Throughout the study period we also talked to key informants such as government agency personnel and local officials.

A larger goal of the field work from both years is to link direct and indirect business revenue to specific geographic areas using Geographic Information System (GIS) methods. Some progress toward this goal has been achieved, but much remains to be done.

² We prefer to avoid the term “ecotourism,” which has come to acquire multiple meanings and could lead to needless confusion.

³ A companion report: Colt, Steve, et al., “The Regional Economy of Southeast Alaska,” is available from the ISER Web site: www.iser.uaa.alaska.edu

Map 1. Southeast Alaska



2. Methods

2.1 Field testing phase: 2005

During summer 2005, two researchers spent 2.5 weeks in Ketchikan and collected data from 32 nature-based tourism companies and 43 cruise ship ‘shore excursion’ tours. The team talked to both visitors and tourism operators to determine how many people booked various tours, what geographic areas they visited, and how much money they spent on various activities. Informal interviews were conducted with visitors at the cruise dock, the Alaska Marine Highway System

ferry terminal, and the airport. Meetings were also held with companies offering flightseeing, sport fishing charters, wildlife viewing, and other nature-based products to collect data on customer volumes and company expenses. Phone interviews were conducted when operators were unable to meet in person. Occasionally information on approximate numbers of clients was obtained from dock representatives if they had worked multiple seasons and were familiar with visitor travel patterns and bookings. Economic information was also obtained from the Ketchikan Borough tax office and Ketchikan Visitor and Convention Bureau.

Also during summer 2005, five weeks were spent studying Chichagof Island as a destination. Field research was done primarily by interviewing nature-based tourism businesspeople, as visitors to this area are widely dispersed in time and space. For all locations, whenever possible company interviews were done in person with the business manager or owner. Phone interviews were conducted with business owners or managers who were not available to meet in person. Field researchers also interviewed companies in Juneau and Sitka that make drop-offs or use Chichagof Island for charters. Overall, over 70 companies that operate on Chichagof Island were contacted. The information from these interviews is contained in the Chichagof Island section. In addition, Sitka and Juneau also each have a stand alone section from 2006 research. As the Chichagof Island information is reported again in these results (as a subset of Sitka- and Juneau-based tourism), these numbers are not strictly additive. This situation illustrates the inherent difficulty of allocating the output of the tourism industry to a particular place.

2.2 Methods and caveats

In 2005, 37 companies and 223 visitors, including cruise, air and ferry passengers, were interviewed in Ketchikan. In the communities on Chichagof Island, 67 companies were interviewed.

In 2006, field work was conducted in Sitka and Juneau. Only businesses were interviewed, primarily in person but also by phone and email. In Sitka, 39 businesses were interviewed. In Juneau, 50 businesses were interviewed. In addition, 10 multi-day charter yacht companies were interviewed that operated in the northern waters of Southeast Alaska.

In 2007, field work was done on Prince of Wales Island, Petersburg and Wrangell using the same methodology as 2006. Again, only businesses were interviewed, primarily in person. During the 2007 field season, 98 businesses were interviewed.

Many companies were reluctant to provide detailed economic information, so discussions often focused on numbers of visitors and activity patterns. When possible, operators were also asked to highlight geographic locations on a map. This information, when combined with tour price listings on the Internet, brochures, or obtained directly from businesses, allowed calculation of revenues. No company was asked for total gross revenues, although many provided this number voluntarily.

Tourism operators often estimated the number of visitors since they did not know precise totals. Sometimes employees did not want to guess at their company's numbers, which made it difficult to obtain precise data. In these cases, yes-no questions such as "would you say more than 70%

went on the longer tour...” were used to elicit estimates. Information on the capacity of vessels or buses was obtained for companies that could not provide detailed data. Some charter sport fish companies estimated clients based on how many fishing license registration books they had filled out. It is important to note that these uncertainties may add statistical noise to our estimates, but this noise appears to be unbiased. Overall, one would expect such noise to cancel out as more and more companies are aggregated together.

This study focused on commercially-provided excursions. Revenue associated with non-guided activities measures another important part of the economy not captured in this study. Some examples of this revenue include lodging, rental cars, provisions for trips, etc. Too, there are potentially several small companies in each study community that don’t advertise or operate infrequently and that were not picked up during our field research – particularly in the sport fishing sector. The categories developed here are not all-inclusive and hence our estimates are likely to underestimate the total revenue generated by this sector.

In 2005, the prices for activities and excursions were 2005 prices provided by businesses, brochures, or websites. Similarly, prices for 2006 and 2007 excursions were the then-current prices. However, estimates of visitor volumes often reflect a combination of years. For example, in 2005 a business owner might estimate their visitor numbers based solely on the number of 2004 customers or 2004 customer numbers as well as a sense of how businesses was going in 2005. As a result, the number of visitors estimated in this report is a melding of data from 2004 to 2007. Given that visitation has grown in Southeast during this period, these visitor volume estimates are most likely a conservative estimate of current reality.

In addition to company personnel and visitors, a number of other local experts and entities were consulted, including an economist, hotel owners, hostel managers, accommodation booking services, sport fish charter booking services, borough tax offices, harbor masters, and staff at convention and visitors bureaus. Internet listings and shore excursion descriptions offered by different cruise lines were used to make a check-list of shore excursions. The cruise lines did not usually advertise the name of the company providing the excursion, but the information could usually be obtained by talking to dock representatives.

Other important sources of information were the U.S. Forest Service and the Alaska Department of Fish and Game (ADF&G). The U.S. Forest Service provided detailed information on the special use permit holders operating on some parts of the Tongass: how many client-days they had the previous year and how many people they took to specific locations. Companies must have permits to bring clients onto the Tongass National Forest land above mean high tide, and must provide a season summary which becomes public information. The ADF&G, Division of Sport Fish charter fishing data base contains extensive information on fishing effort by statistical area as well as data describing the number and characteristics of charter fishing companies.

Unless otherwise cited, information in this report was obtained from business interviews. To protect proprietary information, citations are not given. However, the names of businesses interviewed are listed in the appendix to this report.

3. Ketchikan

The following discussion is based on data collected in 2005. In that year, Ketchikan hosted approximately 887,000 cruise ship passengers. This number reflects a steady increase in cruise passengers over the last ten years. As a result of these large and growing numbers, Ketchikan has a well-developed network of shore excursion offerings. There were 47 shore excursions advertised among the different cruise lines. Of these, 33 were directly nature-based and an additional four were nature-related.

Map 2. Ketchikan and environs



The large influx of cruise visitors over the last ten years has changed the face of tourism in Ketchikan. It has also resulted in two types of visitors: cruise and non-cruise. Non-cruise visitors include independent travelers. However, the non-cruise group also includes a significant number of package tour visitors such as those who take week-long, all-inclusive fishing trips.

Most nature-based activities from Ketchikan fall into four main categories: flightseeing, marine charters, adventure experiences, and general sightseeing. The following four sections provide an overview of these subsectors.

3.1 Flightseeing: Misty Fjords and bear viewing

Misty Fjords National Monument is one of Ketchikan's largest draws. Each season, 90,000 to 100,000 tourists visit Misty Fjords via one of the ten Ketchikan-based flightseeing operators or two marine cruise companies. This visitation amounts to over 600 people per day and generates

about \$20 million in revenue during the season. These figures are from day trips alone and do not include independent boaters or kayakers, or the several guided group kayak trips per season that are led by a Ketchikan-based company.

Ten flightseeing companies serving Misty Fjords operate directly from the waterfront in town, ranging in size from fleets of ten planes to a single plane/single pilot operation. Over 95% of the passengers taken on flightseeing tours out of Ketchikan are cruise travelers who have prebooked the flight through the cruise line. Most trips to Misty Fjords involve approximately 1.5 hours of flying time with a ten minute water landing in one of the fjords, and cost between \$200 and \$230.

Bear viewing, another popular excursion, begins in mid- to late July. Bear viewing tours involve a 25 to 45 minute flight from Ketchikan where the visitors are dropped off and met by a Forest Service ranger or a company guide, and walk a short distance to a bear viewing platform. Prices run between \$275 and \$400 per person depending on the destination, and are fairly uniform among operators. Major destinations include Anan Creek, Polk Inlet on Prince of Wales Island, Traitors Cove, and Margaret Bay.

3.2 Marine charters

The Alaska Department of Fish and Game distributes permits to over 120 different marine sport fish charter companies in Ketchikan, including those in the nearby marinas of Ward Cove and Knudson Cove. While some of these companies are lodges or other marine sightseeing operations for which fishing is only a portion of the business, there are also a significant number of independent sport fish charter operators consisting of just one boat and captain.

Many of these independent companies are affiliated with one of four larger booking agencies in town. Ketchikan does not have a sport fishing cooperative but these four booking agencies allocate the majority of the cruise ship passengers to their fleet of about 20 captains, all of whom provide similar half-day tours and are paid by the booking agency. Three of these four companies took in a combined 20,000 clients during the 2005 summer season, and generated approximately \$4.2 to \$4.4 million in revenue.

Many charter boat captains affiliated with booking agents will also take charters independently. These are usually booked through their Web sites but sometimes people walk up to the dock. The going rate per person for sport fish charters is \$250 for a full day, \$175 for six hours, and \$135 for a half day.

Captains that are not affiliated with a booking agency must have effective Web sites, wide-spread reputation, or representatives at the visitors bureau or dock who will help book charters. One independent captain mentioned that he tries to make at least \$400 per trip and will negotiate with people on the price accordingly. He pays commission fees to other representatives on the dock who help him put together charters, and he sometimes shows up at the dock early in the morning to walk around and hope for a phone call.

Non-fishing marine charters include wilderness and sightseeing-oriented boat rides. Several tours included underwater cameras or boats with glass bottoms. The six prominent companies

engaged in these activities had approximately 55,000 to 65,000 clients in 2005 and generated an estimated \$4.3 to \$4.5 million in revenue. These figures include the popular “Duck Tour,” which involves a city tour and a tour around the Tongass Narrows in one amphibious vehicle.

Cruise passengers make up the overwhelming majority of marine charter clients. There are a limited number of people who arrive in Ketchikan by plane or ferry and will charter a boat for one to several days, taking either guided trips with a captain or renting a skiff to access U.S. Forest Service cabins in the area.

3.3 Adventure

The adventure tours sector has been growing rapidly in Ketchikan during the past few years with new offerings targeted directly at cruise ship passengers. Adventure excursions include canoeing, kayaking, “adventure-karts,” snorkeling, zip-line forest canopy tours, and biking. They take place on both public and private land, encompassing Herring Cove, Mountain Point, Harriet Hunt Lake, Clover Pass, Tatoosh Island, and Knudson Cove. Most of these locations are found on the road system and are generally less than 25 minutes by bus from the cruise docks. While not accessing any remote locations, these tours offer cruise passengers an opportunity for a more personal outdoor experience. The five predominant adventure companies took over 70,000 clients in 2005, generating approximately \$6.2 million in revenue.

Examples of new developments in the adventure tour market are two zip-line canopy tours, sold by Southeast Exposure and the Alaska Rainforest Sanctuary. Both of these excursions were immediately popular and business continues to grow as their reputations spread.

Almost all adventure tour patrons are cruise passengers, as most of the tour companies contract exclusively with the cruise lines and the tours are prebooked aboard the ship. Even those that do not prebook on the ships reported that over 95% of their business came from selling half-day tours to cruise ship passengers. Tour offerings tailored to independent travelers are more limited, with many activities not being advertised off the ship. Several travelers interviewed in the airport and many of those interviewed in the AMHS ferry terminal expressed interest in hiking, although information about available trails was limited. One comprehensive trails guide was found at the Southeast Alaska Discovery Center but there was little else to direct people on how to access the forest on their own.

3.4 Sightseeing

Sightseeing tours are abundant in Ketchikan. We included as “nature-based” those that specifically advertised a natural location or natural quality as one of their primary attractions. Major categories of sightseeing included town and totem tours, Misty Fjords tours, and wildlife and scenery tours. This section does not provide figures for numbers of clients and revenue generated by such activities as some of the companies have been included in other sections.

Because of the distance, tours to Misty Fjords are mostly limited to flightseeing, which was discussed previously as a separate category. Two companies, however, run boat tours to Misty Fjords despite the limited time window of cruise passengers. Goldbelt Tours, in tandem with various flightseeing companies, offers a combined cruise and flight tour where passengers fly one direction and boat the other. Allen Marine, the other prominent day cruise company,

operates boats fast enough to make the round trip in four hours. Both excursions can be purchased on the cruise ship or by walk-up travelers.

Local wildlife and scenery tours take place by bus and boat and offer chances to view wildlife and marine life around Ketchikan. Light Island Ventures uses a military-built boat equipped with both underwater microphones and cameras. Two other examples of these tours are the Alaska Undersea Tour, a semi-submersible tour boat, and the Wilderness Exploration and Crab feed, which combines a naturalist-narrated boat tour to check crab pots with an all-you-can-eat crab lunch.

There are a large number of sightseeing tours in the area, and competition between companies appears to be high. This has led to some negative feelings between the cruise-ship affiliated tour operators and those whose excursions are not sold aboard the ships. Many smaller independent operators felt as though the cruise companies were increasingly shutting locals out of the sightseeing industry in order to capture a greater percentage of the profits. All of the sightseeing tours, however, relied almost entirely on cruise ship passengers for their business whether they were prebooked or walked off the ship.

In summary, it is clear from the data collected that well over \$50 million of gross revenue can be attributed to nature-based tourism activities based in Ketchikan. However, because our methodology was exploratory, insufficient data were collected to accurately estimate the full economic extent of these activities. Therefore, the \$50 million estimate is a lower bound.

4. Juneau

The following discussion is based on data collected in 2006. With a population of about 31,000 in 2006, Juneau is the third largest city in Alaska and the commercial and governmental hub of Southeast. Juneau is also a popular tourist destination and serves as the staging point for nature-based trips in the surrounding area. Over one million visitors come through Juneau between May and September, making it the most-visited community in the region. Popular attractions include Mendenhall Glacier, Juneau Icefield air tours, Tracy Arm Fjord, and the Mount Roberts Tramway.

4.1 Cruise industry

Tourism in Juneau is dominated by the cruise industry. Thirty-seven large ships passed through Juneau during the summer of 2006, making 613 port calls. The Juneau Convention and Visitors Bureau anticipated a total of 922,449 cruise ship passenger arrivals between May and September, an increase of 1% over 2005 levels. Juneau averages three to six ships per day that dock in the downtown harbor along Marine Way and Franklin Street, or sometimes anchor and lighter passengers to shore. More ships arrive later in the morning and leave later in the evening (around 10:30pm) than in Sitka or Ketchikan, where arrivals and departures tend to be earlier. The average Juneau port time is around 12 hours.

The six major cruise lines (Princess, Holland America, Royal Caribbean, Carnival, Norwegian, and Celebrity) each offer between 34 and 37 shore excursions available for purchase on the ship

or before the cruise begins.⁴ Thirty two of these trips are fully or partially nature-based. Prices range from \$39 to \$490 aboard the ship. Typically, about 1,000 or more people on the large (2,000+ passengers) ships will prebook shore excursions in Juneau, according to shore excursion managers.

In addition to the major cruise lines with large ships, several companies conduct trips based out of Juneau on much smaller vessels. Many of these are seven-day trips between Juneau and Sitka.⁵

4.2 Flightseeing

Located on the doorstep of the 3,900 square kilometer Juneau Icefield, Juneau is the helicopter flightseeing hub of Southeast. Four helicopter companies offer various flightseeing tours over parts of the icefield and surrounding area. Almost all of these tours include a stop on a glacier, and several include glacier hikes. Three of the companies offer dog sled rides from established sled dog camps on the icefield. One company has 300 dogs at its camp, and many of the teams compete in endurance races, such as the Iditarod, during the winter. The visitors meet the dogs and the handlers, ride on the dogsled, and tour the tent camp.

Helicopter tours are some of the most expensive shore excursions in Southeast. The four companies took an estimated 90,000 people on helicopter tours, generating approximately \$36 million in gross revenue. Over 30,000 of those people were on the glacier dog sled tours, which brought in an estimated \$16 million.

In addition to helicopters, a float plane company offers flightseeing from the dock, booking almost entirely cruise passengers onto multiple flights a day. Four other air taxi services make infrequent flightseeing trips on the side of their transport business, as does a fly-out fishing company. These six companies bring in \$6 million from approximately 28,000 people.

4.3 City tours

Thousands of people visiting Juneau by cruise ship choose one of the various “city tours” involving attractions along the road system. The tours originate at the dock and go by bus or van to natural and historical sites. This study includes those with some type of nature-based component such as the Mendenhall Glacier, the salmon hatchery, or Glacier Gardens. There are about six different combinations of local tours offered by the large cruise lines.

The **Mendenhall Glacier** is the most-visited attraction in Juneau, and perhaps in all of Southeast. In 2005, 367,291 visitors came to the U.S. Forest Service’s Mendenhall Glacier Visitor Center on the edge of Mendenhall Lake between May 9 and Sept 27. Throughout the June to August peak season, the average number of visitors was almost 3,000 per day. Approximately 98% of the visitors arrived with one of the twenty-three companies permitted by

⁴ Information taken from cruise line Web sites

⁵ For more information on small cruise ships see Colt, Fay and Dugan, *The Regional Economy of Southeast Alaska*, 2007. (Available at www.iser.uaa.alaska.edu)

the Forest Service to bring clients. These visitors were usually associated with a cruise tour; these tours ranged in price from \$39 to \$170 depending on tour components. Approximately 27% of the trips made by permitted companies were shuttle services simply moving people from downtown to the glacier and back without a guided tour. Shuttle services left from the cruise dock and cost between \$6 and \$22 per person. Of the company trips, 18% were made by taxis.

While the Mendenhall Glacier itself is retreating, visitation has continued to grow. There was a 12% increase in visitors to the Mendenhall Visitor Center between 2003 and 2004, and a 16% increase between 2004 and 2005.

It is important to note that these counts and revenue figures do not include the number of people who come to the glacier to hike, picnic, or take pictures and do not go to the visitor center. This number has not been estimated. While not providing direct revenue to the U.S. Forest Service, these people still contribute to the local economy by renting cars, purchasing meals, and incurring other incidental expenses.

The **McCauley Salmon Hatchery** is located at the mouth of Salmon Creek between downtown and the Mendenhall Valley and is another popular visitor attraction. The hatchery receives 116,000 visitors per season to tour the facility and learn about the life cycle of Pacific salmon and the operations of the hatchery. Over 100 different species of Alaska marine life are on display in salt water aquariums.

Over 95% of the hatchery's visitors are cruise passengers on a tour. Similar to the Mendenhall Glacier offerings, these tours incorporate other activities in the Juneau area. A tour of both the Mendenhall Glacier and salmon hatchery costs about \$45. A tour that also goes to Glacier Gardens and the State Museum costs approximately \$85. Conservatively assuming \$50 per cruise passenger tour, and adding in the \$3.25 charged to the independent travelers, the salmon hatchery is associated with over \$5.5 million in visitor revenue.

Glacier Gardens, located in the Mendenhall Valley, is another stop on many city tours. The gardens encompass 50 acres of lush rainforest, botanical landscaping, and scenic views. Guided tours with golf carts on nature trails provide background on Juneau's flora and fauna. Tour prices range from \$42 to \$57, depending on the cruise line, for trips exclusively to the gardens. Tours combined with other activities can cost more than \$100. Ninety-nine percent of visitors to Glacier Gardens were cruise passengers who went to the Mendenhall Glacier on the same tour.

We have also included in this category the **Mount Roberts Tramway**. This 2,000-foot lift takes visitors from Franklin Street near the cruise dock part way up Mount Roberts for views of Gastineau Channel, Douglas Island, and the surrounding area. There are ample opportunities for hiking from the top of the tram, although most cruise passengers remain relatively close to the terminal, which includes a restaurant and gift shop.

It is difficult to assess the amount of revenue generated by these city tours because of the number of companies involved and the many different tour combinations offered. Revenue generated by the salmon hatchery is a subset of the revenue generated by tours that include the Mendenhall Glacier since all cruise ship-based hatchery tours include the glacier, and 95% of hatchery

visitors are cruise passengers. Similarly, at least 85% of visitors to Glacier Gardens can also be assumed to have gone to the Mendenhall Glacier. The Mount Roberts Tramway is not combined with other tours except for a small portion of people (less than 4,000) that participated in a tram and trek tour run by a company in the adventure category. Therefore revenue from Mount Roberts can be added without double counting.

Using estimates based on average tour prices and visitors per season, tours associated with the Mendenhall Glacier, Glacier Gardens, or Mt. Roberts Tramway generated almost \$31 million in 2005⁶ paid by 560,000 people⁷. Not included in this figure is the revenue associated with over 9,000 visitors who arrive at the visitor center independently.

4.4 Adventure

Eight companies in Juneau offer active adventure tours that include rainforest zip lines, guided hiking, kayaking, cycling, canoeing, rafting, and glacier trekking. Most of these are part-day tours targeting cruise passengers, but two companies offer overnight and multi-day trips that go farther afield. Five of the eight companies have contracts with large cruise lines.

We conducted interviews with representatives from seven of the eight companies. Together, these seven companies brought in an estimated \$10.8 million from about 80,000 customers.

The two zip line companies were new to Juneau in 2006. One is located at the old Treadwell Mine site and the other at Eaglecrest Ski Area. Both are on Douglas Island, and guests are transported by van to the base of the zip line course. One of these companies is associated with the Ketchikan zip line, has a cruise line contract, and takes a higher volume of clients. The other is a smaller operation that takes mostly independent travelers. Both appeared to be doing well in their fledgling year.

Two companies offer guided hiking on local coastal and forest trails, as well as from the top of the Mount Roberts tramway. The first offers five tour options, two of which include a whale watching portion by boat. These are ‘soft’ adventure tours that provide some physical exertion but are directed at the average visitor. A second company offers glacier trekking, ice climbing, kayaking, and helicopter camping among other activities. This company provides customized and more intensive trips based on client interest and ability.

Three companies offer various forms of water recreation. One runs canoeing and rafting trips on Mendenhall Lake and Mendenhall River, and kayaking trips off the shore of North Douglas Island. This company has between 70 and 80 employees at any given time during the tourist season, and over 90% of their customers are cruise passengers who prebooked the tour aboard

⁶ The average taxi ride to the glacier costs approximately \$30 each way, and taxi tours to the glacier are typically one to two hours, and cost between \$55 and \$110 for the vehicle. This figure was calculated assuming the average shuttle is \$15 per person, the average taxi is \$20 per person, and the average cruise ship-based tour involving the Mendenhall is conservatively estimated at \$120.

⁷ It should be noted, however, that many of the people that went to the Mendenhall Glacier also went up the tram as a separately purchased activity. The combined number of people cited here is the number of tours people took, not the total number of people.

the ship. A second company takes only independent travelers, mostly on three to nine day trips that involve wilderness camping, hiking, and kayaking. Some of these trips visit the Pack Creek bear viewing area on Admiralty Island, Glacier Bay National Park, and the prominent whale viewing area of Point Adolphus on Icy Straight. Several of these trips begin or end in Haines or Gustavus. The third company provides kayak rentals, boat rentals, water taxi services, and whale watching tours. Water taxi rates range from \$110 to \$150 per hour. Most drop-offs are to U.S. Forest Service cabins or lighthouses within one hour of Juneau. Most kayak and boat rentals are for one-day trips.

Another company offers guided bike rides with an option of three tours, prebooked on the cruise ship. They range from 3.5 to 5.5 hours and include the mountain road to Eaglecrest ski area or by the Mendenhall Glacier.

4.5 Marine charters

Whale watching

A variety of whale-watching tours depart daily from Juneau and Auke Bay. Three companies capture most of the business. Two are large operations with tours in multiple ports. The third is local to Juneau. All three offer part-day tours, and two include other options such as a stop at the Mendenhall Glacier or a salmon bake at a lodge accessed from the whale-watching boat. Combined, these three companies take over 185,000 clients and generate \$21.5 to \$25.5 million per year.

Five medium-sized operators in Juneau were interviewed that each takes between 600 and 8,000 clients on whale-watching trips per season. For most of these companies, whale watching is one of several activities they offer – three also offered sport fishing and one operated a bus service to and from the Mendenhall Glacier. These five operators took a combined 15,000 to 21,000 passengers and generated \$1.6 to \$2.3 million from the whale watching portion of their business.

Additionally, a tour boat runs to Juneau from Haines and Skagway, spending several hours in Juneau for visitors to see the Mendenhall Glacier and downtown before cruising back. While the tour has several components, it prominently advertises whale watching opportunities along Lynn Canal. This tour boat takes several thousand people per year, and the revenue is included in the estimated total whale watching figures described below.

It is difficult to accurately report the total whale watching revenue in Juneau because many small (one-boat/one-captain) sport fishing charters also do whale-watching tours. These generally cost between \$110 and \$140 per person and carry four to six people. Because not all of the small sport fish charter operators could be contacted, it is not possible to provide an accurate count of whale-watching trips. Total whale-watching revenue is likely over \$30 million with over 215,000 clients per summer.

Additionally, it is important to note that whale watching is incorporated into many sport fish charters, by virtue of the setting around Juneau. Humpbacks are commonly seen within close proximity to Auke Bay and on the way to sport fishing grounds, and captains will commonly

attempt to let their customers observe the whales if they express interest or have finished fishing for the day.

According to the observations made by business owners, whale watching business appears to be on the rise. While this may be due to an increase in visitor interest, it is also a consequence of increased marketing. Operators noted a marked shift in the sector since the two largest operators entered the market. The high volume capacity of these companies has caused smaller operations to shift away from whale watching and toward sport fishing or sometimes multi-day sightseeing charters.

Sport fishing

Fifty-three entities in Juneau possessed charter sport fishing permits from the Alaska Department of Fish and Game in 2005. They encompassed a wide range of company types and sizes – from large-scale sport fishing brokers, to “Mom and Pop” bed and breakfasts with a fishing boat, to full time sport fish charter operators. Some were multi-day yacht charter operators, fishing lodges, or wildlife viewing operations that offered fishing on the side. It should be noted that not all of these permit holders were taking clients. It was widely suggested that some companies applied for permits mostly for the tax write-off, or to establish a history of business in the event of limited entry regulations in the future. These companies may make only one or two “commercial sport charter” trips per year, often just with friends or relatives, and do not operate as a true charter business. While ADF&G shows 45 “active” entities that took clients out for at least one day, around 40% of these may not actually be “active” in the sense that they advertise and earn money from sport fish charters. Five of the 45 operators were known by the field researcher to be charter yachts or sightseeing businesses that did not advertise sport fishing. According to a local sport charter guide whose family had been in the business for 15 years, about 40 sport fish charters operated out of Juneau but only about 12 depended on charter sport fishing for 100% of their summertime work.

Four entities act as sport fishing brokers in Juneau. Two of them split most of the cruise ship prebooked passengers, each working with different cruise lines. A third broker is a cooperative of nine higher-end boats, and a fourth mainly books its own business but contracts out when it becomes overbooked. One of the larger brokers, who has been in business over 20 years, has 15 to 20 captains that work exclusively for the brokerage, and an additional five to ten captains who can be called when there is additional demand.

The cost of a typical four-hour sport fishing trip, popular among cruise passengers, ranges from \$199 to \$249. The standard cruise commission is 25-35%. According to a charter guide in the industry, a typical revenue breakdown works something like this:

- Cruise ship takes around 30% of gross price (differs slightly by cruise line)
- Captain takes around \$88 per person
- Broker takes the rest

A full day of salmon and halibut fishing generally costs between \$250 and \$300 per person, with halibut trips slightly more expensive than salmon trips. These are eight to ten hours in length and are not tailored for cruise passengers, thus avoiding the commission paid to the cruise line.

“High season” runs about 100 days in the middle of the summer when charter captains maximize business to the greatest extent possible. Captains who do not work exclusively with brokers may alternate between four hour trips with cruise passengers, full-day trips for halibut, contracted day trips for lodges, or providing lightering transport services to yachts. Acting as a captain for a bed and breakfast is considered a good job because there is only one commission taken instead of two (cruise passengers’ money goes to both the broker and the cruise industry). During the middle of summer season, the full-time captains may take two to four trips a day, five days a week. A typical day for a captain working exclusively for a broker might entail a morning four-hour fishing trip, a noontime two-hour whale watching trip, and an afternoon four-hour fishing trip.

There are many captains who work in a wide variety of capacities, both independently and through brokers. As a result it is difficult to estimate the total number of visitors taking sport fishing trips. Most captains generated from \$50,000 to \$70,000 of revenue, depending on numbers of clients and price per person. These figures are amounts paid by customers, from which commissions must be removed to arrive at revenue to the charter business itself.

A total of 104 captains turned in activated logbooks to ADF&G in 2005. Based on our interviews with captains, we assume that 70% of these did day charters, divided roughly in half between half day and full day charters, with each captain taking approximately 450 visitors out each year. This results in an estimate of approximately 29,000 visitors going on day charter trips and generating \$7.4 million in revenue.

Six fishing lodges in the Juneau vicinity offer all-inclusive packages. Prices run from \$400 to \$500 per day/night. Operators of these lodges declined to be interviewed. We assume for the purpose of this study that their revenue is similar to that in Sitka, resulting in 3,400 clients generating \$9.4 million.

Three companies offer stream fishing. Two are fly-out fishing with float planes, and one is skiff-based. One of the companies used to be primarily fly-fishing but now uses the plane predominately for bear viewing at Pack Creek and other locations. Together, the three companies took 3,500 people in 2005, generating \$1.2 million. This amount includes the bear viewing trips just mentioned.

4.6 Tracy arm

The Tracy Arm-Ford’s Terror Wilderness is located about 50 miles southeast of Juneau off Stephens Passage and is a highly advertised attraction for people visiting Juneau. Tracy and Endicott Arms are long, narrow fjords, with steep granite walls and calving tidewater glaciers. This mystical area is often strewn with floating icebergs and is a prime location for scenic boat tours. Three tour boat companies offer excursions to Tracy Arm on a consistent basis, running two, four and seven days a week respectively. These full-day tours leave the dock at about 8:00 a.m. and return at about 5:00 p.m. As a result, this tour does not fit the usual cruise passenger schedule. Consequently, this tour takes more independent travelers than perhaps any other commercial tour in Juneau. One company has found a way to tap into the cruise market by picking up clients directly from the cruise ship as they pass the mouth of the arm on their way to Juneau. This company consequently takes only cruise passengers. Altogether, 15,850 people

visited Tracy Arm with these three companies, generating an estimated \$2.15 million in revenue. None of the clients get off the boat at any point during these tours.

The Tracy Arm area is also a popular destination for smaller boat operators, charter yachts, private yachts, kayakers, and other wilderness enthusiasts. These visitors are harder to count and track, as their use is inconsistent and dispersed. Several small higher-end marine tour operators also noted during interviews that they might take clients into Tracy Arm once or twice per season. Consequently, the revenue described above does not capture the full economic impact of Tracy Arm. It is also important to note that several cruise ships now sail into Tracy Arm as part of the cruise. This itinerary is new within the last several years. We have not included any cruise ship revenue attributable to Tracy Arm in our revenue calculations.

4.7 Pack Creek bear viewing

Pack Creek is a world-renowned bear viewing sight located on Admiralty Island about 30 miles south of Juneau. The estuary around the mouth of the creek attracts a high concentration of brown bears during the summer months when the salmon make their annual run up the river. Pack Creek is managed by the U.S. Forest Service during bear season to preserve the wildlife and wilderness values. It has a smaller number of bears in a smaller area than other famous sites such as Brooks Camp at Katmai National Park. However, visitors are able to have a unique wilderness experience with few other people, as the area is carefully managed from June 1 through September 10. About 1,200 to 1,300 people per season visit during this time period.

During the July 5 to Aug 25 peak season when most of the bears are present, 24 people per day area allowed to enter the area. Twelve spaces are reserved for visitors guided by one of four companies, and 12 are reserved for unguided visitors. Only one company can have clients on the ground at any given time. During the shoulder season, June 1 to July 4 and August 26 to September 10, an average of five to ten people visit Pack Creek per day, and occasionally as many as 30 to 40 people visit.

Pack Creek is about a 30-minute flight from Juneau and 85% to 95% of visitors fly out with one of the Juneau-based float plane companies. The remaining 10% to 15% come in kayaks or yachts. Most people stay only a few hours as there are no campsites near Pack Creek.

Of the four companies that are permitted to bring customers during peak season, one brings almost half of all customers as part of one-day or three-day guided kayaking trips, paddling over from Windfall Island. A fly-out fishing company brings the second highest number of clients, and two charter yacht companies show up every few weeks on one of their seven- to ten-day yacht trips. In 2005, these four companies brought slightly more than 500 clients to Pack Creek, most during peak season, generating an estimated \$525,000.⁸

⁸ The full seven day yacht trip is included in these figures even though guests only stayed one day at Pack Creek. It is difficult to parse out the fraction of the trip attributable to bear viewing. While bear viewing is for a limited part of the trip, it is the sole reason why many of the clients book the trip.

Approximately 120 guided visitors came during shoulder season with other nature-based tourism companies. Assuming the average cost of the trip was the average of the prices for the four permitted companies (around \$1,030), this group generated \$124,000.

Of the 605 non-guided visitors arriving at Pack Creek, 73% or 443 people came by plane. Prices of flights vary depending on group size and plane size, but using Forest Service and company estimates, almost \$100,000 was spent on flights for unguided visitors in 2005. Of the 443 non-guided guests, 146 arrived by private boat, and 16 arrived by kayak. Estimates were not calculated for the revenue generated by these private boaters and independent kayakers.

While it is not possible to calculate an accurate total amount of tourism revenue generated by Pack Creek, it is likely that \$750,000 of revenue is generated from guided trips and transportation alone. The U.S. Forest Service took in an additional \$41,820 in Pack Creek permit fees in 2005. Demand for visits to the area continues to outpace available capacity, especially during peak times.

4.8 Hunting

There are only two active hunting guides based in Juneau. A third is part-time and two more have recently ended their business and are not operating in 2006. It appears that more hunting guides are based in and registered in Sitka, various parts of Chichagof Island, Gustavus, Admiralty Island, and other parts of Southeast Alaska. The two active guides are skiff-based and most of their hunting takes place in areas far from Juneau. Targeted animals include brown bear, black bear, deer, and goat. One of the guides offers sightseeing, fishing, and photography trips as well. We have combined the figures for revenue per year and clients per year with Sitka data and included the total in the Sitka section in order to protect proprietary information. Both guides observed at least a slight increase in hunting interest in recent years. One believed it was due to increased marketing.

4.9 Unguided independent travelers

A significant number of unguided independent travelers make their way through Juneau enroute to hiking, kayaking, boating, hunting, wildlife viewing, and other outdoor pursuits. This market segment is inherently more difficult to track because activities are dispersed and do not follow set patterns. In addition, these travelers often do things with friends and family and consequently blend in as residents that are difficult for businesses to discern or identify. In this section we provide some general impressions of this market segment.

Independent travelers usually arrive by commercial jet aircraft or by ferry on the Alaska Marine Highway. The Juneau Visitors Bureau estimated 72,000 visitors arrived by air between May and September of 2005. While not all of these can be assumed to be coming for primarily nature-based reasons, it is likely that most participated in some kind of nature-based activity such as going up the Mount Roberts Tramway, or out to the Mendenhall Glacier.

Independent travelers also rent U.S. Forest Service cabins for outdoor trips. Nine cabins in the Juneau area are available for rent on a nightly basis, and a total of 154 cabins are listed on the

Tongass National Forest. Rental rates run between \$25 and \$45 per night depending on location and demand. While the U.S. Forest Service has annual statistics on cabin occupancy, local residents indicated the data did not reflect an accurate count. Forest Service records showed 1,164 occupied nights in 2004. The records included a note that the 2003 and 2004 seasons had “record warm winter like FY02 with the least amount of snowfall for some time which may have contributed to low wintertime use of all Juneau road system cabins.” This information suggests that the cabins have received higher use in the past. Additionally, the recently-upgraded online reservation system was frustrating to users, who reported that unreserved nights appeared to be reserved so that people could not sign up. Others noted that people frequently stayed in open cabins without registering if they arrived and found them empty. Reports from community members suggested cabins were popular for both locals and out of town outdoor enthusiasts. It is possible that the figure of 1,164 occupied nights could be off by up to 50 percent.

Independent travelers also rented boats in Juneau to voyage on their own in Southeast Alaska waters. Two Juneau-based companies rented boats to about 275 groups in 2005. Trips typically lasted seven days in length. The average week-long rental cost between \$1,000 and \$2,000 depending on the size and quality of the boat.

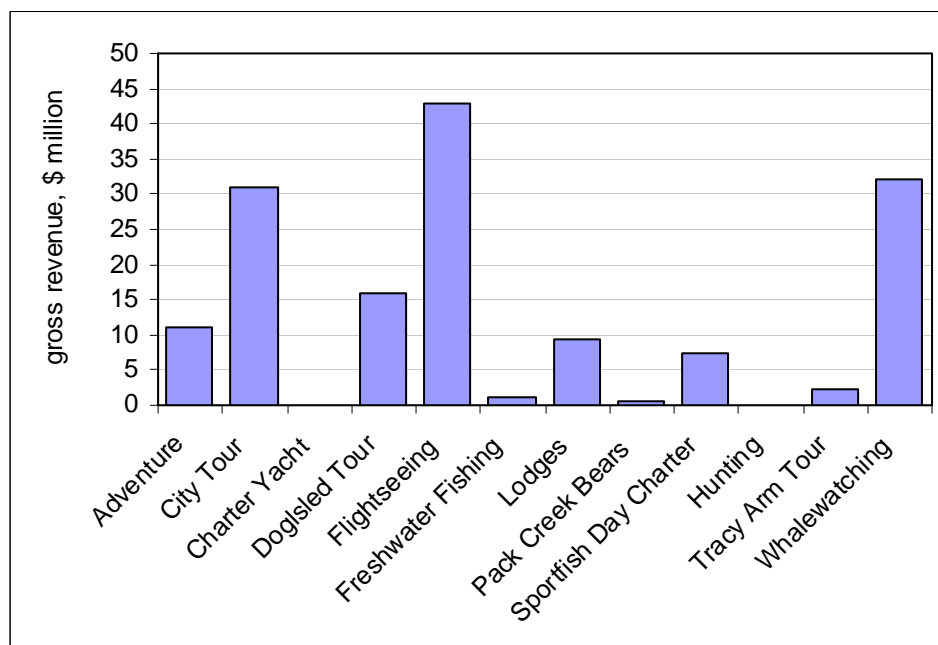
Visitors wanting to explore the Tongass National Forest without a boat often use air taxi services for drop-offs at cabins, lakes or inlets. Three air service companies based at the Juneau airport perform relatively frequent wilderness drop-offs, and two others do several drop-offs per season. Two companies often take hunters and fishers on their scheduled daily flights to communities such as Hoonah, Pelican, Angoon, and Elfin Cove, but they could not estimate what percentage of their business these types of clients comprised.

Table 3 and Figure 5 summarize the estimated revenue and visitor numbers for Juneau.

Table 3. Estimated gross revenue and number of visitors from nature-based tourism activities in Juneau, summer 2006

Community/Activity	Revenue (\$)	Visitors
Adventure	11,000,000	80,000
City Tours	31,000,000	560,000
Charter yachts	[included with Sitka]	
Dogsled Tours	16,000,000	31,000
Flightseeing	43,000,000	118,000
Freshwater/fly fishing	1,200,000	3,500
Lodges	9,400,000	3,400
Pack Creek Bear Viewing	525,000	510
Sportfishing Day Charters	7,440,000	29,000
Hunting	[included with Sitka]	
Tracy Arm Tours	2,150,000	16,000
Whalewatching	32,000,000	230,000
Juneau subtotal	153,715,000	1,071,410

Figure 5. Estimated revenue by activity from nature-based tourism activities in Juneau, summer 2006



4.10 Juneau data caveats

Adventure: Statistics in the section do not include revenue or client numbers for one of the eight adventure companies, who declined an interview. Additionally, one of the smaller adventure companies also generated part of its revenue from whale watching and water taxi services. This revenue, which was 30% or less of its total, is included in the adventure category figures.

Whale watching: The \$32 million figure for total whale watching revenue is an estimate based on the known large and small operators and the approximate number of sport fishing operators who do whale watching tours to augment their business. Clients on multiple-day yacht charters also spend substantial time whale watching, as do kayakers, and private yachters who often have guests. Revenue from these companies is tabulated in the “other” category and is not included here. It should also be noted that ferry travelers see whales on a frequent basis aboard the Alaska Marine Highway System ferries, and some visitors travel on the ferry exclusively for sightseeing.

Pack Creek: The Forest Service has precise data on the number of people on the ground at Pack Creek from the four companies permitted to come during peak season. This study refers to “estimates” because some of those people, counted by the Forest Service as visitors to the site, were actually company employees. We removed the estimated or company-reported number of employee visits from the total numbers per season provided by the Forest Service in order to calculate total visitors and visitor revenue. In addition, one of the four permitted companies had two Pack Creek package options. The price of those tours was averaged to get the cost per person per trip for that company.

Hunting: Other hunters may come into the Juneau Ranger District infrequently. That revenue is not included here. Data collected from the two operating hunting guides were aggregated with Sitka data to protect proprietary information.

General caveats: This study focused on commercial excursions. Revenue associated with non-guided activities is another important part of the tourism economy, but not captured in this study. Some examples include lodging, rental cars, groceries and supplies for trips, etc. Because we have made no attempt to estimate these revenues, our reported total is an underestimate of actual tourism revenue associated with Juneau.

5. Sitka

Data for Sitka was collected during summer 2006. Sitka is located on the western coast of Baranof Island, 95 air miles southwest of Juneau. The community has a year-round population of 8,950 (2005), of which 25% is Alaska Native. Sitka attracts visitors from around the globe with its unique combination of natural, cultural, and historic qualities. Sitting on the edge of Sitka Sound and the Tongass National Forest, Sitka provides immediate access to some of the most prosperous fishing grounds in the world as well as boating, hiking, camping, hunting, and almost unlimited wilderness opportunities.

Sitka is less dominated by large cruise ships than the other coastal communities, and a higher share of its visitors are independent travelers. Multi-day fishing packages are popular, as are guided and unguided kayaking and hunting. Cruise passengers are still the most visible sign of tourism, with three large ships on Wednesdays, one or two more during other weekdays, and no large ships on weekends. Because there is no deepwater dock in town, ships drop anchor offshore and passengers are lightered in on 120-person-capacity vessels.⁹ Due to the absence of the cruise ships towering over the waterfront, the lower overall number of cruise visitors, and the slower rate at which they arrive onshore, Sitka offers a small-community atmosphere. Cruise visitors and independent travelers alike frequently noted that “Sitka feels like a real town,” or words to that effect.

Tourism is only one portion of Sitka’s diverse economy. Other important sectors in 2006 included health and social services, government, services, seafood, tourism, and education. After watching other Southeast communities experience negative impacts of unchecked tourism growth, Sitka residents realized the need to involve the whole community early on in the process of tourism planning and development. In 2006, the community started the Sitka Collaborative Tourism Project. Comprised of a steering committee and a stakeholder group open to all citizens, participants set out on a course to “create a plan for sustainable tourism development that maintains Sitkans’ quality of life, recognizing characteristics that make Sitka attractive to both residents and visitors.” As of summer 2006, meetings were being held twice per month with an emphasis on consensus and dialogue instead of advocacy and coalitions.

⁹ The decision not to construct a cruise ship dock was a conscious and controversial decision by Sitka residents. The lack of a dock has effectively limited the number of cruise ships that visit Sitka.

5.1 Cruise industry

Approximately 267,000 cruise ship passengers were scheduled to arrive in Sitka in 2006. This number is substantially lower than the more than 900,000 cruise passengers who came to Juneau or Ketchikan. The average length of stay was 8 to 12 hours. Of the 340 total cruise ship stops, 121 were by small ships with fewer than 250 passengers. However, these small cruise ships brought only 4 percent of total cruise passengers, or 11,716 visitors.

Nineteen shore excursion tours were available for prebooking on the large cruise lines. Cruise line shore excursion managers indicated that 45 to 50 percent of the passengers prebooked tours, fewer than in Ketchikan, Juneau and Skagway. This was assumed to be because of the smaller number of tours offered. Sitka is also the last stop for many ships, and passengers may have already spent their money on other excursions.

Sitka business owners indicated there was generally a 40 percent price mark-up for shore excursions when purchased through the cruise ship. This is slightly higher than the estimated 30 percent mark-up in Juneau.¹⁰ There is currently no cruise passenger head tax in Sitka, but cruise lines are charged lightering fees for bringing their passengers to shore. In 2006, the fee was \$660 per ship per day, paid to the City and Borough of Sitka, totaling around \$225,000 in 2006. These monies are used to maintain infrastructure and services provided to visiting cruise ships and passengers.

5.2 Adventure

Five companies offer adventure-type activities that include snorkeling, kayaking, biking, hiking, and ATV riding on nearby Kruzof Island. Cruise passengers constitute almost 100 percent of these businesses' clientele. Four of the five companies had contracts with large cruise lines and the fifth had a contract with a small cruise line. Three of these contracts were new in 2006, and participation levels were reportedly up from the previous year.

Drysuit snorkeling takes place around Love Island and Magic Island, accessed from the road system, and clients are provided drysuits for the 45 to 60 minute snorkel. The same company also offers dive instruction courses and guided dives. These diving activities are day-long or multi-day and are more common in winter months because of better underwater visibility.

Guided kayaking is offered by two companies. One exclusively operates tours designed for cruise passengers, taking clients by boat to a floating base camp off a nearby island for 1.5 hours of paddling. These tours cost between \$105 and \$110 depending on the cruise line. The other company offers more customized trips lasting several hours, a full-day, or several days, as well as kayak rentals and drop-offs. Tours start at \$60 and depart directly from Crescent Harbor in downtown Sitka.

Guided rainforest hikes, bike rides, and bird walks are offered by a fourth company. During the tour, visitors are educated in natural history, indigenous plants and animals, and other cultural

¹⁰ This information was obtained through interviews. However companies did not disclose the specifics of cruise line contracts due to stiff competition and these estimates cannot be confirmed.

and historic aspects of Sitka. Hikes follow well-maintained trails at the end of the road north, and bike rides generally take place on the Green Lake and Blue Lake roads south of town.

The ATV tour, advertised as the “4x4 Wilderness Adventure,” transports clients to Kruzof Island by boat for ATV riding on logging roads. This tour was new in 2006 and was reportedly achieving business success. The employee interviewed noted that the company planned to apply for more special use permits from the U.S. Forest Service since they would likely exceed their quota of clients before the end of the season. This company also owns and operates the Sea Life Submersible Tour described below in the marine wildlife section.

An estimated 16,000 to 18,000 people took part in adventure tours with these five companies in the course of the 2006 season, generating between \$1.7 and \$1.85 million in gross revenue.

It should also be noted that the statistics in this section represent guided adventures only. Sitka also attracts a significant number of independent travelers seeking kayaking, hiking, and other wilderness pursuits. However, due to limited resources, we were not able to generate accurate data on visitor counts or expenditures by these independent travelers.

Two other local entities provide visitors with ways to get outdoors. Sitka Trailworks, a nonprofit organization committed to improving the overall health of the community through the development, maintenance and promotion of a comprehensive trail system, is preparing to lead guided hikes in the Sitka area. Their activities were not quite up and running in 2006 but volunteer students took about 20 visitors on local trails when inquiries were made. The group planned to guide more hikes in 2007 for a nominal fee.

In addition, SEATrails is a community-run program encompassing 17 Southeast communities that provides visitors and residents with comprehensive information about hiking, biking, paddling, and SCUBA diving in the region. An interactive Web site highlights trails and opportunities around each community, promoting the “easy and enjoyable ways to experience Alaska's great outdoors.” This program won an award from the Alaska Recreation and Park Association in 2006.

5.3 City tours

Many people arriving in Sitka choose one of several road-based integrative tours, which include historical, cultural, and natural elements. Many of the tours include the Sitka National Historic Park, Sitka Raptor Center, or salmon hatchery and present some sort of natural history interpretation. They also provide narration while traveling along parts of Sitka’s 15-mile road system, sometimes stopping along the way at scenic lookouts or active eagles’ nests. In addition, many also include Russian dancing, Native dancing, and walking tours of some of Sitka’s most historic buildings. Data from this section reflect only those tours that include some sort of nature-based element.

Five prominent companies run these multifaceted tours. Two are large entities that together employ more than 90 people during the tourist season. Both have contracts with cruise lines and the majority of their business is prebooked on the ship. These two companies are very visible

around town with white vans or buses. Tours range in length from one hour to three and a half hours. Another medium-sized company focuses on wildlife viewing from the road system, and operates two-hour tours with several 14-passenger vans. Passengers are booked on the dock or over the Internet. Two smaller operations also run city tours in minivans, sometimes going up Harbor Mountain or taking visitors into the Sitka National Historic Park. One of the two larger companies provided only limited data. Assuming this company operated similarly to the others, the businesses described in this section took an estimated 97,000 clients and generated over \$8.2 million. Descriptions of two of the highlights are included below.

The **Sitka National Historic Park** is perhaps Sitka's most visited attraction. Alaska's oldest federally designated park was established in 1910 to commemorate the 1804 Battle of Sitka. All that remains of this last major conflict between Europeans and Alaska Natives is the site of the Tlingit Fort and battlefield.¹¹ The Park Service estimated that more than 133,000 people used the Historic Park trails between May and September of 2005.¹² Just over 1,400 tour groups stopped there, comprising over 54,000 people.¹³ Inside the 113-acre park Tlingit totem poles highlight the canopied trails, which wind through a diverse ecosystem including temperate rainforest, open meadow, estuary, an anadromous river, and marine intertidal shoreline. Several interpretive signs along the way offer natural and cultural history, and a visitor center is stationed near the entrance. Tours through the park capture the Tlingits' inseparable connections to nature. In addition to those on the many guided tours, thousands of independent travelers take time to wander through the park as well.

The **Sitka Raptor Center** is another much-visited attraction in Sitka. The facility accepts injured birds from all over Southeast Alaska and provides bird treatment and rehabilitation, as well as public education. The center is also home to 25 to 30 resident birds that cannot be released and are available for viewing. Visitors witness up-close presentations with raptors on the shoulder of a handler, explore the museum, and observe recovering birds in covered flyways and forested outdoor enclosures. During the 2005 tourist season, 44,000 people visited the center. It is difficult to attach a revenue dollar value to this activity as 75 % of visitors came on a tour that included other stops, and the revenue from those tours is reflected in the overall city tour numbers. However, independent travelers arriving on their own pay \$12 each. If all visitors paid just the \$12, the Raptor Center would generate \$528,000. Half of the visitors to the center come with the largest city tour company, whose tours cost between \$51 and \$129 per person. Conservatively estimating \$75 per person for the 33,000 visitors on cruise tours, and \$12 per person for the remaining 11,000, the Raptor Center is associated with \$2.6 million in tour revenue.

5.4 Sport fishing

Sitka is a fishing mecca. Almost 600 residents hold commercial fishing permits, and the ADF&G showed 214 registered saltwater charter sport fishing guides in 2005. The City and Borough of Sitka operates five small boat harbors with 1,350 stalls, making Sitka the largest harbor in

¹¹ www.nps.gov/sitk/

¹² This includes local people in addition to visitors.

¹³ The statistics use monthly 2006 data published by the NPS, except for September which was not yet available at the time of publishing. A 4-yr average is used for the September total.

Alaska. Fully 73% of summer visitors who arrived by air went fishing. Of those, 86% went on charters and 14% were unguided (McDowell Group, Alaska Travelers Survey Summer 2005).

As a result, it is not surprising that charter sport fishing encompasses the most operators and generates the most revenue of all the nature-based activities in Sitka. In 2005, 100 companies turned in a logbook to the Alaska Department of Fish and Game indicating that they took charter clients out for at least one day. However, not all of these are actually charter operators, for the same reasons described in the Juneau section. Determining precisely who was operating and how many clients they took in the course of a season is difficult due to the long listing of charters and the fact that many captains assume multiple roles within the sector. Some work solely as independent day-trip fishing guides, while others work exclusively for lodges or charter brokers. Still others contract partially with lodges or charter brokers while also booking their own clients, and some provide lightering services to large yachts. Most use several of these avenues to generate work. Since so many captains work in multiple capacities, the licensed ADF&G permittee list was not definitive for figuring out how many companies were operating, as there was undoubtedly overlap between boats and captains, and a name might appear for a captain who had a permit for his own charter business but worked 100% of the time for a lodge.

Most charter trips could be broken into one of two categories: four-hour fishing trips and multi-day all-inclusive fishing packages offered by lodges or charter operators.

Four-hour fishing

Because of their limited time in port, most cruise passengers interested in fishing opt for a four-hour salmon fishing trip.¹⁴ The majority of cruise passengers' fishing trips are arranged through one of two brokers – one arranges advance bookings through the cruise line and the other books directly with cruise passengers. The brokers each work with 10 to 20 captains with little overlap. Prices advertised on the cruise ship for a four-hour trip range from \$189 to \$194, while the price was \$165 through the independent broker. The average group size in Sitka is four people per boat.

Approximately 1,500 people went on half-day trips arranged through brokers, generating over \$270,000 in revenue. However, there are also many operators that get part or all of their business without a broker. Long-time Sitka locals involved in the industry identified about 28 active companies on an ADFG list that offered day trips.

Average prices for fishing trips booked directly with the captains were reported to be around \$125 for a half day of fishing and \$250 to \$300 for a full day. The \$300 price usually involved halibut fishing. Eight day-trip captains were interviewed, many of whom did two four-hour trips per day during peak season or sometimes contracted with brokers or lodges for full-day trips. These captains averaged around 425 clients per season, generating \$80,000 per captain.¹⁵ This revenue figure is based on calculations made by multiplying the number of people by the advertised price, and commissions have not been removed. We estimate that day fishing charters are the predominant product for approximately one third of the 214 registered guides. This

¹⁴ Six-hour trips were also offered but were less popular.

¹⁵ This may be higher than the average number of clients per boat captain in Sitka, as the boats were lined up along the Crescent Harbor dock most mornings when the cruise passengers were coming in.

estimate results in an estimated \$5.7 million in revenue in this portion of the sport fishing market.

Multi-day packages

Approximately 32 operators provide multi-day fishing packages that include lodging and meals. About 20 of these are advertised as “fishing lodges,” or are in the home of the charter operator with bed and breakfast services. Some are located slightly out of town along the road system or within a short skiff ride. The rest put their clients up in one of the downtown hotels or a local bed and breakfast. These Sitka sport fish operators discovered a creative way to package a more lucrative multiple day package without the hefty capital investment in a lodge structure that is used only seasonally. Several of the operators offer choices between staying in their home or at a hotel.

Packages usually involve three or four days of fishing and four or five nights of lodging. A day of fishing generally includes ten hours on the water and seven hours of rod time, leaving the dock at 5:00 or 6:00 in the morning and returning around 3:00 or 4:00 in the afternoon. Virtually all captains reported taking four clients per boat. One of the sport fishing brokers provided package deals by booking trips with local captains and putting clients up in one of four hotels in town. The five-night, four-day option ranged between \$1,700 and \$1,900 for double occupancy depending on the particular hotel. These packages did not include breakfast or dinner.

We interviewed representatives of eight fishing lodges that provided all-inclusive packages including all meals. These trips were generally three to four days in duration but occasionally lasted as long as six days. Prices averaged \$2,400 per person, and the lodges averaged 500 to 600 people per season. Assuming the 32 multiple-day package providers each had a conservative 450 clients per season at this average price, multi-day package fishing generated over \$34.5 million in revenue with 14,400 clients, not including the fishing/hotel packages set up by brokers.¹⁶ (The seven lodges that were interviewed and provided revenue data brought in a combined \$9.4 million with 3,400 clients.)

Sitka has a Charter Boat Operators Association (SCBOA) with about 50 members, representing about 35 sport fish charter companies and lodges. The members join to help play an active role in the politics of the sector, and agree to pay the \$200 annual fee. Not all companies have chosen to be members. In addition to being a major sport fishing port, Sitka is also home to Southeast Alaska’s largest commercial fleet and major seafood processors. As is the case with most Alaska fisheries, this situation results in allocation conflicts and tensions between the sport fish charter and commercial fishing fleets.

Operators had different perceptions of recent changes in the sport fish charter market. Some thought visitor interest in sport fishing had increased, while others said operators were constantly leaving and entering the market while overall demand remained relatively constant. Many of the operators advertised a variety of services on their Web sites, such as water taxi services, wilderness drop-offs, wildlife viewing, and various types of multi-day trips, but in actuality ended up doing only fishing day trips. The season’s weather made a difference in year to year

¹⁶ This is only an estimate. The lodges that were not interviewed most likely had a range of capacities and the accuracy of this estimate cannot be confirmed.

revenue for those operators not serving prebooked cruise passengers. The summer of 2006 was deemed to be a particularly wet year, and revenue for independent operators was down.

The sport fishing charter industry also generates other revenue that should be noted. Fish processing fees were usually included in lodge packages for the first 100 pounds, but clients buying half-day trips and fishing/hotel packages were usually charged an additional sum. Several places around town charged \$1.90 per pound and processing at the dock was \$2.50 per pound. Shipping the fish home usually cost additional money. Several operators noted that by the time the tourists got their fish to their freezer, its total “production cost” was about \$100 per pound when taking into consideration the airfare, lodging, fishing charter, processing, and shipping. Data collected during this study were insufficient to accurately calculate total revenue from shipping and processing in Sitka.

5.5 Marine charter wildlife viewing/sightseeing

The abundant marine wildlife of Sitka Sound creates ample opportunities for wildlife viewing. Humpback whales use the area as a feeding ground and whale sightings are almost guaranteed on tour boats. Other animals commonly sighted include sea lions, porpoises, sea otters, harbor seals, and a wide variety of birds. St. Lazaria, a small volcanic island near Kruzof, is a popular tour boat attraction. As part of the Alaska Maritime National Wildlife Refuge, it has cliffs, caves, and intertidal areas that provide habitat for thousands of birds.

Several wildlife viewing tours depart daily from the Sitka harbor. The vast majority of clients go with a large company active in three Southeast cruise ports. This company owns and operates 14 vessels in Sitka with capacities ranging from 6 to 100 people, and offers four main tours ranging in price from \$50 to \$184 depending on the tour and the cruise line. One tour is operated in tandem with one of the city tours and includes a land-based cultural segment.

This single company takes the vast majority of marine wildlife viewing business, and visitors book this tour through their cruise line. Other one-boat/one-captain operations obtain clients by holding a sign at the dock or making arrangements in advance through their Web site. Three of these small operators focus almost exclusively on wildlife and sightseeing. In addition, some of the sport fish charter operators also advertise wildlife viewing trips. Several operators indicated that they used to book these trips more often until the large multiple-boat operator expanded to Sitka. The independent Sitka sport fish broker will also book wildlife viewing trips.

Another unique wildlife tour is the Sea Life Submersible tour where passengers board a glass-bottom boat and explore the ocean floor and marine life as the vessel moves over shallow water. This tour is run by the same company as the 4 x 4 Adventure Tour, and tickets are booked in advance aboard cruise ships.

Since we were not able to contact all of the individual sport fish charter operators, it is difficult to accurately estimate the total number of visitors engaging in marine sightseeing and wildlife viewing activities out of Sitka. However, between the large marine sightseeing company, the submersible tour, and the three wildlife-focused small operators, an estimated \$6.2 million was spent by approximately 54,000 clients. This does not include the wildlife viewing trips taken with predominantly sport fish guides.

One major wildlife viewing event that does not coincide with the regular tourist season is the Sitka Whale Fest, taking place each November. This international event attracts scientists and whale enthusiasts from around the globe with speakers, presentations, and whale watching excursions. In 2005, 69 visitors arrived from out of town to attend the activities, with 19 coming from out of state. They stayed in Sitka an average of five to six days, lodging in town, eating in local restaurants and purchasing gifts and other incidental goods and services. The festival generates revenue in Sitka at a time when typical visitor traffic is low.

5.6 Hunting

Eleven registered hunting guides operate out of Sitka using special use permits issued by the U.S. Forest Service. These guides each took between 4 and 43 clients during the course of the 2006 season in pursuit of black bear, brown bear, mountain goat, Sitka black-tailed deer, wolf, and waterfowl. Prices were provided by four of the guides and averages were applied to the other companies to estimate revenue. In addition, the two active hunting guides based in Juneau are included in this section to protect their proprietary information. Together, these 13 businesses generated an estimated \$1.5 million from 308 clients. The most expensive trips were brown bear hunting trips, which cost around \$12,000 per person and last up to 10 days or until the hunt is successful. This activity generated \$607,000 with 51 clients. An additional \$376,000 was generated from 85 clients hunting black bear.¹⁷

Not included in these revenue numbers are the tag and license fees purchased by each hunting client from the Alaska Department of Fish and Game. In 2006, hunting license fees for a U.S. citizens not residing in Alaska and for a non-U.S. citizen were \$85 and \$300, respectively. The cost of hunting tags varied by animal. Tags cost \$500 per person for brown bear, \$225 for black bear, \$300 for mountain goat, \$150 for deer, and \$30 for wolf, irrespective of the success of the hunt.¹⁸

Almost all the hunting clients were transported in the guide's private boat, or dropped off by one of the two local air taxi services. Clients stayed on the live-aboard boat, returned to a lodge in the evening, or camped.

Because hunting season for most species does not run through the summer, some of the hunting guides advertised fishing and sightseeing trips during June, July, and August. Saltwater-only trips do not require a special use permit, and therefore not all of these trips are captured in the permit data. Because several guides advertised such trips, it is likely that revenue brought in by hunting guides is greater than the total estimated in this report.

According to one operator, the market for hunting in 2006 was excellent. He believed hunting peaked around 1995, dropped off, and then rebounded between 2003 and 2006. This particular

¹⁷ Data for most of the hunting guides was taken from FS special use permits. These permits are required for any guided commercial activity taking place on the forest above mean high tide. While data from special use permits was not reliable for fishing and other marine-based excursions, hunting is land based and all hunting guides were assumed to have obtained the proper permits and accurately reported their clients use.

¹⁸ The costs of tags are higher for foreign residents but most clients were U.S. residents.

operator indicated that he was booked through 2009. He guessed that interest was high because the only other place to hunt bears is Russia, and national marketing for hunting and sightseeing in Alaska had been extensive. His sightseeing trips were also fully booked through 2007.

5.7 Wilderness drop-offs

With the mountains, forest, and islands of the Tongass National Forest on all sides, Sitka is an ideal springboard for wilderness trips. We could not track all aspects of these dispersed activities and the associated revenue. However, several transportation support services were interviewed to estimate how much these parties spent to reach their destinations. Three local water taxis and two air taxis took approximately 3,200 people to wilderness destinations, generating \$570,000 to \$590,000 in revenue. These operators are described below. It should be noted that these figures capture only a portion of the total local economic impact of unguided wilderness recreationists, as parties likely also purchased food, supplies, lodging, and other incidental items in Sitka.

Water taxis

Most water-based wilderness drop-offs were done by one of three local water taxis with one boat/one captain operations. These three operators were well-known to be adept at getting kayaks and gear into tricky areas. Other sport fish charters also advertised water taxi services, but performed the work infrequently. Between 525 and 675 people were dropped off by the three primary water taxi companies on the Tongass National Forest during the course of the season. The average price for water taxi transport was \$140 per hour and most trips lasted one to five hours. One of the operators reported an average of four to five people per group, with an average stay in the outdoors of three to four days. Water taxi revenue is combined with air taxi revenue in the tables below.

Popular areas for wilderness drop-offs included Kruzof Island, home of the scenic Mount Edgecumbe volcano, and some of the 22 U.S. Forest Service cabins spread across the Sitka Ranger District. Some groups brought bicycles to ride on logging roads, or gear for fishing and hunting. West Chichagof Wilderness area on Chichagof Island to the north was a highly coveted destination, known for its world-class kayaking. However, its distance from Sitka, the exposed waters on the way, and the high price of fuel made it an expensive destination. A drop-off and pick-up at West Chichagof sometimes totaled \$2,000 per group, but people who made the trip reported it was well worth the cost.¹⁹

Air taxi services

Two pilots provide float plane service from Sitka to lakes and cabins around Baranof and Chichagof Islands. A third pilot operated exclusively flightseeing trips until leaving town in 2006. Like water taxis, air services went to U.S. Forest Service cabins and lakes to drop hunters, fishers, campers, and kayakers. One of the two pilots helped transport lodge guests, although it was a small fraction of his business. Sometimes water taxis would drop off kayakers in remote areas and pilots would transport the kayakers to meet them. One pilot reported a high percentage of one-day fly-out trips for stream fishing, deer hunting, and mountain goat hunting in the summer. Most flights were within a one-hour radius of Sitka.

¹⁹ A more detailed analysis of Chichagof Island trips and revenue can be found in the section 6 of this report. Revenue associated with Chichagof Island trips is reported in that section and is not included in totals reported in this Sitka section.

One of the pilots also offered flightseeing trips over the Sitka area. These were generally one hour in duration and cost \$139 per person. Tours could not be prebooked on the ship, but 80% of the clients were cruise passengers. The pilot reported decreased business both in flightseeing and wilderness drop-offs in recent years due to bad weather.

One operator noticed less use of the Tongass Forest for unguided recreational pursuits than there used to be, which he attributed to increased U.S. Forest Service restrictions on floatplane drop-offs. Also, a recent change in the reservation system for Forest Service cabins now requires signing up and paying online one week in advance. The operator felt this change had significantly cut down on use by locals who had routinely checked the weather on Thursday night before embarking on a weekend cabin trip. Discontent about the online cabin reservation system was also expressed by other operators in Juneau and Sitka, who indicated it did not run smoothly and was preventing people from using cabins. The Forest Service has stated its intent to close several cabins in the area due to low occupancy, but these locals felt that the low occupancy resulted from poor management.

5.8 Sitka data caveats

Sport fishing: Due to the large number of sport fish companies based in Sitka and the hectic tourist season, only a portion could be interviewed. The best opportunity to intercept these captains was early in the morning along the dock when they were waiting for clients – usually from the cruise ships. Thus, the boats that were interviewed were likely to be the ones that showed up the most frequently and potentially took a higher-than-average number of clients.

City tours: Both of the two larger city tour companies were interviewed, but only one provided estimates of total clients per tour. The second company was assumed to be similar to the first based on numbers of buses and employees, and tour types. However, this assumption cannot be verified. The two large companies dwarf the remaining city tour companies in terms of clients per season.

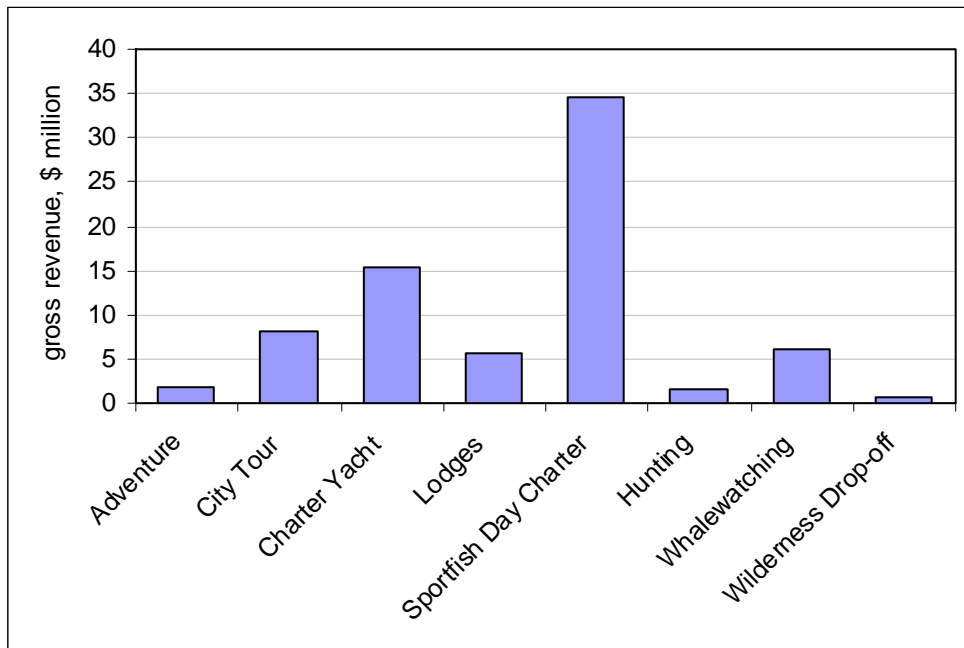
Hunting: While most tourism activities take place between May and September, it should be noted that hunting begins in the spring and extends into the fall and early winter. During these months, Sitka sees less tourism, and while hunters are usually out of town for consecutive days during their trip, their economic impact when they depart and return is helpful to the shoulder season economy.

Table 4. Estimated gross revenue and number of visitors from nature-based tourism activities in Sitka, summer 2006

Community/Activity	Revenue (\$)	Visitors
Sitka		
Adventure	1,850,000	18,000
City Tours	8,200,000	97,000
Charter Yachts other than to Chichagof	15,449,750	2,945
Lodges	5,649,600	32,000
Sportfishing Day Charters	34,500,000	14,400
Hunting (includes Juneau)	1,500,000	310
Whalewatching	6,200,000	54,000
Wilderness Drop-off	590,000	3,200
Sitka subtotal	73,939,350	221,855

Notes: 1. Charter yachts and hunting numbers include activity also associated with Juneau. To avoid double-counting all revenue is reported here. 2. City Tours includes tours to the Raptor Center and Sitka National Historic Park. These numbers are combined to protect proprietary data. 3. The wilderness drop-off category excludes drop-offs on Chichagof, for which revenue is reported in Section 7, below.

Figure 6. Estimated revenue by activity for nature-based tourism activities in Sitka, summer 2006



6. Northern Southeast Alaska Yachts

Yacht travel, in charter, private and rented yachts, constitutes a relatively new and growing part of Southeast Alaska tourism. The Inside Passage -- with its relatively calm waters, beautiful scenery, and abundant fish and wildlife -- is emerging as a primary location of this small but growing and lucrative niche within the Alaska tourism market.

6.1 Charter yachts

We gathered general information about 28 charter yacht companies operating 35 boats. Most trips range between six and ten days in length and include six to eight passengers. However, several vessels are equipped for up to 21 passengers. While a portion of the yachts make one-week trips between Juneau and Sitka, most trips are custom-designed to fit the desires and interests of the clients. Common activities include whale watching, fishing, sightseeing, wilderness hiking, and hot springs visits. Popular destinations include Chichagof and Baranof Islands, Icy Strait, Glacier Bay, and Misty Fjords. Most vessels are equipped with kayaks, binoculars, reference books, gourmet food, and a staff familiar with the natural environment of Southeast Alaska.

More specific data on number of visitors, packages offered and revenues were obtained for 21 companies representing 26 yachts. Incomplete data was also gathered for an additional 10 yachts known to operate in Southeast Alaska, and revenue calculations were made using industry averages. These 36 yachts averaged 12 trips and 115 clients per season. Combined, they carried 4,400 total passengers and brought in \$19.5 million in direct revenue. Several other yachts were observed by captains to operate infrequently or every few years in the area so these figures are most likely a conservative estimate.

Expenditures on inputs to support these vessels were high. Operators reported spending significant amounts on fuel –examples included \$1,500 per week, \$15,000 per season, \$30,000 per month, and \$40,000 per month at the fuel dock. Food and provisions were generally purchased in Juneau and Sitka, at costs ranging from \$10,000 to \$20,000 per yacht over the course of the season. One operator noted that his clients had paid \$5,500 to the State of Alaska for fishing license fees.

Charter yacht clients tend to have high incomes, and incidental expenditures by yacht clients were reported to be significantly higher than those of the average traveler to Southeast. Most clients spend a night in town at either or both ends of their trip, and operators observed their clients buying expensive artwork, carvings, and other gifts in local shops. One operator noted that his clients had spent \$150,000 in a single art gallery during the first two months of the season. In addition, these visitors usually buy alcohol, eat in expensive restaurants, and go on tours in port such as the \$480 dog-sledding helicopter tour in Juneau. Another operator noted his clients usually spend about \$500 per week on alcohol not provided as part of the charter.

All operators said they had a high rate of repeat clients – often around 80%. Most client groups were families, or several couples who enjoy traveling together.

6.2 Private Yachts

In addition to commercially chartered yachts, Southeast Alaska is also a playground for many private yachts from the Pacific Northwest and California. These boats often travel up the Canadian coast in the spring and spend the summer exploring the Inside Passage and docking in communities. While they are not considered commercial vessels, these yachts were commonly used by their owners to entertain friends and family who fly in and sail around for a week or two.

Quantifying the number of private yachts is a difficult task due to the vast geographic expanse of the region, and the lack of a regimented route or schedule that all the yachts take. Harbormasters generally record whether a boat moored in their harbor is local or transient, and how long they stay, but not necessarily whether it is a private yacht or another type of vessel.

According to observations made by the Sitka harbormaster, 25 yachts over 90 feet in length and an additional 25 yachts of between 50 and 90 feet in length moored in Sitka during the summer of 2006. They generally stayed between four and five days. The harbormaster also observed that high fuel prices did not appear to be affecting the large yacht sector and there were as many yachts as ever coming through Sitka. As of mid August, Sitka had collected \$62,000 from moorage of yachts between 100-125 feet. Sitka recently instated a special moorage fee system for yachts where owners pay a reserve moorage to ensure they will have a place to stay. The harbormaster indicated this system was attracting yachters and bringing in substantial city funds.

Private yacht owners also contribute a significant amount of money to the economy by purchasing provisions, restaurant meals, artwork, gifts, fuel, and boat repairs. One harbor employee noted that parties on the larger vessels spend \$10,000 to \$20,000 per week in Juneau or Sitka to outfit the yacht with food, flowers, alcohol, and accessories for the ten or so people onboard.

7. Chichagof Island

Chichagof Island is located in northern Southeast Alaska. North Chichagof offers scenic beauty and outdoor recreation opportunities that are driving the development of nature-based tourism in the region. Our research shows that more than \$15.5 million of revenue was generated in 2005 from about 42,000 visitors to the island.

Chichagof Island contains a few scattered communities whose economies have historically been dependent on timber harvesting and commercial fishing. Most of the forested landscape is part of the Tongass National Forest. The lands around Tenakee Springs and Hoonah experienced extensive timber harvesting in the 1970s and 1980s, but much of this activity ended after the closing of the pulp mills in Ketchikan and Sitka during the 1990s. Elfin Cove and Pelican served the commercial fishing fleet. Pelican was home to a fish processing facility that closed in the late 1990s. With its strategic location on Icy Strait, Elfin Cove has transitioned to a sport fishing center, while Pelican has faced more of a challenge developing tourism in its more remote setting.

Map 3. Chichagof Island



7.1 Elfin Cove

Elfin Cove is a small community on the northwest coast of Chichagof Island along Icy Strait. For decades, the community's economy was centered on commercial fishing but in recent years the focus has shifted to tourism and sport fishing. This transformation has resulted in a seasonal population that fluctuates between 12 people in the winter and almost 200 in the summer.

Fishing lodges

Most tourism revenue comes from eight sport fishing lodges tucked into the small cove, plus one on a nearby island. Altogether, these nine lodges bring in \$4.5 to \$5.2 million per summer and serve about 1,500 clients. Each lodge offers similar four-day/five-night packages, which typically include transportation from Juneau, lodging, meals, fishing equipment, and fish processing and shipping. The capacity of these lodges ranges from 8 to 25 guests; the average price is \$580 per person per night. Most lodges reported being fully booked throughout the season from mid-May to September. The majority of the lodges rely on repeat clients and referrals to book their customers.

Approximately 54 people are directly employed by the lodges; almost 95% of these people are not local residents. A significant portion of lodge owners and employees maintain their primary residence out of state, most commonly in the Pacific Northwest. Food and fishing supplies used by the lodges are generally purchased in Juneau and Seattle and transported to Elfin Cove by the same charter planes that carry their clients in and out of the community. Most food items come from Costco and Juneau Wholesale. One lodge owner estimated that 40% of the money that flows through his lodge goes directly to Juneau businesses. In contrast, fuel is purchased locally in the cove, costing the lodges between \$600 and \$1,500 per week.

Most sport fishing activity based in Elfin Cove takes place in the waters of Cross Sound, from Lemnashire Island in Icy Strait to Deer Harbor on the outer coast of Yakobi Island. A few of the lodges also take clients into Dundus Bay in Glacier Bay National Park as well as some of the freshwater streams on Chichagof Island, provided they have the appropriate permits from the U.S. Forest Service and the National Park Service.

Small cruise ships

In the past five years, Elfin Cove has also begun receiving small cruise ships, mostly carrying 60 to 70 passengers. One ship carried 130 passengers. Visitors are primarily attracted to the community’s scenic and quaint boardwalk setting. In 2005, there were 30 small cruise ship dockings during the course of the summer with an estimated \$2,000 to \$4,000 of revenue associated with each cruise ship stop. One local resident is employed directly, speaking to passengers on the ship before it docks and directing activities while onshore. Aside from walking around on the boardwalks and browsing the community museum, there are no specialized activities designed for cruise passengers.

Transient boaters

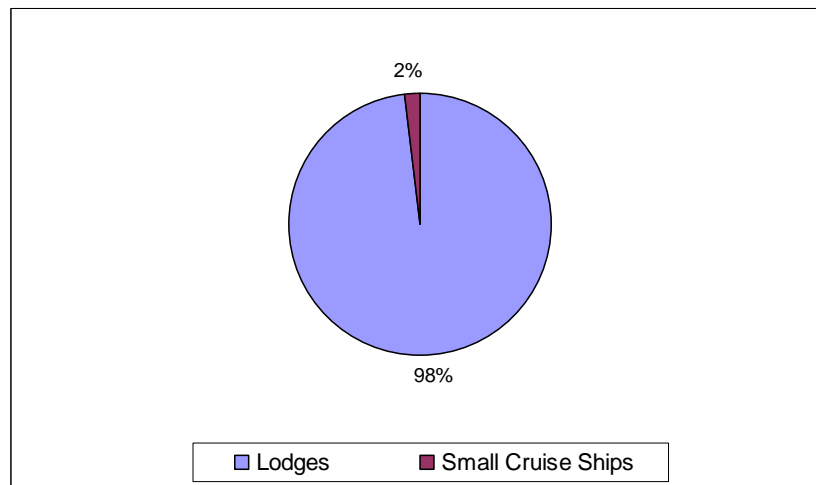
Transient recreational boats, sailing vessels, and yachts come through Elfin Cove on their way through Icy Strait. According to fuel dock records, about one-third of fuel sales are made to these boaters. Numbers were not available for the entire season at the time of this research, but the logbook indicated 124 transient boaters refueled in Elfin Cove during June 2004. The fuel dock attendant indicated more independent boaters came in May and August, especially from Washington, first on their way north and then heading south at the end of the summer. Fewer boats cross the Gulf in the middle of the summer and most of the non-local boats that refuel in July are fishing vessels.

Exact numbers of transient recreational boaters stopping at Elfin Cove are unknown since the town is not incorporated and there is no harbormaster. The dock is owned and operated by the State of Alaska. Accommodations are limited other than the fishing lodges, and most visitors sleep aboard their boats. The general store manager could not estimate what percent of business might be attributed to these visitors, but most of her patrons were commercial fishermen.

Table 5. Elfin Cove estimated nature-based tourism revenue and visitors, 2005

	Revenue
Lodge	\$4,889,500
Small Cruise Ships	\$90,000
TOTAL	\$4,979,500
# of visitors 2005	1,528

Figure 7. Composition of Elfin Cove nature-based tourism revenue, 2005



7.2 Pelican

The community of Pelican, population 115, is situated in the Lisianski Inlet on the northwest coast of Chichagof Island. It is 80 miles north of Sitka and 70 miles west of Juneau. Pelican's economy was historically based on commercial fishing, in particular a fish processing plant located on one end of town. The citizens of Pelican have struggled to redevelop their economy to preserve the town and their way of life in the face of the closure of the processing plant and downward pressure on fish prices -- both resulting largely from the growth of salmon farming.

While there have been low levels of tourism activity in the community for some time, declining commercial fishing activity in Pelican has apparently encouraged more growth of tourism businesses. Tourism activity in town is predominantly focused on sport fishing and wildlife viewing marine charters. In addition, the town serves as a jumping-off point for travelers accessing the West Chichagof and Yakobi Island Wilderness area. Three U.S. Forest Service cabins are located within the designated Wilderness, including the popular White Sulfur Hot Springs cabin.

Charter operators

Day charters and lodges. Twelve marine charters operate out of Pelican, offering a range of activities including sport fishing, wildlife viewing, guided hiking, and kayak drop-offs. In the 2005 summer season, these businesses served an estimated 740 clients. Seven of the twelve operators provide lodging, either in an adjacent lodge or in their private home. The remaining clients stay at a newly opened 40-person lodge, or are dropped off in the wilderness to camp. Most of the charter businesses are small, often owned and run by a single family or captain. While several of the lodges are located on the boardwalk in Pelican, many are farther out of town and require water transportation. Collectively, these businesses generate an estimated \$720,000 to \$840,000 per season.

Prices for day trips on marine charters averaged \$200 per person, while the charter/lodging combination was priced at an average of \$300 per person per day. Most visitors stayed four to

five days, going out each day with the same captain. Common destinations are Lisianski Inlet, the outer coast of West Chichagof Island, and Yakobi Island.

Charter operators generally purchase fuel at the fuel dock in Pelican. One captain estimated his consumption at 30 to 55 gallons of fuel during a typical day fishing around Yakobi Island. This translated to \$95 to \$175 at Pelican's 2005 summer prices.

Most supplies for the lodges come from Juneau, and are transported in by floatplane and on the biweekly Alaska Marine Highway System ferry. A recent termination of barge transport that previously served the community significantly increased the cost and difficulty of transporting supplies, causing frustration among business owners.

Unlike those in Elfin Cove, fishing lodges and charters in Pelican do not include transportation from Juneau in the cost of fishing packages. The round-trip cost for scheduled air service is \$250 per person. With 740 clients, the revenue from transportation would be approximately \$185,000. However, some kayakers using charter services for drop-offs from Pelican arrive or depart on the ferry. The three main air service companies used by Pelican clients are based in Juneau and Gustavus.

Approximately 90 to 100 backcountry enthusiasts use the water taxi services of Pelican companies each season for drop-offs, generating \$16,000 to \$19,000 in gross revenue. Most clients are dropped off at White Sulfur Hot Springs, a two- to four-hour round trip from Pelican depending on the boat and conditions. The going rate to the hot springs is \$150 per person for a drop-off or pick-up. Reported fuel costs ranged from \$100 to \$130 per trip.

It appears that Pelican will see continued growth in the marine charter sector, with two additional businesses expected to offer marine charter services in 2006. A lack of available lodging was previously a constraint on the number of visitors the community could support. However, the construction of the large new lodge is providing accommodations for those seeking a base for day trips.

Independent boaters

Pelican also receives a steady but unquantified amount of traffic in the form of independent boaters and kayakers. Independent boaters, often traveling from Juneau, Sitka, or other ports in the lower 48 states, appear to use Pelican as a stopping place either before or after visiting the West Chichagof area. These travelers have highly variable itineraries, with trips ranging from several days to several months and visiting a wide range of destinations both on Chichagof Island and throughout Southeast Alaska. Popular areas include West Chichagof and Yakobi Island, particularly the Forest Service Cabins at White Sulfur Hot Springs and Greentop Harbor, south of White Sulfur Hot Springs.

Independent boaters use some of the town's services, including the grocery store, the four restaurants and bars, and the fuel dock. Many travelers, however, are unlikely to buy large amounts of fuel or supplies in Pelican unless absolutely necessary because of higher prices and smaller selection, compared to Sitka or Juneau.

Kayakers

The West Chichagof-Yakobi Wilderness area is home to world-class kayaking. The area does not receive as many adventure enthusiasts as Glacier Bay or Prince William Sound due to its remoteness, more challenging outside waters kayaking conditions, and lack of publicity. However, there are kayakers that come back year after year for extended trips through the small islands and lagoons that rim Chichagof's western coast. Because it is served by the ferry, Pelican sometimes serves as a gateway for kayakers accessing these areas. In 2005, eleven kayaks were transported to Pelican from Juneau on the ferry, and four kayaks were taken back to Juneau. In addition, one company in town recently began renting kayaks at a rate of \$50 and \$75 per day, but the rental portion of the business is in its fledgling stage.

The total number of kayakers in the Pelican/West Chichagof area is difficult to estimate since most paddlers have personal kayaks or rentals from Juneau, and do not necessarily stop in the town of Pelican. One local resident suggested that kayakers had little economic impact in town because they often camp instead of paying for lodging, and may also bypass town altogether rather than traveling the extra distance up the inlet to visit the community. However, we observed kayakers in Pelican during the summer of 2005 purchasing food and restaurant meals from Pelican businesses.

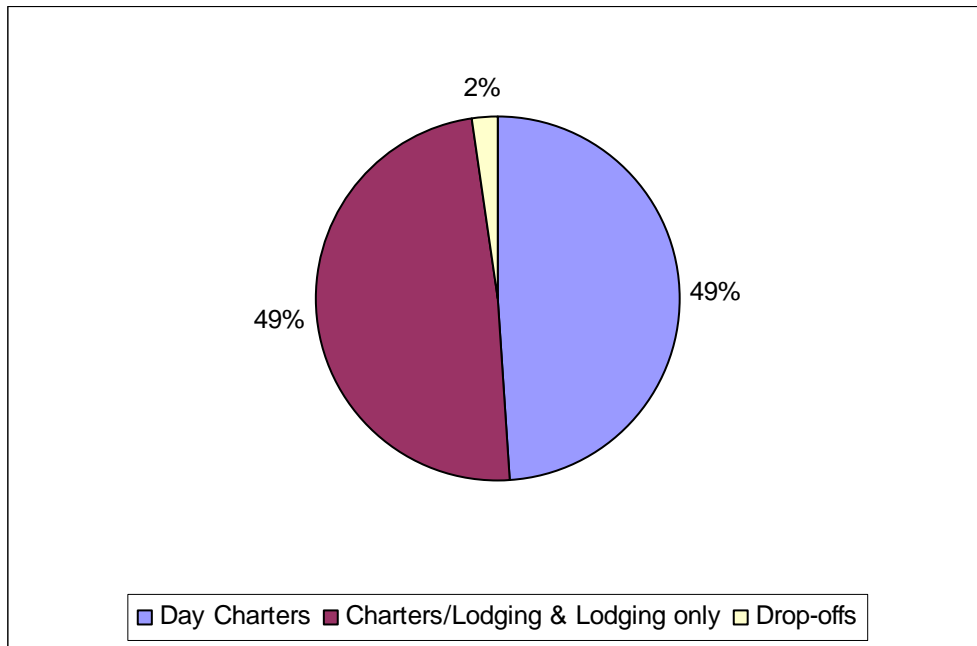
Alaska Marine Highway

The Alaska Marine Highway System serves Pelican every other week during summer months. The ferry provides visitors a beautiful day trip through Icy Strait with very good opportunities to see whales and other marine mammals, and an opportunity to briefly visit a small, rural Southeast community. The ferry leaves Juneau in the morning, spends two hours in Pelican in the afternoon, and returns to Juneau in the late evening. A sales promotion offering half price fares dramatically increased ridership during the summer of 2005, with about 200 passengers per trip. During a return trip from Pelican in early August, twenty-seven parties were interviewed (accounting for 77 people), and 74% of the parties indicated they were on a day trip from Juneau to enjoy a scenic day along Icy Straits. Sixty percent of the parties were Juneau locals and an additional 11% were living in Juneau for the summer. Fifteen percent of the parties (nine people) were kayakers, all of whom stayed at least two weeks in the Chichagof Island area.

Table 6. Pelican estimated nature-based tourism revenue and clients, 2005

Activity	Revenue	Total Clients
Day Charters	\$ 396,900	299
Charters/Lodging & Lodging only	\$ 396,000	350
Drop-offs	\$ 17,130	92
TOTAL	\$ 810,030	740

Figure 8. Composition of Pelican nature-based tourism revenue, 2005



7.3 Tenakee Springs

Tenakee Springs is a community of 120 residents located on the north side of Tenakee Inlet on eastern Chichagof Island. Unlike its other Chichagof Island neighbors, Tenakee has gained a reputation as a quiet retirement community and does not provide a base for significant commercial fishing or tourism operations. An estimated 25% of the houses are second homes. Two family-run marine charters are the only tourism businesses in town, and Tenakee residents have been vocally opposed to tourism development.

Marine charters

The two marine charters in Tenakee attract about 100 people per season for salmon and halibut fishing, whale watching, wildlife viewing, and sightseeing. While both companies are primarily fishing charters, they both emphasize enjoying the other aspects of nature, and seek to provide a ‘real wilderness experience.’ Revenue from these companies totals approximately \$120,000 to \$155,000 per season. Prices run \$300 and \$425 per person per night, and trips generally last four to five days. Air transportation to Tenakee is not included in the package price.

One of the charters, in an effort to patronize other local businesses, provides a massage by a local masseuse as part of the fishing package. Many of the clients schedule additional massages after their initial visit. The charter also brings clients back to town each evening, and encourages shopping at the local store, gift shop, and bakery. The other charter utilizes its live-aboard boat and typically does not return to Tenakee in the evenings. All activities take place on or originate from the boat.

One of the companies reported getting 80% of their supplies from Juneau and Seattle, while the other used their own garden and the local store for much of their food purchases.

Transient boaters

The majority of Tenakee's visitors are transient boaters stopping in on their way through Southeast waters. In 2004, 230 recreational boats came through Tenakee during the summer season (May through September). One-hundred forty four boats stayed one night, and 12 boats stayed 6 days or more. Almost half were from out of state, mainly Washington, and one-third were from Juneau. Moorage fees from these boaters totaled \$4,600 for the season.

According to the general store owner, transient boaters do not generate a significant portion of store business. Most boats large enough to handle the unwieldy seas of Chatham Straits have the capacity to carry ample food and supplies, and consequently these visitors make few if any purchases in Tenakee. The town bakery did receive some business but it usually amounted to a small purchase, such as a greeting card or croissant.

Other travelers

Other than the visitors described above and people coming to visit friends or relatives, Tenakee attracts few tourists. A major reason, one local pointed out, is the limited accommodations. "Travelers move on when they find out there are no facilities, no places to stay, and that camping is illegal," another noted. Tenakee does, however, attract couples from Juneau coming for a weekend getaway and a soak in the hot springs located in the center of town. These trips are facilitated by the convenient Friday/Sunday ferry service. Several cabins are rented periodically, but likely have total revenue of less than \$15,000 per season. It cannot be assumed that all occupants take part in nature-based activities.

In addition, deer hunters from the region come to Tenakee in the fall for several days at a time, but many have second homes or stay with friends, so their impact on the economy is minimal.

In summary, approximately 125 people visited Tenakee Springs in 2005 for nature-based activities. Revenue from these visitors is estimated to be approximately \$140,000. This does not include air charter revenues for companies based in Juneau.

7.4 Hoonah

Situated on the northeast shore of Chichagof Island, 40 miles west of Juneau, Hoonah is the largest Tlingit Native settlement in Alaska. The Tlingit tribe has inhabited the Glacier Bay region for centuries. The current population of Hoonah is approximately 880, and the local economy is based mostly on the commercial fishing and logging industries. As a result of its proximity to Glacier Bay, its position along the Icy Strait thoroughfare, and its accessibility via a short plane hop from Juneau, it occupies a strategic location for developing local tourism. The economy of Hoonah has undergone a marked change with the construction and opening of Icy Strait Point, a cruise ship port of call that began receiving visitors in 2004.

Icy Strait Point

Decades ago, Icy Strait Point was the home of one of the world's most productive salmon canneries. Beautifully restored, the cannery site reopened in 2004 as a museum and base for other tours and nature-based activities. Icy Strait Point is a partnership between the Huna Totem Corporation and the Icy Strait Development Corporation. In 2005, its second summer of operation, the site hosted 37 cruise ship visits and a total of 55,000 passengers. Located 1.5

miles from town, Icy Strait Point quickly became the largest single employer in Hoonah with 124 employees working three to four days per week. Ninety-six percent are Hoonah residents.

Among the ten tours offered, six are directly nature-based. These include a forest and nature visit, whale watching and marine mammal cruise, remote bush exploration and brown bear search, all-terrain vehicle expedition, and salmon and halibut fishing charter.²⁰ These nature-based tours attracted over 30,000 people in the 2005 season, and generated from \$3.3 to \$4.3 million in gross revenue.

According to the Icy Strait Point director, each cohort of cruise ship passengers leaves behind \$70,000 to \$90,000 spent on tours, restaurant meals, and gift shop purchases. In 2006, Icy Strait Point was expected to receive 55 or more ships, roughly doubling the number of cruise days and tours. Employment is expected to increase to 135 or 140, with current employees working more days per week.

Economic impacts. Local business owners observed that with higher employment, community residents have more disposable income to spend at restaurants and other local merchants. In addition, some businesses benefit directly from the cruise passengers. In 2005, Icy Strait Point began operating a bus between their site and the town of Hoonah, selling 300 to 400 tickets per day (\$55,000 to \$75,000 for the season). The bus made it easier for passengers to patronize local businesses. One popular restaurant catering to passengers on cruise days reported serving 200 to 400 cruise passengers and crew per day, generating a minimum \$65,000 in revenue from the 37 ship days alone.

The Hoonah city mayor also noted increased interest in Hoonah from outside agencies, likely a result of the tourism expansion. In the three years prior to 2005, Hoonah received ‘more projects and agency grants than the town has seen in its entire life’. As of 2005, \$40 million in projects were contracted, including an upgrade of the harbor. In 2004, the city collected \$83,000 in sales tax from Icy Strait Point business activity. Icy Strait Point business increased substantially in 2005. As a result, sales tax revenues to Hoonah were also expected to rise dramatically for that year. They will likely continue to grow with the increases in traffic planned for 2006 and later years.

Despite these employment, tax, and revenue benefits, some local residents still feel that the portion of money flowing back to the Hoonah economy from cruise ventures is less than what it should be. Given that Icy Strait Point appears to provide significantly greater benefits than other cruise destinations in Southeast Alaska, these attitudes reflect the tensions that can accompany tourism development. One business owner noted that cruise passengers only buy the cheapest items in her store, and they displace the locals, who avoid the crowds on cruise days.

Independent operators

Marine charters. Four recognized marine charters serve Hoonah visitors, providing salmon and halibut fishing, whale watching, wildlife viewing, and beach walks. These are generally one

²⁰ A Glacier Bay flightseeing tour is also offered, but Glacier Bay is not in the Chichagof Island study area selected for this research.

boat/one captain operations. At least one operator takes groups on multi-night adventures in which clients sleep on the boat, and another hosts clients overnight in his lodge. We could not reach two companies during our field work, but the impression was given that all four companies take cruise passengers that have booked online independently. An estimated \$185,000 to \$215,000 is generated by these charters including the lodge.

Logging road excursions. A central restaurant in Hoonah books visitors on bear-viewing and sightseeing tours along the logging road with local residents. Most of the clients are cruise passengers. An estimated 30 to 40 people per week took tours. In addition, about 200 clients went on guided stream fishing day trips from the road with a local fisherman. Revenue from stream fishing and bear viewing was estimated to be between \$160,000 and \$215,000 for the 2005 season.

Hunting. Hoonah is home to two local bear hunting guides, and four guides are registered with the Hoonah Ranger District. The going rate for a nonresident guided bear hunting trip is approximately \$12,000 per client. Most guides take one to two clients at a time and stay on a live-aboard boat for up to ten days (until the hunt is successful). Three of the four hunting guides were unable to be reached. Assuming all have similar operation of approximately seven clients per year, bear hunting activity in the Hoonah area generates over \$300,000 in gross revenue.

Lodging. Six accommodations options are available in Hoonah, including two lodges and several bed and breakfasts/rentals. Several of the owners indicated that most of their clients were business travelers. Room prices ranged from \$60 to \$80 per night.

Independent boaters. Hoonah's strategic location provides an ideal stopping point for many non-local independent boaters. About 50% of the business at the Hoonah fuel dock comes from transient recreational boaters. According to the fuel dock attendant, an average of one recreation boat per hour stops to refuel on a busy day. These boats are estimated to generate \$15,000 to \$20,000 dollars in fuel dock business during the summer season. According to the Hoonah harbor staff, about 40% of the boats stopping in Hoonah are recreational skiffs, yachts, sailboats, or sport vessels. Residents noted that visitors on these boats commonly get out and walk around town. With a well-protected harbor and comparatively low moorage fees, Hoonah is becoming a popular port in which to over-winter boats owned both by Southeast Alaska residents and by nonresident visitors who return each year.

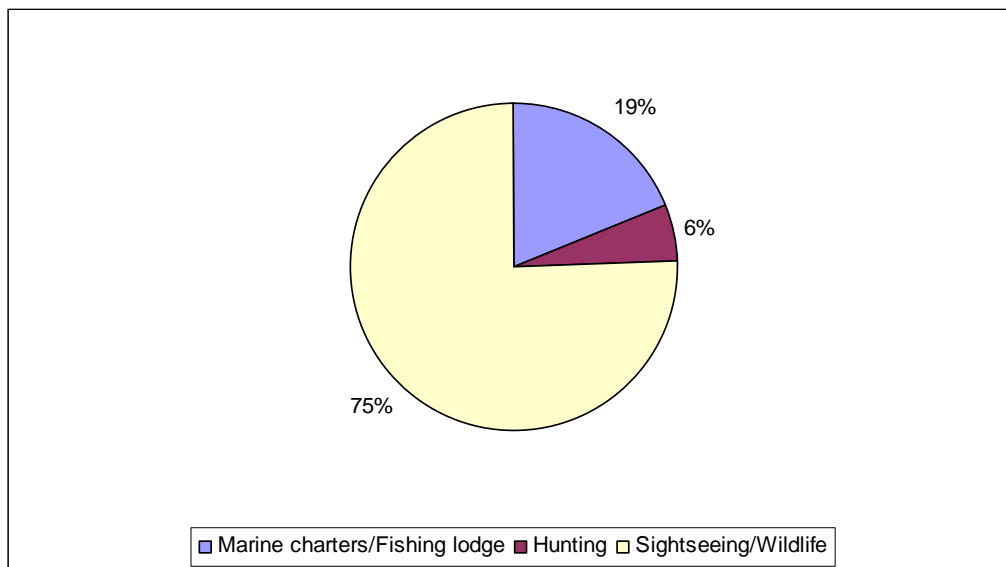
Regional visitors. According to local residents, there has been a visible increase in visitors from Whitehorse and other parts of Canada in recent summers. These visitors often keep their boats in Skagway and travel to Hoonah for fishing and deer hunting. The number of these boaters increases during weekends and the fuel dock attendant noted that on holidays, "its Canadians all day long." Other Canadian visitors are driving to Haines, putting their vehicle on the ferry, and spending several days driving the logging roads. These visitors often camp along the road but stay in Hoonah on either end of their trip. In addition, parties of fishermen and hunters without personal boats arrive in Hoonah via small plane. In 2005, Skagway Air made 20 chartered flights from Skagway to Hoonah with groups of sport fishermen. Two other flight companies also bring visitors from Juneau.

Hoonah is a popular hunting destination for Alaska residents coming from Juneau, Skagway, and Haines because of ease of access by ferry and the road system into more remote areas out of town. Regional visitors often arrive by ferry and camp in their recreational vehicles or stay in the lodges. The number of independent travelers staying in lodges was not determined and the number of people who come in their own vehicle and depart for remote areas out of town immediately after disembarking off the ferry is unknown.

Table 7. Hoonah estimated nature-based tourism revenue, 2005

Activity	Revenue	Visitors
Marine charters/Fishing lodge	\$840,320	1,060
Hunting	\$252,000	20
Sightseeing/Wildlife	\$3,360,350	33,610
Total	\$4,452,670	34,690

Figure 9. Composition of Hoonah nature-based tourism revenue, 2005



7.5 Chichagof Island via Sitka

Sitka serves as a major gateway for visitors traveling to Chichagof Island. As a result of the distance, the exposed gulf sea conditions, and higher costs, Chichagof receives less traffic from Sitka than from closer communities with better access such as Juneau and Gustavus. Most visitors coming from Sitka use private boats or get dropped off by marine charters or float planes.

Air service and water taxis

In 2005, three flight operations transported about 360 people to Chichagof Island for outdoor recreation. The average price of a round trip drop-off and pick-up runs around \$730, and the total summer gross revenue is approximately \$85,000 to \$100,000. The most popular destinations are White Sulfur Springs, Goulding and Suloia cabins, followed by Greentop Cabin, Sitkoh Lake, Crab Bay, Kook Lake, and several other bays. Pilots reported an average of

two to three people per party. One pilot indicated about half his clients were from out of state, and the average length of stay on Chichagof was five to six days.

Three local water taxis transport kayakers and other outdoor enthusiasts to the west coast of Chichagof Island. Combined, these operators take approximately 30 to 35 people per season with revenue totaling about \$18,000. The cost of a drop-off and pickup averages \$2,000, and a round trip can take anywhere from 6 to 12 hours depending on the speed of the boat and the specific destination.

Marine charters and boaters

Marine charters. Three Sitka-based companies offer multi-night marine charters in the Chichagof area. About 100 people book these trips per season, bringing in around \$235,000 to \$240,000 in gross revenues. Activities on the charters include freshwater fishing, beach hiking, and exploring with small skiffs, mostly in the Hoonah Sound area. These trips are two to four days and cost \$1,100 to \$2,700 per person.

Independent boaters and kayakers. Independent boaters and kayakers also access Chichagof Island from Sitka. Information on these parties is sparse since their activity is dispersed and they reach sites by their own means. The U.S. Forest Service has placed a survey at the head of the one-mile trail to White Sulfur Hot Springs periodically since the mid 1990s. Surveys were completed by ten parties in June and July of 2005. The average group size was 3.1 people and the average length of stay in the West Chichagof Wilderness area was 5 to 6 days. Half of the parties were traveling by sailboat. Half were residents of states other than Alaska. All parties mentioned paddling, solitude, or exploring as reasons they visited the area.

U.S. Forest Service records show 111 reserved nights in 2004 for the White Sulfur Hot Springs, Goulding, and Sulioia cabins. It is widely recognized that these numbers underreport the actual total use because many people staying in the cabins do not register. There are a total of 9 cabins on Chichagof Island. Greentop is another popular cabin which has registered guests somewhere between 30 and 75 nights per season.

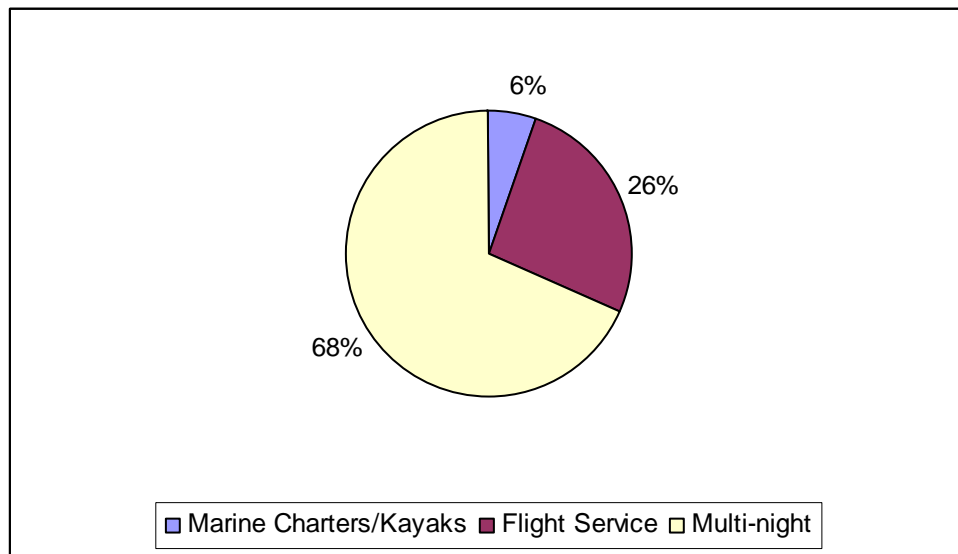
Most kayakers paddling around Chichagof Island bring their own kayaks or use rentals from communities other than Sitka. Only one company in Sitka rents kayaks for extended periods of time, and less than \$2,000 of the revenue could be attributed to Chichagof in 2004.²¹ Chichagof Kayakers also would likely buy some of their food and supplies for their trips in Sitka, but we were not able to estimate any amounts for these purchases.

Table 8. Chichagof/Sitka estimated nature-based tourism revenue, 2005

Activity	Revenue
Marine Charters/Kayaks	\$19,930
Flight Service	\$92,390
Multi-night	\$240,930
Total	\$353,250

²¹ This included a drop-off

Figure 10. Composition of Chichagof/Sitka nature-based tourism revenue, 2005



7.6 Chichagof via Juneau

Juneau also serves as a gateway for visitors accessing Chichagof Island for recreation. Most visitors come to Chichagof Island from Juneau by charter plane, scheduled air service, rental boats, charter yachts, and personal watercraft. Because the closest tip of Chichagof is over 30 miles by air from Juneau and significantly farther by water, day trips are uncommon and most people stay for several days to several weeks.

Air services

Five companies provide air service to Chichagof Island from Juneau. Two of the companies have wheeled planes and serve only Hoonah. The remaining companies have floatplanes and land at Elfin Cove, Pelican, Tenakee, and other bays, lakes, and inlets around the island. It was difficult for the company staff to determine numbers of clients coming for outdoor recreation. In particular, companies providing scheduled air service do not gather information on travelers' trip purposes or their full itineraries. Collective estimates by four of these five companies suggest that approximately 1,760 people fly to Chichagof Island for recreation in the summer and fall; gross revenue from these flights is approximately \$260,000 to \$275,000 per season. However, this estimate is significantly low because it does not include the company that serves Elfin Cove lodges (around 1,500 people per season) and Pelican.²²

Charter yachts

Twelve charter yacht companies were identified that use Chichagof waters. Collectively, they serve an estimated 1,900 people per season. Trips average eight days, and revenue from these companies is approximately \$4 million. Yacht owners observed that their clients typically spent one additional night on each end of their trip in Juneau or Sitka, and have a significant impact on

²² Assuming 1,500 clients per summer, transportation to and from Elfin Cove fishing lodges would generate approximately \$300,000 at the schedule fare of \$100 per one-way trip per person. Since lodges have seasonal contacts with air service companies, the actual rates paid are probably slightly lower.

the local economy of each of the communities of Juneau and Sitka. The trips usually attract high-income visitors who leave behind substantial revenue in restaurants, hotels, and local shops. One operator noted that his clients alone spent about \$40,000 at one Alaska art shop in Sitka.

Boat rentals and kayaking

Two Juneau companies rent boats or yachts to parties for trips of one to three weeks. While many of these parties go to Glacier Bay or other areas of Southeast Alaska, the company owners estimated that between 15 and 18 groups spent time in the Chichagof area, and about \$200,000 in rental fees could be attributed to the island and surrounding waters.

Guided kayaking outfits coming from Juneau and Gustavus also spend time around Chichagof Island. Due to its whale-watching opportunities, Point Adolphus is the main draw for guided kayak tours. Two companies took a total of about 283 people to Point Adolphus and its shores in 2005, on trips ranging in length from one to five days. These activities generated about \$260,000 of gross revenue attributable to Chichagof areas.²³

Juneau as a supply hub

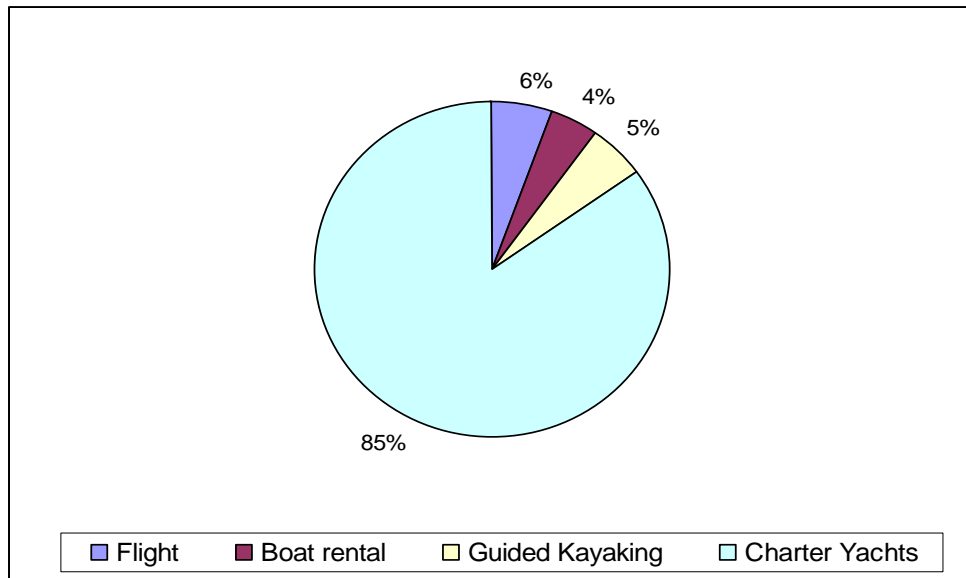
Juneau's economy benefits from Chichagof Island tourism through purchases of supplies by commercial operators. All of the charter yachts buy groceries, fuel, and other items in Juneau and Sitka at the beginning or end of each trip. One captain reported spending between \$600 and \$700 per week on groceries in Sitka or Juneau for his four to six-client boat. The operator of a larger boat reported biweekly purchases of \$3,000 to \$4,000 at Safeway and Costco and \$15,000 for fuel in Juneau. This rate of purchasing results in between \$144,000 and \$152,000 per season spent to support one boat. In addition, fishing lodges in Elfin Cove and Pelican rely almost entirely on Juneau for food and supplies.

Table 9. Chichagof/Juneau estimated nature-based tourism revenue, 2005

Activities	Revenue
Flight	\$268,230
Boat rental	\$209,000
Guided Kayaking	\$259,280
Charter Yachts	\$4,059,450
Total	\$4,795,960

²³ Several trips had components in Glacier Bay but only the percentage of time at Point Adolphus was used to calculate revenue.

Figure 11. Composition of Chichagof/Juneau nature-based tourism revenue, 2005



7.7 Summary: Chichagof Island

Our research shows that more than \$15.5 million of revenue is generated from about 42,000 visitors to Chichagof Island. A mix of high-volume and high-price enterprises generates this money. The following tables summarize these findings.

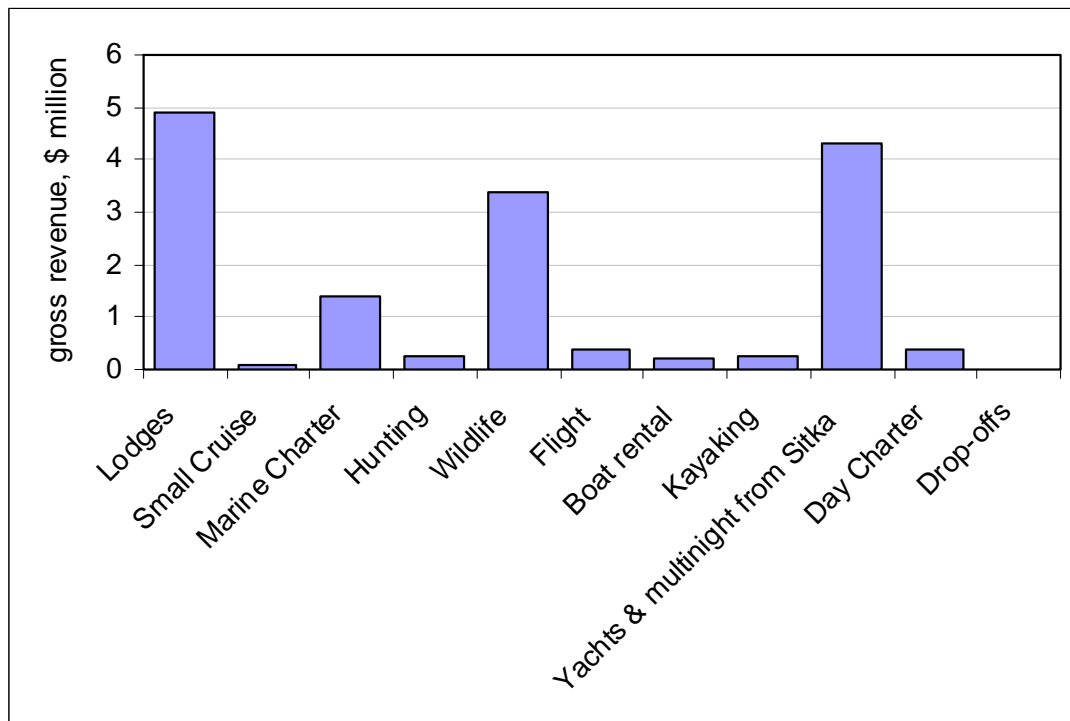
Table 10. Estimated revenue and visitor numbers by community from nature-based tourism activities on Chichagof Island, summer 2005

Community/Activity	Revenue	Visitors
Elfin Cove		
Lodges	\$4,889,500	1,528
Small Cruise Ships*	\$90,000	3,000
Subtotal	\$4,979,500	4,528
Hoonah		
Marine charters/Fishing lodge	\$840,320	1,060
Hunting	\$252,000	20
Sightseeing/Wildlife	\$3,360,350	33,610
Subtotal	\$4,452,670	34,690
Juneau		
Flight	\$268,230	--
Boat rental	\$209,000	72
Guided Kayaking	\$259,280	283
Charter Yachts	\$4,059,450	1,105
Subtotal	\$4,795,960	1,460
Pelican		
Day Charters	\$396,900	300
Charters/Lodging & Lodging only	\$396,000	350
Drop-offs	\$17,130	90
Subtotal	\$810,030	740
Sitka		
Marine Charters/Kayaks	\$19,930	40
Flight Service	\$92,390	360
Multi-night	\$240,930	100
Subtotal	\$353,250	500
Tenakee		
Marine Charters	\$155,000	100
Estimated Total	\$15,546,410	42,018
*The small cruise ship industry is centered on northern Southeast Alaska in part due to the scenic beauty of Chichagof Island. As a result, these numbers are underestimates of economic activity attributable to small cruise ships.		
** Flight service companies provided only very rough estimates of passengers. Revenues were estimated based on numbers provided by businesses receiving clients from flight service companies that did not include transportation in their tour prices. These are likely underestimates.		
Sources: Company interviews and websites, summer 2005.		

Table 11. Estimated gross revenue by activity from nature-based tourism activities on Chichagof Island, summer 2005

Activity	Revenue	Visitors
Lodges	\$4,914,550	1,908
Small Cruise Ships*	\$90,000	3,000
Marine charters	\$1,409,320	1,271
Hunting	\$252,000	21
Sightseeing/Wildlife	\$3,360,350	33,610
Flight Service	\$360,620	360
Boat rental	\$209,000	72
Guided Kayaking	\$261,210	283
Charter Yachts	\$4,300,380	1,105
Day Charters	\$371,850	300
Drop-offs	\$17,130	90
Total	\$15,546,410	42,020
*The small cruise ship industry is centered on northern Southeast Alaska in part due to the scenic beauty of Chichagof Island. As a result, these numbers are underestimates of economic activity as a result of small cruise ships.		
Sources: Company interviews and websites, summer 2005.		

Figure 12. Estimated gross revenue by activity from nature-based tourism activities on Chichagof Island, summer 2005



Note: Small cruise ship revenue is based only on shore activities and expenditures by passengers in Elfin Cove.

7.8 Chichagof Island data caveats

Elfin Cove: The \$2,000 to \$4,000 estimate for revenue per cruise ship stop was provided by a local resident involved in directing Elfin Cove cruise tourism, but was questioned by other locals who had negative feelings about cruise passengers in their community.

Five of the lodges provided information on the length of their season and an estimate of the degree of occupancy instead of exact numbers of clients per season. Figures were calculated from these estimates.

Land and waters surrounding Elfin Cove are also used by several companies based out of Gull Cove (a tiny settlement east of Elfin Cove, directly across from Glacier Bay). No Gull Cove companies were available for interviews during the time of research, and their revenue is not covered in this report. However, one lodge on one of the Inian Islands, about five miles by boat from Elfin Cove, was interviewed and included in the data.

Pelican: We were unable to reach two marine charter operators during the research period. These included one day trip charter and one charter/lodge. Averages for number of clients and revenue were taken for the other ten charters and extrapolated to include the two missing charters. Since it was unknown whether the two operators made drop-offs to West Chichagof, they were assumed to make none.

Tenakee: Another local resident was said to rent a cabin periodically but was unavailable for interview. Neither their visitor numbers nor their revenue are included in this report.

Hoonah: Two bear hunting guides and two sport fish charters were unavailable for interview during the study period. Revenue and client numbers for these two guides were calculated using the going rate of \$12,000 per client and the same number of clients as reported by other bear guides in the area. The sport fish operators were assumed to take out one party of cruise passengers each day a cruise ship was in port. These numbers are likely conservative estimates, as there were only two cruise ships a week and the companies advertised multiple marine activities in addition to fishing.

Despite interviewing accommodation owners, it was difficult to estimate a specific number of travelers that can be attributed to nature-based tourism in Hoonah. Many visitors were business travelers. Some were construction workers staying a long time working on community projects. People were hesitant to provide numbers, or the numbers they gave came with a lot of explanation. Two accommodations known to house recreational visitors could not be interviewed. As a result of this uncertainty, no revenue estimates were made for Hoonah accommodations. Consequently, total revenue is underestimated.

Another important aspect of tourism in the Hoonah area is the activity generated by Point Adolphus. Located on Chichagof Island 15 miles northwest of Hoonah and 10 miles south of Gustavus, the waters off Point Adolphus are some of the most nutrient-rich in Southeast Alaska, and they attract a large and consistent population of humpback whales during the summer. Boats

and kayakers are virtually assured of seeing whales, sometimes bubble feeding in groups near the point. Consequently, the area around Point Adolphus has one of the highest levels of recreational use on the Tongass, attracting campers, kayakers, multi-day charter tours, private yachters and boaters, commercial wildlife viewing operations, locals, and even cruise ships. Clearly, revenue attributable to Point Adolphus is significant. However, it was not possible to determine an accurate number for the total amount of activity attributable to this one location.

Chichagof/Sitka: On several occasions, it was not stated whether parties were dropped off and picked up on Chichagof, or just dropped off. For air drop-offs, all parties were assumed to be picked up as parties did not have means to get back on their own. The ‘round trips’ reported by water taxis were also assumed to be drop-offs and pick-ups, although it is likely that some kayakers paddled back to Sitka on their own or continued on to Pelican.

Two bear hunting guides operate out of Sitka. The information associated with this business is included in the Sitka section of this report. Similarly, many high-end charter yachts contribute to the Sitka economy; these are included in the Juneau charter yacht section.

Chichagof/Juneau: It is difficult to estimate the number of companies who take clients to Chichagof Island from Juneau because some companies include Chichagof intermittently in their itineraries and routes. There are many companies in Juneau and we were not able to contact all of them. For example, three companies not interviewed are known to provide fly-in fishing, outdoor leadership training, and marine charters, respectively.

Charter yacht gross revenues were calculated after interviewing and gathering information on seven of twelve charter yacht companies. The remaining five were assumed to be similar to the average of the seven interviewed.

8. Prince of Wales Island

8.1 Overview

Prince of Wales Island is located in the southern portion of Southeast Alaska. It is the third largest island in the United States after Kodiak Island in the Gulf of Alaska and the big island of Hawaii. As part of the Tongass National Forest, the 2,600 square mile island is distinguished by forested mountains, glacially carved valleys, rivers, lakes, muskeg, and 990 miles of coastline. Prince of Wales was the site of extensive timber sales and logging in the 1980s and 1990s, and consequently has about 1,500 miles of logging roads, most of which are gravel. Roads between communities are maintained, and about 105 miles have been paved.

Nature-based tourism brought in over \$30 million in gross revenues to Prince of Wales Island in 2007. Most of this money is attributable to sport fishing. The island has a unique mix of attributes: World class fishing, one of the highest populations of black bears in the country, and thousands of acres of clear-cuts. Considering its remoteness, the island receives a significant volume of visitors, but most are concentrated at an assortment of high-end fishing lodges scattered across island. Do-it-yourself options are also available, and some accommodations

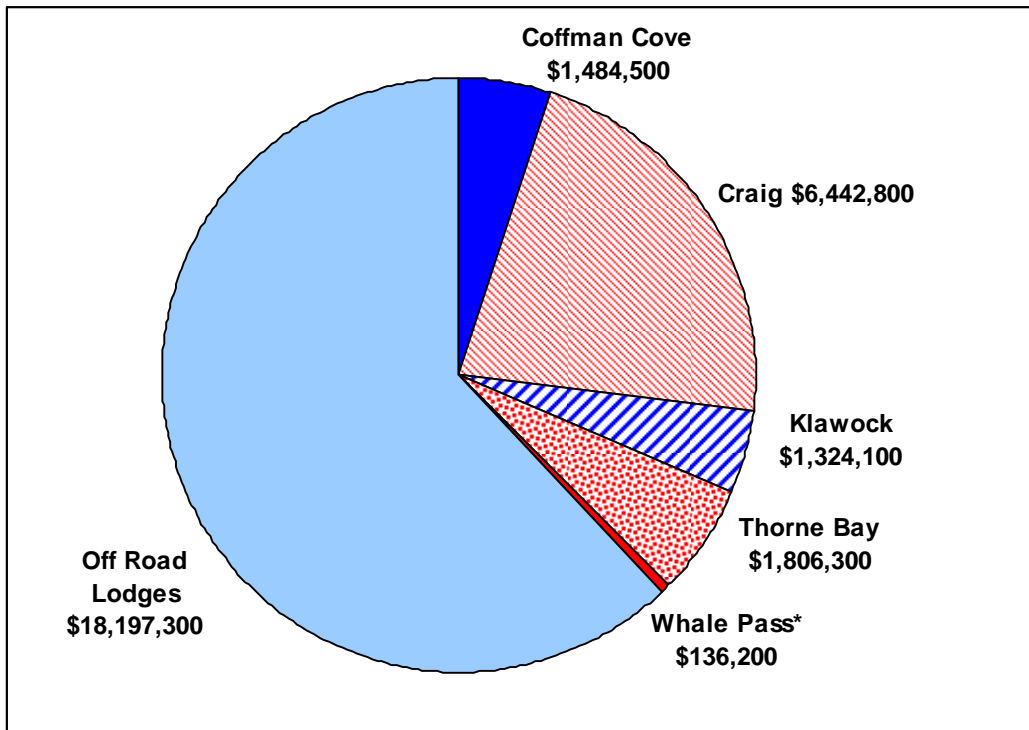
provide lodging and the use of a skiff for a more affordable fishing vacation. While the road system presents almost limitless options for sightseeing, hiking, biking, and exploring, these sectors have not been developed and the roads are used surprisingly little by the majority of visitors.

Table 12. Estimated revenue and visitors from nature-based tourism activities on Prince of Wales Island, summer 2007

Community/Activity	Revenues	Visitors
Coffman Cove		
Accommodations	\$221,853	649
Lodges and daycharters	\$1,259,064	522
Other	\$3,555	
Subtotal	\$1,484,472	1,171
Craig		
Fishing	\$6,442,816	2,592
Klawock		
All businesses	\$1,324,113	851
Thorne Bay		
Lodging and fishing	\$1,806,335	932
Whale Pass*		
Lodging and fishing	\$136,230	284
Off the Road System		
Lodging and fishing	\$18,197,295	5,324
Total	\$30,875,733	12,326
*The Lodge at Whale Pass is included with off the road system lodges to protect proprietary information.		

The island has nine communities: Craig, Klawock, Thorne Bay, Coffman Cove, Whale Pass, Naukati, Hydaburg, Kasaan, and Hollis. All but Craig have fewer than 1,000 people, and the majority have fewer than 200 people. A collection of residents also live on the northern tip of the island at Port Protection and Point Baker, neither of which is accessible by road.

Figure 13. Estimated revenue from nature-based tourism activities on Prince of Wales Island, summer 2007



*Note: Revenue from the lodge at Whale Pass is included with off-road lodges to protect proprietary information.

Getting to Prince of Wales

Visitors to Prince of Wales generally fly to Ketchikan on Alaska Airlines before boarding a float plane to Craig or to their fishing lodge. Two Ketchikan-based companies contract with lodges and also provide scheduled service to and from the island on a daily basis. A seat fare to Craig from Ketchikan is approximately \$210 round trip.

A smaller number of visitors take the Inter-Island Ferry between Ketchikan and Hollis, located on Prince of Wales' east side. Hollis has few residents and is mainly a ferry stop where visitors use vehicle transportation to get to Craig or other communities on the island.

In 2006, the Inter-Island Ferry Authority added an additional segment connecting Coffman Cove with Wrangell and Mitkof Island (with proximity to Petersburg). This creates the possibility of traversing Prince of Wales by car and making a loop through Hollis and Coffman Cove. In 2007, the northern route through Coffman Cove was served once a day, Thursday through Sunday. The Alaska Marine Highway does not serve any ports on Prince of Wales Island.

Sport fishing

Unlike Alaska's Kenai Peninsula or other regions where the focus is mostly on salmon or halibut, Prince of Wales offers the full range of species that can be caught: yellow eye rockfish, lingcod, king salmon, halibut and other rockfish.

Most sport fish visitors stay in one of the island's lodges. A smaller percentage stay in cabins, B&Bs or local accommodations, and rent skiffs or go out with a charter guide on day trips. The majority of the fishing lodges have been in business for five years or more, with some of the more-established lodges over 15 years old. About 14 lodges are located off the road system or well outside of communities and are accessed predominantly by float plane. Many of the newer lodges and charter businesses were started by people who used to work for one of the larger high-end lodges on the island.

The sport fish lodge client base is predominantly males from the Lower 48 United States. Owners noted that the numbers of couples and families coming to Prince of Wales had increased slightly in recent years, but many reported that women still made up only about 15% of the total clients. Customer rate of return is very high, often over 80%, and lodges rely on word of mouth to attract guests. There are also a significant number of corporations that treat their executives to annual fishing trips to Prince of Wales. Corporations tended to prefer the remote lodges as more of an "escape", and sometimes book the entire lodge. Lodge owners noted that once a corporate group has a good trip, they generally return year after year in order to reduce the risk of the executives not enjoying their stay in a new place.

The sport fishing season on Prince of Wales runs from mid-June through mid-September. Because Prince of Wales has no cruise ships, and clients come specifically to bring home fish, most people want to schedule their vacation during peak fishing season.

A typical amount of fish caught is 800 to 900 pounds for a group of four passengers on a charter. Fish filleting and packaging is usually performed by the lodge and included in the package price. Day charter captains often take their clients' catch to the local fish cutter on the dock. A typical fish processing price in Craig is \$1.50 per pound of final product.

Some visitors are beginning to split their time between fresh water fishing and salt water fishing while on Prince of Wales. Fresh water fishing is sometimes unguided. Economically, it is difficult for charters to focus on both fresh and saltwater fishing because of the different gear, equipment, and permits needed for each activity. Some lodges and charter captains do offer both.

Starting a fishing lodge on Prince of Wales requires significant up-front investment. Transportation and construction costs are high and the availability of local supplies is limited. Larger lodges with economies of scale may be more efficient, but they entail more risk. Advertising costs are also high until a client base is built, as the most effective advertising comes from word of mouth. In recent years high fuel costs have also posed challenges for businesses.

A common concern expressed by lodge owners and charter operators during interviews involved changes in halibut quotas. In June of 2007, the North Pacific Fisheries Management Council

reduced the sport fish allowable catch per day from two halibut to one halibut of any size and one halibut less than 32 inches in length. This regulation was suspended by court order in 2008 and published regulations for 2009 retain the two halibut limit with no size restrictions. Separately, the NPFMC has established a limited entry program for Southeast halibut charter operators scheduled to go into effect in 2010.²⁴

Sightseeing on the road system

The Prince of Wales road system, unique to Southeast, provides almost limitless opportunities for exploring. Currently, however, this potential appears relatively untapped. The Forest Service district offices were uncertain how many people drive the roads in the course of a season and were working on an island-wide carrying capacity study in 2007 assessing the numbers of visitors, amount of use, resource impacts, and sustainability of the experience. Presently, no companies have permits for road system sightseeing tours, although there are permits issued for stream fishing and cave tours.

Information is available on maintained Forest Service trails at the Craig and Thorne Bay district ranger stations, with trail locations and descriptions. However, the Forest Service observed very little use on most of the trails. Ideas were being discussed on how to promote the trail system more effectively.

The road system also holds the potential for mountain biking or road biking on paved stretches. There is some question of safety on the gravel roads as vehicles tend to move quickly and there is little or no shoulder in some areas.

With visitor interest focused on fishing, there are very few sightseeing or “eco-tours.” About one company in each of the larger communities offers some type of sightseeing, adventure, or nature tour but they are in their fledgling stages or not well-utilized.

One unique attraction on Prince of Wales Island is the karst formations and caves. El Capitan Cave, located north of Naukati, is the largest and best-known cave. Tours provided by Forest Service naturalists can be arranged by calling the Forest Service Ranger District office in Thorne Bay. The cave is a point of interest but not a tourist draw. Six weeks into the summer tourism season in 2007, all visitors to the cave were Alaskans except for one party of two. A few lodges offer trips to the cave as an option -- either as do-it-yourself with the use of the lodge’s vehicle, or accompanied by lodge staff. However, lodges reported that few visitors took this option as it would require missing a day of fishing.

U.S. Forest Service cabins

Prince of Wales Island contains 21 Forest Service cabins, mostly accessible by boat or float plane. The majority of the cabins are not utilized very often due to remoteness and cost. An hour-long Beaver flight costs around \$500 to \$600. The Forest Service noted that the cabins do not pay for themselves, as the cost to fly an annual maintenance crew to check on a cabin is not covered with only two nights of rental use. Some cabins are starting to be disassembled.

²⁴ <http://www.sf.adfg.state.ak.us/Guides/> accessed 8 March 2009.

Hunting

Bear hunting is popular on Prince of Wales, which is home to several thousand black bears (the precise number is unknown). The Forest Service district office in Craig noted that science and data on black bears are lacking and the only available statistics showed that the bear harvest was increasing and younger bears were being shot. It is not difficult to find bears on the island, and the success rate based on reported harvests was between 80 and 90%. Part of the increase in hunting was thought to be due to the moratorium on brown bear hunting in other parts of Southeast, which consequently pushed more people toward Prince of Wales. The Alaska Department of Fish and Game controls harvest numbers and there is currently no cap on the number of tags issued for black bear hunting.

Guided black bear hunting costs \$3,500 to \$6,500 per trip. According to the Forest Service, some guides are turning more toward drop-offs and transporter services. A guiding license is necessary to stay with clients during the hunt, but the law allows transporters without guide licenses to bring clients to good bear hunting areas using local knowledge and to provide instructions for where to go and what to do. Clients pay transporters between \$100 and \$1,000 for their services.

In contrast to brown bears, mountain goats, or Dall sheep, black bears can be hunted by out-of-state visitors without a licensed guide. About 500 bears are reported as harvested each year. Forest Service rangers noted that an estimated additional 700 to 800 bears are shot, injured, and not found.

Some local residents noted that large groups of out-of-state residents come in to get over-the-counter tags while lacking hunting experience. The U.S. Forest Service can regulate hunting guides but not unguided hunters. Some guides had approached the Forest Service, observing that increased enforcement may be needed to ensure the protection of the resource from unguided hunters. Similarly, lodges and accommodation owners on Prince of Wales expressed widespread discontent with the general bear hunter mentality. They did not like the “shoot whatever moves” approach, the lack of respect for the animals and the natural resources on the island, and the attitude shown toward local people. Many business owners said they did not encourage bear hunters to stay at their establishment, or did not allow them altogether. They also noted that bear sightings along the road system have become rarer.

8.2 Coffman Cove

Coffman Cove, population 200, is located on the northeastern coast of Prince of Wales Island. Home to a school, community library, small general store, gas station, and offloading dock, the community provides amenities for the northern part of the island including the town of Whale Pass. During the summer of 2007, the last section of road between Coffman Cove and Craig was in the process of being paved, connecting Coffman Cove to Prince of Wales’ largest communities and to the Inter-Island Ferry terminal at Hollis. Like the other Prince of Wales communities, tourism in Coffman Cove is focused primarily on sport fishing.

Visitor arrivals

Visitors arrive at Coffman Cove using a variety of means, including renting cars from Ketchikan and taking them on the Inter-Island Ferry to Hollis. Others take float planes from Ketchikan to

Craig and rent cars there. Guests coming to stay in fishing lodges often fly to Thorne Bay via float plane and are met by the lodge owner for the 55-mile drive to Coffman Cove.

In addition, a new branch of the Inter-Island Ferry Authority (IFA) opened in 2006, connecting Coffman Cove with Wrangell and southern Mitkof Island (26 road miles from Petersburg). This provides the additional option of making a loop through Wrangell or Petersburg and then on to Hollis and Ketchikan using the other leg of the IFA, eventually connecting with the Alaska Marine Highway System ferries. In 2007, this service operated four days a week, Thursday through Sunday. A jet boat company based in Wrangell also transports people to Coffman Cove from Wrangell.

Sport fishing

Coffman Cove is home to two fishing lodges with all-inclusive packages and one lodge that offers the use of a skiff, car, meals, or a combination of these three options. Guests in the lodges generally stay five to seven nights, and sometimes incorporate freshwater fishing into their trip. Most lodge guests fly into Thorne Bay with one of two float plane companies based in Ketchikan, and are picked up by the lodge owner for the drive to Coffman Cove.

Two additional operators offer day charters for fishing, one of which includes the option of lodging in a trailer. The remainder of the day-trip fishing clients stay in one of the two local bed and breakfasts, two apartment/bunkhouse facilities, or two sets of per-night rental cabins. Most of the visitors doing day-trip charters rent a car in Ketchikan or Craig and drive across the island. They tend to stay about one week. Prices for day trips are around \$175 to \$200 per person. Another relatively new company offers skiff rentals, available for \$115 per day.

Between the lodges and the day-charters, approximately 500 visitors went fishing. These businesses generated between \$1 million and \$1.2 million in gross revenue from meals, accommodations, and skiff rentals.²⁵

Lodging

About 625 people who were participating in fishing, hunting, or sightseeing stayed in Coffman Cove. They occupied two bed and breakfasts, apartments, bunkhouse, recreational vehicles (RV)/campground, and three sets of cabins. Together, they generated approximately \$200,000 in accommodations revenue.²⁶ Accommodation owners noted that many of the occupants had rented a car in Ketchikan or Craig. One noted that about 70% of his clients went fishing, 70% inquired about renting skiffs, and 20% would tour the island. He believed 70% rented a car in Craig. Bed and breakfasts tended to cater more toward business travelers, contract workers, and U.S. Forest Service employees and had a relatively low number of people coming to fish or participate in other nature-based activities. Visitors seemed to prefer lodges and cabins.

The recreational vehicle (RV) park/campground in Coffman Cove is located on the water, fairly close to the IFA terminal. About half of the guests stay one to three nights, while the other half

²⁵ One of the companies was not available for interview; figures for that company were estimated based on similar companies.

²⁶ Two businesses were not interviewed. Estimates were made based on information gathered by community members and trends in the businesses interviewed, and are included in the totals.

stay half spend the summer. The clientele is usually comprised of fishermen with their families. There are 14 RV spots. However, the owner mentioned that a lot of visitors do not tend to stay in campgrounds if they have an RV because they can pull off the road just about anywhere around the island.

Other nature-based activities

As of 2007, there were no guided sightseeing, kayaking, hiking, or other non-fishing nature-based tours offered out of Coffman Cove. One company started a rental business offering kayaks, bicycles, and ATVs. Very little advertising had been done and rental use for bikes and ATVs was minimal. However, the owner plans to advertise more formally and believes there might be a larger customer base.

8.3 Craig

Craig is located on the west coast of Prince of Wales Island, and is the largest community on the island with a population of 1,417. Like the rest of Prince of Wales Island, Craig's tourism clientele is almost entirely visitors coming to fish for three to six days on guided saltwater charters.

Visitor arrivals

Craig is connected by a 35-mile paved road to the Inter-Island Ferry (IFA) terminal at Hollis on the east coast of the island, but does not receive direct AMHS or Inter-Island ferry service. Most visitors arrive in Craig by float plane. Two commercial air service companies serve the community, both based in Ketchikan. Some lodges contract directly with one of the air charter companies and include the cost of airfare in their trip package. While this is common, several lodges reported that they were no longer doing this, or planned to stop, as a result of insurance costs and complexities.

Sport fishing

Fishing Lodges. The majority of visitors to Craig stay in one of the fishing lodges located in town, or along Port Saint Nick Road. Saint Nick Road is a five-mile rough dirt road that runs from downtown Craig along the water, and most of the lodges there have their own docks and direct boat access. These lodges, while still accessible by car, float plane, and boat, feel more remote than the lodges in town. Some clients are dropped off directly by floatplane, and are fed, lodged, and taken charter fishing directly from their lodge door without ever visiting the town of Craig. There are also two charter boat captains that work cooperatively with a local lodging establishment to provide multi-night fishing packages.

In total, fourteen operators offer package trips that include guided fishing, meals, and lodging. The packages often include fish processing and sometimes float plane transportation. Alcoholic beverages are extra. These fourteen operators took over 2,800 guests, generating gross revenues of \$6.0 to \$6.2 million. The average price per day was \$565 per person.²⁷

²⁷ Data were not provided for three of the fourteen lodges. Revenue and visitor number estimates were calculated for those lodges using the average of the other 11 lodges. Two of the 14 lodges did not include meals, although the package price for those businesses was still above the average price per night in the Craig area.

Fishing Day Trips. A smaller number of charter captains offer day trips, leaving the Craig harbor early in the morning and returning during mid-afternoon. Four operators advertised these day-trip charters, and took approximately 330 to 390 people in 2006. These charters generated an estimated \$160,000 to \$210,000 in gross revenue.

Revenue from Fuel. Nearly all fuel for charter fishing boats is purchased locally. In the summer time, this is about 80% of the fuel dock's marine business. Three local lodges fill up daily, and many of the others come every other day. Fuel costs for a full day of fishing would vary between \$100 and \$300, depending on the boat, weather conditions, distance to the fishing area, and the weight of the passengers on the boat. There is a 5% sales tax on fuel; however, the city does not break down the revenue into categories that would reveal revenue from this sector.

Other nature-based activities

The number of people coming to Craig for activities other than sport fishing is relatively small. Other than those associated with lodges, there are no flightseeing tours or advertised sightseeing tours of the road system. Two companies offer marine sightseeing tours in a fishing charter-type boat, but one works less than half time and often does not charge clients. The other was not available for interview. Another operator provides trips focused on nature and wildlife in addition to fishing, and takes biologists, photographers, or U.S. Forest Service employees to remote sites. Several other operators advertise sightseeing tours but reported giving them "very rarely." Comments about this trend included "people come to catch fish", and "we see plenty of whales during the day while fishing. People won't come all the way to Prince of Wales just for that."

There used to be a sole proprietor renting kayaks but that business was no longer open in 2007. Some lodges offer kayaks as part of their package but clients are generally too tired from a full day of fishing to utilize them. There are no guided kayaking excursions advertised in Craig.

Recreational boating

According to the Craig Harbor Master, over 100 private recreational vessels come through the Craig harbor each season. They are regularly 100 to 120 feet in length with the largest up to 150 feet. Length of stay varies from one night to the entire summer. Many of the boats have come every year for 10 to 20 years. A common theme is to do a few day trips on the ocean, tie up for a week or so, and then go out on the water again. People on these vessels mainly engage in saltwater fishing and sightseeing. Several have been known to bring bikes, have a car they keep in Craig, or have kids in tow.

In the last several years, moorage revenue from visiting recreational vessels ranged from \$6,000 to \$7,000. In 2007, it was estimated that \$10,000 to \$20,000 would be collected due to increased reserved moorage fees. More than ever before, yacht owners are calling ahead to reserve space ahead of time during the summer. One yacht tied in the harbor was reported to be paying \$1,200 to \$1,300 per month for harbor space and electricity.

It was noted that most yachters coming from the Pacific Northwest go first to Ketchikan instead of Craig because there is no customs agent in Craig. Some vessels come afterward but the Craig

Harbor Master believed that the number of transient boaters visiting the community might be reduced by the lack of a customs agent.

8.4 Kasaan

Kasaan is a quiet Native village located on the east side of Prince of Wales, south of Thorne Bay. It is one of only two Haida villages in Alaska; most other Haida communities are located in British Columbia, Canada. With 61 year-round residents,²⁸ Kasaan is declining in size due to an aging elderly population, a declining timber industry on the island, and a lack of work within the community. The village receives few visitors, as the road to get there is rough and there are no promoted tourism activities.

One tourism-related business exists in town, providing meals and lodging to visitors. It has been in operation for five years, and houses business travelers as well as fishermen, hunters, and the occasional sightseer. Most fishers and hunters were from Alaska and arrived by vehicle, staying three to five days. The percentage of repeat clients was high.

Occasionally large yachts come through Kasaan during their tours of Southeast. The local business owner estimated about 30 of these vessels come through during the main part of the summer, averaging two nights each in Kasaan. The passengers come by to see the clan house and go fishing, often stopping to buy local pies or smoked fish.

Attractions

A little-publicized but unique totem park and clan house is located about a mile from town at the end of a forest trail. There are no signs to the site and no explanatory boards describing the art or culture. Instead, visitors suddenly see totems through the trees. For many, this is a uniquely pleasant encounter.

Plans for tourism in the immediate future

After ten years of discussion, plans for an ecotourism lodge in Kasaan focusing on cultural heritage are being finalized. The project is directed by the Organized Village of Kasaan, working with grants from the U.S. Department of Housing and Urban Development (HUD). The lodge will include 12 guest rooms, meeting rooms, cabins, and conference capabilities. The goal is to revive traditional language and culture in the community in a way that is economically sustainable and community-driven. The lodge would offer five and ten-day packages, integrating the guests with the artists and locals through activities such as carving courses, art classes, story telling, cooking, drum making, kayaking, interpretive walks, and Native dance. The community has set its sights on an opening of 2009 or 2010, and anticipates employing 15 to 20 people, all local. This initiative will be Kasaan's first attempt at attracting tourism.

8.5 Klawock

Klawock is located on the western coast of Prince of Wales Island, seven miles from Craig. Originally a summer fish camp of the Tlingit Indians, the community is 50% Native. With a population of 850 people, Klawock is the second largest community on the island after Craig. It

²⁸ Alaska Department of Labor and Workforce Development, 2005 population estimate.

has the only airstrip on the island and is connected by paved road to Craig, Hollis, and Thorne Bay. People driving to Craig pass through Klawock on the way.

Tourism activities in Klawock are focused on sport fishing. There are three sport fishing lodges that provide charters and accommodations as packages, and a fourth entity offers day charters with the option of lodging as a package. Additionally, Klawock has two RV parks that served mostly long-term visitors. Many RV patrons stayed several weeks to all summer and focused on sightseeing, fishing, hunting, and enjoying the outdoors.

Between these seven companies, around 1,200 nature-based visitors took part in activities based out of Klawock, generating over \$1.8 million in revenue.

8.6 *Naukati*

Naukati is located on the west coast of Prince of Wales Island in a protected cove. The community was formerly a logging camp and is now home to around 130 residents. A developed tourism industry does not exist; although there is one cabin rental business and one sport fish charter captain who takes clients on day trips. The cabins attract sport fishermen in the summer, and the two businesses partner to offer a multi-day fishing package with accommodations included. Hunters stay in the cabins in the spring and fall. Statistics are not included here in order to protect proprietary information.

8.7 *Thorne Bay*

Thorne Bay, population 500, is located on the central eastern coast of Prince of Wales Island in a protected inlet. Historically a logging community, Thorne Bay has become a popular sport fishing destination with a collection of fishing lodges in the bay. The town also has a post office, grocery store, U.S. Forest Service district office, and community library, and is the school district headquarters for the island. Thorne Bay is 45 minutes from Craig by paved road.

Sport Fishing

Including both lodges and guided day trips, over 920 people participated in fishing in Thorne Bay in 2006, generating gross revenue of approximately \$1.8 million.

Thorne Bay is home to seven fishing lodges, each several minutes by skiff from the community dock. Five lodges specialize in “do-it-yourself” experiences where a skiff, fishing gear, and sometimes a vehicle are included in the package or available for rent. Two lodges offer all-inclusive package deals where guided charters, lodging, meals, fish processing, and transportation are included in the cost. The remaining lodge was new in 2007 and data is not included in this report. The new lodge advertised both guided and unguided fishing and hunting options.

There are also two accommodations in town that offer the same amenities as the do-it-yourself lodges, but without bay-front property. One advertises as a bed and breakfast, but provides special week-long packages including vehicle and skiff to people coming to fish.

Fishing lodges. Bay front lodges are reached by a short skiff ride from town, and several are also accessible by a road that goes several miles out of town before looping back behind the bay.

Most clients stay five to seven days and do a combination of saltwater and freshwater fishing. Fly-fishing is popular, and clients take vehicles to streams on the road system. Saltwater fishing is not as good as on the west side of the island but operators seem to be able to maintain business. One lodge was expanding to accommodate more clients and seemed confident about filling the space despite the fact another new lodge had just been built.

Lodges purchase most of their supplies from Seattle, but fuel is purchased locally and was costing nearly \$4 per gallon in 2007. Clients staying in do-it-yourself lodges typically purchase their own fuel, and spend money in town buying supplies and groceries to cook in their cabin. Thorne Bay does not have the feel of a tourist community as most visitors stay across the bay. There are no purely tourist-oriented trinket stores or gift shops. One shop attached to the post office offers snacks, espresso, and gifts and is also patronized by locals.

Sport fishing day trips. Two operators run day trips for people seeking a guided fishing experience, and a third does day trips part-time when not working for a lodge. Most day-trip clients stay at one of the do-it-yourself lodges. Guided day trips usually last one to two days per party, and the typical group size is around four. After the introduction to the area with a local fishing guide, clients will often take the rental skiff out on their own for their remaining days in Thorne Bay.

Other nature-based activities

Other nature-based activities are relatively minimal in Thorne Bay compared to fishing. Three B&B's/accommodations noted that most of their clients were business travelers, or employees of the U.S. Forest Service or Alaska Department of Transportation. One eco-tour company ran for a year before the owner began working for another business in Whale Pass. The eco-tour had been a several-day package that included kayaking, hiking, and a tour of the El Capitan cave, and had a relatively successful season the first year in business. No companies have stepped in to fill that role.

Additional community observations

The fishing lodge sector in Thorne Bay has greatly expanded in recent years. In 2003, only three lodges were operating and one was in its fledgling stages. Now there are nine "lodges" that cater to fishermen, as well as several Bed & Breakfasts. With the logging industry in decline, locals noted that people were looking for ways to make a living, and land had been cheap.

While options for sightseeing, hiking, or wildlife watching tours still exist, activities other than fishing are not currently being promoted in Thorne Bay.

8.8 *Whale Pass*

Whale Pass, population 50, is a quiet community located on the northeast coast of Prince of Wales Island. There are no services or amenities, and locals rely on Coffman Cove or other communities for groceries, supplies, and fuel. The town center is made up of a small one-room "town hall" and a volunteer fire station. There is a community dock but no centralized boat harbor, and the lodges in the area use their own private docks in front of their establishments. Whale Pass is bordered by a protective inlet and gives the feeling of a sleepy rural Alaska town. The tourism presence is very subtle.

Five visitor operations were in business in the summer of 2007. These included three sets of cabins that come with the use of a skiff, two sets of accommodation-only cabins or trailers, and one high-end ecolodge.

Visitors arrive in Whale Pass either by the gravel road, by float plane -- typically from Ketchikan, or by jet boat from Wrangell. Residents observed that most visitors came by car, and had rented vehicles in Craig or Ketchikan. Visitors to the one high-end lodge came by float plane, included in the package.

Sport fishing and hunting

Businesses offering only accommodations noted they were never fully booked through the summer as there were few drop-in visitors to Whale Pass. Between the two businesses, slightly over 100 visitors stayed for recreational activities in 2006, primarily fishing and hunting. One of the accommodations had mostly fishers who stayed one to two weeks. Clients at the other establishment generally stayed a shorter amount of time, and the owner noted that while they offered skiff rentals, they were rarely rented.

The three lodges included skiffs with accommodations; one was new in 2007 and estimated the number of groups from bookings to date for summer 2007. The average price per person per night for all the lodges was slightly over \$100. Most guests were coming to fish, and stayed four to six nights. A smaller number of customers were bear hunters whose length of stay ranged from two to ten nights.

Together, these five operations generated around \$120,000 in gross revenue during the season from about 275 total clients.

Other nature-based activities

One lodge in Whale Pass caters toward individual interests, and each member of a group selects what they would like to do each day based on preference. Potential activities include saltwater fishing, freshwater fishing, marine sightseeing, hiking, bear viewing, bike riding, caving, nature walks, float plane rides, and almost any other idea the client might have. The average visitor stays between four and five days, and the owner estimated the breakdown between sport fishing and “adventure” activities to be about half and half.

The lodge originated as a fishing lodge, but the owners decided to expand the options to include “adventure” tourism. Adventure tours span a wider season than fishing, with many options in May and June before the peak of fishing season hits in July and August. The lodge now successfully markets eco-packages for fishermen and their families. Clientele tend to be more physically active and in the age group of 45 to 60 years old.

In order to protect proprietary information, visitor and revenue statistics from this lodge are included in the “off-the-road-system” section below.

8.9 Off-the-road-system lodges

In addition to lodges near communities, Prince of Wales also has several remote lodges scattered around the island. These are mostly higher-end operations accessed by float plane from Ketchikan and occasionally from Petersburg. Most are located on the western side in Sea Otter Sound or the northern tip of the island near Point Baker or Port Protection. There is also a large and well-known lodge south of Craig on a peninsula across from Suemez Island. All of these lodges have direct waterfront access and focus on saltwater fishing.

Most of the larger lodges offer package trips of three to five days, although some also provide week-long packages. Clients often fish on the day they arrive and the day they leave. The experience is self-contained; clients typically do not set foot on other parts of the island during the course of their trip.

The majority of these lodges have a systematic guest arrival and departure schedule, starting in mid May and running through mid September. The clientele is predominantly male, and a large share is corporate groups. The lodges do not cater to hunters. Several have unguided fishing options, usually after several days of guided fishing so the clients know their surroundings.

The rate of repeat visitors to these lodges is extremely high, with some reporting 95%. Most have been in operation for five years or more.

Prices vary from \$400 to \$950 per person per day, and the average cost is around \$745. Ten lodges were identified, and data was collected from seven²⁹. Also included in the data for this section is the large ecolodge at Whale Pass. Combined, these eleven lodges served estimated 5,300 people in 2006 and generated approximately \$18 million in revenue.

8.10 Prince of Wales data caveats

Thorne Bay. Three lodges and one day-trip captain did not provide data. Estimates were made for these businesses using the average of businesses offering the same amenities. There are two bed and breakfasts and one other accommodation in town. People and revenue from the bed and breakfast that offers special fishing packages is included in the data. Revenue and numbers of guests who stay at the other accommodations and happen to fish during their stay are not included in the totals. This number was reported to be low, as most of the clients in these establishments are business-related.

Whale Pass. The large eco-lodge contracts with a jet boat company in Wrangell for several tours including trips to Anan Creek for bear viewing. They also contract with a Ketchikan-based float plane company to bring clients to and from their lodge.

²⁹ Estimates were made for the three remaining lodges by using the average of the other lodges. The largest lodge was not included when calculating the average, as it was significantly larger than any other lodge on the island.

9. Petersburg

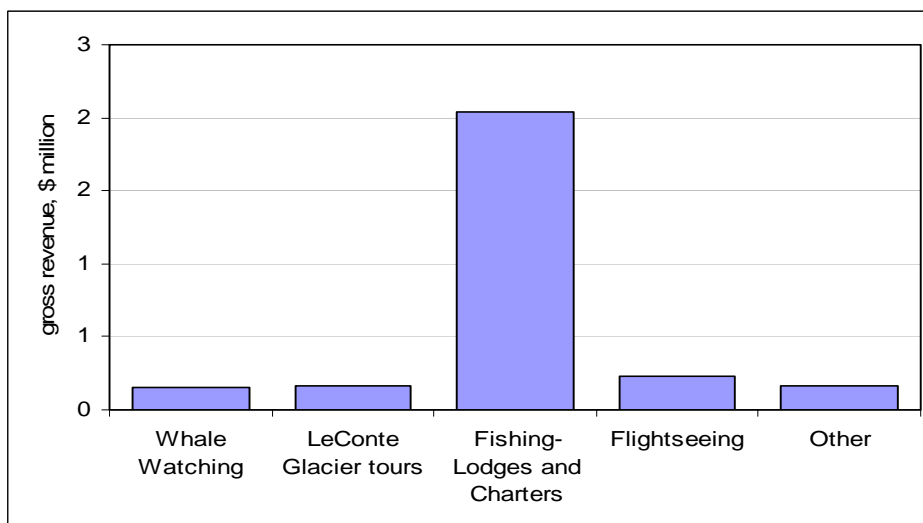
Petersburg is a community of 3,100 people located in the central part of Southeast Alaska on the northern tip of Mitkof Island. Historically a commercial fishing village, Petersburg has a noticeable Scandinavian influence and is called the “Little Norway” of Southeast Alaska. Perhaps because of its moderate size and low-key atmosphere, Petersburg seems to be a haven for independent travelers hoping to see glaciers or whales, go fishing, or enjoy a friendly small coastal town in Alaska. At the same time, Petersburg remains a working community with a large commercial fishing fleet, a cannery, and local shops and services that are open year-round. Locals observed that while many communities have changed significantly in recent years as a result of the decline in timber harvesting and processing, Petersburg has changed relatively little—largely because its core industry has been commercial fishing rather than timber harvesting.

Field interviews were conducted in Petersburg in 2007. About 13,000 visitors patronized Petersburg nature-based tourism companies, going on guided adventures, staying in fishing lodges, or renting kayaks or skiffs. Together, these activities generated over \$2.7 million in revenue.

Table 13. Estimated revenue and visitors from nature-based tourism activities, Petersburg, summer 2007

	Revenue (\$)	Visitors
Whale Watching	158,061	528
LeConte Glacier tours	162,986	624
Fishing-Lodges and Charters	2,036,453	2,562
Flightseeing	231,800	1,552
Other	164,622	6,239
<i>Petersburg subtotal</i>	<i>2,753,921</i>	<i>11,505</i>

Figure 14. Estimated revenue from nature-based tourism activities, Petersburg, summer 2007



Visitor arrivals

Visitors arrive in Petersburg via airplane, ferry, small cruise ship, or private vessel. Alaska Airlines provides one commercial jet flight north and south each day. Two Alaska Marine Highway Service (AMHS) ferries service Petersburg each day, docking several blocks from downtown. Because the ferry route lies along the shallow Wrangell Narrows, ferry schedules are dictated by the tides.

The Petersburg Chamber of Commerce collected visitor statistics before creating a strategic plan with input from the community. Data showed that in 2005, there were a total of 24,000 pleasure visitors (not including business travelers). These included 4,500 air passengers, 3,400 ferry arrivals, 10,000 cruise passengers, and 6,000 passengers from private vessels. According to resident surveys done in conjunction with the tourism plan, residents favored slow to moderate growth, and preferred visitors that blended into the community and the idea of fewer organized tours.

In 2006, the Inter-Island Ferry Authority (IFA) began passenger and vehicle transportation between Mitkof Island, Wrangell, and Coffman Cove on Prince of Wales Island. The trip to Wrangell cost \$22 and travel to Coffman Cove cost \$48. The ferry dock is 26 miles from Petersburg, and is serviced by the South Mitkof Express shuttle, arranged on a reservation-only basis through Petersburg's local travel agency. Locals did not report an increase in business due to the new ferry service, but noted that it was only the second year in operation and was not widely known by travelers. Ridership was low and appeared to be mainly locals. To address low ridership, the IFA deeply discounted the price of this northern route during summer 2007. One operator noted that if anything, he was losing business since Petersburg is now in more direct competition with Prince of Wales for visitor services.

Independent travelers

Petersburg visitor clientele includes a substantial portion of both travelers passing through town while exploring Southeast, and "destination" travelers seeking out Petersburg as the primary focus of their vacation. Local residents noted that visitors often commented that they like the fact that Petersburg was not a cruise port – it actually "felt like a real town". A travel agency located on the main street downtown assists travelers with itineraries and books local charters. There also is a small visitor center with maps, trail guides, reference books, and local photography. In June of 2007, the visitor center reported having received over 750 visitors so far that season. There seemed to be an emphasis on outdoor activities and sightseeing, and visitor center staff noted that about half of the visitors inquired about the LeConte Glacier or nearby nature hikes.

Visitors generally stay in Petersburg between two and seven days. Unlike communities whose tourist pool is dominated by charter fishers in all-inclusive packages or cruise passengers, visitor spending appears to be spread throughout the town. Most people go on some type of marine charter, whether it is for fishing, sightseeing, or whale watching. However, people are often on their own for food, lodging, and transportation. Petersburg has a thriving bed and breakfast (B&B) sector with approximately 15 locally owned B&B's, as well as two hotels located in the center of town. Guests of these establishments patronize local restaurants, gift shops, fish processors, and they rent cars and skiffs. One of the hotels noted about 80% of their clients in the

early part of the summer have come to fish, and that 25% rented cars for at least one day. There appears to be a high level of cooperation among Petersburg businesses and a diligent effort to share the benefits of tourism among businesses and residents. There also appears to be much less community conflict over tourism in Petersburg.

Do-It-Yourself Activities

Petersburg's location and nearby natural resources are well-suited for the independent traveler, and there are more unguided opportunities than in many communities. Protected waters close to town allow people without substantial boating experience to feel comfortable renting skiffs and fishing on their own. There is also a developed road system around Mitkof Island with 22 miles of paved road running south of town, and 200 miles of logging-spur gravel roads. Some of these are well-maintained and lead to trailheads. The two local hotels offer car rentals and their collective 13 cars are generally booked throughout the visitor season.

Hiking. Petersburg has many opportunities for unguided hiking. The U.S. Forest Service (USFS) offers a publication called "Hiking Trails of the Petersburg Ranger District" with maps and descriptions of 25 trails between Mitkof, Kupreanof, Woewodski, and Kuiu Islands. Seven are located on Mitkof Island and are accessible by road. Due to difficulties in collecting data on dispersed use, the USFS is unsure of how much use these trails receive. Despite good information and advertising of hiking options, rangers believe the trails are under-utilized.

Unguided kayaking. The U.S. Forest Service has a publication describing and mapping six sea kayak routes in the Petersburg area. This includes information on mileage, campsites, and safety precautions. The Forest Service does not have an estimate on how many people participate in these activities. The kayak rental company in town indicated there were not many long term rentals, but it is likely that hard core kayakers bring their own kayaks on the AMHS.

Camping and recreational vehicles. The Petersburg Ranger District of the U.S. Forest Service has 20 public use cabins available for nightly rental. Many are accessible by boat or float plane, and are described in the flight service section.

An increasing number of visitors bring their own cars and recreational vehicles (RVs) to Petersburg on the Alaska Marine Highway System. Mitkof Island has four RV parks and one public campground. Recreational vehicle visitors reportedly came to see the LeConte glacier, kayak, fish on their own (often in rivers or lakes), or rent skiffs for saltwater fishing. Length of stay ranges from days to weeks. One RV park owner reported an average stay of three to four days, depending on the ferry schedule; however, some people came for most of the summer. Many RV travelers had been to Southcentral Alaska before but it was their first time to Southeast and did not know what to expect. Clients appreciate the absence of large cruise ships and big crowds.

Interviews with RV park employees suggest the total RV count in Petersburg during the course of a season was likely greater than 700, generating over \$70,000 in revenue.³⁰ High fuel prices caused cancellations in 2007, according to RV park staff.

³⁰ This is assuming an average stay of four days, likely a conservative estimate.

Recreational boating

Petersburg is a common stop along the way up or down the Inside Passage and many out-of-town yachts and pleasure crafts tie up at the Petersburg Harbor during the summer. The number of these types of transient vessels was around 1,800 in 2006. These boats averaged 45 feet in length, however about 50 were large yachts of over 100 feet. Typical length of stay for recreational boaters was three days. The City of Petersburg charges moorage fees of \$0.35 per foot per day, equating to an average of \$50 per boat. These moorage fees generate about \$90,000 of revenue to the city.

Sightseeing

Petersburg has developed a unique sightseeing niche and is becoming known for two major attractions: the LeConte Glacier and whale watching in Fredrick Sound. Both are within 30 miles of the downtown harbor by boat. The popularity of these sites is seasonal with more glacier trips in May and June and more whale watching in July and August.

LeConte Glacier. The LeConte Glacier is on the east side of Fredrick Sound and renowned as the southernmost tidewater glacier in North America. The glacier is 21 miles long and one mile wide with a saltwater calving face. Charter boats impress visitors by maneuvering around the unique and deep blue icebergs floating at the mouth of the glacier. Sometimes the arm is so full of icebergs that boats cannot get within two miles of the face. Boat tours to the glacier usually cost between \$150 and \$175 per person. During the course of the 2006 season, 1,650 to 1,800 people went on guided tours to the LeConte with Petersburg-based boat or flight tour companies. This activity generated \$295,000 to \$336,000 in revenue.

Whale watching occurs to the north in Fredrick Sound, an area where humpback whales are commonly seen feeding in the later part of the summer. Four captains in town provide whale watching charters, although only two focus on whale charters (the others do more glacier or other trips). All four have been operating for over ten years. Tours generally cost between \$200 and \$250 per person. During the summer season, these operators took approximately 1,200 people on whale watching tours, generating \$235,000 to \$265,000 in revenue.

Most visitors were reported to have booked ahead with their charter captain. Demand exceeds supply in July and periodically during other parts of the summer. Captains observed that their whale watching clients stayed in Petersburg an average of five days. Many rented a car for at least one day. Captains also observed their clients commonly renting kayaks or bikes to explore the further reaches of the island on their own, or going on a guided kayak paddle with the local kayak business.

Guided Kayaking

One company in Petersburg offers guided kayaking trips and kayak rentals. Trips range between four hours and eight days and destinations include the LeConte Glacier, and whale watching in Frederick Sound. The company also offers guided nature hikes both near Petersburg and near the LeConte Glacier.

Flightseeing & air services

Four flight service companies operate out of Petersburg offering flightseeing trips in the area. One is a helicopter company and three are float plane companies. In addition to nature-based tourism activities, they also contract with the U.S. Forest Service, Alaska Department of Fish and Game, and commercial fishers.

Tourism operations include flightseeing over glaciers and whales, and wilderness drop-offs. Both can be largely weather dependent and pilots noted a lot of flights cancelled in 2006 due to poor conditions. Approximately 1,200 people went on glacier/whale flightseeing trips, and were predominantly small cruise passengers. Flights ranged from 45 minutes to one hour and cost between \$130 and \$165.

About 80 wilderness trip parties were dropped off or picked up in 2006. Destinations included U.S. Forest Service cabins, day trips to steelhead streams, hunting drop-offs, and recreational use of areas. Prices usually ranged from \$450 to \$700 for roundtrip drop-off/pick-ups. Groups going to cabins generally stayed two to five nights, and pilots reported about half of them were from out of state. The closest cabins were around 20 minutes away by air. The most popular USFS cabins include Salmon Bay, all the cabins in Duncan Canal, Virginia Lake, and Shipley Lake.

Drop-offs and pick-ups peak in the spring and fall during hunting season. The average time of the unguided hunting trips is around five days. Group size varied, but pilots estimated an average of four people per party.

Between the four companies, over 1,500 people went on flightseeing tours or were transported for wilderness trips. These activities generated over \$225,000 in revenue.³¹

One of the air service companies also provides transportation for lodges on the northern end of Prince of Wales. Those statistics are incorporated in the Prince of Wales section of this report.

Petersburg cruise industry

Petersburg receives small cruise ships carrying between 60 and 250 passengers. One company sends four to five boats each week, and an additional four to five boats arrive from other companies. These include a charter yacht company with yachts holding 12 to 25 passengers. In 2007, the port received 144 calls.

Cruise passengers only remain in Petersburg for several hours and most of the time is devoted to browsing shops and participating in pre-booked tours. The primary cruise ship company provides walking tours with their own personnel, focusing on Petersburg's history. There are also small van tours and cultural activities in the Sons of Norway Hall. Consequently, cruise visitors appear to be providing more revenues to local shops than to nature-based tourism companies. This may be partly due to the limited time the ships are in town, and the fact that they are visiting many of the same destinations – such as Frederick Sound to watch whales.

³¹ Some of this revenue overlaps with the LeConte Glacier sightseeing revenue as some of the flightseeing took place in the LeConte area.

However, some local nature-based companies do hold contracts with the primary cruise line. These include float plane and helicopter flightseeing, and guided nature hikes given by a local naturalist. A Wrangell jet boat company also comes to Petersburg to take clients to the LeConte Glacier.

Sport fishing

Fishing Lodges. Seven companies in Petersburg offer multi-day fishing packages that include lodging and usually meals. Three of these lodges are out of town, along the Wrangell Narrows near mile 12 of the Mitkof Highway. One is on the road system and two are directly across the narrows, requiring a short skiff ride. All three of these lodges provide clients with a skiff for do-it-yourself fishing, and one has an option for guided charters. A fourth lodge was under construction in 2007 on the opposite side of the channel, immediately next to two of the existing lodges. The existing lodges have a very high percentage of repeat clients; several reported a return rate of around 90%.

The other four companies operate “lodges” in town, offering guided charter fishing and lodging in a bed and breakfast type atmosphere instead of individual cabins. Meals and fish processing are generally included.

Between the seven operators, about 1,100 clients take part in a sport fishing package in the course of a season (ranging from 40 to 450 clients per company), generating a gross revenue of approximately \$1.4 million.

Many of the supplies for these lodges are purchased locally. One owner noted he spent \$2,000 per week on groceries in Petersburg and got the rest via barge from Sysco in Seattle. Another mentioned 75% of his supplies come from Seattle and a third said 95% of his expenditures go to Petersburg companies, including insurance.

Fuel was reported to be one of the largest expenses, and was purchased locally by all businesses that were interviewed. Prices in 2007 were around \$3.60/gallon. Boat fuel costs for the season ranged from \$12,000 to \$70,000.

Lodge owners encouraged their clients to spend money in town. One lodge owner guessed his clients spent \$100 to \$150 on drinks and snacks, and \$200 to \$250 on gifts. Lodge packages usually build in extra time on the last day to look in gift shops. One owner mentioned he takes his clients to the airport early to check in, and then brings them back to town for two to three hours to go shopping before their flight leaves.

According to lodge owners, demand for sport fishing packages appears to be stable or on the rise. Several lodges mentioned they book up a year in advance and simply cannot fill demand. Two lodges noted that the clientele is getting younger.

Fishing Day Charters. Five companies offer sport fishing day trips out of Petersburg. These cost about \$250 per person per day for a full day of fishing. While several captains also advertise half-day trips, almost all clients choose the full-day option. Some fishing charters advertise and

offer whale watching as an added bonus during the fishing day. These five companies took 1,500 to 1,700 people fishing, generating revenue over \$400,000.³²

Fish processing for sport fish visitors is done locally, mostly by two companies located downtown. The cost of filleting and packaging is \$1.25 per pound. Around \$165,000 was spent on fish processing for charter fishers. Multi-day fishing package operators noted that fish processing generally runs \$300 per week per person for their clients. One lodge estimated \$17,000 to \$18,000 spent by their clients during the season.

Charter operators also tend to patronize local business for boat parts and boat maintenance. Some operators mentioned it helped to patronize locally because if you have a problem with your boat, it is higher on the fix-it list and during the summer season, every hour is precious. He also spent \$30,000 per year locally on boat maintenance and \$20,000 to \$30,000 per year on new skiffs.

Petersburg is a notably reliable place to fish. The two prominent weather systems move either north or south, and because of Petersburg's protected location, there is always some place safe to fish even in high winds and stormy weather. Captains believe this knowledge is beginning to spread and is raising the popularity of Petersburg as a sport fishing destination.

Additional community observations

Several topics were mentioned by one or more local business owners and residents that shed light on the relationship between Petersburg and its tourism industry.

First, there is an apparent network of goodwill in town among local businesses that helps channel business and deals with overflow during peak season. Each week, a list of B&B's with available rooms is developed and distributed among providers as a helpful resource both for the visitors and B&B owners. Charter captains also noted working together to ensure visitors found the best option for lodging, marine sightseeing, or fishing. There seems to be a positive community effort toward directing visitors to the best experience possible.

Petersburg has seen prices rise since 2001 but was still more affordable than Sitka or Juneau which were described by some as "built-up and overpriced". Additionally, people coming to visit and rent boats are now buying property. Another notable local observation was that tourism in Petersburg as being limited by the number of available seats on Alaska Airlines – visitors cannot always book the seats they want because the planes are full.³³

A common theme pervasive around Southeast Alaska was the difficulty of making a decent income in the charter business. For many operators, running charters provided only a retirement income, and high costs meant that it was hard to break even or make a profit.

³² One company was not available for interview. Visitor and revenue data were drawn from averaging the other four companies.

³³ It should be noted that jet service to Petersburg has historically been supported by the federal Essential Air Service program.

10. Wrangell

The community of Wrangell, population 1,900, is located on the northern tip of Wrangell Island in central Southeast Alaska. It is one of the oldest non-Native settlements in the state, and was formerly a logging town until the local sawmill closed in 1994. Since then Wrangell's economy has transitioned more toward tourism and commercial fishing.

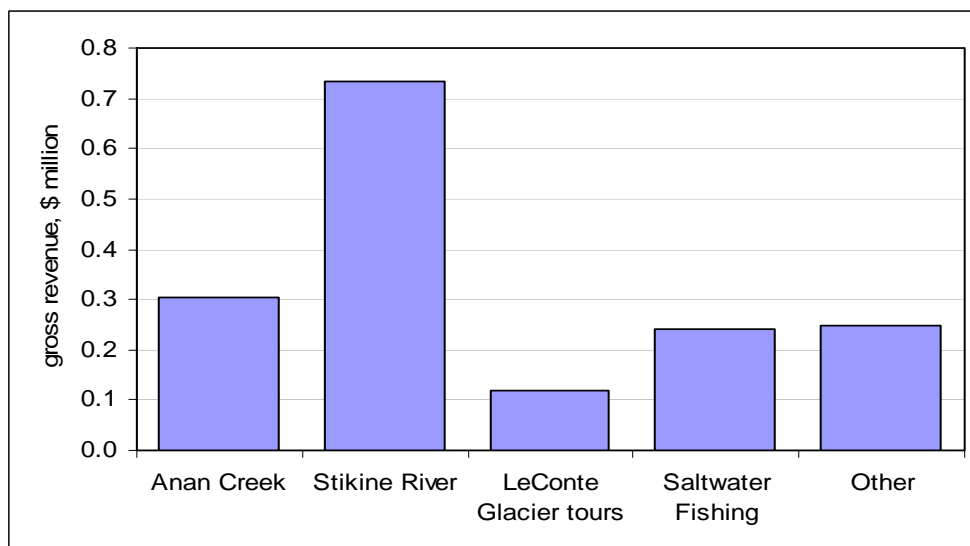
The area surrounding Wrangell is rich in natural resources and offers many opportunities for sightseeing and outdoor experiences. The most notable attractions include the Stikine River Wilderness Area, the LeConte Glacier, and world-class bear viewing at Anan Creek. These destinations draw visitors from across the country, and are also common activities for visitors on their way through the region.

Fieldwork was conducted in Wrangell during the summer of 2007. Fourteen tourism companies were identified offering activities from jet boat tours to kayak rentals to bear viewing trips. These companies took over 8,000 visitors in the course of the 2006 season, generating over \$1.6 million in revenue.

Table 14. Estimated revenue and visitors from nature-based tourism activities, Wrangell, summer 2007

	Revenue (\$)	Visitors
Anan Creek	\$304,448	1,447
Stikine River	\$731,998	3,796
LeConte Glacier tours	\$118,211	542
Saltwater Fishing	\$240,929	618
Other	\$249,629	1,533
Wrangell subtotal	1,645,215	7,936

Figure 15. Estimated revenue from nature-based tourism activities, Wrangell, summer 2007



Visitor arrivals

Travelers arrive in Wrangell by commercial jet, the Alaska Marine Highway System (AMHS) and Inter-Island Ferry Service, small cruise ship, or private vessels. The ferry dock is located in town, and AMHS ferries usually arrive two times each day in summer. Wrangell is also on the same Alaska Airlines flight route as Petersburg with one northbound and one southbound jet stopping each day.

In addition, the new Inter-Island Ferry Service visits Wrangell, with a four-days-per-week schedule in the summer of 2007. The ferry has a 160 passenger capacity and uses the same dock as the AMHS. This recently implemented service connects Wrangell with Coffman Cove on Prince of Whales Island, and the southern point of Mitkof Island which is 26 road miles from Petersburg.

Background on tourism in Wrangell

Wrangell's visitor industry shifted over the past decade, primarily as a result of the decline of timber harvesting and changes in cruise ship traffic. After the closure of the pulp mill in Ketchikan,³⁴ interest increased in tourism development as an economic mainstay. Many former logging employees started businesses in the visitor industry, including charter boat tours. In 2004, Wrangell sought and successfully gained a contract with Norwegian Cruise Lines. The Norwegian Sun, a ship with capacity of 2,000 passengers and 900 staff, docked in Wrangell one day a week for three years until 2006. During this time, businesses ramped up, charter boat operators purchased larger vessels, and the cruise traffic generally utilized the increased capacity. However, Norwegian Cruises changed routes in 2007, telling Wrangell businesses and city officials that there were insufficient shore side excursions offered in comparison to other Southeast Alaska ports. They suggested turning Wrangell into a type of "theme" town if they were to recapture cruise business. The people of Wrangell were not open to that idea.

In the 2007 season, no large cruise ships stopped in Wrangell, and none were scheduled for 2008. Three small ships come through periodically from one of two companies, Clipper Cruise lines and Majestic America. These ships have capacities between 128 and 223 passengers.³⁵ Competition for these small ships is intense with Icy Strait Point near Hoonah seen as a major competitor.

The decline in cruise ship visits to Wrangell has meant a decline in the visitor base, and many tourism businesses believe it impacted the Wrangell economy. There continues to be a steady flow of independent travelers looking at the Wrangell area's three primary attractions. However, charter operators note that the local tourism sector is actively seeking more cruise ship contracts.

According to the City Office, in the last five years visitation by independent travelers increased, yacht traffic increased, and cruise traffic decreased. Jet boat operators still appear to be fairly busy during the summer but are not filling their larger capacity boats which they had upsized to accommodate cruise passengers.

³⁴ The viability of the sawmill in Wrangell was linked to the operation of the Ketchikan pulp mill as they each used different components of the timber harvested, improving the economics of both operations.

³⁵ The Empress of the North, a Majestic America ship, ran aground spring 2007 and was out of commission until mid July. This was detrimental for businesses in Wrangell.

Similar to reports from Petersburg and Coffman Cove, tourism businesses have noticed little impact from the new Inter-Island Ferry service. Ridership between the islands has been low, and the most obvious use has been Prince of Whales residents coming to Wrangell to buy groceries and other supplies.

Independent travelers

Due to the decline in cruise passengers and the absence of package-style fishing lodges, visitors to Wrangell are almost entirely independent travelers. Wrangell is often a stop along the way for sightseers rather than a destination. According to one longtime local resident, “Wrangell does a good job of meeting the needs of the independent traveler”.

Most visitors stay two to five days and find lodging at one of the bed and breakfasts or at the Stikine Inn, the major hotel in town. The Wrangell Chamber of Commerce lists 14 members in the accommodation sector. Local residents observed that most visitors spend at least one day on a jet boat sightseeing charter to one of the surrounding natural attractions. Many venture on hikes from the road system and occasionally rent bicycles from the local bike shop.

Sightseeing

Wrangell’s three most popular attractions include the Stikine River, the LeConte Glacier, and Anan Creek bear viewing. The number of visitors going to each place changes seasonally with more river and glacier trips in May and June and more bear trips in July and August. Jet boats – carrying between 6 and 23 people -- have become the primary form of transportation to these sights as they are speedy, maneuverable, and have a larger passenger capacity.

During the course of the summer, jet boat captains do a variety of trips in response to the diversity in visitor interests. Several operators noted an emphasis on customized trips, and dedication to visitors’ interests. They were also committed to getting people into the wilderness even if it did not involve making money. Comments from operators included, “We want to get people into a boat or a kayak” and “We’d like to make sure the families with kids can get out there camping and hiking without it being cost-prohibitive.”

Stikine River Wilderness Area. The Stikine River is the fastest free-flowing navigable river in North America. A 400-mile long navigable section transects the coast range mountains and passes through large gorges, glaciers, hot springs, and breathtaking scenery.

Wrangell is a hub for both guided and unguided trips on the Stikine. On the river, popular activities include kayaking, canoeing, camping, sightseeing, and enjoying the hot springs. While most of the river is in Canada, the last 40 miles are in the U.S. and are part of the Stikine/LeConte Wilderness Area. Twelve U.S. Forest Service cabins are located in the drainage, as well as the popular Chief Shakes Hot Springs.

The Stikine can also be accessed from Telegraph Creek located in British Columbia. Jet boats from Wrangell will drop off clients at the put-in at Telegraph Creek. Telegraph Creek is also a popular put-in for guided trips. Guided Telegraph Creek/Stikine River excursions are the most expensive trips based out of Wrangell, costing more than \$2,000 per person.

Guides who use the Stikine do not need special permits if their clients stay on the river, but almost all of the companies are permit holders since they like to allow their clients off the boat at various points. As of 2007, there was no cap on the number of operators or clients allowed in the area. The U.S. Forest Service formulated a use plan and determined that use is still within the area's visitor capacity.

In the course of the season, approximately 3,800 people were taken to the Stikine either on day trips, multi-day trips, or for wilderness drop-offs by Wrangell companies. This generated revenue over \$730,000.

LeConte Glacier. Day trips to the LeConte Glacier, described above in the Petersburg section of this report, are also popular out of Wrangell. The glacier is 38 miles by boat from Wrangell, and visitors enjoy the unique experience of an active tidewater glacier, blue glacial icebergs, and an opportunity to see marine life along the way. Over 540 people were taken to the LeConte via jet boat from Wrangell in 2007, generating revenue around \$120,000.

Anan Creek Bear Viewing. Anan Creek, located 35 miles southeast of Wrangell, offers world-class bear viewing opportunities. As one of just a handful of developed wildlife viewing sights, it is a major destination for experiencing both brown and black bears up close, as well as seals, eagles, and other wildlife.

In 2004, the U.S. Forest Service published a carrying capacity study and implemented a permit and fee program. A \$10 permit is required for each visitor and a cap of 64 visitors per day is allowed to visit the site during peak season (July 1 through August 25). Sixty percent of the permits were reserved for guided groups and 40 % for unguided use. Twelve permits are released shortly before the permitted date and the remainder can be secured in advance.

Permits were allocated among guides based on historic use, and guides can take a maximum of ten guests at one time. Visitor fees stay within the Tongass National Forest but not necessarily at Anan Creek. The Tongass National Forest also keeps the outfitter guide fees to enhance guide services, planning and administration.

Wrangell is the closest hub for getting to Anan Creek, and most marine-based tours cost from \$190 to \$210 per person. (The other main avenue for visitors is float plane from Ketchikan that costs about \$420 to \$460 per person). Once bears arrive at the falls in early July, Anan Creek becomes Wrangell's most popular tour. An estimated 1,440 people were taken to Anan Creek on guided tours by Wrangell-based companies in 2006, generating revenue over \$300,000.

Kayaking

Wrangell is not known as a major Alaska kayak destination. However, the Stikine River Wilderness Area and other areas around Wrangell provide breathtaking wilderness experiences in protected waters. Jet boat operators provide kayak drop-offs for independent parties, and one Wrangell-based company offers guided kayak tours. There is one primary company that does kayak rentals and two others that have kayaks available for rent but it is a minor part of their business and advertising.

It is difficult to estimate the number of independent kayakers basing out of Wrangell or moving through the area as their use is dispersed and they do not need permits or registration. Therefore, revenue generated by these travelers is not included in the report.

Recreational boating

Recreational boaters stop in Wrangell on their way through Southeast, utilizing the Wrangell Harbor and other services in town. Data do not exist to document the exact number of recreational vessels, but it has been estimated at around 2,000 per season – varying widely from day to day. The majority of the boats spent one night in Wrangell on the way north and three to four days on the way south when they are in less of a rush and realize the uniqueness of the area. Periodically, yachts over 100 feet tie up, according to the Wrangell Harbormaster’s Office. Wrangell is notorious for not having moorage space and because yachts do not like to “raft” (tie together), many do not stop at all. In addition to the downtown harbor, there is a second harbor five miles out of town, and a third harbor being constructed during the summer of 2007.

Transient boaters take advantage of Wrangell services such as groceries, restaurants, and laundry facilities. While statistics on exact use or spending were not available, local merchants noted that they felt the impact of these visitors.

Wilderness trips & U.S. Forest Service cabins

There are 22 Forest Service cabins administered in the Wrangell Ranger District. Over half are in the Stikine/LeConte Wilderness. Data from 2005 showed 620 nights reserved. However, it is known that cabin registration numbers under-represent the actual number of nights occupied because the cabins are not monitored and sometimes used without a reservation. In addition, the movement to the national reservation system has decreased usage of the cabins because it discourages local use. The U.S. Forest Service estimates that more than half of total cabin use is by local people.

The most-used cabin is at Anan Bay, near the bear viewing site. Occupants automatically receive four bear-viewing permits with the reservation of the cabin, and it is always full in the July and August prime bear viewing times.

Flightseeing and air taxi service

One company in Wrangell provides flightseeing trips over the Stikine River drainage, the LeConte Glacier surrounds, and Wrangell Island. These trips are typically one hour and cost \$425 to book the plane. The air service provider also assists with cabin drop-offs. Most destinations are within a half-hour flight from the Wrangell airport, and generally cost \$100 to \$200 for drop-off or pick-up. Few clients are hunters because they don’t want to rely on weather.

Sport Fishing

Sport fishing charters are available out of Wrangell, but the sector is less prominent than elsewhere in Southeast. There are no high-end fishing lodges, and most advertising for Wrangell remains centered on sightseeing. Five operators offer sport fishing packages. Two are multi-day packages with clients staying on the boat or in town, and three are day trips. One of the

companies also offers stream-based fly fishing. Based on interviews with four of the five charters, over 600 clients go fishing with Wrangell sport fish charters bringing in an estimated \$240,000 in revenue.³⁶

Clients come to catch both halibut and salmon, which are accessible locally. However, captains mentioned they had to travel farther for halibut in recent years – sometimes 50 to 60 miles one way. One operator reported using 50 to 60 gallons of fuel per day when running fishing charters, costing about \$200 per trip.

Additional community observations

According to operators, visitors coming to sport fish choose the fishing guide first and book early -- often a year in advance. They secure lodging after the charter company has been booked. Conversely, eco-tour visitors pick the location, then the lodging, then the operator and book closer to three or four months in advance.

Clientele to the Wrangell area has changed in recent years from those doing “hardcore” trips to those seeking “soft adventure.” Visitors want to know if there are bathrooms onboard and many prefer to arrive at an already-made camp during overnights. Company owners noted more high-end visitors willing to spend more money for customized trips.

In recent years, businesses in Wrangell have had more competition than in the 1990’s, but also more clients. Instead of a stop along the way up the Inside Passage, Wrangell has become more of a “destination”.

11. Conclusions

11.1 Key findings

Nature-based tourism generates about \$277 million per year of direct business revenues in Sitka, Juneau, Chichagof Island, Prince of Wales Island, Petersburg and Wrangell. This number is most likely an underestimate of total revenues because not all nature-based tourism businesses and business sectors could be included in our estimates. Our numbers do not include tips – which in some businesses might add 25% to revenues – or taxes and fess paid directly to local governments. In addition, the especially rainy weather of 2006 probably caused abnormally low sales for some businesses.

Other key findings include the following:

- Average revenue per visitor varies considerably among communities and activities; ranging from about \$140 per visitor in Juneau to more than \$2,600 per visitor on Prince of Wales Island. These differences reflect the range of activities offered -- from half-day excursions to multiple, overnight all-inclusive lodge stays.
- Nature-based tourism expenditures create a significant economic ripple effect that keeps money circulating through the economy. This money supports jobs in marketing, support services, food and beverages, accommodations, fuel sales, government, and other sectors.

³⁶ Revenue and clients for the fifth charter were estimated based on the average of the other four charters.

- Communities are clearly striving to differentiate themselves and capitalize on local amenities such as the Stikine River, Anan Creek, the LeConte Glacier, Tracy Arm, Glacier Bay, Pack Creek and exceptional fishing and scenic opportunities.
- A large and growing portion of Southeast Alaska's visitors are cruise ship passengers. Both cruise passengers and independent travelers are similarly interested in nature-based tourism services. The majority of cruise ship shore excursions offer nature-based activities, from hikes and glacier viewing to flightseeing and forest canopy zip lines.
- Communities hosting large numbers of cruise passengers are actively developing new and creative tourism products such as forest canopy zip lines and mountain biking while those with fewer visitors tend to be focused on sport fishing. This appears to be the case even if local amenities exist to support a broader range of business and visitor activities. Thus, there appear to be unrealized opportunities in some communities, but these may also reflect an inadequate visitor base upon which to risk additional investment.
- There is a complex and competitive system for pre-booking cruise ship shore excursions. Businesses with exclusive cruise line contracts make price and tour information available only to cruise passengers and often agree to sell tours only through the cruise line.
- The tourism businesses in cruise ports of call that appear to be most successful either have a cruise ship shore excursion contract or are catering to overnight (non-cruise) guests with high-quality and high-value services. Examples of these types of businesses include sport fishing lodges and multi-day yacht cruises.
- It is difficult to compete with established businesses holding existing cruise line contracts. Despite this hurdle, a number of companies are offering creative new products including zip lines through the forest canopy, glass-bottomed boats, and an amphibious "duck" tour.
- Some operators attribute the increased interest in adventure activities to a change in cruise ship clientele. In recent years, cruise companies have been catering to a younger crowd, targeting families. In any event, increasing numbers of passengers are interested in more active pursuits.
- Competition for cruise passengers exists both within and between communities, as people are booking their shore excursions in advance and look at all the options. Sitka companies mentioned they were carefully tracking zip line activity in Juneau and Ketchikan, dogsled tours on the Mendenhall Glacier, and other activities to see which market niche they could capture.
- There is some evidence that visitors are willing to pay premium prices for higher quality experiences in more pristine environments. However, it is not clear what specific attributes (seclusion, fishing experience, food, services, perceived exclusivity, and environmental amenities) are the key components of this higher market value.
- It is possible to design a community-based tourism program that provides employment to local residents as is occurring in Hoonah. However, Elfin Cove appears to bring in more in gross revenues than Hoonah with about one-eighth as many visitors because Hoonah's operation relies on volume while Elfin Cove businesses rely on higher-priced fishing lodge experiences. Day trips seem to be relatively higher cost, lower profit operations.

- Independent travelers appear to try to avoid crowds and many are repeat visitors. Most tend to stay longer and have more open itineraries than those on cruise ships or organized tours. These characteristics make independent travelers more difficult to contact.
- Independent travelers also appear to seek communities with fewer visitors and those that they perceive to be more “authentic,” such as Petersburg, Wrangell, and communities on Chichagof Islands. A lack of transportation capacity, whether on scheduled jets or on ferries, may be limiting the opportunities for these smaller communities. Less marketing may also be a factor limiting visits by independent travelers.
- The primary marketing mechanisms for smaller, non-cruise related businesses are the internet and word of mouth. In addition, many customers return to the same fishing lodge, yacht tour, or charter business year after year.
- Wildlife viewing is highly attractive to visitors due to spectacular scenery and abundant wildlife including whales and other marine mammals. Companies in several communities expressed a desire to move toward more wildlife viewing and sightseeing and away from sport fishing. These operators preferred wildlife viewing as it was less stressful due to less pressure to catch fish. Some operators were making this shift, while others thought they would not be able to match the revenue generated by sport fishing.
- Weather has a significant impact on business for companies whose tours are not pre-booked on cruise ships. Operators noted a marked difference between the sunny, dry summer of 2004 and the remarkably wet summer of 2006. Visitors walking off a ship in the rain were much less likely to go on marine tours or hikes in soggy conditions, and seasonal revenues were down. Businesses with cruise contracts did not experience this setback as passengers are not reimbursed for pre-sold tours when weather conditions are poor. The one exception was flightseeing, where companies had to cancel tours due to unsafe weather conditions.
- Promoting wildlife watching is an important marketing strategy for Southeast Alaska communities. Visitors bureaus currently produce pamphlets with charismatic large animals, such as whales and bears. Bureau staff cited studies showing the desire to see wildlife was attracting a large portion of out-of-state visitors.
- A significant policy question emerging from this research is how the public lands might be managed to increase the economic returns from tourism to residents of Southeast Alaska communities, especially the smaller communities that can only accommodate smaller numbers of visitors at one time. Bear viewing is one example of a high-value activity that depends on controlled access to specific infrastructure.

11.2 Effective research methods

A primary goal of this research was to test the efficiency and effectiveness of different data collection strategies for estimating tourism revenue and visitor numbers. Therefore, our 2005 fieldwork served, in part, as a pilot project to determine which methodology was most effective in collecting economic data. Particularly in Ketchikan, we tested various techniques for intercepting visitors and also interviewed businesspeople and other key informants. These methodologies were tested in relation to a community’s role as a visitor gateway, a destination, or a combination of both.

Several clear conclusions emerged from this comparative work. First, company interviews are more effective than visitor interviews. Company interviews provided coverage on a larger amount of people in a short amount of time as figures could be collected on summer totals of visitors doing a specific activity. Additionally, companies could provide accurate information on what visitors actually did, instead of what they were thinking of doing. One of the biggest drawbacks of visitor interviews was the difficulty of systematically interviewing independent travelers since their movement was so dispersed. This was especially apparent on Chichagof Island where it was extremely difficult to generalize from itineraries that varied widely.

Second, company interviews also have drawbacks. Companies were not always as open or easy to interview as visitors, especially when competition was stiff such as in Ketchikan. We were not successful in asking direct questions regarding business revenue. Also, company interviews did not always pick up the activities of independent. If a group of kayakers had their own boats, was dropped off on Chichagof by a friend, and bought groceries from Fred Meyer in Juneau, their economic activity would not be detected through company interviews.

Third, the destination-based approach used on Chichagof Island was determined to be more effective than the gateway approach used in Ketchikan. The destination-based approach made it easier to discern what areas and which travelers should and should not be counted. Boundaries were more clearly defined: Any activity taking place on Chichagof -- no matter where the company was based or how the travelers accessed the island -- could be attributed to Chichagof. One drawback of the destination approach involved the difficulties with feeder communities like Juneau and Sitka. Considerable effort was expended trying to determine which companies went to Chichagof since trips there comprise only a small portion of activities originating in Juneau.

The gateway approach made it difficult to draw boundaries for an area of focus. Issues came up in Ketchikan that complicated matters, such as how to count activities taking place on Prince of Wales Island, or other areas close to Ketchikan that might be accessed by other jumping off points. Huge revenues are generated by scattered fishing lodges on Prince of Wales, but the island is a separate destination with varying links to Ketchikan. Similar problems arose with Misty Fjords: Can one capture the full revenue generated by travel to Misty Fjords if some visitors do not stop in Ketchikan? In addition, many independent travelers are missed who only buy support services in Ketchikan without taking tours. To fully gauge the population of independent travelers, a greater number of (inefficient) visitor interviews would be required. In general, the gateway approach may capture direct visitor purchases but it misses the more complex money flows associated with a particular destination or group of destinations.

Finally, it became increasingly clear that a comprehensive, region-wide approach would be the most efficient way to collect data. With regional totals to work from, an effective mix of data collection in destinations and in hub communities could be used without running the risks of undercounting or double-counting.

Special use permits issued by the U.S. Forest Service were analyzed to determine number of visitors going to specific locations on the Tongass National Forest. These permits are necessary for companies taking clients above the mean high tide level, and companies request a certain

number of permits for the season that are allocated in advance. The U.S. Forest Service has recently completed a database linking special use permits across ranger districts, and the field researcher was able to query the database for company usage.

However, after some analysis and comparison to company interviews, the database was deemed to be unreliable for revenue calculations. There were two reasons: First, not all activities necessitated special use permits (such as saltwater charter fishing if clients do not come ashore). For companies that operated both land-based and ocean-based activities, the amount of clients recorded in the database did not always provide an accurate breakdown of client activity use without gaining additional information from the company. Second, some companies that did offer entirely land-based activities did not report statistics that aligned with the special use permits. For this reason, special use permit data were used only for calculating hunting client numbers on the Sitka Ranger District. The U.S. Forest Service files provided specific numbers of clients for specific species hunted, and since additional hunting permits and tags must be obtained from the ADF&G for legal hunting activities, companies were assumed to have reported accurate visitor numbers. These data were used for revenue calculations for nine hunting guides registered in the Sitka area whose U.S. Forest Service reports were more detailed than what was shown in the database.

Several data caveats pertain to all communities. First, revenue figures in this report do not include tips, which make up a large portion of some employees' income. Because tourism is a service-based industry, many of the activities generate significant tips. One owner noted that a bus driver taking visitors on one to two hour tours to in-town attractions might get \$50 to \$100 per bus. Additionally, some charter boat captains make \$400 to \$500 per day in tips. For sport fish day trips, this could increase revenue by up to 25 percent.

Other revenue not included in this report includes sales taxes. Revenue was calculated based on advertised prices which did not include tax. Sitka sales tax is 6% during tourist season, with an additional 6% bed tax. In 2005, the City and Borough of Sitka collected bed tax revenue of \$26,448 for the first quarter, \$125,980 for the second quarter, \$175,891 for the third quarter, and \$25,965 for the fourth quarter.

Sales tax in Juneau is 5% and bed tax is 7%. Ketchikan sales tax is 6%. None of the tax revenue is included in this report. It should be noted that the city governments do not collect taxes for shore excursions sold to cruise passengers on their ships. This practice is another reason why companies with exclusive cruise contracts will not sell their excursions to walk-up visitors on shore.

Appendix A

List of Contacts

Bold –Interviewed someone associated with company

Italics – used data from another source (U.S. Forest Service Special use permit, Web site)

Plain text – estimated visitors and revenues based on similar companies

Ketchikan (2005)

Alaska Amphibious Tours

Alaska Rainforest Sanctuary

Alaska Travel

Alaska Travel Adventures

Alaska Undersea and Northern Tours

Alaska Wilderness Outfitting

Alie Bob Charters

Allen Marine

Awesome Adventures

Bailey Bay Charters

Baranoff Skiffs

Cape Fox

Carlin Air

Experience Alaska Tours

Explore AK

Family Air

First Light Charters

Goldbelt Tours

Grayline of Alaska

Guard Island Excursions

Island Wings

Ketchikan International Youth Hostel

Ketchikan Reservation Services

Knudson Cove

KTN Charter Boats

Light Island Ventures

Misty Fjords

Northern & Undersea Tours

Pacific Air

Promech Air

Rainbird

RDM Pilot and Guide

Ryteful Adventures

Sea Wind Aviation

Snorkel Alaska

Southeast Aviation

Southeast Exposure

Southeast Seakayaks

Stimson Charters

Taquan

Wilderness/Crab Feed

Elfin Cove (2005)

Cross Sound Lodge

Eagle Charters

Elfin Cove Lodge
Fishmaster Inn
Hobbit Hole
Icy Straits Adv.
Inner harbor Lodge
Tanaku Lodge
The Cove Lodge

Hoonah (2005)

Tok River outfitters
Icy Strait Point Development Corporation
Hoonah Indian Association
Ken Meserve
The Office Bar
Royal Charters and Tours
The Galley
Tinas Lodge
Whale Watch Lodge/F.I.S.H.E.S.
Wind and Sea B&B
Mayor of Hoonah
Hoonah City Accountant
Hoonah Trading Company
Tideland Tackle
Hubbards' B&B
Ear Mt. B&B

Juneau (2005)

Admiralty Tours
58 Degree Charters
Spirit Walker
Alaska Seaplanes
LAB
Skagway Air
Nine Lives Charters
Wings of Alaska
Alaska Fly N Fish
West Wind Charters
Alaska Bear Yacht Charters
Alaska Song
Alaska Story
The Boat Company
Alaska on the Homeshore
Adventurer
Explorer
Snow Goose
Ursa Major
Alaska Legion
Safari Quest

Pelican (2005)

Avery Simmons
Chicobi Charters
Dragonfly Charters
Highliner Lodge
Howard Charters
Joe Quinn

**Ken Wolfe
Lisianski Café Charters
Lisianski Charters and Lodge
Mayor of Pelican
Pelican Charters**

Sitka (2005)

**Air Sitka
CC Charters
Death Barge
Dragon Lady
Harris Air
Hunter Air
Ester G. Sea Taxi
Sitka Sound Ocean Adventures**

Tenakee (2005)

**Fishing Bear Charters
Jason's Custom Charters
Snyder Mercantile
Wings of Alaska**

Other Entities (2005 and 2006)

**Sitka Harbor
Tenakee Harbor
Hoonah Harbor
Hoonah Fuel Dock
Elfin Cove Fuel Dock
Ketchikan Visitor's Bureau
Sitka Visitor's Bureau
U.S. Forest Service
Alaska Department of Fish & Game
Borough/city accounting offices
Petro Marine, Sitka**

Juneau Companies (2006)

**Alaska Fly 'N Fish Charters
Above and Beyond Alaska
Admiralty Tours
Adventure Bound Alaska
Air Excursions
Alaska Boat and Kayak LLC
Alaska Canopy Adventures
Alaska Discovery Wilderness Adventures
Alaska Fjordlines Inc.
Alaska Seaplanes
Alaska Travel Adventures
Alaska Zipline Adventures
Allen Marine
Auke Bay Sportfishing & Sightseeing Charters
Bear Creek Outfitters
Big Jim's charters/Alaska Adventure Charters
Cadigan Enterprises
Capitol Cabs
Chatham Strait Charters**

City Sales Tax Office
Coastal Helicopters, Inc
Dolphin Jet Boat Tours
ERA Helicopters
Four Seasons Tours
Gastineau Guiding Company
Glacier Gardens Rainforest Adventures
Goldbelt Tours
Griffin Boat Rental
Harv and Marv's Outback Alaska
Hi-Time Charters
Juneau Sport Fishing and Sightseeing
LAB Flying Service
Last Frontier Tours
McCauley Hatchery
Mendenhall Glacier Visitor Center
MGT (Mendenhall Glacier Transportation)
Nine Lives Charters
Northstar Trekking
Ocean Point Alaskan Adventures
Orca Enterprises
Rum Runners Charters
Sea Runner Guide Service
Seahook Charters of Alaska
Skagway Air
Tal Air
Temsco Helicopters Inc.
Ward Air
Wings Airways
Wings of Alaska

Sitka Companies (2006)

Adams Alaska Safaris

Air Sitka

Alaska Adventures Unlimited

Alaska Anglers

Alaska Coastal Outfitters

Alaska Glacier Adventures

Alaska Ocean Runners

Alaska Travel Adventures

Alaska Wildlife Tours and Charters

Alaska's South East Excursions

Alaskan Reel Affair Charters

Allen Marine, Inc.

Angling Unlimited

Annahootz Alaskan Adventures

August Redmoon Charters

Baranof Expeditions

Baranof Wilderness Lodge

Big Blue Charters

Brownie Charters

Captain Black Bart's Charters

CC Charters

Coastal Wilderness Charters

Death Barge

Dove Island Lodge

Ester G. Sea Taxi
Fish Alaska
Hanks Cabs and Tours
Harris Air
Island Fever Diving Adventures
Island View Resort and Charters
Jolly Rogers Charters
Kain's Fishing Adventures
Parker Guide Service Inc
Peterson's Guide and Charter Service
Pioneer Guide Service
Premier Charters
Raven Guide Service
Saltwater Sportsman Charter Service
Sea Life Discovery Tours
Sitka Bike and Hike
Sitka Charter Brokers
Sitka Raptor Center
Sitka Rose Charters
Sitka Sound Ocean Adventures
Sitka Tours
Sitka Trail Works
Sitka Wildlife Tours
Tribal Tours

Charter Yachts (2006)

Adventures Afloat
Alaska Charter Service
Alaska Passages
Alaska Sailing Charters
Alaska and NW Charters
Alaska's Sea Adventures
All Aboard Yacht Charters
Anytime Yacht Charters
Beartrack Charters – double check
The Boat Company
CEO Expeditions
Creole
Dolphin Charters
Explorer Yacht Charters
Homeshore
Jamal
Legion
Misty Yacht Charters
Safari
Sea Mist/Grand Slam
Seatex
Skookumchuck Adventure Sailing Charters
Alaska Song and Alaska Story
Sound Sailing
Southeast Alaska Wildlife Cruises
Stabbert Maritime
True Blue
Wild Alaska Charters
Ursa Major
Coffman Cove (2007)

A5 Gear Rental
Big B's Alaskan Fishing Adventures
Coffman Cove Cabins
Cove Connect Waterfront Cottage
Fishing Bear Bed & Breakfast / Lodge
Hedge's Bunkhouse
J&J Charter Service
Kevin's Cabins
Oceanview RV Park Campground and Lodging
Room with a View B&B
Weatherbee Charters
Whalewatchers B&B
Wilderness Lodge

Craig (2007)

Alaska Best Fishing, Inc
Catch-a-King Charters
C-Track Adventures
Hook-a-Chinook Charters
Island Charters and Excursions
K H Charters, Inc
KingFisher Charters & Lodge
Nalylo Charters
Outer Coast Adventures
Ruth Anne's (partnership with 2 charter operators)
Sea Hunt
SeaTours
Shelter Cove Lodge
Shinaku Charters
Silver Sea Adventures
Sunnahae Lodge
Surestrike Charters
Top Dog Charters
Wave Dance Custom Charters
Whalesong Charters and Lodge

Kasaan (2007)

Kountry Lace Café

Klawock (2007)

Alaska Offshore Adventures
Fireweed Lodge
Klawock RV Park
Lemire Charters
Log Cabin Resort & RV Park
Rocky Mess Freshwater Fishing and Waterfowl Guide
Captain Otto Green Adventures

Prince of Wales – “Off the Road System” (2007)

Alaskan Dreams Fishing & Hunting Lodge
Bear Valley Lodge
El Capitan Lodge
Land's End Lodge
Port Protection Adventures
Sea Otter Sound Lodge

Sportsman's Cove Lodge
Waterfall Lodge
Wooden Wheel Lodge
Woxof Lodge

Thorne Bay (2007)

Adventure Alaska Southeast
Alaskan Escape
Bayview Lodging
Boardwalk Wilderness Lodge
Quiet Cove Excursions
McFarland's Floatel
River Bitch Inn
Silverthorn Charters
South Haven Guest House
Sunny Skookum Southeast Adventures
The Landing at Otter Cove
Treetop Lodge
Welcome Inn Bed & Breakfast
Thorne Bay Lodge

Whale Pass (2007)

Donna's Place
Flyquest Lodge
Fishmoor Lodge
Northend Cabins
Ruff It Bayside Cabins
The Lodge at Whale Pass

Wrangell (2007)

Alaska Charter & Adventures
Alaska Peak & Sea's Flyfishing
Alaska Vistas Inc.
Alaska Waters
Aquasports
Breakaway Adventures
Klondike Bike
Rainwalker Expeditions
Ramrod Charters
Roope's Southeast Alaska Fly Fishing
Summit Charters
Sunrise Aviation, Inc.
Tenacious Charters
Timberwolf Charters

Petersburg (2007)

Alaska Sports Haven/Alaska Fish Tales
Alaska Island Charters
Doyles Boat Rentals
Green Rocks Wilderness Lodge
Island Point Lodge
Kaleidoscope Cruises/Water's Edge B&B
Kupreanof Flying Service
M/V Juno
Magic Man Charters
Nordic Air

Pacific Wing
Petersburg Creek Charters
Petersburg Fishing Adventures
Petersburg Sportfishing Charters
Rocky Point Resort
Scandia House
Screaming Reel Charters
Sea Breeze Aventures
Secret Cove Charters
See Alaska Tours
Temasco Helicopters Inc.
Terry's Unforgettable Fishing Charters
Tide's Inn
Tongass Kayak Adventures
Trees RV Park
Twin Creek RV
Whale Song Cruises

Other Entities (2007)

Alaska Department of Fish & Game
Alaska Wilderness Car Rental
Coastal Cold Storage
Craig Harbor Master
Klawock Fuel Dock
Klawock Harbor Master
Mayor of Kasaan
Petersburg Visitor's Bureau
Stikine River Jet Boat Association
Tonka Seafoods
U. S. Forest Service
UAF Cooperative Extension Service
Viking Travel
Wrangell City Hall
Wrangell Harbor
Wrangell Visitor's Bureau