SCOMM

146:10

- **At this time we will call the House Special Committee on Economic Development, Trade, And Tourism to order.**

- **Let the record reflect the time is 5:15 PM**
  The day is TUESDAY, April 24, 2007

- **With us today are**

  - ☐ Representative Gatto
  - ☐ Representative Lynn
  - ☐ Representative Kohring
  - ☐ Representative Johansen
  - ☐ Representative Doll
  - ☐ Representative Doogan
  - ☐ And myself Representative Neuman

- **Let the record reflect that we have a quorum present**

- **Let the record also reflect that Rep. Kohring is excused as is Rep Gatto**

- **On the agenda today are hearings on "The Economics of Sport Fishing in Alaska" and a presentation on "Agruim's Economic Impact on the Kenai" .**

- **We with will begin with "The Economics of Sport Fishing in Alaska". I want to thank Ricky Geese for being willing to start this conversation with a presentation.**

  Remember to state your name for the record

- **Does the committee have any questions or comments**

- **We will move to testimony from those on line around the state. I will call out the LIO and your name. To assist the clerk clearly state your name for the record and begin your testimony.**

- **Beginning with (See the online Sheets) _____**

- (After each testimony) **Does the committee have any questions?**

(If no questions remember to thank each presenter and call for the next one)

- **We will now move back to Juneau and take testimony from those here in the room *(see the list)*. Again before you begin, please state your name for the record.**

- **Have we missed anyone wishing to testify?**

- **Hearing none lets move on.**

- **Does the committee have any further questions or comments on**

- **Our next presentation is on "Agruim's Economic Impact on the Kenai". Thank you Lisa and Chris for joining us this evening come up and join us if you would. We appreciate your willingness to help this committee better Agruim's role on the Kenai -- and in the state.**

Parker / Sonicson

Lisa

Remember to state your name for the record

- **Does the committee have any questions or comments**

- **We will move to testimony from those on line around the state. I will call out the LIO and your name. To assist the clerk clearly state your name for the record and begin your testimony.**

- **Beginning with (See the online Sheets) _____**

- (After each testimony) **Does the committee have any questions?**

(If no questions remember to thank each presenter and call for the next one)

- **We will now move back to Juneau and take testimony from those here in the room (*see the list*). Again before you begin, please state your name for the record.**

- **Have we missed anyone wishing to testify?**

- **Hearing none lets move back to the committee**

- **Are there any comments?**

- **This Committee meeting, is now adjourned.**

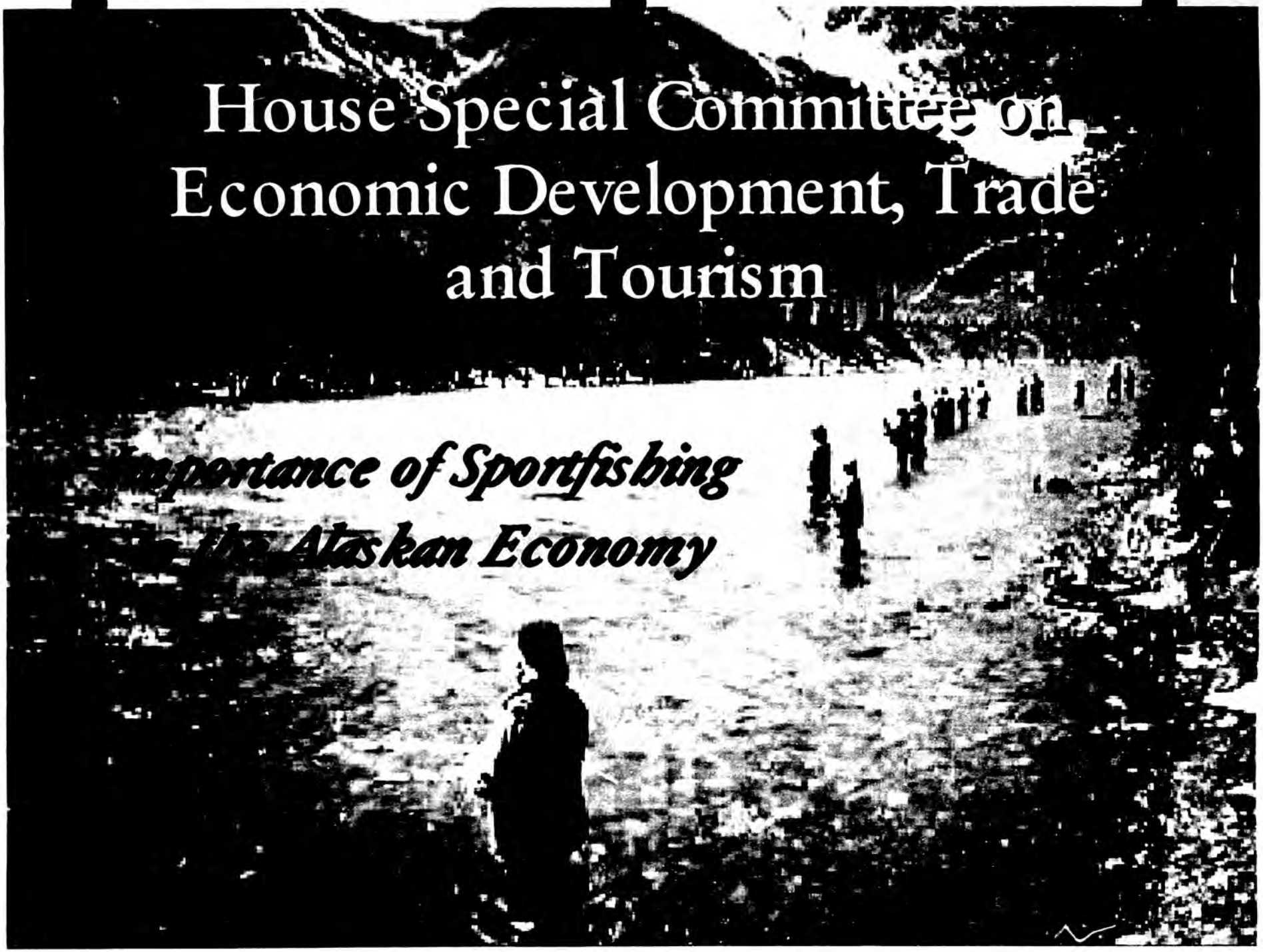
Selected Sport Fish Related Information from *Alaska Visitor Statistics Program* (Summer 2006)

The Department of Commerce, Community, and Economic Development (Commerce) recently released the Alaska Visitor Statistics Program (AVSP), Summer 2006 Visitor Volume and Profile. The research provides visitor volume, expenditure and opinion data.

Last summer, 1.6 million visitors came to Alaska. Of those visitors, 1 out of 5 participated in guided or unguided sportfishing activities. Two special analysis sections in the AVSP profile sportfishing visitors and visitors to Southcentral Alaska including a profile and expenditures of visitors to the Kenai Peninsula. They are included in the accompanying handout.

In previous AVSPs (there have been five since 1983 including the 2006 research), the Legislature has followed up the baseline collection of data with funding for an economic impact study. Commerce could move forward immediately (pending the availability of funds) with an economic impact analysis of the 2006-07 visitor season which runs from May 1, 2006 through April 30, 2007. Commerce would be able to include a special analysis of the economic impact of sportfishing in the project.

Note: AVSP also includes profiles of visitors to other Alaska regions, but for the purposes of the subcommittee meeting today, only Southcentral is included in the handout. The full document can be found on the Office of Economic Development web site (http://www.commerce.state.ak.us/oed/toubus/research.htm).


House Special Committee on
Economic Development, Trade
and Tourism
Importance of Sportfishing
to Alaskan Economy

A Billion $$ Industry

Total Economic Output

$1 billion dollars

Kenai Peninsula Borough

- $650 million

Statewide Jobs

- 11,000 annual average
- $250 million payroll

Who pays for Conservation?

"In a civilized and cultivated country, wild animals only continue to exist when preserved by sportsmen. The excellent people who protest against all hunting and consider sportsmen as enemies of wildlife do not understand the fact that in reality the genuine sportsman is, by all odds, the most important factor in keeping the larger and more valuable wild creatures from total extermination."

President Theodore Roosevelt

Sportsmen Pay for Conservation in Alaska

2003

- 483,595 licenses, $13 million revenue
- 292,844 non-resident licenses, $9.6 million revenue

2006

- 499,214 licenses, $21 million revenue
- $6.8 million facility bonds to support hatcheries

Important Source of Funding for Resource Management

- Taxes on outdoor equipment generates $16 million to pay for fishery conservation efforts in Alaska.
- Anglers are among the Nation's most ardent conservationists and spend time and effort to introduce children and other newcomers to the enjoyment of the outdoors.

Access, Infrastructure & Allocation is Critical

- Public access and allocation for anglers to utilize state and federal fish resources is critical for the recreational economy.
- Basic infrastructure, such as boardwalks, trails and boat launches, must be developed and maintained to provide reasonable access while protecting habitat.

Need for Economic Information

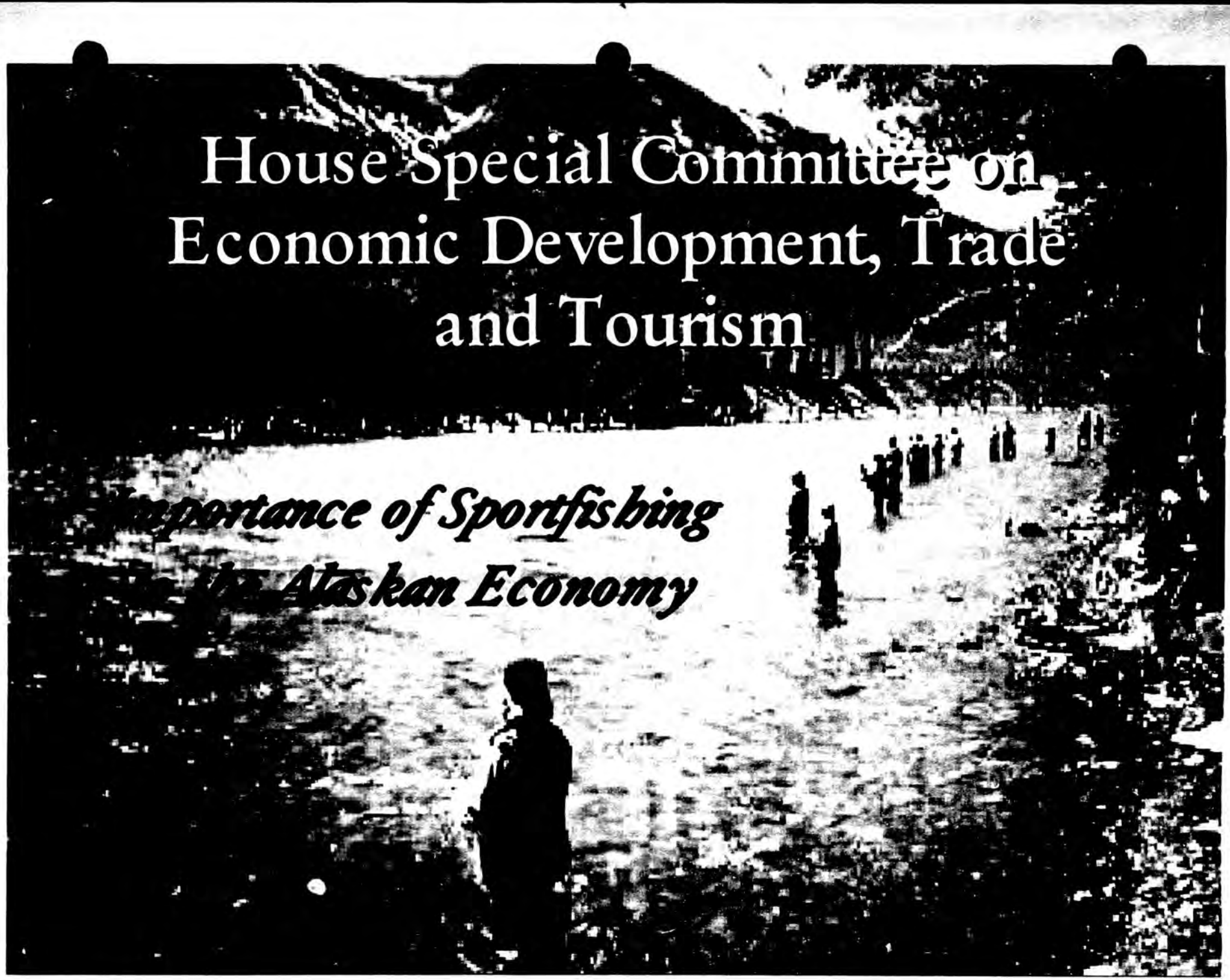
- Fishing a major economic driver for the tourism industry.
- Many Alaskans rely on fishing for recreational and consumptive uses.
- Outdoor recreation is a major component of the quality of life for residents.
- Up to date, comprehensive economic information on this $1 billion dollar industry is scarce.

Lack of Information does not lead to Informed Public Policy

- Without up to date, comprehensive economic data, the central role of sport angling in the state's economy will continue to be underestimated and taken lightly in public policy decisions.
- The growing Alaskan retirement community now contributes over $2 billion dollars annually to the state's economy.

Regulatory Boards & Commissions

- Angler representation
- Balance & fairness


House Special Committee on
Economic Development, Trade
and Tourism
Importance of Sportfishing
to Alaskan Economy

ALASKA

Visitor Statistics Program

Alaska Visitor Volume and Profile

Summer 2006

Conducted by

McDowell GROUP

In association with:
DataPath Sysems
Davis, Hibbitts & Midghall, Inc.

State of Alaska
Department of Commerce,
Community and Economic Development

April 2007

Section VI: Selected Summary Profiles

Summary Profile: Sportfishing

About one in five (20 percent) Alaska visitors participated in sportfishing at some time during their Alaska trip. About four in ten fishing participants fished unguided while six in ten used guide services ranging from a half-day charter while on an Alaska cruise to a week-long fishing lodge package. This chapter profiles visitors who participated in sportfishing, segmented into guided and unguided. Sample sizes are presented in the table below.

Market Definition and Sample Size
Sportfishing

Market	Definition	Sample Size	Maximum Margin of Error
Guided fishing	Participated in guided fishing	396	±5.0%
Unguided fishing	Participated in unguided fishing	374	5.2

The sportfishing markets differed from the overall visitor market, as well as from each other, in the following ways.

- Guided fishing participants tended to be mostly vacation/pleasure visitors. Almost one in three unguided participants were in Alaska visiting friends and relatives.
- The unguided market accessed Alaska primarily by air, with 12 percent of them arriving by highway as well. One-quarter of the guided market were cruise passengers, although air was the preferred access mode for the majority of guided clients.
- Southcentral, Southeast and Interior regions were the primary destinations of the sportfishing market. When compared to the overall market, fishing participants were much more likely to visit the Southwest region: 7 percent of guided participants visited Southwest, and 9 percent of unguided participants visited Southwest, compared to 3 percent of the overall market.
- Fishing participants were typical of visitors overall in their levels of satisfaction, with unguided and guided participants expressing nearly identical levels of satisfaction.
- They were much more likely to be repeat visitors, and unguided participants are predominantly from the Western U.S. Guided fishing participants tended to be a bit more affluent, and unguided participants slightly less affluent, than the average Alaska visitor.
- Both guided and unguided fishing participants mentioned other activities while in Alaska, especially shopping and wildlife viewing. They were less likely than the overall market to participate in city/sightseeing tours, day cruises, train, and historical/cultural attractions.

Trip Purpose and Packages
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Trip Purpose			
Vacation/pleasure	82%	85%	63%
Visiting friends or relatives	9	8	29
Business	5	1	2
Business and pleasure	4	6	6
Purchased multi-day package			
Yes	69%	61%	18%
Package type (Base: non-cruise, purchased package)			
Fishing lodge package	46%	83%	67%
Adventure tour	14	5	13
Wilderness lodge package	13	7	3
Rail package	9	2	3
Motorcoach tour	5	1	1
Other	12	2	13

Transportation Modes
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Mode of Entry into Alaska			
Air	49%	72%	83%
Cruise	45	21	2
Highway	4	6	12
Ferry	1	1	3
Mode of Exit from Alaska			
Air	49%	67%	86%
Cruise	47	27	2
Highway	4	5	10
Ferry	1	1	2
Used to Travel Between Communities[1]			
Motorcoach/bus	26%	21%	3%
Train	19	18	4
Rental vehicle	14	25	22
Air	12	23	29
Personal vehicle	9	11	32
State ferry	3	3	6
Rental RV	2	3	5
Personal RV	2	4	7
None of the above	40	23	15
Don't know/refused	1	1	2

[1] Based to intercept respondents only.

Length of Stay, Destinations & Lodging Type
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Average length of stay in Alaska	**9.1 nights**	**10.2 nights**	**14.5 nights**
Regions Visited			
Southeast	71%	57%	33%
Southcentral	56	68	76
Interior	33	32	29
Southwest	3	7	9
Far North	3	3	3
Destinations Visited, Top 10			
Juneau	63%	40%	12%
Ketchikan	53	36	14
Skagway	53	35	9
Anchorage	50	58	64
Denali	28	27	19
Fairbanks	24	20	16
Seward	21	31	31
Glacier Bay	27	15	5
Sitka	18	14	5
Whittier	14	16	15
Lodging Types Used			
Cruise ship	60%	34%	4%
Hotel/motel	42	50	35
Lodge	19	34	16
Private home	12	15	46
B&B	6	12	12
Commercial campground	4	8	15
State/national campground	3	4	10
Wilderness camping	2	3	9
Other	7	11	15

Visitor Activities – Top 10[1]
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Shopping	71%	63%	64%
Wildlife viewing	53	61	59
City/sightseeing tours	44	30	15
Day cruises	40	35	21
Train	38	26	7
Hiking/nature walk	30	30	36
Museums	28	24	25
Native cultural tours/activities	20	17	7
Fishing	20	100	100
Historical/cultural attractions	18	16	11

[1] Based to intercept respondents only.

Satisfaction Ratings
Sportfishing

	All Visitors		Guided Sportfishing		Unguided Sportfishing	
Compared to expectations						
Much higher	25%		26%		20%	
Higher	36		36		32	
About as expected	35		34		42	
Value for the money, compared to other destinations						
Much better	13%		14%		13%	
Better	25		24		26	
About the same	48		46		48	
Percent "very satisfied" and average (Scale: 1 = very dissatisfied, 5 = very satisfied)						
Overall experience in Alaska	70%	4.7	70%	4.7	69%	4.7
Accommodations	54	4.4	49	4.4	46	4.3
Restaurants	42	4.2	37	4.2	31	4.1
Shopping	29	4.0	24	4.0	25	4.0
Visitor information services	53	4.4	50	4.4	52	4.4
Sightseeing	66	4.6	66	4.6	65	4.6
Tours and activities	60	4.5	57	4.4	56	4.4
Wildlife viewing	50	4.2	54	4.4	56	4.4
Transportation within Alaska	45	4.3	43	4.3	36	4.1
Friendliness of residents	69	4.6	66	4.6	66	4.6
Value for the money	32	4.1	31	4.0	31	4.0
Very likely to recommend Alaska as a vacation destination	79%		78%		79%	
Very likely to return to Alaska in the next five years	40%		53%		71%	

Previous Alaska Travel
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Been to Alaska before for vacation	34%	48%	67%
Average # of vacation trips (base: repeat travelers)	3.4	4.1	4.8
Previous mode of transportation used to enter/exit Alaska			
Air	72%	81%	82%
Cruise	26	19	7
Highway	11	8	12
Ferry	3	2	4

Trip Planning
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Ave. # of months, trip decision	8.1	9.6	8.3
Ave. # of months, trip booking	5.4	5.7	3.9
Used Internet[1]	68%	73%	72%
Booked over Internet[1]	42	51	58
Booked through travel agent[1]	52	39	16
Other Sources – Top 10[1]			
Friends/family	45%	46%	65%
Cruise line/tour company	38	29	2
Prior experience	26	38	51
Brochures	25	24	21
AAA	16	15	9
Travel guide/book	13	13	9
Television	11	11	3
Magazine	8	8	9
Milepost	6	10	14
Convention & Visitors Bureaus	5	6	7

[1] Based to intercept respondents only.

Demographics
Sportfishing

	All Visitors	Guided Sportfishing	Unguided Sportfishing
Origin			
Western US	39%	45%	60%
Southern US	19	18	11
Eastern US	13	10	8
Midwestern US	13	19	13
Canada	6	4	2
Other International	9	3	5
Other Demographics			
Average party size[1]	2.4	2.8	2.5
Male/female	50/50	63/37	65/35
Average age	51.6	49.7	48.1
Children in household	25%	28%	27%
Retired/semi-retired	39	63	63
College graduate	59	36	37
Average income	$103,000	$115,000	$94,000

[1] Based to intercept respondents only.

Summary Profile: Southcentral Communities

Visitors to Southcentral and the nine most-frequently visited communities are profiled in this chapter. Definitions for each community and sample sizes are provided in the table below.

Market Definition and Sample Size
Southcentral Communities

Market	Definition	Sample Size	Maximum Margin of Error
Southcentral	Visited at least one destination in the Southcentral region, day and/or overnight	3,675	±1.7%
Anchorage	Visited Anchorage or Eagle River, day and/or overnight	3,265	1.7
Seward	Visited Seward, day and/or overnight	1,448	2.6
Whittier	Visited Whittier, day and/or overnight	1,032	3.2
Talkeetna	Visited Talkeetna, day and/or overnight	884	3.4
Kenai/Soldotna	Visited Kenai or Soldotna, day and/or overnight	777	3.5
Homer	Visited Homer or Seldovia, day and/or overnight	745	3.7
Palmer/Wasilla	Visited Palmer or Wasilla, day and/or overnight	666	3.9
Girdwood	Visited Girdwood or Alyeska, day and/or overnight	571	4.2
Valdez	Visited Valdez, day and/or overnight	400	5.0

Differences between Southcentral Alaska visitors and the overall Alaska market include:

- Southcentral visitors were somewhat more likely to be VFRs or be traveling for business.
- They were much more likely to enter and exit Alaska by air, and less likely to travel by cruise ship. Southcentral Alaska visitors were also more likely to visit Interior Alaska communities than the overall market.
- Their average trip length was slightly higher than the overall market (10.9 nights and 9.1 nights respectively).
- Southcentral visitors were more likely than the overall market to participate in tours and activities.

Unique characteristics when comparing visitors to individual Southcentral communities include:

- Anchorage, Palmer/Wasilla, and Girdwood attracted the highest percentage of business travelers. Palmer/Wasilla drew the largest percentage of VFRs.
- Valdez visitors were the most likely to enter or exit the state by highway or ferry. The communities of Palmer/Wasilla, Homer, and Kenai/Soldotna also attracted relatively high percentages of highway and

ferry travelers. Correspondingly, visitors to these communities also reported the longest length of stay in Alaska (ranging from 14.6 nights to 18.8 nights).

- Visitors to Anchorage, Seward, Whittier, and Talkeetna were the most likely to be cruise passengers, while visitors to Kenai/Soldotna, Homer, Palmer/Wasilla, Girdwood, and Valdez were more likely to stay in private homes and in various campgrounds.

- Visitors to Kenai/Soldotna, Homer, Palmer/Wasilla, Girdwood, and Valdez were the most likely to have visited Alaska previously and the most likely to return to Alaska in the next 5 years.

Trip Purpose & Packages
Southcentral Communities

	All Visitors	South Central	Anchorage	Seward	Another	Talkeetna
Trip Purpose						
Vacation/pleasure	82%	75%	75%	81%	86%	88%
Visiting friends/rel.	9	12	12	12	7	7
Business only	5	7	8	2	2	1
Business/pleasure	4	5	6	5	5	3
Purchased multi-day package						
Yes	69%	56%	55%	52%	67%	66%
Package type (Base: non-cruise, purchased package)						
Fishing lodge	46%	33%	30%	24%	14%	18%
Adventure tour	14	17	17	17	11	15
Wilderness lodge	13	18	18	19	27	23
Rail package	9	13	13	15	22	17
Motorcoach tour	5	6	7	6	7	10
Other	12	15	14	19	19	17

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Trip Purpose					
Vacation/pleasure	71%	73%	62%	66%	81%
Visiting friends/rel.	18	19	26	19	14
Business only	3	2	6	4	2
Business/pleasure	7	5	6	11	3
Purchased multi-day package					
Yes	30%	22%	20%	33%	24%
Package type (Base: non-cruise, purchased package)					
Fishing lodge	47%	47%	26%	16%	14%
Adventure tour	14	16	25	15	18
Wilderness lodge	19	17	19	24	15
Rail package	7	3	6	22	3
Motorcoach tour	1	3	8	6	18
Other	12	14	16	18	31

Transportation Modes
Southcentral Communities

	All	[illegible]	[illegible]	[illegible]	Wasilla	[illegible]tna
Mode of Entry into Alaska						
Air	49%	71%	72%	72%	56%	70%
Cruise	45	23	22	18	38	23
Highway	4	6	5	9	6	6
Ferry	1	1	1	1	1	1
Mode of Exit from Alaska						
Air	49%	71%	72%	70%	73%	64%
Cruise	47	23	23	22	21	30
Highway	4	5	5	7	5	5
Ferry	1	1	1	1	1	1
Used to Travel Between Communities[1]						
Motorcoach/bus	26%	40%	39%	29%	49%	52%
Train	19	32	32	26	40	49
Rental vehicle	14	26	27	42	27	27
Air	12	17	17	13	15	14
Personal vehicle	9	15	14	16	12	9
State ferry	3	4	4	7	6	4
Rental RV	2	3	3	8	4	8
Personal RV	2	3	3	6	3	1
None of the above	40	7	8	2	2	1
Don't know/refused	1	1	1	1	<1	<1

	Kenai Soldotna	Homer	Palmer Wasilla	Girdwood	Valdez
Mode of Entry into Alaska					
Air	80%	76%	74%	83%	61%
Cruise	6	6	6	9	4
Highway	13	17	19	8	31
Ferry	1	1	2	1	3
Mode of Exit from Alaska					
Air	78%	81%	76%	82%	61%
Cruise	9	3	5	12	4
Highway	11	15	18	5	31
Ferry	1	2	1	1	3
Used to Travel Between Communities[1]					
Motorcoach/bus	13%	7%	9%	34%	15%
Train	12	7	9	28	12
Rental vehicle	39	45	41	44	33
Air	18	20	10	16	10
Personal vehicle	29	25	33	21	22
State ferry	6	9	5	7	20
Rental RV	10	12	8	6	12
Personal RV	7	9	9	2	19
None of the above	3	1	4	2	1
Don't know/refused	1	1	1	<1	3

[1] These responses are based to intercept respondents only.

Length of Stay, Destinations & Lodging Type
Southcentral Communities

	All Visitors	[illegible]	[illegible]	Seward	[illegible]	[illegible]na
Average length of stay in Alaska	9.1 nights	10.9 nights	10.7 nights	12.4 nights	11.2 nights	12.8 nights
Regions Visited						
Southeast	71%	53%	52%	51%	68%	65%
Southcentral	56	100	100	100	100	100
Interior	33	53	54	61	57	89
Southwest	3	5	5	3	2	4
Far North	3	5	5	6	5	4
Destinations Visited, Top 10						
Juneau	63%	47%	46%	43%	61%	57%
Ketchikan	53	42	41	34	60	50
Skagway	53	43	42	36	62	56
Anchorage	50	90	100	93	90	89
Denali	28	47	48	56	52	86
Glacier Bay/Gustavus	27	29	29	28	43	36
Fairbanks	24	38	37	39	40	60
Seward	21	38	39	100	29	49
Sitka	18	14	14	17	17	14
Whittier	14	25	25	20	100	33
Lodging Types Used						
Cruise ship	60%	45%	43%	38%	58%	53%
Hotel/motel	42	66	70	70	61	74
Lodge	19	29	27	27	28	50
Private home	12	17	16	17	11	11
B&B	6	9	10	14	10	14
Commercial campground	4	7	7	11	8	9
State/national campground	3	5	5	8	5	7
Wilderness camping	2	3	3	3	2	3
Other	7	9	9	11	11	9

Length of Stay, Destinations & Lodging Type (cont'd)
Southcentral Communities

Average length of stay in Alaska	9.1 nights	14.6 nights	15.0 nights	14.6 nights	11.9 nights	18.8 nights
Regions Visited						
Southeast	71%	31%	29%	30%	34%	46%
Southcentral	56	100	100	100	100	100
Interior	33	52	52	63	58	92
Southwest	3	5	8	4	4	6
Far Nc	3	5	5	6	5	12
Destinations Visited, Top 10						
Juneau	63%	20%	14%	16%	23%	23%
Ketchikan	53	18	11	13	19	15
Skagway	53	21	17	20	24	32
Anchorage	50	89	88	94	98	87
Denali	28	45	45	52	50	67
Glacier Bay/Gustavus	27	20	14	10	15	15
Fairbanks	24	34	31	40	34	66
Seward	21	61	63	52	63	57
Sitka	18	5	6	8	10	9
Whittier	14	28	25	27	39	36
Lodging Types Used						
Cruise ship	60%	15%	9%	10%	21%	9%
Hotel/motel	42	59	56	57	71	57
Lodge	19	25	22	18	24	18
Private home	12	30	31	32	25	24
B&B	6	17	23	18	19	18
Commercial campground	4	17	21	19	11	34
State/national campground	3	13	16	14	9	23
Wilderness camping	2	5	5	6	5	9
Other	7	12	17	12	9	13

Statewide Activities – Top 10[1]
Southcentral Communities

	All Visitors	South [illegible]	[illegible]	Seward	Whittier	Tok [illegible]
Shopping	71%	71%	71%	75%	78%	88%
Wildlife viewing	53	65	65	75	73	83
City/sightseeing tours	44	39	39	33	47	52
Day cruises	40	46	47	63	65	67
Train	38	38	37	31	50	55
Hiking/nature walk	30	37	37	45	44	43
Museums	28	34	36	47	41	45
Native cultural tours/act	20	22	21	21	24	38
Fishing	20	25	22	31	21	28
Historical/cultural attractions	18	18	19	22	24	25

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Shopping	64%	69%	70%	77%	80%
Wildlife viewing	63	66	61	80	78
City/sightseeing tours	22	25	23	38	33
Day cruises	42	48	38	65	64
Train	15	12	15	30	20
Hiking/nature walk	41	46	45	54	46
Museums	35	44	41	51	62
Native cultural tours/act	14	12	15	23	18
Fishing	57	53	33	20	36
Historical/cultural attractions	14	17	17	22	25

[1] Based to intercept respondents only.

Activities in Community/Region[1]
Southcentral Communities

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]na
Wildlife viewing	28%	11%	29%	15%	9%
Birdwatching	9	4	11	4	2
Cultural activities	27	22	12	1	7
Museums	21	16	11	1	5
Native cultural tours/act.	7	8	1	-	-
Historical/cultural attractions	6	4	2	-	2
Gold panning/mine tour	1	-	-	-	-
Visiting friends/relatives	21	14	2	1	2
Day cruises	21	1	32	28	6
Hiking/nature walk	18	8	18	2	6
Fishing	17	1	9	2	9
Guided	10	<1	6	<1	5
Unguided	10	1	3	1	4
City/sightseeing tours	14	13	8	4	6
Camping	8	3	10	2	3
Flightseeing	5	1	<1	-	15
Shows/Alaska entertainment	4	4	<1	-	-
Tramway/gondola	3	<1	-	-	-
Dog sledding	2	<1	5	-	1
Rafting	2	-	-	-	3
Kayaking/canoeing	2	-	3	-	-
Salmon bake	2	1	2	<1	1
Biking	2	2	-	-	-
Hunting	<1	-	-	-	<1
Northern Lights viewing	<1	<1	-	-	-
Other	3	1	2	<1	1

[1] Based to intercept respondents only.
Note: Participation in shopping, Alaska Railroad and business were not recorded at the community/regional level.

Activities in Community/Region (Cont'd)[1]

Southcentral Communities

	[illegible] central	Soldotna	[illegible]	[illegible] Wasilla	[illegible]	[illegible]
Wildlife viewing	28%	22%	32%	12%	14%	25%
Birdwatching	9	6	13	1	3	9
Cultural activities	27	5	19	12	7	21
Museums	21	4	18	6	-	21
Native cultural tours/act.	7	-	<1	-	-	-
Historical/cultural attractions	6	2	2	5	1	3
Gold panning/mine tour	1	-	-	2	6	-
Visiting friends/relatives	21	19	9	25	3	5
Day cruises	21	3	8	1	4	24
Hiking/nature walk	18	14	11	13	13	13
Fishing	17	38	33	5	-	16
Guided	10	19	23	1	-	6
Unguided	10	23	13	4	-	11
City/sightseeing tours	14	4	4	2	3	8
Camping	8	14	13	13	2	27
Flightseeing	5	3	2	-	1	-
Shows/Alaska entertainment	4	-	<1	-	-	-
Tramway/gondola	3	-	-	-	31	-
Dog sledding	2	-	-	4	-	-
Rafting	2	4	-	1	2	1
Kayaking/canoeing	2	3	3	1	-	2
Salmon bake	2	2	<1	-	-	1
Biking	2	-	1	1	1	1
Hunting	<1	-	-	-	-	-
Northern Lights viewing	<1	-	-	-	-	-
Other	3	2	<1	5	-	-

[1] Based to intercept respondents only.

Note: Participation in shopping, Alaska Railroad and business were not recorded at the community/regional level.

Satisfaction Ratings
Southcentral Communities

	All Visitors		South-central		Anchorage		Seward		Whittier		Talkeetna	
Compared to expectations												
Much higher	25%		27%		27%		29%		31%		33%	
Higher	36		37		37		39		38		39	
About as expected	35		32		32		29		27		25	
Value for the money, compared to other destinations												
Much better	13%		13%		13%		13%		16%		12%	
Better	25		23		24		23		22		23	
About the same	48		46		46		45		48		46	
Percent "very satisfied" and average (Scale: 1 = very dissatisfied, 5 = very satisfied)												
Overall exper. in Alaska	70%	4.7	71%	4.7	70%	4.7	73%	4.7	75%	4.7	76%	4.7
Accommodations	54	4.4	50	4.4	49	4.3	44	4.3	51	4.4	52	4.4
Restaurants	42	4.2	38	4.2	38	4.2	34	4.1	39	4.2	36	4.2
Shopping	29	4.0	29	4.0	29	4.0	28	4.0	30	4.0	29	4.0
Visitor info. services	53	4.4	56	4.5	56	4.5	56	4.5	56	4.5	59	4.5
Sightseeing	66	4.6	69	4.6	69	4.6	71	4.7	72	4.7	72	4.7
Tours and activities	60	4.5	61	4.5	61	4.5	64	4.6	63	4.6	62	4.5
Wildlife viewing	50	4.2	53	4.3	53	4.3	57	4.4	51	4.3	53	4.3
Transportation within Alaska	45	4.3	46	4.3	46	4.3	47	4.3	50	4.4	52	4.4
Friendliness of residents	69	4.6	70	4.6	70	4.6	72	4.7	73	4.7	73	4.7
Value for the money	32	4.1	31	4.0	31	4.0	30	4.0	33	4.0	29	4.0
Very likely to recommend Alaska	79%		79%		80%		79%		82%		82%	
Very likely to return to Alaska in next five years	40%		44%		44%		40%		37%		31%	

	Kenai/ Soldotna		Homer		Palmer/ Wasilla		Girdwood		Valdez	
Compared to expectations										
Much higher	26%		20%		26%		28%		29%	
Higher	37		37		35		40		35	
About as expected	33		38		36		29		33	
Value for the money, compared to other destinations										
Much better	14%		12%		15%		13%		15%	
Better	24		20		22		22		18	
About the same	45		47		46		47		44	
Percent "very satisfied" and average (Scale: 1 = very dissatisfied, 5 = very satisfied)										
Overall exper. in Alaska	71%	4.7	68%	4.6	71%	4.7	75%	4.7	74%	4.7
Accommodations	42	4.2	36	4.2	43	4.3	48	4.3	32	4.1
Restaurants	34	4.1	31	4.1	35	4.1	41	4.2	28	4.0
Shopping	24	4.0	23	4.0	29	4.1	28	4.0	27	4.0
Visitor info. services	55	4.4	54	4.4	61	4.5	55	4.5	61	4.5
Sightseeing	72	4.7	69	4.6	71	4.7	75	4.7	70	4.7
Tours and activities	62	4.5	57	4.5	60	4.5	62	4.6	63	4.5
Wildlife viewing	56	4.4	56	4.4	54	4.4	60	4.4	60	4.4
Transportation within Alaska	41	4.2	36	4.1	38	4.2	49	4.4	37	4.1
Friendliness of residents	70	4.6	68	4.6	68	4.6	72	4.6	72	4.6
Value for the money	29	3.9	25	3.9	29	4.0	26	3.9	27	3.9
Very likely to recommend Alaska	80%		76%		81%		79%		81%	
Very likely to return to Alaska in next five years	55%		55%		55%		51%		41%	

Previous Alaska Travel
Southcentral Communities

	All Visitors	South-central	Anchorage	Seward	Whittier	Talkeetna
Been to Alaska before for vacation	34%	37%	37%	31%	25%	24%
Average # of vacation trips (base: repeaters)	3.4	3.3	3.2	2.8	2.8	2.8
Previous mode of transportation used to enter/exit Alaska						
Air	72%	81%	80%	76%	76%	76%
Cruise	26	21	22	27	29	29
Highway	11	10	9	12	10	11
Ferry	3	2	2	1	2	1

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Been to Alaska before for vacation	52%	51%	53%	43%	43%
Average # of vacation trips (base: repeaters)	3.5	3.8	4.1	3.3	3.0
Previous mode of transportation used to enter/exit Alaska					
Air	82%	78%	77%	85%	62%
Cruise	14	16	10	14	16
Highway	13	15	16	8	28
Ferry	2	3	3	1	5

Trip Planning
Southcentral Communities

	All Visitors	South Central	Anchorage	Seward	Kenai	Soldotna
Ave. # of months, trip decision	8.1	8.2	8.2	8.7	9.5	10.0
Ave. # of months, trip booking	5.4	5.1	5.0	4.9	5.9	5.9
Used Internet[1]	68%	70%	71%	76%	73%	73%
Booked over Internet[1]	42	47	48	53	48	44
Booked through travel agent[1]	52	47	47	38	49	55
Other Sources – Top 10[1]						
Friends/family	**45%**	**47%**	**46%**	**51%**	**42%**	**51%**
Cruise line/ tour company	38	32	32	24	42	42
Prior experience	26	28	28	23	17	18
Brochures	25	26	27	33	24	32
AAA	16	16	17	22	20	24
Travel guide/book	13	15	15	24	17	22
Television	11	11	10	10	8	18
Magazine	8	9	9	14	7	15
Milepost	6	9	10	18	12	11
Convention & Visitors Bureaus	5	7	7	12	10	9

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Ave. # of months, trip decision	8.9	8.9	8.1	8.5	10.0
Ave. # of months, trip booking	4.3	4.2	3.5	4.4	3.8
Used Internet[1]	73%	78%	74%	75%	72%
Booked over Internet[1]	56	57	55	59	44
Booked through travel agent[1]	18	20	26	32	33
Other Sources – Top 10[1]					
Friends/family	54%	50%	54%	55%	40%
Cruise line/ tour company	9	8	10	17	11
Prior experience	41	34	33	28	22
Brochures	27	34	31	28	35
AAA	15	21	22	22	24
Travel guide/book	15	20	18	17	26
Television	9	8	8	10	10
Magazine	9	10	16	14	10
Milepost	22	28	25	16	37
Convention & Visitors Bureaus	9	14	12	8	15

[1] Based to intercept respondents only.

Demographics
Southcentral Communities

	All Visitors	South central	Anchorage	Seward	Whittier	Talkeetna
Origin						
Western US	39%	38%	38%	33%	32%	29%
Southern US	19	21	22	24	21	25
Eastern US	13	15	15	17	15	19
Midwestern US	13	15	15	16	19	18
Canada	6	3	3	4	3	2
Other International	9	7	7	7	9	8
Other Demographics						
Average party size[1]	2.4	2.3	2.2	2.5	2.5	2.4
Male/female	50/50	52/48	52/48	50/50	48/52	47/53
Average age	51.6	51.3	51.3	50.5	50.6	51.6
Children in household	25%	23%	22%	21%	22%	19%
Retired/semi-retired	39	40	40	42	40	45
College graduate	59	62	62	65	62	65
Average income	$103,000	$104,000	$104,000	$100,000	$107,000	$101,000

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Origin					
Western US	42%	44%	44%	38%	31%
Southern US	19	19	19	19	21
Eastern US	10	11	11	14	13
Midwestern US	17	18	15	19	17
Canada	3	2	4	2	8
Other International	10	5	7	7	10
Other Demographics					
Average party size[1]	2.4	2.5	2.2	2.2	2.6
Male/female	57/43	55/45	52/48	51/49	50/50
Average age	50.4	50.6	51.0	49.2	50.9
Children in household	19%	18%	18%	23%	15%
Retired/semi-retired	40	44	42	36	51
College graduate	58	58	55	66	53
Average income	$97,000	$97,000	$88,000	$103,000	$84,000

[1] Based to intercept respondents only.

Visitor Expenditures, Per Person[1]
Southcentral Communities

	All Visitors	South-central	Anchorage	Seward	Whittier	Talkeetna
Ave. in-state expend.	$934	$1,138	$1,181	$1,365	$1,182	$1,328
Expend. in location		552	501	194	60	158
Lodging		145	164	56	5	48
Tours/activity/ entertainment		71	18	63	39	56
Gifts/souvenirs/ clothing		66	60	22	2	18
Food/beverage		104	76	36	5	25
Rental cars/fuel/ transportation		94	124	14	8	11
Other		72	59	3	1	-

	Kenai/ Soldotna	Homer	Palmer/ Wasilla	Girdwood	Valdez
Ave. in-state expend.	$1,407	$1,440	$1,290	$1,378	$1,618
Expend. in location	341	313	144	109	210
Lodging	42	60	44	21	49
Tours/activity/ entertainment	50	85	9	23	54
Gifts/souvenirs/ clothing	24	39	14	9	15
Food/beverage	73	51	51	33	38
Rental cars/fuel/ transportation	43	30	23	23	20
Other	109	48	3	-	34

[1] Based to intercept respondents only.
Notes: Excludes transportation to/from Alaska. "Other" includes multi-day packages attributable to one community, usually sport-fishing lodge packages.

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Red Dog Mine

An Economic Powerhouse In Northwest Alaska

NANA

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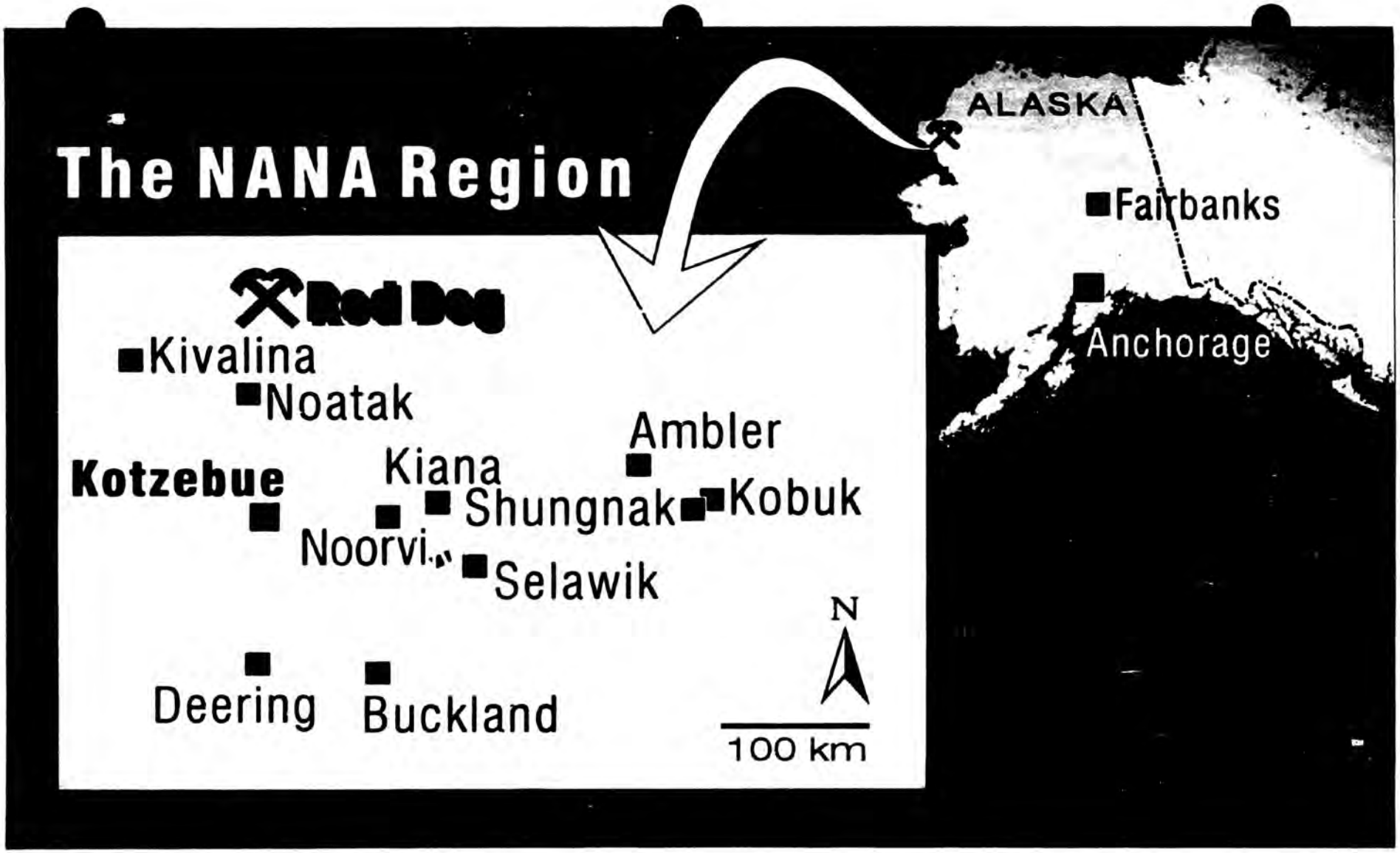
The NANA Region



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Red Dog Employment Committee Focus

To get NANA shareholders into supervisory, technical, professional and managerial positions at Red Dog.

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Educational/Training Opportunities

- Pre-employment (Elementary and High School)

  - Career Awareness (38 - 2006)

  - Job Shadow (18 - 2006)

- Pre Apprentice (Mill, Maintenance, 10-20/year)
- On the Job (every shareholder, 6 trainers)
- Post Secondary Scholarships

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Advancing Education in the Region

Noatak Science Class

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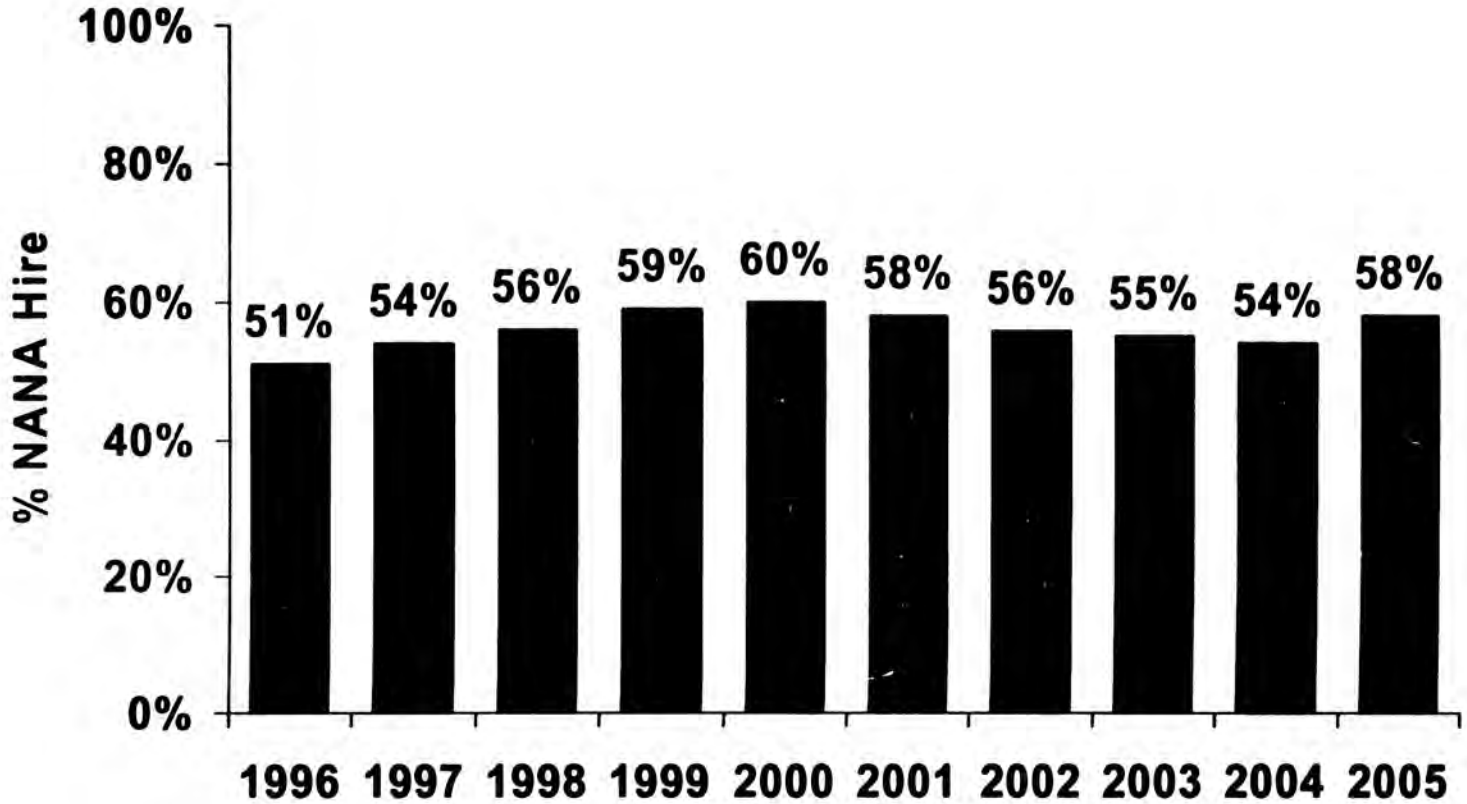
Maximize Shareholder Employment



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Employment

TCAK Employees	**360**	
NANA Shareholders	**54%**	
Alaskan Residents	**83%**	
NANA Joint Venture Employees		
(trucking and catering contractors)	**103**	
NANA Shareholders	**64%**	
Total Workforce		**464**
NANA Shareholders	**56%**	

$42M in wages annually (including NANA JV contractors)

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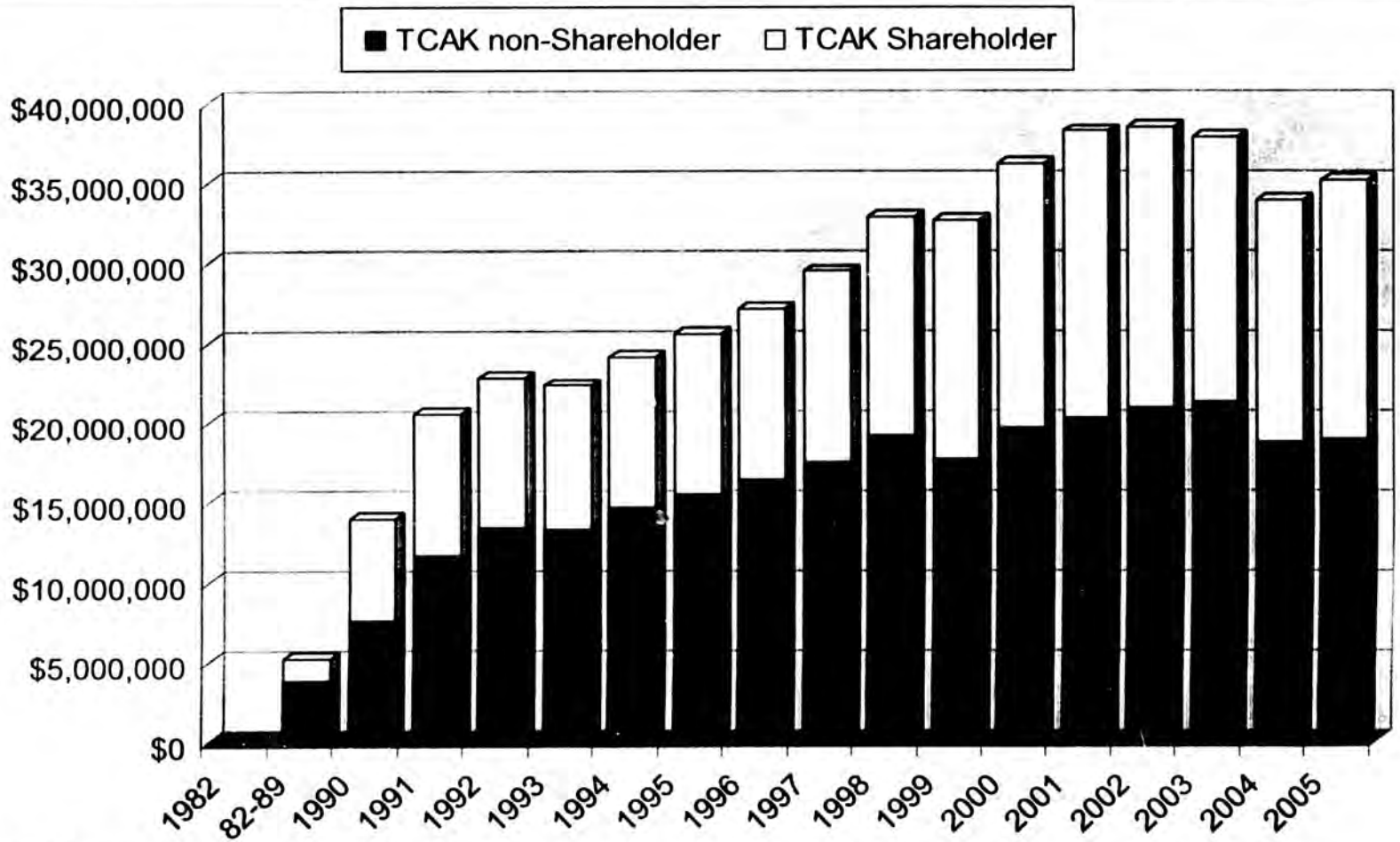
Teck Cominco Alaska Wages



Total = $475 million thru 2006 (excludes contractors)

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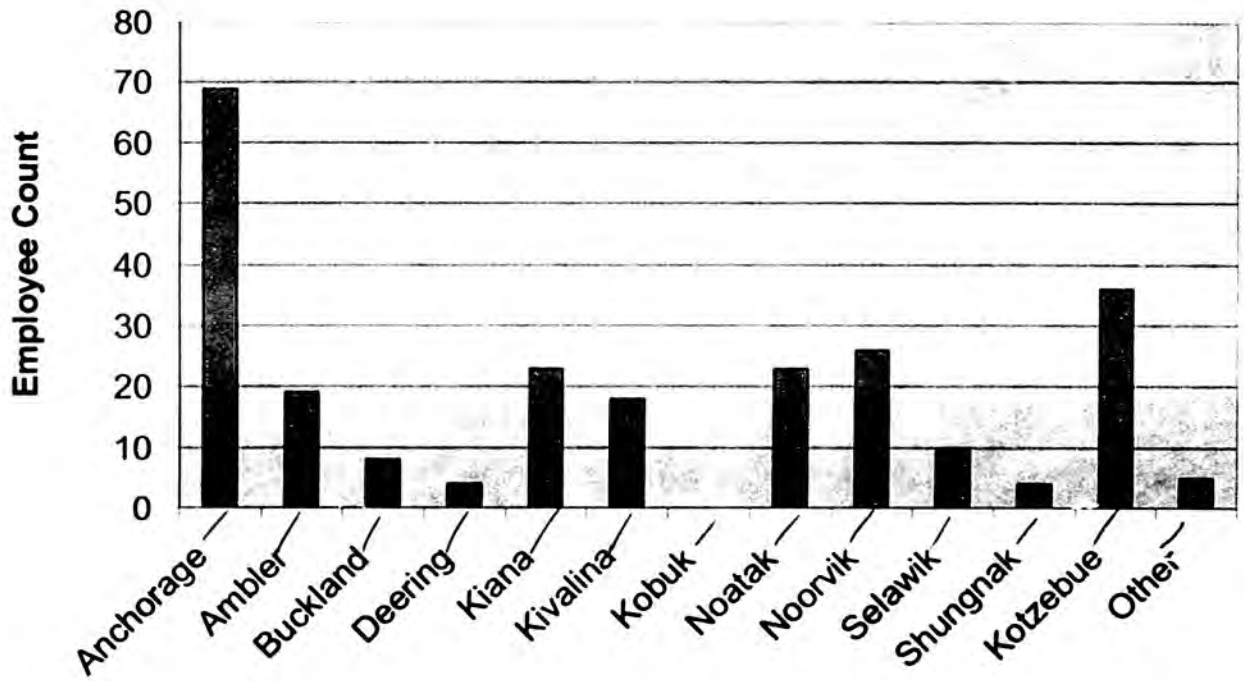
Shareholder Residence



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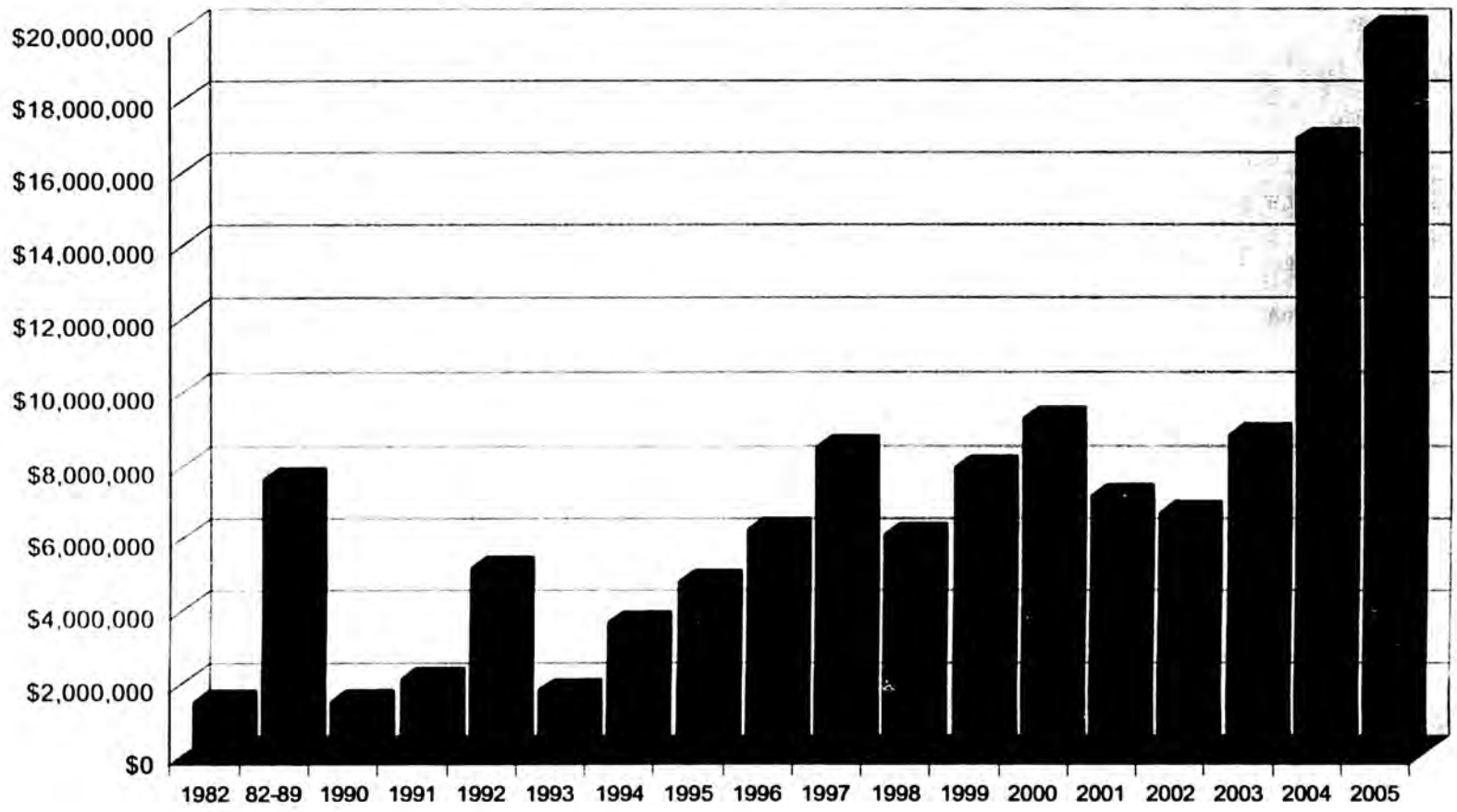
NANA Royalty Payments



Total = $126 million thru 2005

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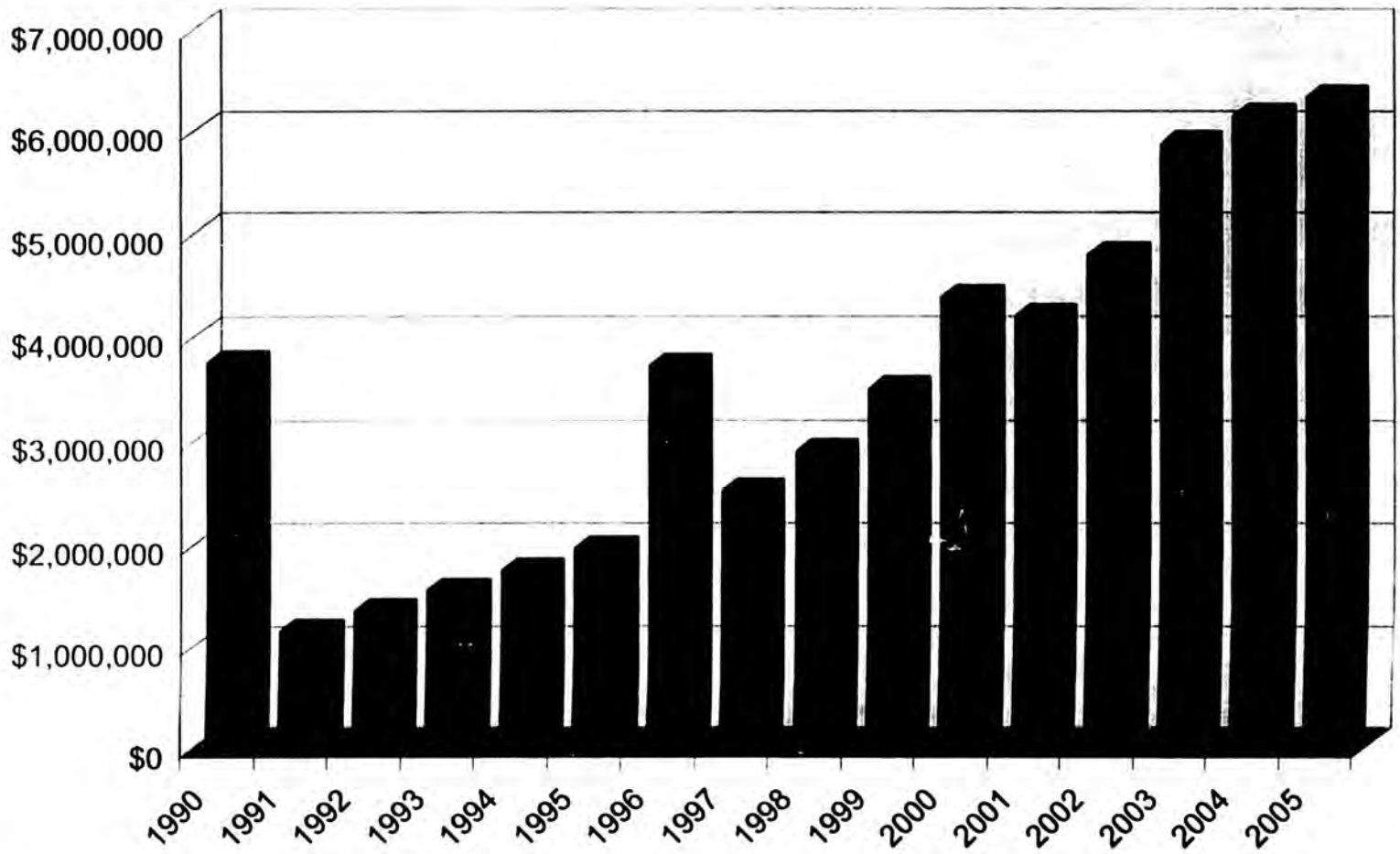
Northwest Arctic Borough PILT Payments



Total = $56 million thru 2005

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Alaska Industrial Development and Export Authority

- Total AIDEA investment --------- $265,000,000

- Interest paid by TCAK ---------- $190,000,000
- Debt paid by TCAK ---------- $ 15,500,000
- Excess tonnage charges -------- $ 23,000,000

- Total paid to AIDEA thru 2005 -- $288,000,000

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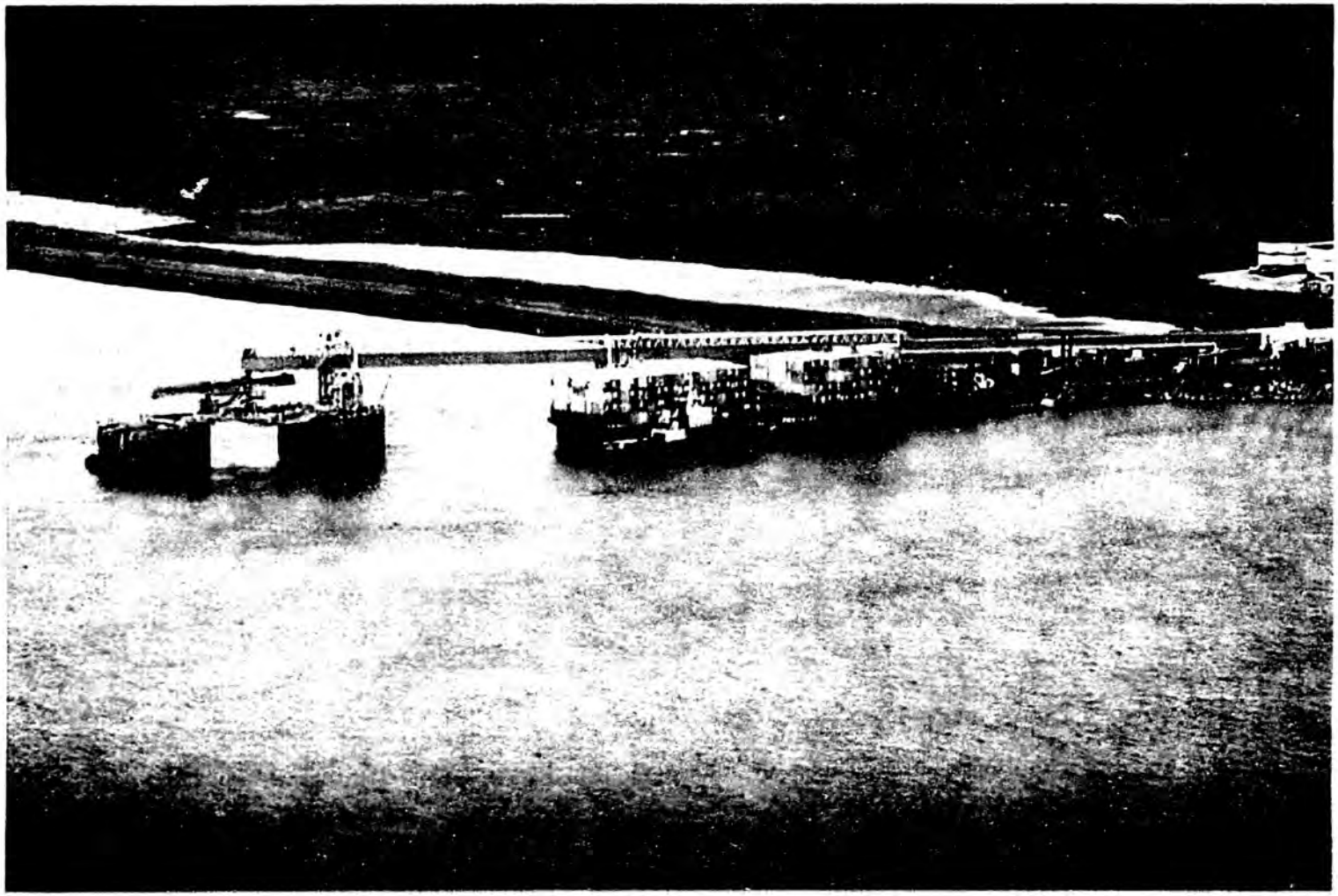
THANK YOU



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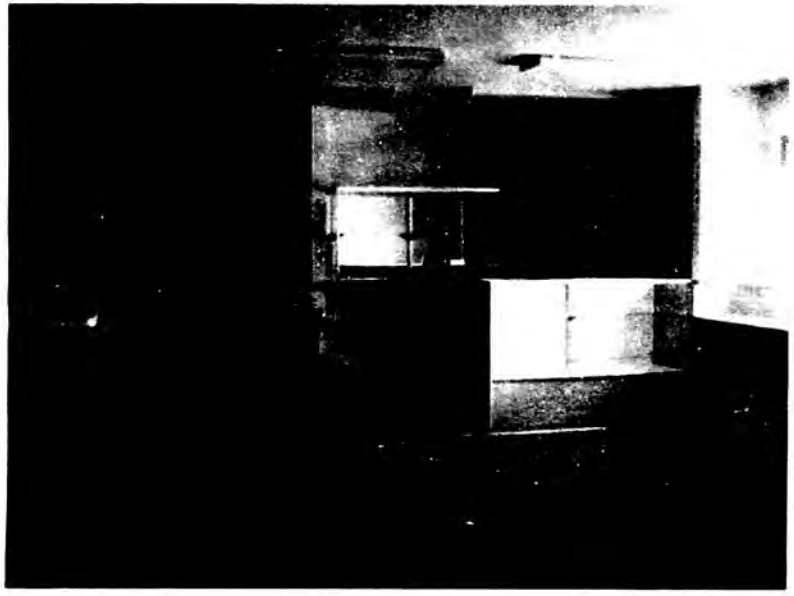
Sulanich Arts Center



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Sulanich Arts Center

- The Northwest Arctic Borough and Chukchi College received a grant from HUD for $395,000
- NANA donated the use of an old retail center
- Maniilaq Association will provide utility costs
- The borough provides two full time employees (an administrator and a development specialist)
- During renovation a problem occurred with the water and sewer. The Rasmusson foundation and the borough worked together to repair the problems for an additional $106,000.
- Center to open June 2007

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