



Alaska Canada Rail Link

Work Package A3(c): Tourism/Passenger Travel
Draft Results – April 4, 2006

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Scope of Work – Work Package A3c

- Secondary Data Collection
 - U.S. and Canadian border crossings
 - Visitor data – Alaska, Yukon, Northern BC
 - Tourist spending data
- Tourism Flows and Trends
- Deliverable: Current passenger volumes, routes, and revenues for tourism travel in Alaska and the Yukon.

Overview

- Border Crossing Data
- Visitor/Tourism Markets
 - Alaska Visitors
 - Yukon Visitors
 - Northern British Columbia Highway Market
 - General Tourism Flows/Travel Patterns
 - Current Tourism Revenue Estimates
- General Travel Trends
- Next Steps

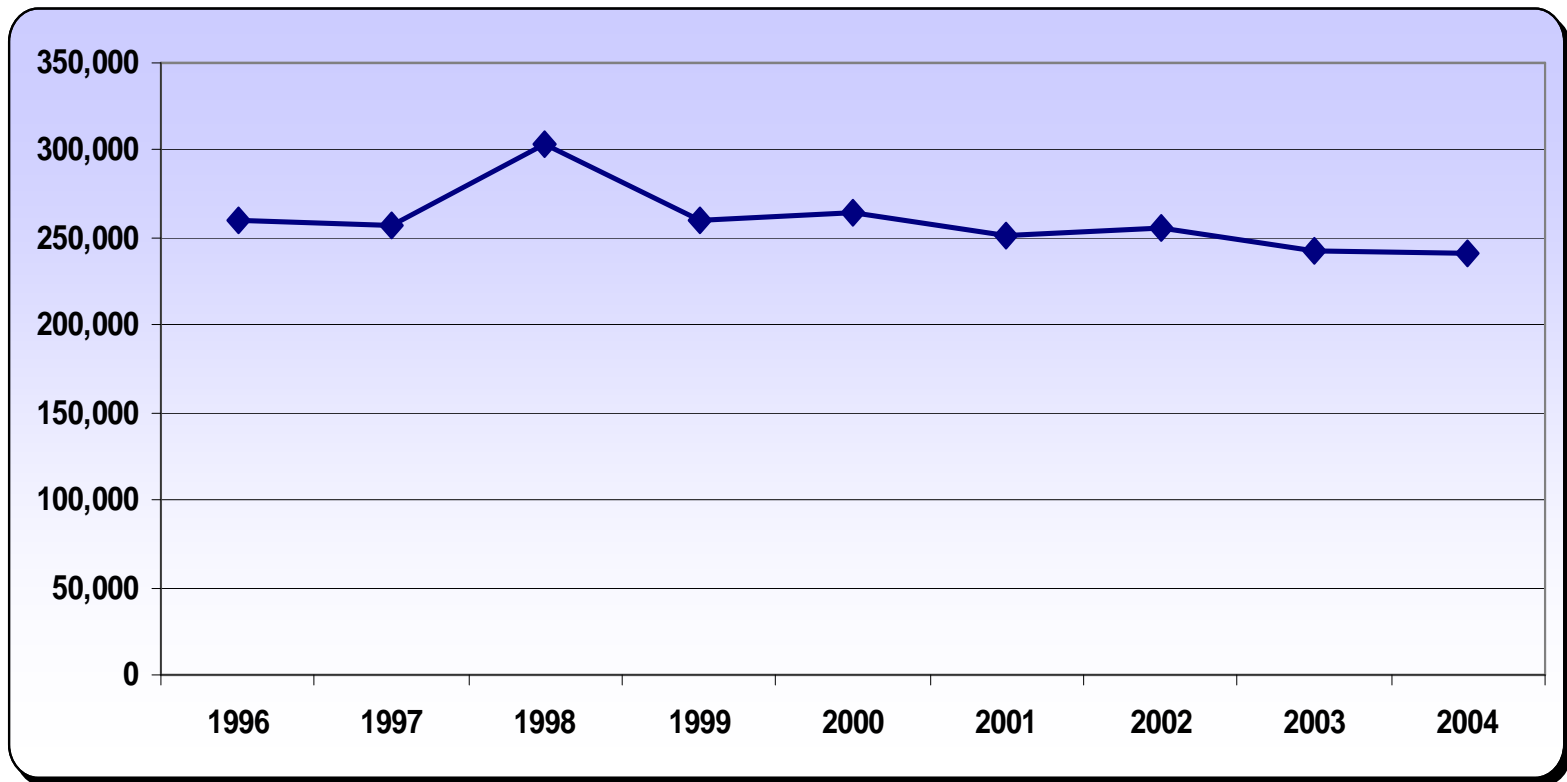


BORDER CROSSINGS

Border Crossings - 2004

	Alaska In-Bound Passengers	Yukon In-Bound Passengers
Private Vehicle	240,754	235,747
Motorcoach	145,868	80,091
TOTAL	386,622	315,838
Less Fraser Motorcoach	-137,359	-76,000
TOTAL	249,263	239,838

Border Crossing Trends - Alaska





ALASKA VISITORS

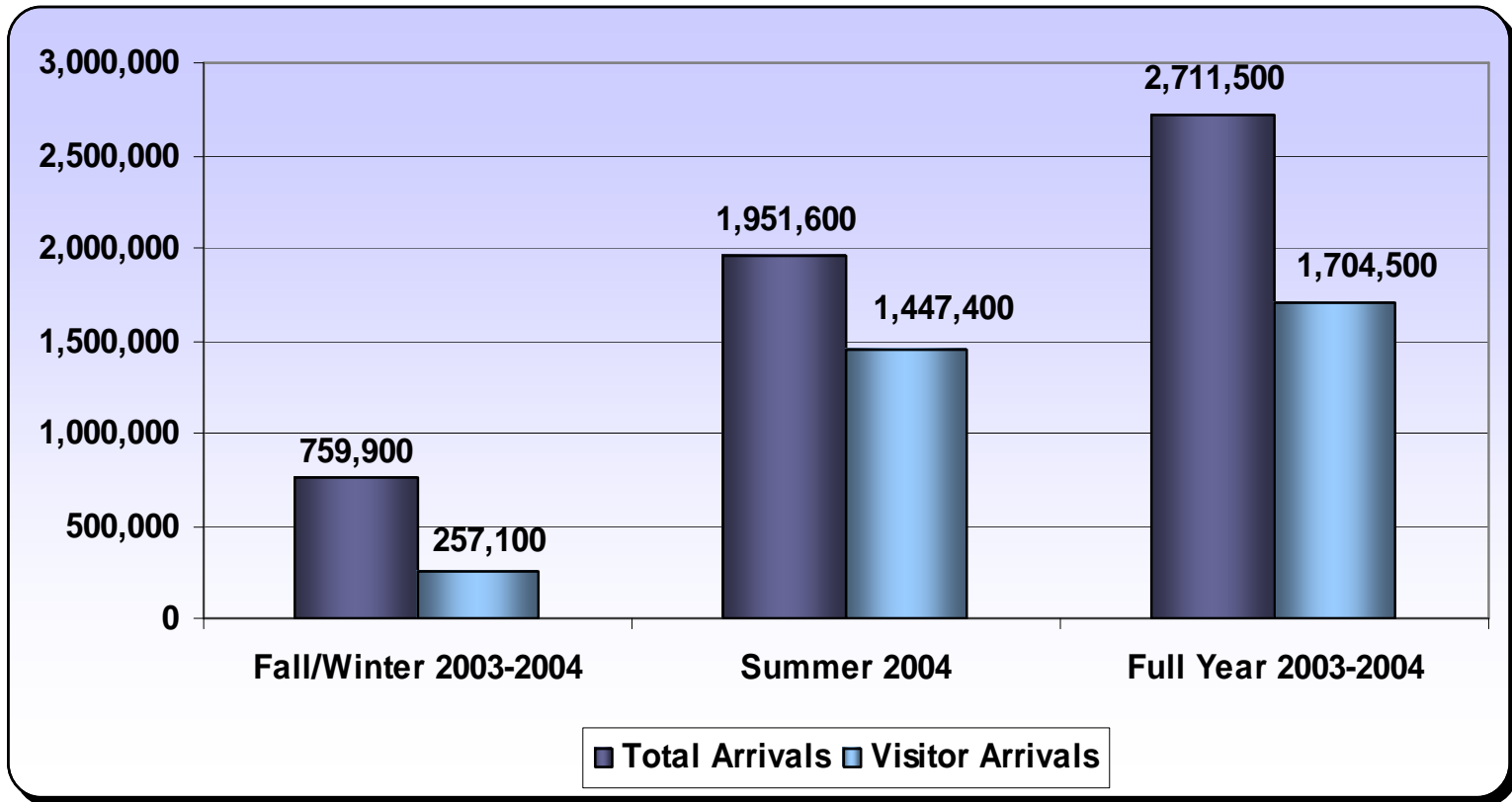
Alaska Visitor Statistics Program (AVSP)

■ Method

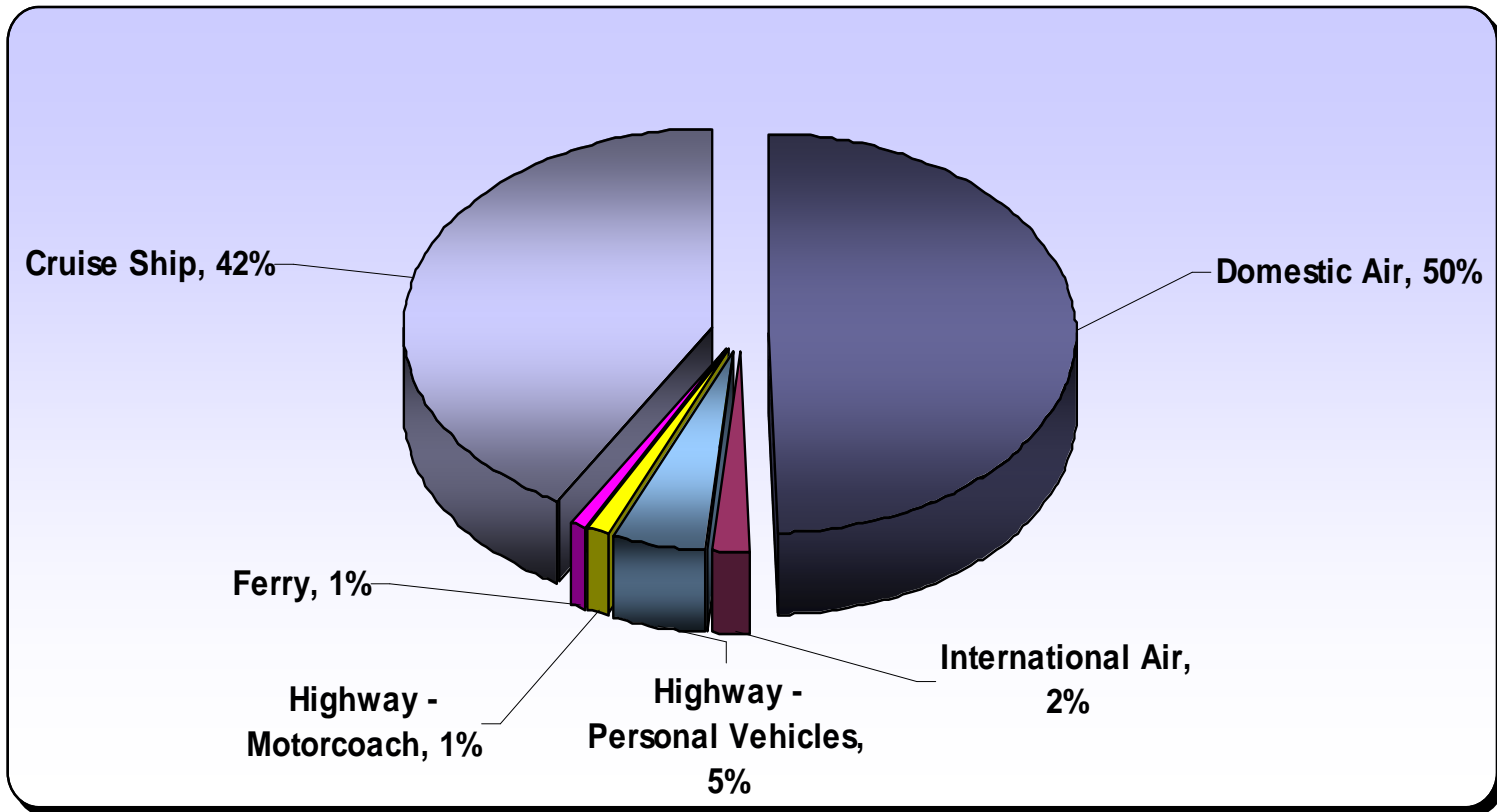
- Arrival, Expenditure and Opinion Surveys – Benchmark years 1985-86, 1989-90, 1993-94, 2000-2001.
- Data collected for a full year at airports, cruise ports, highway border crossing points, and aboard the Alaska Marine Highway System ferries.
- Arrival counts and estimated visitors in other years.

Arrivals in Alaska

Fall 2003-Summer 2004



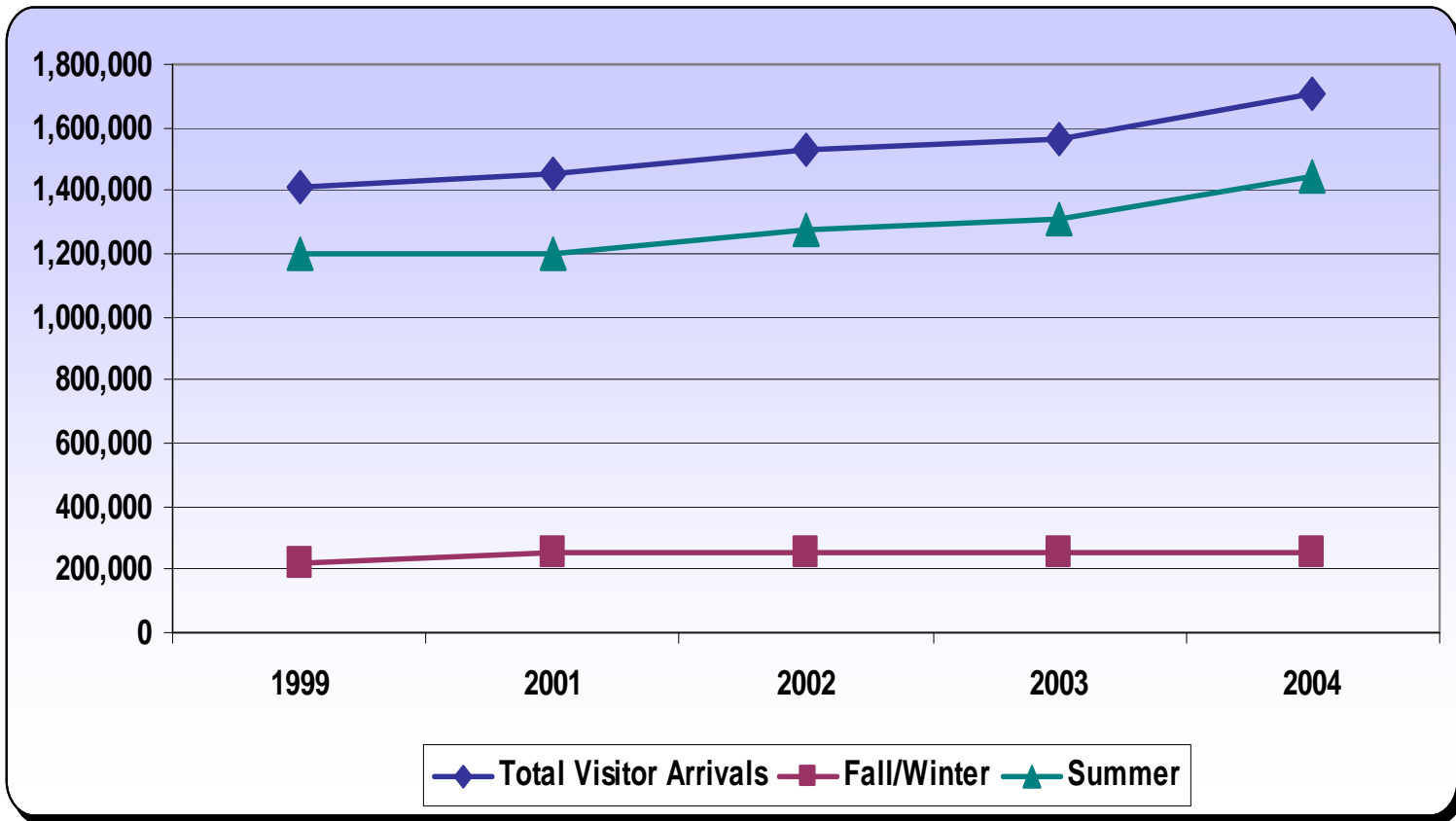
Alaska Visitor Arrivals 2004 By Entry Mode



Alaska Visitor Arrival Trends

	1999	2004	% Change
Total Visitor Arrivals	1,415,300	1,704,500	20.4%
Fall/Winter	216,300	257,100	18.9%
Summer	1,199,000	1,447,400	20.7%

Alaska Visitor Arrival Trends 1999 to 2004



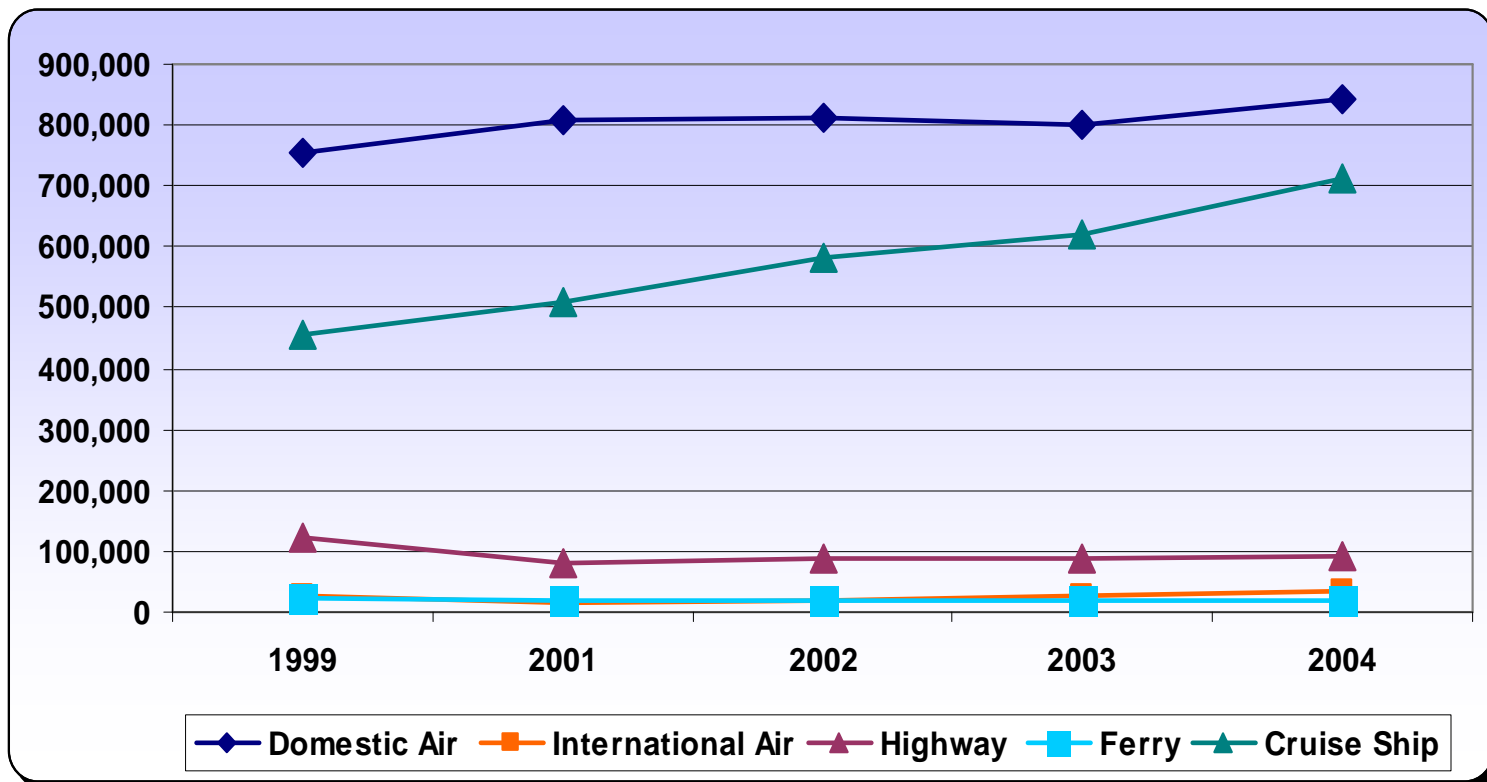
Alaska Visitor Arrivals

Entry Mode Trends – 1999 to 2004

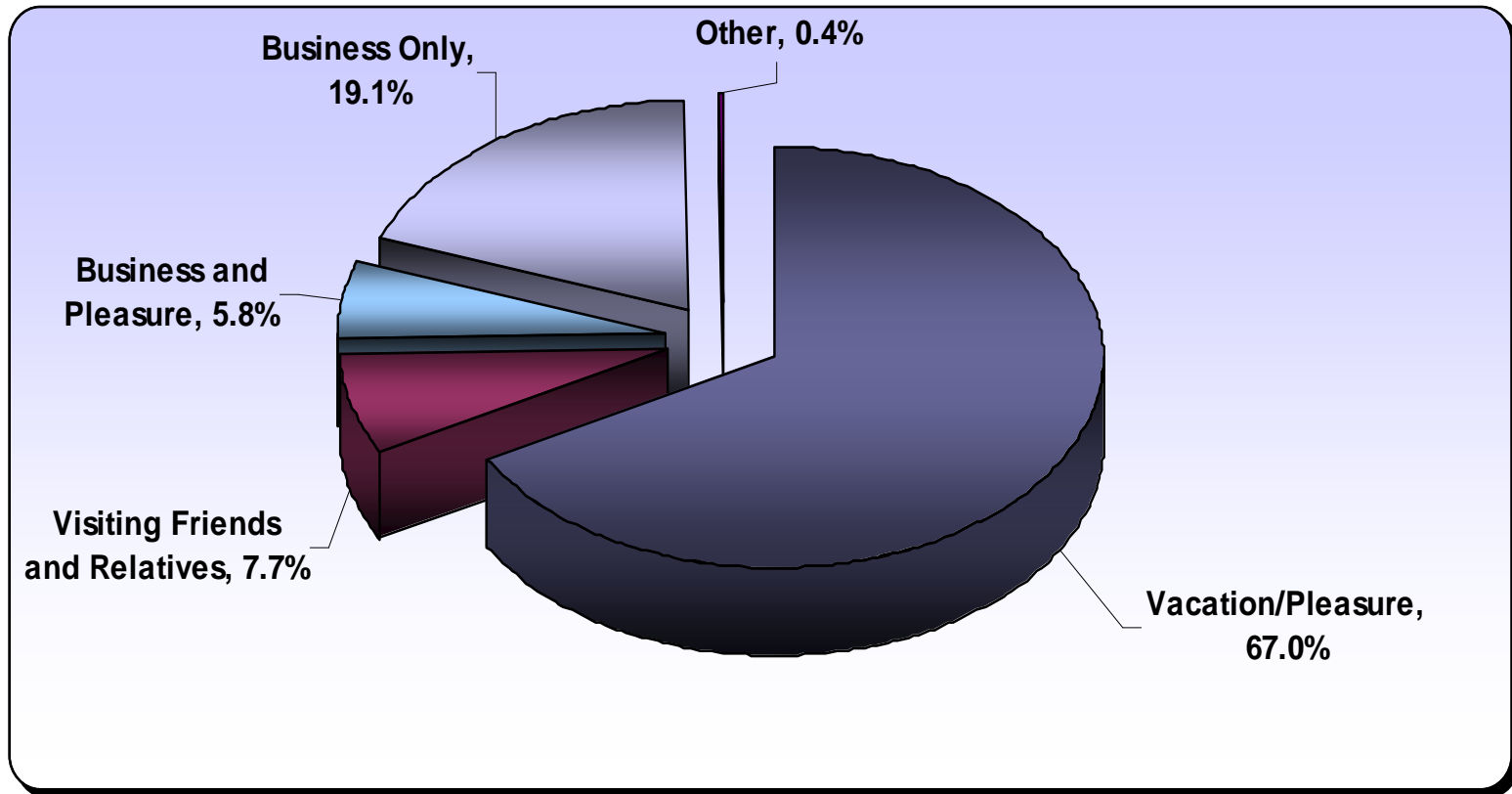
	1999	2004	% Change
Domestic Air	755,200	844,100	11.8%
International Air	27,000	33,000	22.2%
Highway	121,300	92,400	-23.8%
Ferry	23,900	17,900	-25.1%
Cruise Ship	457,300	712,400	55.8%

Alaska Visitor Arrivals

Entry Mode Trends – 1999 to 2004



Alaska Visitor Arrivals 2004 By Trip Purpose



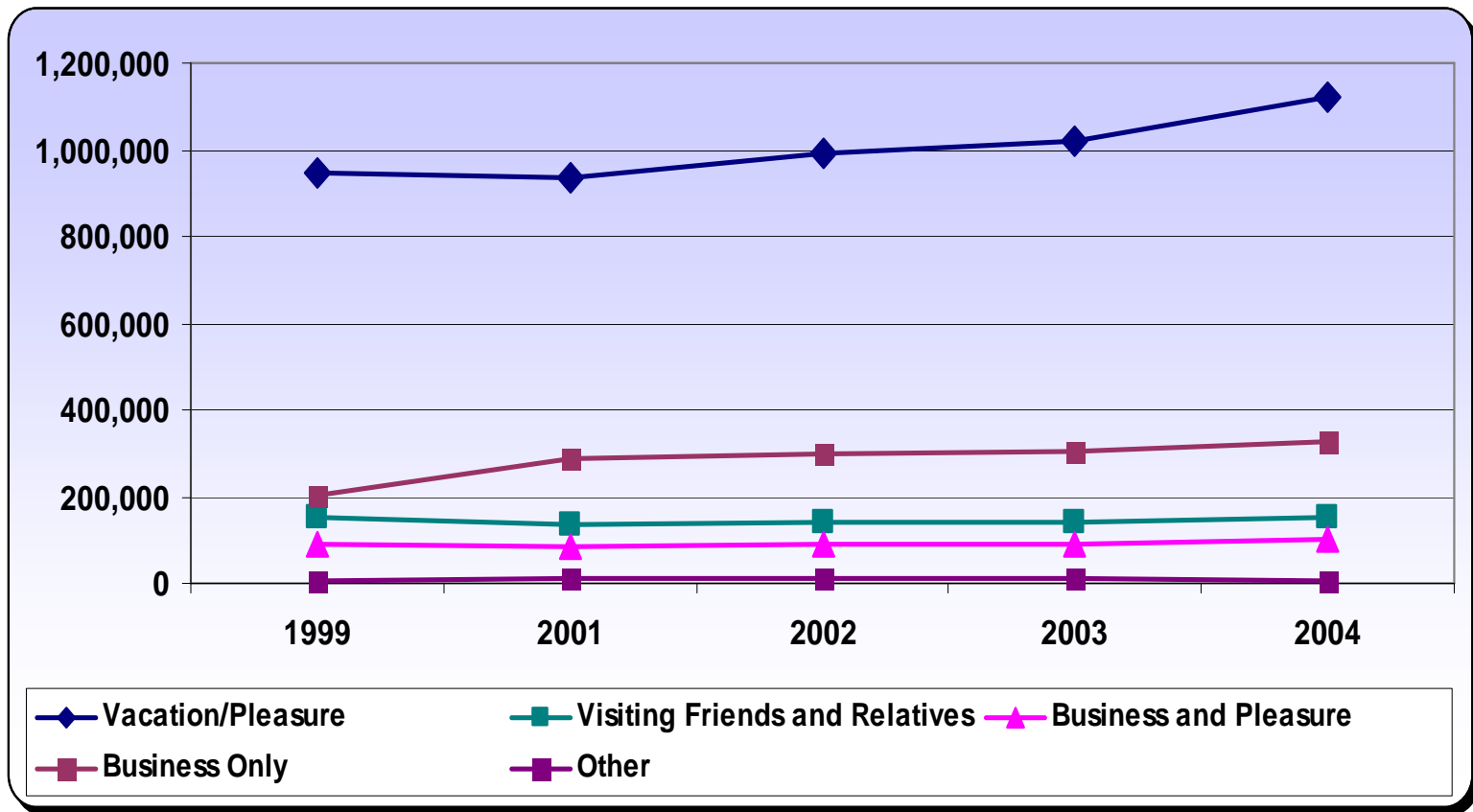
Alaska Visitor Arrivals

Trip Purpose Trends – 1999 to 2004

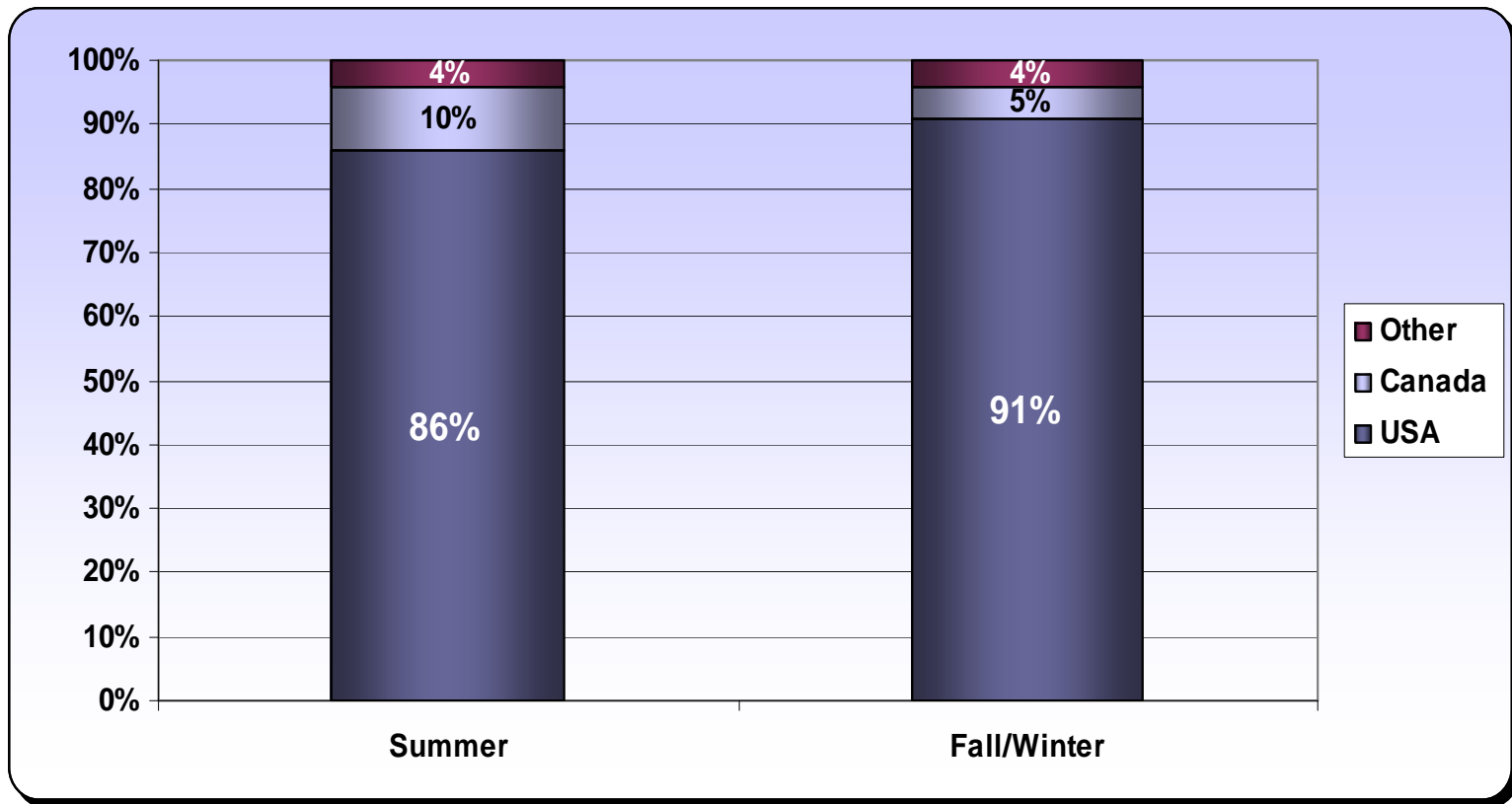
	1999	2004	% Change
Vacation/Pleasure	946,000	1,120,900	18.5%
Visiting Friends and Relatives	154,700	149,700	-3.2%
Business and Pleasure	90,300	99,600	10.3%
Business Only	205,100	326,000	58.9%
Other	5,200	6,900	32.7%

Alaska Visitor Arrivals

Trip Purpose Trends – 1999 to 2004



Alaska Visitor Arrivals By Origin – 2001



Alaska Visitor Intended Length of Stay – 2001

	Summer	Fall/Winter
7 days or less	59%	53%
8 to 14 days	29%	25%
15 days or more	12%	22%

Alaska Visitor Spending (\$USD) 2001

	Summer	Fall/Winter
Total Spending (000s)	\$1,512,600.0	\$326,800.0
Average Per Person	\$1,258	\$1,284



YUKON VISITORS

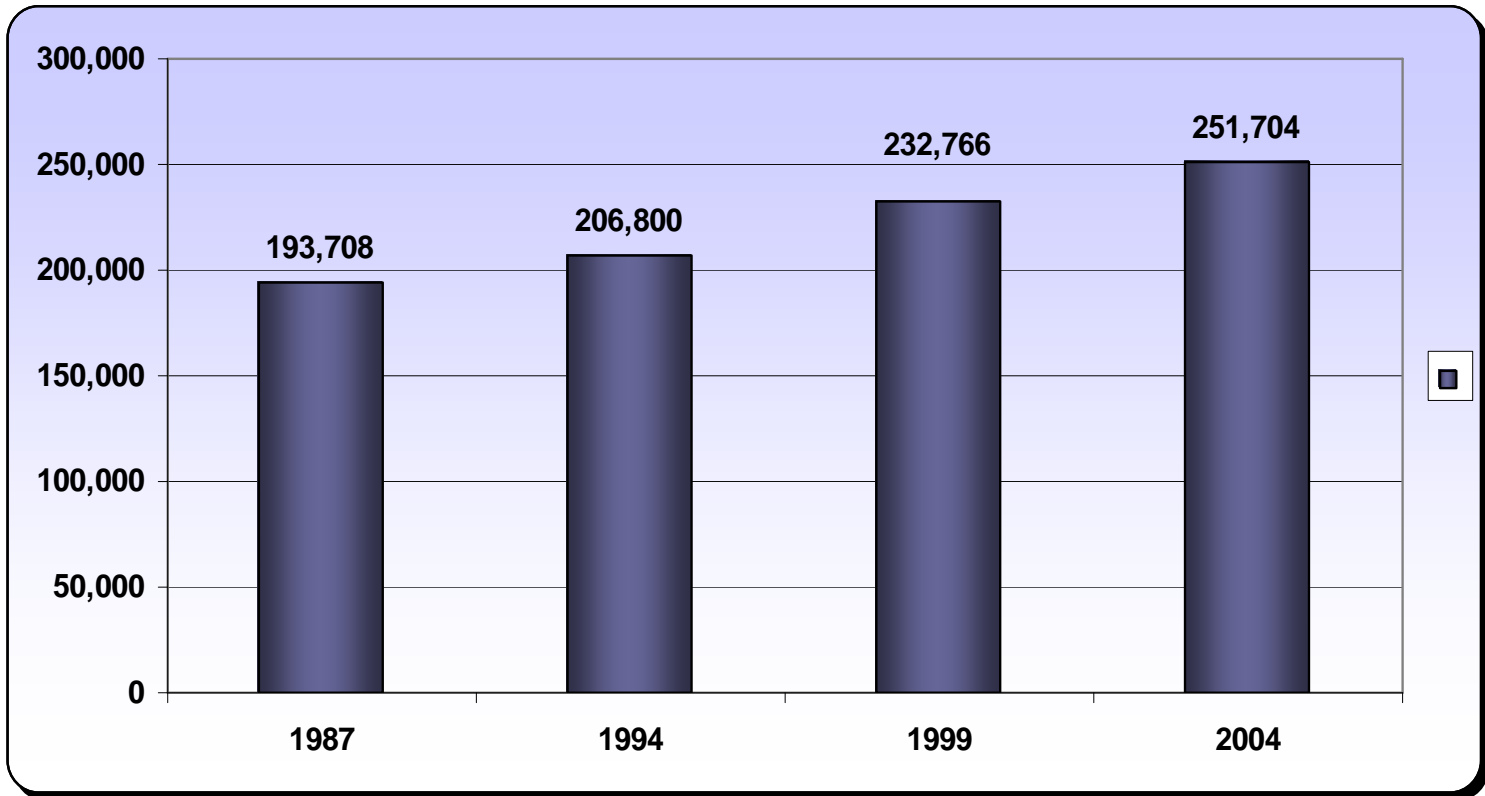
Yukon Exit Survey

■ Method

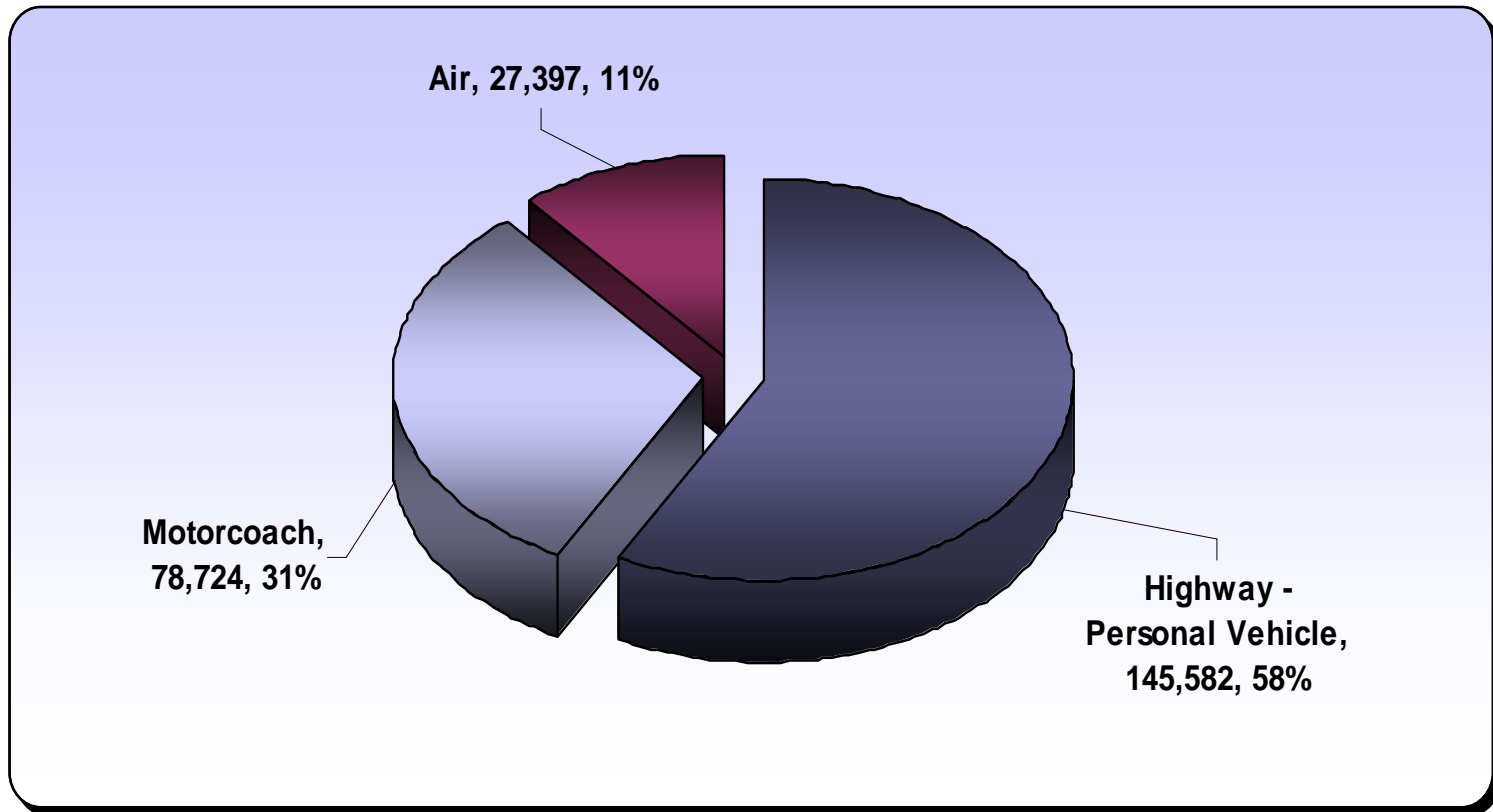
- Exit surveys at airports and highway locations measuring visitor volume and spending. Benchmark years 1987, 1994, 1999, 2004.
- Data collected June through September only.

Yukon Visitor Trends

Summer (June through September)



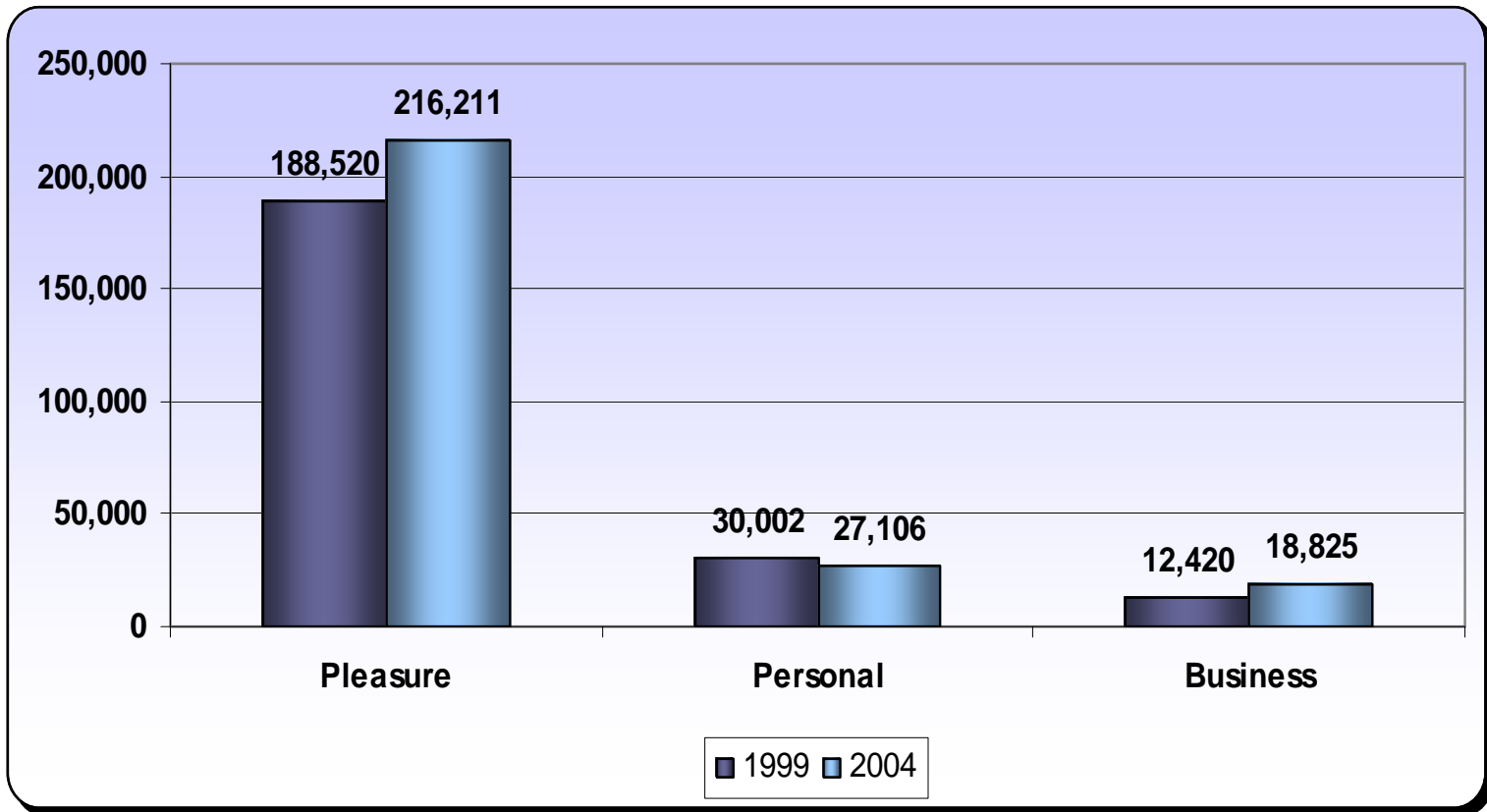
Yukon Visitor Exit Mode Summer 2004



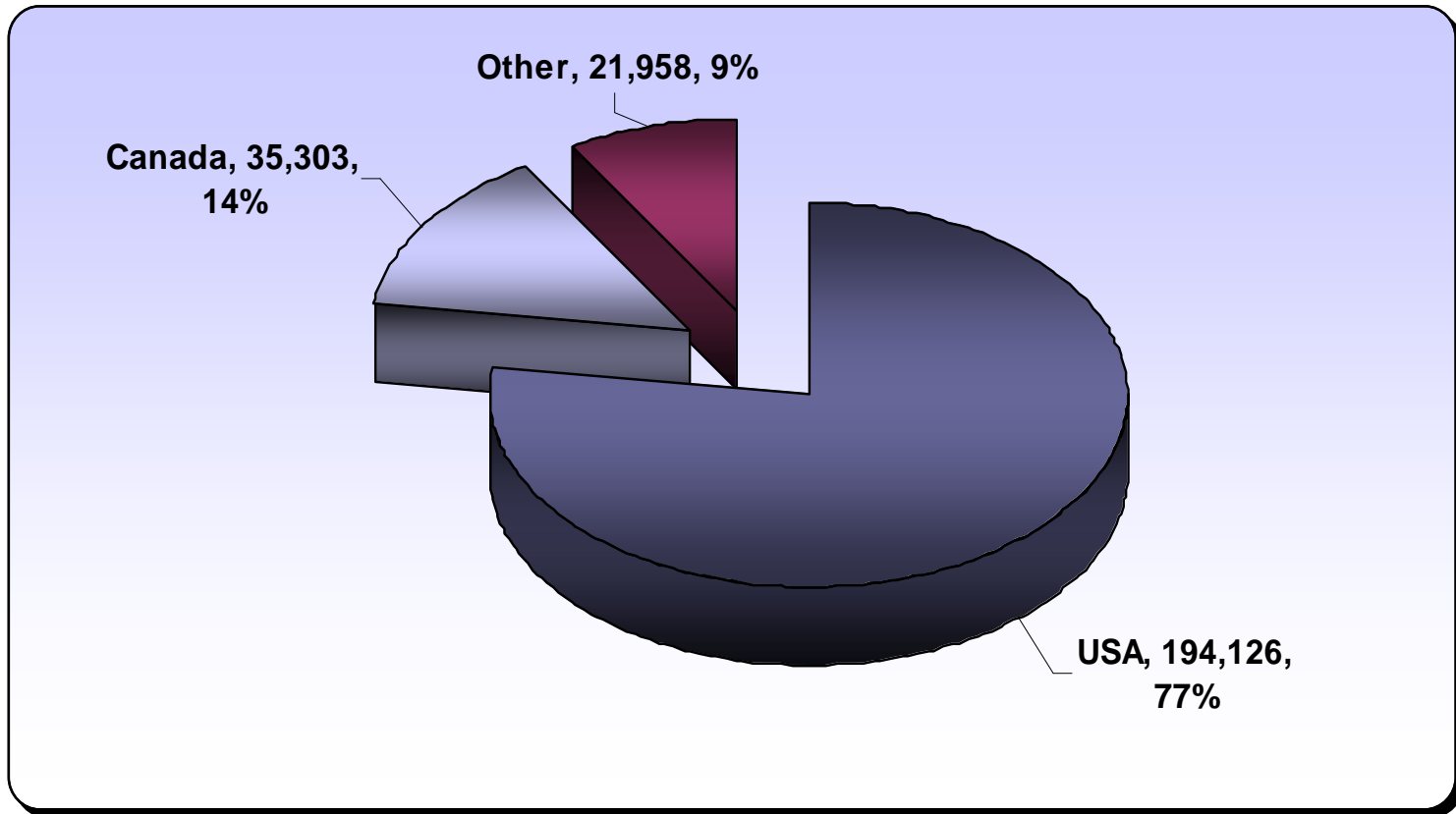
Yukon Visitor Exit Mode Trends 1987 to 2004

	1987	1994	1999	2004	% Change Since 1999
Highway - Personal Vehicle	114,100	144,100	152,520	145,582	-4.5%
Motor Coach	67,700	45,500	54,960	78,724	43.2%
Air	11,900	17,200	25,290	27,397	8.3%

Yukon Visitor Trip Purpose Summer 2004



Yukon Visitor Origin Summer 2004



Yukon Visitor Length of Stay Summer 2004

Origin	Average Number of Nights
USA	3
Canada	8
Other	8

Yukon Visitor Spending (\$CAD) Summer 2004

Exit Mode	Total Spending	Average Per Person
Highway - Personal Vehicle	\$38,153,000	\$262
Motor Coach	\$24,940,000	\$162
Air	\$12,761,000	\$910
TOTAL SPENDING	\$75,854,000	



NORTHERN BRITISH COLUMBIA VISITORS

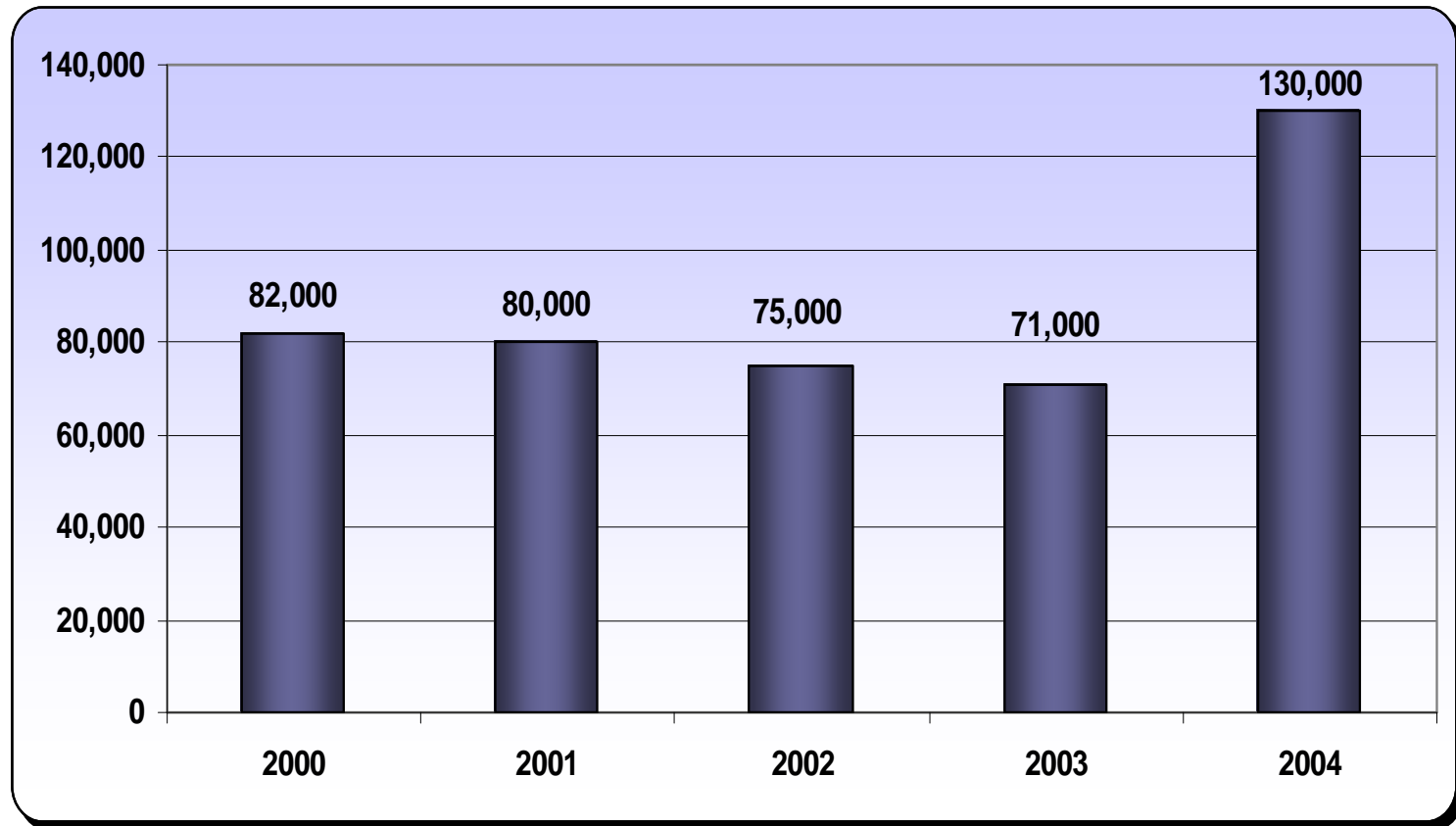
Northern BC Visitor Volume Indicators

Regional Customs Entries 2004

Origin	2004
USA	113,942
Overseas	16,163
TOTAL	130,105

Northern BC Visitor Volume Indicators

Regional Customs Entries Trends

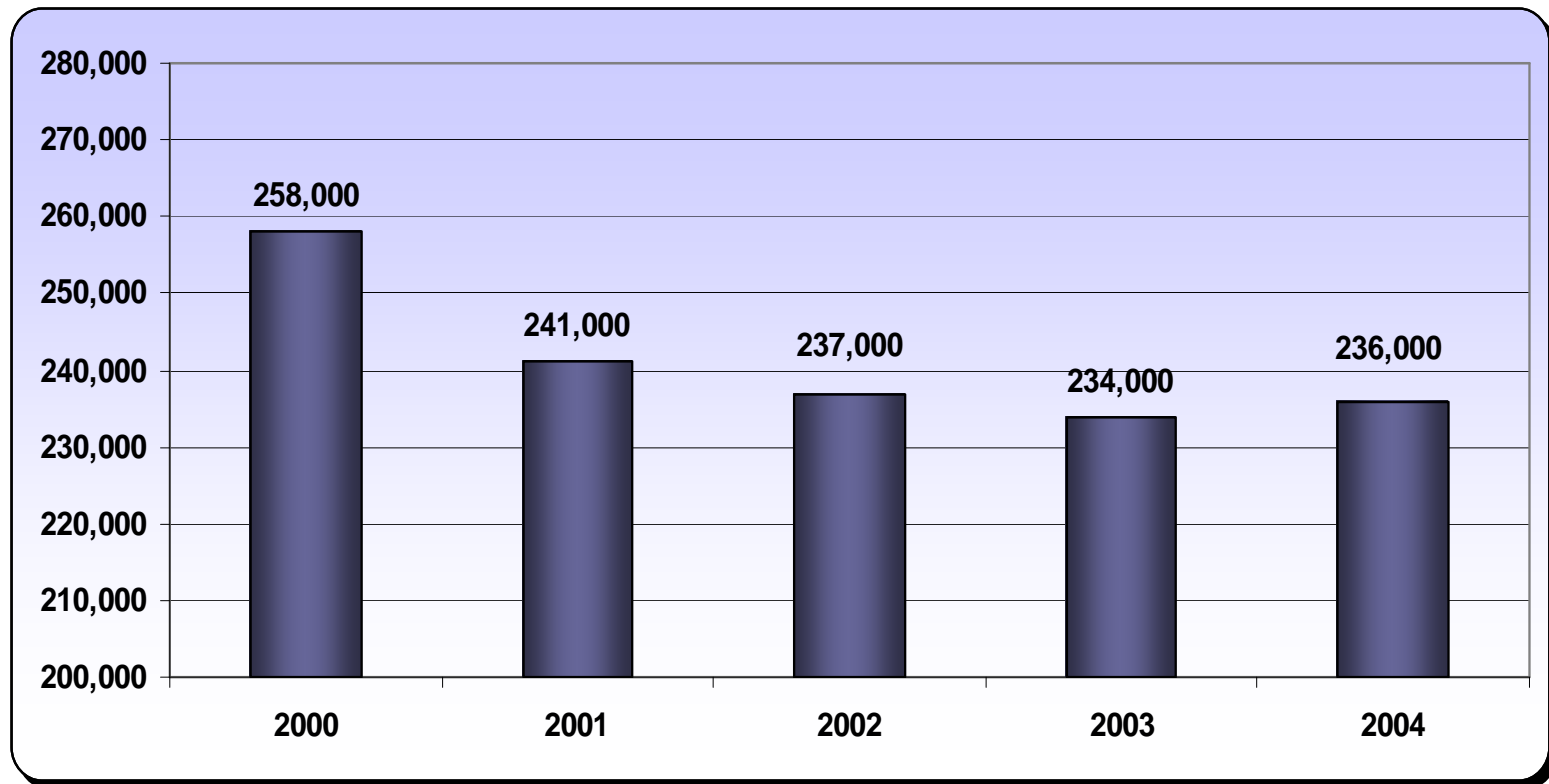


Northern BC Visitor Volume Indicators

Regional Air Transportation - 2004

	Passenger Volume 2004
Smithers Airport	62,406
Prince George Airport	340,389
Fort St. John Airport	96,399
TOTAL	499,194

Northern BC Visitor Volume Indicators BC Ferry Passenger Volume Trends Northern BC Routes



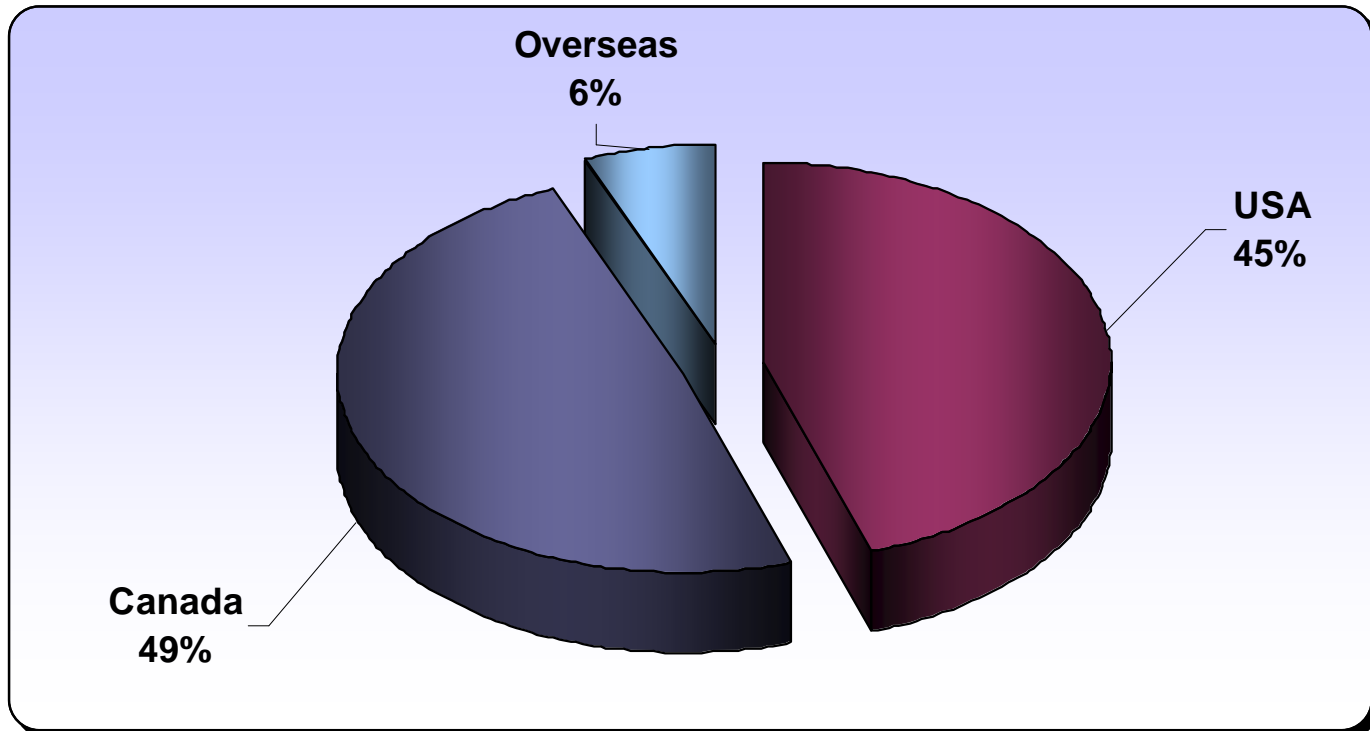
Northern BC Highway Travelers Summer 2003

■ Method

- Field traffic counts at specified location along Alaska Highway.
- May through to September
- 38 sample days

■ 320,400 travelers in 120,600 vehicles

Northern BC Highway Travelers Origin – Summer 2003



Northern BC Highway Travelers

Main Destination by Origin – Summer 2003

	OVERALL	Canada	USA	Overseas
Alaska	46%	20%	75%	40%
Northeast BC	15%	27%	2%	8%
The Yukon	13%	24%	1%	11%
Circle Tour	13%	17%	6%	31%
Other BC	3%	5%	0%	6%
Alberta	2%	3%	1%	1%
Other	8%	4%	14%	3%

Northern BC Highway Travelers Multi-Modal Trips – Summer 2003

Main Destination	Drive both ways	Fly-Drive	Cruise Drive
OVERALL	78%	13%	8%
Alaska	78%	12%	11%
Northeast BC	90%	10%	0%
The Yukon	83%	11%	6%
Circle Tour	66%	17%	18%
Alberta	78%	16%	7%

Northern BC Highway Travelers

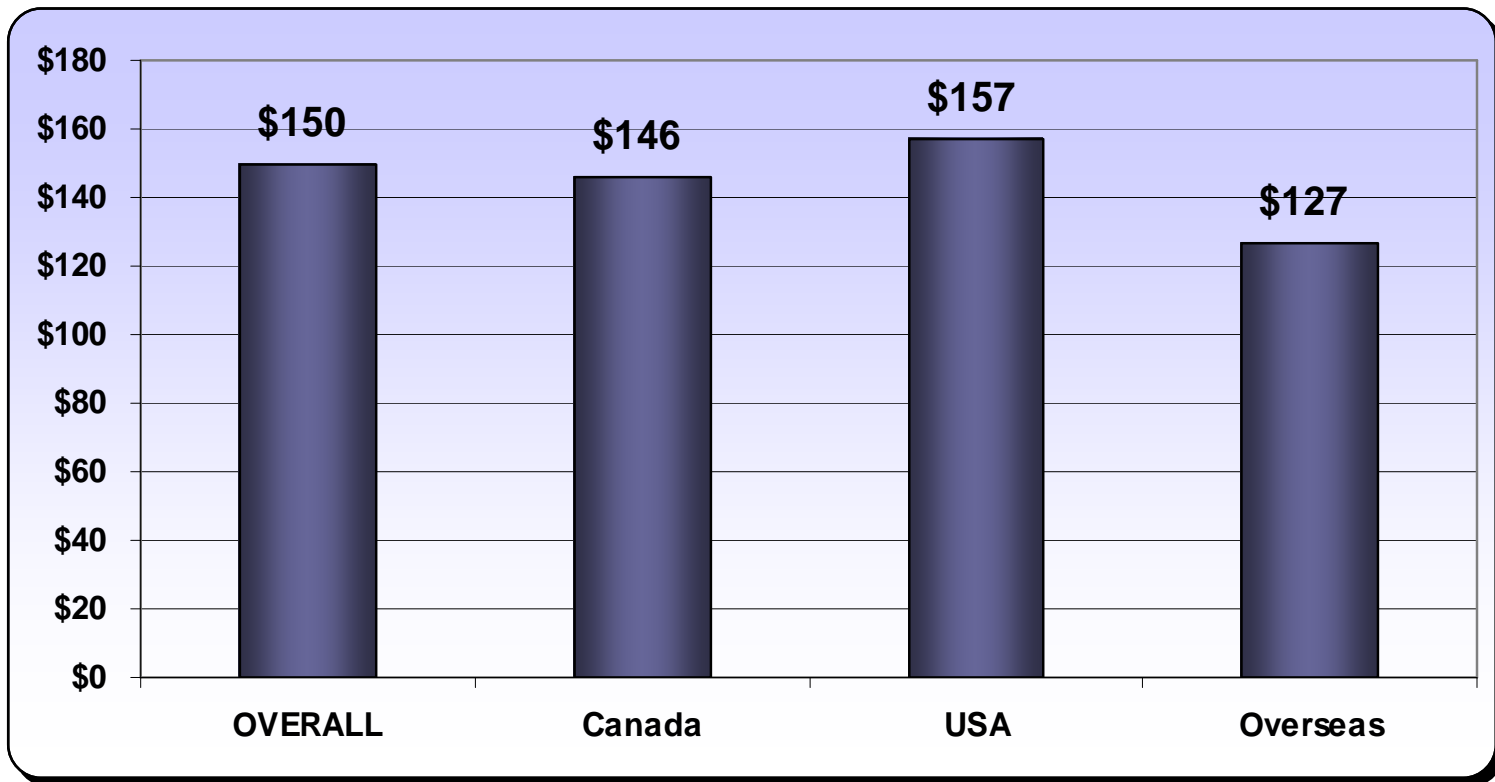
Trip Purpose by Origin – Summer 2003

Trip Purpose	OVERALL	Canada	USA	Overseas
Vacation/Pleasure	83%	82%	82%	96%
Visit Friends & Relatives	9%	11%	6%	3%
Business	5%	5%	6%	1%
Other	3%	1%	5%	<1%

Northern BC Highway Travelers Trip Length by Origin – Summer 2003

	OVERALL	Canada	USA	Overseas
Average Nights	39	26	51	62
Median Nights	29	19	42	40

Northern BC Highway Travelers Average Daily Spending (\$CAD) –Summer 2003





GENERAL TOURISM FLOWS

Summary of Estimated Tourism Volume Summer (May/June to Sept.)

Destination	Total Volume	Highway
Alaska	1,447,400	100,000 (est.)
Yukon	251,700	224,300
Northern British Columbia (Highway Visitors Only)	320,400	320,400
TOTAL	2,019,500	644,700
Less Estimated Overlap and Alaskans	200,000 to 400,000	200,000 to 300,000
Estimated Market Size	1.6 to 1,8 million	345,000 to 445,000



Markets and Regions

Alaska Cruise Market

- 900,000 cruise visitors
- 700,000 cruise only
- 200,000 cruise/tour
- 190,000 cruise/tour visitors to Southcentral/Interior AK
- 10,000 cruise/tour visitors on Yukon/Alaska tour.

Highway Market

- 100,000 Highway visitors (est.) go all the way to Alaska.
- 78% drive both ways

Other Markets

- *Independent Air
- *Independent Ferry

Tourism Revenue Estimates - Summer Alaska and The Yukon (\$USD)

	Average Per Person	Number of Visitors	Total Spending (000s)
Alaska	\$1,258	1,447,400	\$1,820,000.0
Yukon	\$250	251,700	\$63,000.0
TOTAL All Visitors			\$1,883,000.0



GENERAL TRAVEL TRENDS



Travel Trends

North American Markets

- Increased demand for shorter vacations.
- Consumer behavior becoming more unpredictable.
- Traditional decision on long-haul trips made 6-8 months prior to departure.
- Increase in spontaneous bookings made from one month to one day prior to departure.
- Increasing interest in cultural and historic sites.
- Increasing demand for soft adventure activities.
- Tour operators offering more modular packages that allow travelers to pick and choose.
- Travel agencies adapting to changing distribution systems.
- Internet has become the most important travel research tool for consumers.

Alaska Travel Trends

- Top reasons for wanting to travel to Alaska are: always wanted to go, visiting friends and relatives.
- More visitors are employed and fewer are fully retired.
- Nearly 9 out of 10 visitors live in households with no children in the home.
- Booking timelines are more condensed with 1 in 4 traveling within one month of booking
- Barriers to travel continue to be: not enough time, both for travel and for planning a vacation, not enough money, and health problems for those over 65 years old.
- Percentage of repeat visitors is growing (increased from 24% in 1994 to 32% in 2003).
- Repeat visitors are far less likely to be on a package tour.

Alaska Cruise Observations

- More controlled growth in the future in Alaska.
 - Alaska port communities are becoming more congested, limiting the ability to grow the cruise business.
 - The home ports of Vancouver and Seattle do not have plans to expand cruise terminals at this time.
 - New ship construction has slowed.
- Approximately 25% to 30% of the Alaska cruise passengers take a multi-night land tour in Alaska or Alaska/Yukon.
 - High volume cruise/tour visitor areas, such as Denali, are congested and new capacity is being added in other areas of Alaska. However, a major new destination is needed in Alaska to accommodate growing numbers of visitors.
- Three large operators control 90% of the total Alaska cruise capacity.
 - The three largest cruise brands in Alaska, Princess Cruises, Holland America Line, and RCI/Celebrity, also operate land tour companies controlling large volumes of visitors to Alaska.



Market Issues

- Overlap between the markets
- Type of rail service
- Infrastructure
- Seasonality/scheduling
- Perception of distance
- Vacation trends



NEXT STEPS

Next Steps – Work Package A3f

- Complete executive interviews
- Competitive/comparable rail product review
- Develop tourism traffic projections
- Product type review – day vs. overnight service; budget, mid-range, luxury, etc.
- Service level assumptions – frequency, vehicles, seasonality, capacity, etc.
- Market Assumptions – capture share of existing tourism market, develop new market, etc.
- Develop passenger rail traffic and revenue forecasts.

Next Steps - Executive Interviews

- Alaska Railroad
- Rocky Mountain Vacations/Armstrong Hospitality Group
- Holland America Line/Westours
- Princess Tours
- Royal Celebrity Tours
- Alaska Travel Industry Association
- Tourism Yukon
- Tourism British Columbia
- Other

Next Steps – Competitive /Comparative Rail Product Review

■ Public Rail

- Europe – Public rail tourism
- North America – Amtrak/VIA Rail Model
- Russia/Mongolia/China – Trans-Siberian; Trans-Mongolian; Trans-Manchurian
- Australia – Great Southern Railway (e.g. The Ghan)
- Alaska - Alaska Railroad

■ Private Rail

- U.S. – American Orient Express, Westours, Princess Tours, Royal Celebrity Tours; Sierra Madre Express
- Canada – Rocky Mountaineer Vacations
- Europe – Venice-Simplon Orient Express; Royal Scotsman
- Russia/China – Trans-Siberian Express; China Orient Express
- Asia – Eastern and Oriental Express
- Africa – Rovos Rail, Blue Train, Shongololo Express

Next Steps – Work Package A3f

- Tourism traffic projections for region.
- Product type review – day vs. overnight service; budget, mid-range, luxury, etc.
- Service level assumptions – frequency, vehicles, seasonality, capacity, etc.
- Market Assumptions – capture share of existing tourism market, develop new market, etc.
- Develop passenger rail traffic and revenue forecasts.

Data Sources

- Alaska Highway Travel Study 2003
- Alaska Marine Highway System
- Alaska Railroad
- Alaska Travel Industry Association
- Alaska Visitor Statistics Program 2001-2004 (various reports)
- Anchorage Convention and Visitors Bureau
- Anchorage Visitor Profiles – 2005
- Canada Customs and Revenue
- Fairbanks Convention and Visitors Bureau
- Fairbanks Visitor Profiles – 2005
- Juneau Visitor Profiles – 2003
- Northern Rockies – Alaska Highway Visitor Research Project, 2003
- Tourism British Columbia
- Yukon Bureau of Statistics
- Yukon Visitors Exit Survey 2004
- Yukon Visitor Statistics Year End 2004
- Various economic impact analysis
- U.S. Customs and Immigration



THANK YOU