

An Assessment of the Impact of the *Exxon Valdez* Oil Spill on The Alaska Tourism Industry

**Phase I: Initial Assessment
 August, 1990**

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Introduction

Phase I of the assessment of the Impacts of the Exxon Valdez oil spill on the Alaska Tourism Industry was designed as the first phase in a multi-phased process to identify the extent of harm and/or benefit of the spill on the tourism industry. Two research techniques were utilized. The first reviewed all existing data which were accessible and which might indicate impacts of the oil spill on the 1989 visitor season. The second technique included executive interviews of two major groups: tourist-affected businesses and relevant government agencies and organizations.

The information collected from Phase I is compiled and presented in the document. chapter I reviews all secondary data gathered. Chapter II provides a brief analysis of the government agency interviews. And Chapters III and IV report the findings of the tourist-affected business survey.

The information compiled in this report indicates the existence of spill impacts and the approximate extent of the harm and benefits experienced by businesses. This information provides the foundation for futures projects phases which are designed to define consumer behavior impacts and calculate economic impacts.

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Summary and Analysis

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Summary and Analysis

Overall, the *Exxon Valdez* Oil Spill of March 24, 1989 had major effects on the tourism industry throughout Alaska. The spill caused both negative and positive effects. The major negative effects identified by business surveys conducted for this report were:

- Decreased resident and non-resident Vacation/Pleasure visitor traffic in the spill-affected areas of Valdez, Homer, Cordova and Kodiak due to lack of available visitor services (accommodations, charter boats, air taxis).
- Of the businesses surveyed in spill-affected areas, 43% felt their business had been significantly or completely affected by the oil spill in Summer 1989.
- Severe labor shortage in the visitor industry throughout the state due to traditional service industry workers seeking high-paying spill clean-up jobs. The result was a higher cost of doing business among visitor industry businesses.
- Fifty-nine percent of businesses in the most spill-affected areas reported spill-related cancellations and 16% reported business was less than expected due to the spill.
- The business segments most negatively affected by the spill included lodges and resorts, Alaska-based package tour companies, guided outdoor activities, charter and sightseeing boats. These businesses did not have the opportunity to reap spill benefits (such as spending for accommodations) because they were located away from spill clean-up operations or operated a business which couldn't serve clean-up needs.

Other major negative effects were reported in related research conducted by The McDowell Group and the Alaska Visitors Association. This research measured direct visitor spending and potential visitor impacts of the spill during Summer 1989. The negative effects of the spill felt directly by visitors were as follows:

- Visitor spending decreased 8% in Southcentral Alaska and 35% Southwest Alaska from previous summer spending, the two major spill-affected areas. The net result was a loss of \$19 million in visitor spending.
(Source: Alaska Visitor Statistics Program, Visitor Expenditure Survey, Summer 1989).

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- Of all visitors who did travel to Alaska, 16% indicated the oil spill affected their Alaska trip planning. Of these, nearly half indicated they avoided Prince William Sound during their trip. One in five Southwest and Southcentral visitors' plans were affected, significantly higher than other regions of the state. Independent visitors were more affected than package visitors, particularly those who planned to purchase sightseeing after arrival in Alaska. (Source: Alaska Visitor Statistics Program, Visitor Opinion Survey, Summer 1989).
- Related research shows a potential loss of 9,400 visitors for summer 1989, representing \$5.5 million in in-state expenditures. The total number of Vacation/Pleasure and Visiting Friends and Relatives visitors for Summer 1989 of 428,200 represents 97.8% of the total number of visitors who would have come to Alaska. In short, 2.2% of all Vacation/Pleasure and VFR visitors were negatively affected by the spill during Summer 1989. (Source: Oil Spill Impact on Tourism, AVA, May 1990).

The major positive effects included:

Strong spill-related business in some the major spill clean-up areas such as Kodiak, Homer, Seward, Valdez and Anchorage and in certain business sectors, such as hotels/motels, car/RV rentals, air taxi and boat charters. This business offset the lack of Vacation/Pleasure business normally experienced in these areas.

Other effects considered negative or positive:

Media exposure - Opinions among business owners varied regarding the spill media exposure. Many felt the sight of oiled beaches and animals is having and will continue to have negative impact on Alaska's "pristine" image. Others felt the media exposure made Alaska household word in America and will attract visitors.

1990 Effects:

Effects for of the spill in Summer 1990 were considered by businesses to be less severe with 12% indicating significant or complete effects. Nevertheless negative impacts are still being felt with fewer bookings as a result of the spill, particularly among fishing lodges in Southwest Alaska.

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Long Term Effects:

Long term effects on the Alaska visitor industry are difficult to judge at this point in time. Many businesses feel Alaska's image is tarnished as a result of the spill.

Government agencies are concerned about long-term impacts to natural resources, such as fish stocks, and the effects this may have on sportfishing.

Related research shows Alaska's image among the general population has suffered some damage. The Alaska Visitors Association research shows 6% of the general population still mentions the oil spill as their initial impression of Alaska. And 3% indicate, as recently as March 1990, that the spill has resulted in a negative opinion toward Alaska as a place to vacation. Only study of the industry over the next few years will determine what long-term effects of the oil spill, if any, still linger which affect travel to Alaska.

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Chapter I. Review of Related Research

Chapter I. Review of Related Research

Introduction

Following the *Exxon Valdez* oil spill of March 24, 1989, major concerns were raised regarding potential impacts to the tourism industry in Alaska. As a result, several studies were commissioned by various organizations to study the impacts.

The first part of this chapter will review the related research studies which were made available to The McDowell Group. This review will offer an analysis of the methods used to gather the information as well as the conclusions which were drawn as a result of the information.

The second part of this chapter will report statistics gathered from various local, state and federal agencies related to tourism and use of facilities by visitors during 1989. Many agencies do not keep records, therefore, this information includes data from only those agencies which keep actual visitor statistics or estimates.

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A. Related Research Studies

- Study Name:** Alaska Visitor Statistics Program
Alaska Visitor Expenditures, Summer 1989
- Prepared For:** State of Alaska, Department of Commerce and Economic Development, Division of Tourism
- Prepared By:** The McDowell Group, 128 Dixon St., Juneau, Alaska 99801
- Date Published:** August, 1990
- Date Conducted:** June - September 1989
- Methodology:** Stratified random sampling through personal interviews among all modes and locations of visitor entry to Alaska. Selected visitors were asked to record daily expenditures in the *Visitor Expenditure Survey*, a diary format survey. Return rate of diaries was 69%, yielding 1,103 diaries with a maximum margin of error of $\pm 3.0\%$.
- Synopsis:** Study is one of four parts of the Alaska Visitor Statistics Program. This portion is designed to provide visitor expenditure data by detailed category and by region and community.
- Related Findings:**
- Overall Alaska visitor expenditures for Summer 1989 had increased only 4% since Summer 1986, the previous high year.
 - Visitor expenditures in Southcentral and Southwest Alaska, the two most affected oil spill regions, showed declines in expenditures since 1986.

	(in millions)		
	1986	1989	Loss
Southcentral	\$141.0	\$131.0	\$10.0
Southwest	22.4	14.5	7.9

- Analysis:** The method used to gather this expenditure data was designed to produce the highest level of accuracy for data of this kind. The declines in visitor expenditures in these two regions reflect definite impacts of the oil spill on visitor travel patterns. Further, visitor spending in other regions did not increase to make up for this decline. Rather, spending increased slightly in Interior/North and Denali/McKinley as would be expected due to inflation. Visitor spending increased significantly in Southeast due to increased expenditures in gift shops and for tours/recreation, primarily by cruise visitors.

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Study Name: Alaska Visitor Statistics Program
Visitor Patterns, Opinions, Planning - Summer 1989

Prepared For: State of Alaska, Department of Commerce and Economic
Development, Division of Tourism

Prepared By: The McDowell Group, 128 Dixon St., Juneau, Alaska 99801

Date Published: To be released September/October 1990

Date Conducted: June-September 1989

Methodology: Stratified random sampling through personal interviews
among all modes and locations of visitor entry to Alaska.
Selected visitors were mailed the Visitor Opinion Survey.
Return rate was 73% yielding 1,134 surveys for a maximum
margin of error of $\pm 3.0\%$.

Synopsis: Study is one of four parts of the Alaska Visitor Statistics
Program. This survey is designed to assess visitor use of and
satisfaction with statewide and regional facilities, attractions
and transportation modes. Information is also collected on
visitor volumes and travel planning.

Related Findings:

- 16% of all respondents indicated the oil spill affected their
Alaska trip planning. Of these, nearly half indicated they
avoided Prince William Sound during their trip.
- 20% of visitors to Southwest Alaska and 19% of visitors to
Southcentral Alaska indicated the oil spill affected their
Alaska trip planning. Independent visitors were more
affected than package visitors, particularly those who planned
to purchase sightseeing after their arrival in Alaska.

Analysis: Though this survey was not designed as an oil spill survey, a
few questions were added about the spill to find out how the
spill affected visitors actual travel plans. The major analysis of
travel patterns from this data has not yet been conducted,
therefore, other results are not available at the time of this
writing.

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Study Name: Oil Spill Impact on Tourism
The results of this study are considered proprietary and the Alaska Visitors Association has requested the information remain confidential.

Prepared For: Alaska Visitors Association

Prepared By: The Research Department, 1503 42nd Ave. S.W.,
Seattle, WA. 98116

Date Published: May, 1990

Date Conducted: May, June, October 1989; March 1990

Methodology: Study was conducted in four waves. Waves 1 & 2 surveyed planned visitors and the general population. Waves 3 & 4 surveyed the general population only. Planned visitors were selected from Business Reply Card respondents to State's advertising. 600 planned visitors were randomly selected for telephone interviews. The general population surveying was conducted by the Gallup Organization and was stratified according the geographic distribution of population within the continental U.S. Random digit dial method was used to conduct 600 interviews. Both sample sizes yield maximum reliability levels of $\pm 4.0\%$.

Synopsis: Study purpose was twofold: to determine how the Exxon Valdez Oil Spill impacted respondents to the State's advertising campaign with regard to perceptions, image and attitudes toward Alaska and planned visits and to measure changes in these factors over time, and to identify the general population perceptions, image and attitudes toward Alaska after the spill and measure these over time.

Related Findings:

- 9% of high potential visitors (BRC respondents) reported the spill impacted travel interest to Alaska. As a result, 4% cancelled, changed or postponed their trip to Alaska in 1989.
- 8% of the general population reported the spill impacted travel interest to Alaska. As a result, 1% cancelled, changed or postponed a trip to Alaska in 1989.
- By March 1990, 5% of the general population reported the spill impacted interest in travel to Alaska, with 1% indicating that they do not want to travel to Alaska.

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- 3% of the general population have a negative opinion toward Alaska as a vacation place directly as a result of the oil spill.

Analysis:

The four waves of the this study were well-designed and executed and provide a good indication of real and potential oil spill damage among those individuals who have the highest potential of traveling to Alaska (BRC respondents) and the population of the U.S. in general. A McDowell Group estimate of the dollars lost due to people not traveling to Alaska as a result of the spill is provided below.

BRC Respondent Loss:

BRC respondents for 1989:	598,000
Conversion Rate:	X <u>12%</u>
Number of parties	71,760
4% cancelled/postponed trip	X <u>4%</u>
Number of parties lost	2,870
Per Party Expenditure (\$)	X <u>1,398</u>
Dollars lost (in-state)	\$ 4,012,260

(calculated using conversion studies, Summer 1989 Visitor Expenditure Data)

General Population Loss:

The total number of Vacation/Pleasure visitors and Visiting Friends and Relatives visitors for Summer 1989 was 428,200. The BRC program generated 172,224 of these visitors (71,760 times average party size of 2.4). Therefore, the remaining 255,976 visitors were generated from the general population. If one percent of the general population cancelled, changed or postponed their trip, then this number should have been 258,536 or 2,560 more visitors. Using Summer 1989 Alaska Visitor Expenditure data, these visitors represent \$1,473,000 in in-state expenditures.

Total Estimated Loss:

Total estimated loss of visitors using this study is 9,400 visitors during Summer 1989. Dollar losses are estimated at \$5.5 million.

BRC Respondents:	\$ 4.0 million
General Population	<u>1.5 million</u>
Total	\$ 5.5 million

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Study Name: Economic Impact of the *Exxon Valdez* Oil Spill on the Kenai Peninsula Borough: Tourism Summary

Prepared For: Kenai Peninsula Borough

Prepared By: The McDowell Group, 128 Dixon St., Juneau, Alaska 99801

Date Published: June 1989

Date Conducted: May 1989

Methodology: Secondary data gathered from public information sources and tourism-related business survey.

Synopsis: Study analyzed the early impacts of the oil spill, the likely range of future impacts and made recommendations for mitigating measures.

Related Findings:

- Hotels, restaurants, bars, and retail outlets all indicated increased business related to clean-up effort.
- Charter operators, guide services and some sightseeing operators reported decreased sales.
- All businesses reported labor issues were increasing business costs, such as high turnover and pressure to pay higher wages.
- Many businesses reported reservations were down from projections.

Analysis: Though this study included a small sample of businesses, the results clearly show the pattern of tourism-related business impacts which are quantified in the larger business survey conducted for this study and reviewed in Chapter III.

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Study Name: Alaska Market Trends

Prepared For: Alaska Market Trends, 1027 W. Fireweed Lane, Suite 100, Anchorage, Alaska 99503

Prepared By: Market Trends, Inc., 2130 S.W. Jefferson, Suite 200, Portland, Oregon 97201

Date Published: July 1989

Dates Conducted: July 1-17, 1989

Methodology: Random digit dial telephone survey of Portland and Seattle households. Total sample - 925. Maximum margin of error is $\pm 3.3\%$.

Synopsis: Study examines Seattle and Portland resident attitudes regarding travel plans for Alaska, effects of the oil spill on those travel plans, and response to the advertising campaign featuring Marilyn Monroe conducted by the Alaska Visitors Association following the oil spill.

Related Findings:

- 16% of all respondents were planning to visit to Alaska in either 1989 or 1990.
- Of those planning to visit Alaska in 1989 or 1990, 10% indicated the oil spill affected their decision to visit Alaska.
- Effects among those 10% included the decision to put off the Alaska trip indefinitely or to not go at all.

Analysis: A well-executed study but does not go into any depth regarding decisions not to travel to Alaska as a result of the spill. Still, the finding that 10% of the respondents who had decided to travel to Alaska had changed their plans is significant. If this finding were applied to the number of people who wrote to the state for information and indicated they were planning to travel in 1989 or 1990, then the travel plans of at least 25,000 people would have been affected.

ACE 1826845

Study Name: Oil Spill Survey

Prepared For: University of Alaska, Fairbanks
School of Management,
Travel Industry Management Program

Prepared By: University of Alaska, Fairbanks
School of Management,
Travel Industry Management Program

Date Published: Not published yet

Date Conducted: September 1989

Methodology: Random mail survey of 1,000 requestors of the 1989 Alaska Vacation Planner, indicating travel to Alaska in 1990. Response rate of 43.1%, yielding maximum margin of error of $\pm 4.9\%$.

Synopsis: Study assessed potential visitor attitudes regarding the oil spill, areas within the state thought to be affected, whether the spill affected likelihood of visiting Alaska and various mode use questions.

Related Findings:

- Of the respondents, 9% indicated they would be less likely to visit Alaska.
- Valdez, Seward, Kodiak, Kenai and Homer were thought by respondents to be most affected.

Analysis: The use of a mailed questionnaire tends to bias results of a survey of this type. A response rate of 43.1% is better than the average 20%-30% for most mailed questionnaires, however, only those people who have an opinion to express one way or the other tend to respond to these surveys. Therefore, results of this study should be viewed with caution. The final result of 9% of the respondents indicating they would be less likely to visit Alaska is nevertheless significant.

ACE 1826846

Study Name: 1989 Visitor Perceptions of the Prince William Sound Oil Spill

Prepared For: Prince William Sound Tourism Coalition

Prepared By: ASK* Marketing and Research Group, P.O. Box 100752, Anchorage, Alaska, 99510

Date Published: November 1989

Date Conducted: Summer 1989

Methodology: 5,000 surveys distributed by volunteers at six tourist locations throughout Prince William Sound. Return rate of 678 or 13.6%. Maximum margin of error \pm 3.9% (see analysis for clarification).

Synopsis: Opinions and perceptions of visitors traveling through Prince William Sound were gathered regarding satisfaction levels with visit, oil spill effects, information sources and other travel patterns and demographics.

Related Findings:

- 28% of respondents felt the oil spill had a negative effect on their Prince William Sound travel experience.
- 96% of respondents indicated they would recommend a visit to Prince William Sound to friends and relatives.

Analysis: Though the margin of error is considered small, the method used to collect the data for this study was flawed. The methodology relied on volunteers for distribution of surveys at six locations (a combination of public and private enterprises). The very low response rate indicates poor sample design and, therefore, the results should be viewed with extreme caution. Even the consultant conducting the research indicated, "ASK* Marketing and Research Group cannot guarantee the validity of the data, although much interesting information was collected." The client, Prince William Sound Tourism Coalition, has also indicated their concern with the data and asked that it not be distributed.

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Study Name: Perceptions of the Prince William Sound Oil Spill and In-State Travel

Prepared For: Prince William Sound Tourism Coalition

Prepared By: ASK* Marketing and Research Group, P.O. Box 100752, Anchorage, Alaska 99510

Date Published: November 1989

Date Conducted: Summer 1989

Methodology: Proportionate, random telephone sample of Anchorage, Fairbanks, Matanuska-Susitna Valley and Kenai Peninsula households. Total sample size of 1030 households yielding overall maximum margin of error of $\pm 3.2\%$.

Synopsis: Study measured travel and recreation habits of Railbelt residents and attitudes toward to Prince William Sound as a vacation destination.

Related Findings:

- 28% of households indicated they would be somewhat unlikely or not very likely to visit Prince William Sound during 1989 and 1990, though reasons were not given.
- 14% of all households changed travel plans for 1989. 28% of these households indicated the oil spill was the cause of their changed plans. This translates to 4% of all households changing travel plans due to the spill.
- Nearly half of all respondents felt it would take ten years or more for Prince William Sound to recover from the spill.
- One-third of respondents have changed their opinion of PWS as a vacation destination, with habitat damage/pollution cited as the main reason for this change.

Analysis: The large sample size and random method used to gather the information make the results of this study somewhat more reliable than the previous mentioned work by this company. This research reveals that Alaskans had some major concerns within three to four months of the spill about vacationing in Prince William Sound during 1989. As a result, there was less vacation travel to the PWS area by residents of the railbelt.

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B. Related Visitor Statistics

The following table compiles statistics gathered from public agencies of resident and non-resident visitor use for summer seasons 1987, 1988 and 1989, where available. Many agencies do not collect use figures on a regular basis and, therefore, have provided estimates. Others did not have 1989 figures available for this study.

Review of these figures does not reveal any real pattern of visitation. For example forest service cabin usage during 1989 in the Chugach National Forest, which borders the oil spill affected area, was nearly identical to 1988. Would usage in 1989 have increased if the spill had not happened? Forest Service campground fee collection for the same area shows a decrease in total number of people. It is not clear whether this decrease is spill-related.

Visitor information centers in both Valdez and Kodiak showed a large decrease in usage during 1989. Based on conversations with managers of both facilities, it is assumed these decreases are a result of less vacation visitors to these areas as a result of the spill. This assumption is supported by the data collected through the business survey.

Kenai Fjords National Park, on the other hand, experienced a large increase in visitors. According to tour companies, many of the itineraries which featured Valdez and Columbia Glacier were re-routed to the Kenai Fjords, explaining, at least in part, this increase. Denali National Park and Preserve experience a nearly 8% decrease in visitors between 1988 and 1989. Reasons for this decline are not known.

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**Use or Visitation of Public Facilities
In Oil Spill Affected Areas
Summer 1987, 1988, 1989**

Description	1987	1988	1989	% Change 1988 to 1989
Valdez Visitor Information Center*	80-85,000	80-85,000	65-70,000	14% to 30%
Forest Service Cabin Usage - # of People				
Cordova District	1,203	1,087	1,087	n/c
Glacier District	1,058	987	1,031	+4.4%
Seward District	4,884	5,188	5,197	n/c
Forest Service Campground Fee Collection				
Chugach National Forest	88,964	99,496	94,250	-5.5%
Kodiak National Wildlife Refuge				
Visitor Center	n/a	6,281	6,394	+1.2%
Alaska sport fishing trips (area fished)				
Prince William Sound	54,516	64,486	n/a	-
Kenai Peninsula	645,867	727,254	n/a	-
Kodiak	58,424	67,642	n/a	-
Shuyak Island Cabin - Kodiak (State owned)				
Number of visitors	n/a	98	90	-8.8%
Kodiak Island Convention and Visitors Bureau				
Visitor Information Center - May-Sept Inquiries and Walk-Ins	5,104	4,972	2,207	-55.7%
Kenai Fjords National Park*				
Visitor Center	n/a	20,400	27,300	+33.8%
Exit Glacier Ranger Station	n/a	29,000	39,000	+34.4%
Seward City Campground*	n/a	15,000	15,000	n/c
Seward Information Center*	n/a	14,396	14,567	+1.2%
Denali National Park and Preserve	575,213	592,431	548,940	-7.4%

*Estimates

n/a = not available

n/c = no % change

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Chapter II. Major Findings
Government Agency and
Organization Survey

Chapter II. Major Findings

Government Agency and Organization Survey

Introduction

Results presented in this chapter represent in-depth executive interviews conducted with approximately 50 government agencies and organizations which are tourist-related. These results are presented in a narrative form by area, as they are considered more qualitative than quantitative.

It is important to note that these interviews were conducted with representatives from Convention & Visitors Bureaus, Chambers of Commerce, state tourism officials, and state and federal parks officials. Except for the park officials, the representatives interviewed are generally professional marketers and advocates for their areas. Their responses tended to be more optimistic and positive. While they did not ignore the negative effects of the spill, many emphasized the positive in their comments.

A. Overview of Responses

Overall, this group felt both Alaska resident and non-resident travel during the Summer 1989 was affected by the *Exxon Valdez* oil spill. Most felt the effects were more negative than positive. Effects mentioned included:

Image: Alaska's image as a pristine wilderness area has been tarnished. This image problem could damage the market for high-cost, high-quality, low-volume type experiences such as guided kayaking or fishing adventures. This did not seem to be a concern for the high-volume package market such as cruises or cruise/tours.

Awareness: The intense media exposure has generated more awareness of Alaska and Prince William Sound. This media exposure represents both positive and negative effects. Some feel the increased exposure will drive away visitors, while others felt the exposure will attract visitors.

Labor

Shortage: Both businesses and public agencies had a difficult job finding employees in 1989. This situation was felt throughout the state as employees and potential employees sought clean-up jobs, which paid far more than traditional service industry jobs. This problem may have affected the quality of service experienced by visitors, which in turn may affect repeat and referral business.

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Housing

Shortage: A shortage of available visitor housing was reported in Homer, Kodiak, Valdez and Anchorage. This was thought to have affected the number of Vacation/Pleasure visitors which came to these communities.

Sport

Fishing: Fears of tainted fish in Summer 1989 knew no geographic bounds. For example, non-residents were concerned about fish in the Bristol Bay area - an area not affected by oil. Concerns were raised regarding the long-term impacts on fish stocks in and around Prince William Sound. Any deterioration could have an impact on sportfishing, which is a primary Vacation/Pleasure visitor activity in many areas.

Spill as

Spectacle: Many respondents mentioned there would be a certain group of visitors who came specifically to see the effects of the oil spill and the spill site first hand, creating a new market niche in disaster tourism - similar to Mt. St. Helens.

Spill as

History: Several people mentioned the tendency of the public to forget the past and thought the oil spill would soon disappear from the national consciousness.

B. Overview of Responses by Area

1. Statewide Organizations

Three statewide tourism organizations were interviewed and all felt the effects on non-resident Vacation/Pleasure travel in Summer 1989 were negative. The effects outlined by these respondents included damage to the image of Alaska and reduced traffic. Travelers who did come were inconvenienced - independent travelers without reservations could not find accommodations, land packages were unable to deliver expected products due to the housing shortage, and some tours were re-routed. Worker shortages may have reduced the level or quality of service that tourism businesses were able to offer. Cancellations of recreational programs in Prince William Sound and sportfishing packages were further effects. Travel patterns changed and over visitors traffic did not increase as much as expected.

For 1990, effects mentioned included a heightened awareness of Alaska as well as damage to the image of Alaska as an environmentally pure state. Lodging shortages in spill clean-up areas were again of concern, as well as perception of tainted fish. One respondent mentioned indications of damage to salmon spawning rivers in the Prince William Sound area which could cause "a major perceptual problem" for sport fishing

in the area. The overall effect was may be retarded growth in the visitor industry as a result of the spill.

The outlook for non-resident Vacation/Pleasure travel beyond 1990, it was felt, hinges primarily on media, publicity and images of Alaska. Continuing media coverage of the clean-up efforts and future litigation were of concern to two of the three respondents. All agreed the state's image had been severely altered by the spill.

2. Prince William Sound

Seven agencies were interviewed in the Prince William Sound area and all felt the Exxon Valdez oil spill had affected Vacation/Pleasure travel by both residents and non-residents to Prince William Sound in 1989. Most of the effects were negative. These included scarcity of accommodations in the area which discouraged visitors from visiting the Prince William Sound region, along with the lack of charter boats and airplanes.

The independent visitor market suffered the most. Low-volume, high-quality visitor experiences, such as sailing safaris, kayak trips and whale watching expeditions lost their appeal. The fishing charter business was slow to nonexistent in places such as Valdez, due to boats chartered for clean-up work, or the perception of contaminated fish. The packaged tour market impacts were less severe, but still perceptible. Two and three day pre-packaged tours to the area were re-routed, and cruiseships continued to dock in Valdez, Seward and Whittier. However, the small packaged tours to Columbia Glacier were harder hit.

Outlook for the 1990 season and potential impacts varied widely among the seven agencies. Four of the seven felt the non-resident Vacation/Pleasure market would be affected, the remaining three were unsure. Effects mentioned were a mix of both negative and positive comments. Some felt the increased media attention would translate into higher visitor numbers. Others felt the media attention would keep visitors away.

The outlook beyond 1990 for the Vacation/Pleasure business in Prince William Sound was good, with either positive effects from the oil spill or none at all. In general, officials from government agencies were less optimistic than their counterparts at Convention and Visitors Bureaus and Chambers of Commerce. Most felt the image of Prince William Sound was tarnished for many years to come, whereas the CVB managers felt the industry would grow both due to the spill and other tourism promotional efforts.

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3. Kenai Peninsula

The Vacation/Pleasure visitor industry in some areas of the Kenai Peninsula had a rough year in 1989, but most organizations in the area do not expect long-term negative effects resulting from the spill. The major impacts to this area were the lack of visitor accommodations and lack of charter boats for sportfishing. Since the Kenai is a major sportfishing destination for Alaska residents and non-residents alike, many of the effects felt were related to the sportfishing industry. Besides the lack of charter boats, other effects mentioned were fishing trip cancellations, fear of tainted fish, as well as fishing in some areas being very good due to the commercial closures in the Prince William Sound.

For 1990 and beyond, most of the respondents felt there would be no long-term effects on either the resident or non-resident Vacation/Pleasure visitor. Some felt the increased media exposure would serve as a positive effect, others mentioned reports of increased bookings for the 1990 season.

4. Kodiak Island and Alaska Peninsula

The visitor industry on Kodiak Island and the Alaska Peninsula was, according to the respondents from the area, not greatly affected by the oil spill and won't be in the future. Kodiak Island had the greatest impacts, as one of the staging areas for spill clean-up operations during the Summer 1989. The presence of these operations did affect the visitor industry to the extent that no accommodations for vacation visitors were available. The regularly scheduled overnight tours from Anchorage to Kodiak did not operate during Summer 1989, due to the lack of accommodations, ground and air taxi transportation and charter boats for visitors. Some lodges, as well as fishing and hunting guides had cancellations. Only a few cancellations of cabins at Kodiak National Wildlife Refuge and Shuyak Island State Park were experienced, however.

Other areas of the Alaska Peninsula represented by these respondents included Katmai National Park and Alaska Peninsula and Becharof National Wildlife Refuge. Managers in these areas did not think there was much affect of the spill on visitation primarily because of their geographic location. Neither area receives a large number of visitors and the area where Katmai may have been affected by oil (coastline areas) is generally not visited.

Long term effects mentioned for 1990 and beyond were few. Kodiak expects to return to normal visitor patterns, with visitor services once again becoming available. The only negative effects mentioned were the possibility of impacts on fish and wildlife as a result of the spill, which may affect visitation.

ACE 1826855

5. Southcentral and Southwest Alaska

Effects of the spill were felt during Summer 1989 in areas of Southcentral Alaska outside of Prince William Sound and the Kenai Peninsula, as well as in Southwest Alaska beyond Kodiak and Katmai. Effects included concerns about sportfishing, which led to reported cancellations of fishing trips in Southcentral and Southwest Alaska, as well as damage to Alaska's image as a pristine wilderness.

Some respondents felt these regions would still be feeling effects of the spill in 1990. Effects mentioned were mainly those related to image issues - such as oil still being found on the beaches. Most respondents felt that the effects, if any, would be minimal beyond 1990. Concern about lingering negative impressions and confusion about the specific areas impacted by the spill were of concern by a few. Also mentioned were further image damage, as well as possible future effects on fishing streams. Positive effects mentioned included positive word of mouth from 1989 visitors and the benefits of increased awareness of Alaska.

6. Southeast Alaska

Located well-outside the spill threatened area, Southeast Alaska reported minimal spill effects on both resident and non-resident travel to the area. Southeast Alaska is heavily reliant on the cruiseship industry, which had few spill-related effects. This market tends to book and pay for travel well in advance. Therefore, most passengers had already finalized their plans to travel to Alaska before the spill occurred. Other than a reported flurry of phone calls from concerned travelers, few other effects were felt by this industry.

However, labor shortages were mentioned by a few as a negative effect. The sportfishing industry also reported some cancellations and many concerns about the quality of fishing were raised by clients and prospective clients following the spill.

Most Southeast representatives felt there would be few, if any, effects of the spill on vacation travel in Southeast Alaska in 1990 and beyond. The health of the cruise industry, with a 25% increase in capacity in 1990, was cited as the main reason. However, a few expressed concern with the continued media attention the spill might receive, which might damage Alaska's image as a pristine wilderness. This would have an effect on the independent market, which is a small, but growing portion of the Southeast visitor industry. Other concerns related to the image of wildlife and sportfishing.

ACE 1826856

7. Interior/Far North

This region, though well away from the spill area, did report some spill effects during 1989. Effects mentioned were both positive and negative and ranged from reported cancellations of prospective Alaska visitors and loss of workers to the spill clean-up to seeing a slight increase in visitor traffic. This increase in visitor traffic may have been a result of displacement of visitors who could not go to certain spill-affected areas.

Most of those interviewed in this region did not expect the oil spill to affect Vacation/Pleasure travel in 1990 and beyond. Some uncertainty was expressed, however, about what the future effects might be. Much attention will be focussed on this region in the next few years due to the major promotion of the Alaska Highway 50th anniversary (1992). However, some respondents felt, in spite of this promotion, some potential visitors may still have lingering negative impressions of the state.

ACE 1826857

Chapter III. Major Findings
Business Survey - Group One
Tourism Affected Businesses in
Oil Spill Impact Areas

Chapter III. Major Findings

Business Survey - Group One

Tourism Affected Businesses in Oil Spill Impact Areas

This chapter presents the results of a telephone survey of 234 tourism-affected businesses in areas of the state closest to the spill. Included were businesses which operate in the Southcentral Region (Anchorage, Kenai Peninsula, Prince William Sound, Matanuska-Susitna area), and the Southwest Region (Kodiak, Iliamna area, Katmai and other Southwest areas). Also, some businesses were included which operate statewide, including the oil spill areas, such as airlines, cruises and tour operators.

The purpose of the survey was to determine the existence of impacts of the oil spill on tourism related business and indicate the possible extent of harm and/or benefit. This information provides the basis for any follow up assessment in those areas and among those visitor industry businesses which may have experienced the greatest impacts.

ACE 1826859

A. Summer 1989 Impacts to Tourism Businesses

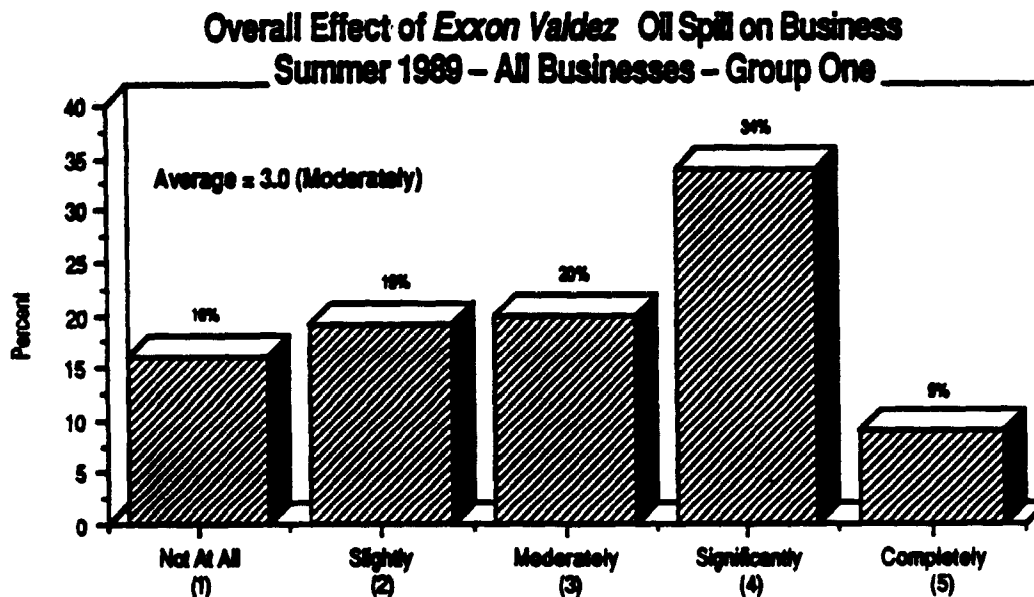
1. Overall Tourism Business Impacts

Overall, most businesses in this group indicated some affects of the *Exxon Valdez* oil spill. One-third indicated affects which were significant and nearly one in ten indicated their business was completely affected by the spill. The overall average was 3.0, indicating businesses in this group, overall, were moderately affected by the spill.

As expected, those businesses located in the Prince William Sound and the Kodiak areas were the most affected with above average means of 3.8 and 3.4 respectively. These were the areas in which spill clean-up workers were housed and from which spill operations were coordinated. As a result, businesses which normally catered to vacation visitors were busy with spill related business.

A review of overall effects by type of business reveals air taxis, car rentals, hotels, motels, charter boats, sightseeing boats and outdoor activities all showing average or above average effects.

Graph III-A-1



ACE 1826860

Table III-A-1

**Overall Spill Effects on Business – Summer 1989
All Businesses by Location – Group One**

	TOTAL	Statewide	Total	Anch	Southcentral Kenai Pen.	PWS	Other	Total	Southwest Iliamna/ Katmai	Kodiak
(Sample Size)	(234)	(35)	(174)	(46)	(77)	(35)	(16)	(23)	(5)	(14)
Not at All (1)	16%	26%	14%	9%	21%	6%	19%	13%	20%	14%
Slightly (2)	19	14	18	24	23	3	13	26	80	7
Moderately (3)	20	20	21	30	14	20	25	17	--	14
Significantly (4)	34	31	34	30	30	49	31	39	--	57
Completely (5)	9	6	10	--	9	23	13	4	--	7

Table III-A-2

**Overall Spill Effects on Business – Summer 1989
All Businesses by Business Type – Group One**

	TOTAL	Air (jet)	Air taxi	Cruise line	MC	Flg Tour	RV Rent	Car Rent	Hotel/ Motel	B&B	Lodge/ Resort	Outdr Activ	Chtr Boat	Sightsee Boat	Attrac tions	Masn
(Sample Size)	(234)	(5)	(13)	(5)	(2)	(6)	(5)	(9)	(59)	(22)	(21)	(30)	(40)	(9)	(1)	(4)
Not at All (1)	16%	40%	8%	60%	--	17%	20%	11%	7%	27%	29%	17%	13%	22%	--	--
Slightly (2)	19	--	31	20	--	17	20	11	14	18	33	20	20	--	--	50
Moderately (3)	20	20	8	20	50	33	40	22	31	23	5	17	10	11	--	25
Significantly (4)	34	20	38	--	50	33	20	44	37	9	24	43	45	44	100	25
Completely (5)	9	--	15	--	--	--	--	11	5	18	10	3	13	22	--	--
Mean	3.0	2.3	3.2	1.6	3.5	2.8	2.6	3.3	3.2	2.7	2.5	3.0	3.3	3.4	4.0	2.8

ACE 1826861

2. Types of Business Impacts

Positive as well as negative impacts were experienced by visitor industry businesses as a result of the spill. More than half of all businesses experienced some cancellations of previously booked business. Inquiries were also down significantly following the spill. Most affected by cancellations were packaged tour companies, lodges/resorts, outdoor activities, charter and sightseeing boats. In spite of the fact that nearly six in ten businesses had cancellations following the spill, only one in six businesses indicated their business was down overall for the summer.

Labor issues were mentioned by more than half of the respondents, such as a shortage of workers available and the necessity to pay inflated wages. Other often-mentioned effects include the lack of available accommodations, boats and planes for visitors largely due to Exxon's needs. This was particularly true in the Prince William Sound and Kodiak areas.

On the positive side, business was brisk for many businesses due to servicing oil spill workers. These includes hotels/motels, bed & breakfasts and car/rv rentals, as well as air taxis. The large jet air carriers also indicated a business increase due to transporting oil spill related workers.

ACE 1826862

Table III-A-3

**Types of Effects on Business – Summer 1989
All Businesses by Location – Group One**

	TOTAL	Statewide	Total	Anch	Southcentral Kenai Pen.	PWS	Other	Total	Southwest Iliamna/ Katmai	Kodiak
(Sample Size)	(197)	(26)	(149)	(42)	(61)	(33)	(13)	(20)	(4)	(12)
Had Cancellations	59%	58%	56%	40%	59%	58%	85%	45%	25%	50%
Business Down	16	15	15	10	16	18	23	15	--	17
Inquiries Down	42	58	40	14	39	67	54	30	25	33
Shortage of Workers	50	42	58	57	59	58	62	65	100	50
Paid Higher Wages	32	19	34	24	31	48	38	40	75	17
Increased Benefits	3	4	1	5	--	--	--	10	25	--
Lack of Vis. Accom.	46	31	47	38	41	73	38	60	75	67
Increased Business due to spill workers	44	42	44	57	33	48	46	45	75	50
Boats/Planes Booked by Exxon (not avail for visitors)	34	27	36	10	46	48	46	25	--	42
Bookings were up	28	19	30	48	28	15	23	30	25	33
Independent vis. didn't come-no advance res.	20	15	21	14	11	45	23	20	--	25
Vis. came to my area instead of spill area	14	4	17	31	16	6	--	5	--	--
Worked on spill	9	8	10	--	10	18	23	5	--	8
Provide reassurance to customers	6	12	4	2	7	3	--	15	25	--
Other mentions	24									

ACE 1826863

Table III-A-4

**Types of Effects on Business - Summer 1989
All Businesses by Business Type - Group One**

	TOTAL	Air (jt)	Air tax	Cruise line	MC	Pkg Tbr	RV Rent	Car Rent	Hotel/ Motel	B&B	Lodge/ Resort	Outdr Activ	Chtr Boat	Sightsee Boat	Attrac tions	Misc
(Sample Size)	(197)	(3)	(12)	(2)	(2)	(5)	(4)	(8)	(55)	(16)	(15)	(25)	(35)	(7)	(1)	(4)
Had Cancellations	59%	33%	41%	100%	50%	80%	--	50%	49%	56%	87%	72%	74%	71%	100%	--
Business Down	16	--	8	50	--	40	--	--	11	6	40	20	17	29	--	--
Inquiries Down	42	33	42	50	50	60	50	25	22	31	47	60	63	57	--	50
Shortage of Workers	50	--	58	50	100	40	50	63	67	6	53	32	54	43	100	25
Paid Higher Wages	32	--	42	--	50	20	25	50	49	6	33	24	20	43	--	--
Increased Benefits	3	--	--	--	--	--	--	13	4	--	7	4	--	--	--	--
Lack of Vis. Accom.	46	67	25	50	--	40	25	50	53	63	20	32	49	86	100	50
Increased Business due to spill workers	44	67	83	--	50	20	75	75	65	56	20	4	26	--	100	50
Boats/Planes Booked by Exxon (not avail for visitors)	34	33	42	--	50	40	--	13	24	6	27	24	71	57	100	50
Bookings were up	28	67	17	--	--	--	50	63	55	19	7	4	17	29	100	--
Independent vis. didn't come-no advance res.	20	--	--	--	--	20	--	63	24	31	7	16	23	14	--	25
Vis. came to my area instead of spill area	14	--	--	--	--	20	--	13	25	6	--	4	14	43	100	--
Worked on spill	9	33	25	--	--	--	--	--	2	19	20	12	11	--	--	--
Provide reassurance to customers	6	--	8	50	--	20	--	--	4	--	7	8	9	14	--	--
Other mentions	24															

ACE 1826864

3. Businesses With No Spill Effects

Of the total sample of 234, only 37 businesses indicated they did not experience any impacts from the oil spill. Reasons included visitors understanding the geography of Alaska or the oil did not affect area where the business was operated. Those businesses which rely primarily of specific market niches, such as the packaged tour market, repeat clientele or Alaska residents also indicated they were not affected.

Table III-A-5

Why No Spill Effects All Businesses with No Effects - Group One

(Sample Size)	(37)
Business didn't change due to spill	30%
Visitors understood Alaska geography	22
Had no cancellations of reservations	19
Oil did not affect area of business operations	19
Business relies on packaged tours/cruises, which were not affected	11
Have regular repeat clientele	8
Business is primarily Alaska resident	5
Other	16

ACE 1826865

4. Similar Impacts Among Businesses

An overwhelming majority of businesses indicated that businesses in their area were similarly affected, whether positively or negatively. Most businesses indicated hearing of similar impacts from other businesses in their area. Some businesses noted that Exxon had chartered many planes and boats in their area, and others had received referral business from similar over booked businesses.

Table III-A-6

Indications of Similar Impacts All Businesses - Group One

(Sample Size)	(234)
Other businesses mentioned similar impacts	62%
Exxon used all/most charter boats and aircraft in area	6
Received referral business from similar over booked businesses	4
No effects due to distance from spill	2
Outdoor businesses couldn't use wilderness areas	1
Other	9

ACE 1826866

5. Affects on Vacation/Pleasure Visitor Business

Nearly all businesses in all locations showed a decrease in the proportion of Vacation/Pleasure visitors in 1989 as compared to 1988. Major decreases were noted in the Prince William Sound and Kodiak areas, further evidence of businesses servicing oil spill related workers, rather than the traditional vacation visitors. No areas experienced an increase in proportion of Vacation/Pleasure visitors.

Businesses were asked what proportion of their Vacation/Pleasure business during summers 1989 and 1988 was generated by residents versus non-residents. The difference between 1989 compared to 1988 is less dramatic, (with the exception of Prince William Sound), suggesting businesses served the same proportions of resident and non-resident vacation visitors, even if the overall number of vacation visitors was less in 1989.

Table III-A-7

Proportion of Business Generated by Vacation/Pleasure Visitors 1988 and 1989 % By Location - Group One

Location	1989 Vacation/ Pleasure	1988 Vacation/ Pleasure	1989 Non- Resident	1988 Non- Resident
Total	47%	64%	68%	70%
Statewide	44	47	89	91
Southcentral Total	49	66	63	66
Anchorage	63	66	78	79
Kenai Peninsula	61	68	60	60
Prince William Sound	14	71	59	71
Other	51	54	52	54
Southwest Total	36	63	69	69
Iliamna/Katmai	65	85	81	77
Kodiak	27	49	60	62
Other	65	78	78	78

ACE 1826867

The same analysis is shown below by type of business. Businesses which experienced a large decrease in Vacation/Pleasure visitors include air taxis, hotels/motels, bed & breakfasts, lodges/resorts, guided outdoor activities and charter boats. A large number of air taxi, hotels/motel and bed & breakfast owners indicated an increase in business due to spill workers, therefore, not having the space available for vacation visitors. By the same token, a large number of lodge/resort, guided outdoor activity and charter boat owners mentioned a high number of cancellations and less business overall for the summer.

A comparison of non-residents Vacation/Pleasure visitors by type of business shows only a few businesses with major differences in resident/non-resident composition between the two years. The groups with the largest difference, air carriers (jet) and charter and sightseeing boats show small sample sizes, therefore, their figures should be viewed with this in mind.

Table III-A-8

**Proportion of Business Generated by
Vacation/Pleasure Visitors
1988 & 1989
% by Business Type - Group One**

Location	1989 Vacation/ Pleasure	1988 Vacation/ Pleasure	1989 Non- Resident	1988 Non- Resident
Total	47%	64%	68%	70%
Air (Jet)**	34	34	70	88
Air Taxi	24	47	53	51
Cruiseline	95	*	95	93
Motorcoach Operator	*	*	90	90
Packaged Tours	*	*	95	95
RV Rentals	85	90	78	83
Car Rentals	61	66	84	86
Hotel/Motel	52	65	71	69
Bed & Breakfast	58	73	78	74
Lodge/Resort	49	60	71	73
Guided				
Outdoor Activities	58	82	78	78
Charter Boats**	24	61	48	59
Sightseeing Boats**	*	*	45	58
Attractions	*	*	*	*
Museums	82	90	68	65

* Businesses didn't know the percent of Vacation/Pleasure visitors they served.

** Caution: Small sample size

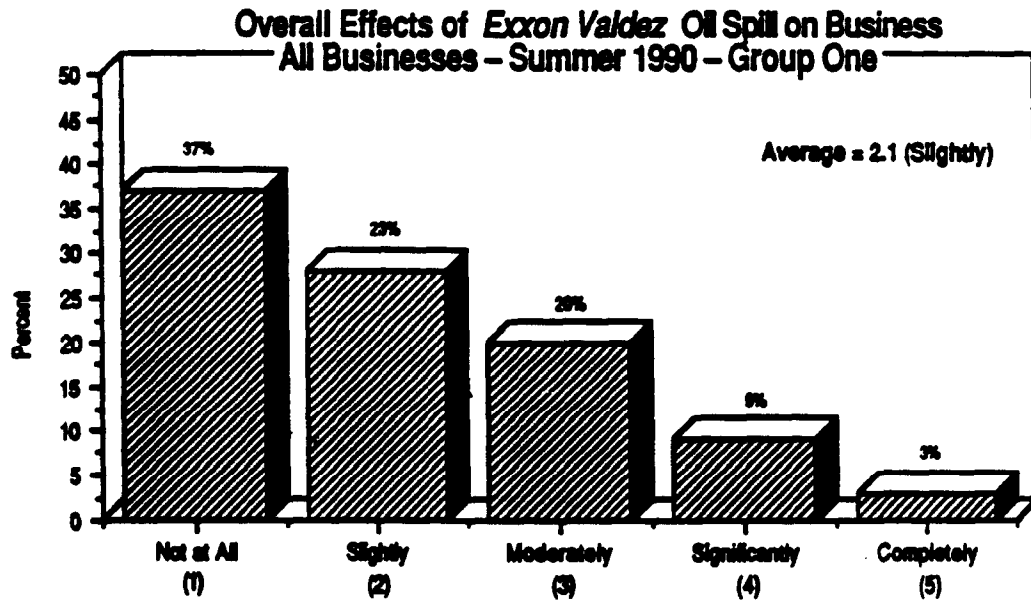
ACE 1826868

B. Summer 1990 Impacts to Tourism Businesses

1. Overall Tourism Business Impacts

Overall, businesses expected less impact of the 1989 *Exxon Valdez* oil spill on their businesses during Summer 1990 than in 1989. Over one-third indicated no impacts would be felt this year, nearly half thought they would be slightly or moderately impacted. The average for all businesses was 2.1, significantly less than in 1989.

Graph III-B-1



ACE 1826869

2. Types of Business Impacts

Businesses which indicated some impacts from the spill continuing in Summer 1990 totaled 148. Of these businesses slightly more positive than negative effects were mentioned. Since the sample size is small, the table below shows the number of businesses mentioning positive and negative effects. Multiple responses were allowed and some businesses indicated both positive and negative impacts.

Among the positive responses, increased media attention from the spill was mentioned most often. Other positive mentions included increased inquiry levels and reservations from curious visitors who want to see the area of the spill. Negative responses, still mentioned by nearly half of these respondents included a variety of responses. One in five businesses expect a decline in business due to fewer current reservations. Others felt the media attention will have negative effect of increasing the perception of oil in tourism areas or of tainted fish.

The only businesses which indicated more negative than positive effects were those which operate Statewide and in Prince William Sound. Reasons cited by businesses in this area for anticipated negative effects were based upon low current reservation and inquiry levels.

Though businesses indicated slightly more positive than negative effects for Summer 1990, there still was much concern over potential negative effects.

Table III-B-1

Effects of Exxon Valdez Oil Spill on Summer 1990 Business All Businesses by Location - Group One (Multiple Responses Allowed)

Location	# Responses	Positive	Negative	Neutral
Total	149 (100%)	78 (53%)	71 (48%)	8 (5%)
Statewide	19	7	12	1
Southcentral Total	110	61	49	6
Anchorage	26	18	7	2
Kenai Peninsula	33	26	21	3
Prince William Sound	33	15	17	1
Other	7	2	4	--
Southwest Total	17	10	8	1
Iliamna/Katmai	3	2	2	--
Kodiak	11	7	5	--
Other	3	1	1	1

ACE 1826870

Table III-B-2

**Types of Effects on Business – Summer 1990
All Businesses by Location – Group One**

	TOTAL	Statewide	Total	Anch	Southcentral Kenai Pen.	PWS	Other	Total	Southwest Iliamna/ Katmai	Kodiak
(Sample Size)	(148)	(19)	(110)	(26)	(44)	(33)	(7)	(17)	(3)	(11)
Total Positive	78	7	61	18	26	15	2	10	2	7
More awareness of Alaska from media	31	5	24	10	9	4	1	2	1	1
Have reservations from people who want to see spill	16	--	14	7	4	3	--	2	1	1
Inquiry levels are higher than last year	15	1	12	1	7	4	--	2	--	1
Other positive	46	3	36	10	15	10	1	7	1	6
Total Negative	71	12	49	7	21	17	4	8	2	5
Expect decline due to fewer current bookings	29	4	20	1	9	9	1	4	2	2
Expect decline due to fewer inquiries	18	3	11	1	5	4	1	2	1	1
Media attention- perception of oil in area	15	1	14	2	7	4	1	--	--	--
Fish perceived as tainted - less sport- fishing as result	7	--	5	1	3	1	--	2	--	2
Still can't operate in oil spill areas	6	3	3	--	--	3	--	--	--	--
Increased competition- new equipment purchased from spill earnings	4	--	4	--	3	1	--	--	--	--
Allowance of set-netting- less reds and kings for sportfishing	2	--	2	1	1	--	--	--	--	--
Other negative	30	6	22	3	8	10	1	2	--	1
Total Neutral	8	1	6	2	3	1	--	1	--	--

Tables III-B-3 and III-B-4 show business effects for Summer 1990 by business type. Businesses with more negative than positive mentions included air taxis, lodges/resorts, guided outdoor activities, charter and sightseeing boats. Again, these tables show actual number of responses due to small sample sizes.

Table III-B-3

**Effects of Exxon Valdez Oil Spill
on Summer 1990 Business
All Businesses by Business Type - Group One
(Multiple Responses Allowed)**

Location	# Responses	Positive	Negative	Neutral
Total	148	78 (53%)	71 (48%)	8 (5%)
Air Carrier (jet)	1	1	--	1
Air Taxi	7	4	5	--
Cruiseline	3	2	2	--
Motorcoach Operator	1	1	--	1
Packaged Tours	3	--	3	--
RV Rentals	1	--	1	--
Car Rentals	6	4	2	--
Hotel/Motel	37	27	8	1
Bed & Breakfast	14	9	4	--
Lodge/Resort	15	7	8	--
Guided Outdoor Activities	23	6	17	2
Charter Boats	28	12	17	2
Sightseeing Boats	5	2	3	1
Attractions	--	--	--	--
Museums	3	3	--	--

ACE 1826872

Table III-B-4

Types of Effects on Business - Summer 1990
All Businesses by Business Type - Group One

	TOTAL	Air (jt)	Air taxi	Cruise line	MC	Pkg Tour	RV Rent	Car Rent	Hotel/Motel	B&B	Lodge/Resort	Outdr Activ	Chtr Boat	Sightsee Boat	Attractions	Man
(Sample Size)	(148)	(1)	(7)	(3)	(1)	(3)	(1)	(6)	(37)	(14)	(15)	(23)	(28)	(5)	(0)	(3)
Total Positive	78	1	4	2	1	--	--	4	27	9	7	6	12	2	--	3
More awareness of Alaska from media	31	1	2	1	--	--	--	4	8	2	5	3	4	1	--	--
Have reservations from people who want to see spill	16	--	--	--	--	--	--	1	9	5	1	--	--	--	--	--
Inquiry levels are higher than last year	15	--	--	1	--	--	--	--	5	--	--	2	6	--	--	1
Other positive	46	--	2	--	1	--	--	2	18	5	3	2	8	2	--	3
Total Negative	71	--	5	2	--	3	1	2	8	4	8	17	17	3	--	--
Expect a decline due to fewer current bookings	29	--	3	2	--	--	--	1	3	1	3	6	9	1	--	--
Expect a decline due to fewer inquiries	18	--	1	--	--	1	--	1	1	--	1	5	8	--	--	--
Media attention - perception of oil in area	15	--	1	--	--	1	1	1	3	2	2	2	--	2	--	--
Fish perceived as tainted - less sport-fishing as result	7	--	--	--	--	--	--	--	1	--	3	1	2	--	--	--
Still can't operate in oil spill areas	6	--	1	--	--	--	--	--	--	--	--	4	1	--	--	--
Increased competition- new equipment purchased from spill earnings	4	--	--	--	--	--	--	--	--	--	--	--	4	--	--	--
Allowance of set-netting; less reds & kings for sportfishing	2	--	--	--	--	--	--	--	1	--	--	--	1	--	--	--
Other negative	30	--	1	--	--	2	--	--	3	1	3	10	8	1	--	--
Total Neutral	8	1	--	--	1	--	--	--	1	--	--	2	2	1	--	--

ACE 1826873

3. Businesses Anticipating No Spill Effects in 1990

More than one-third of the businesses responding felt the spill would not impact their business in Summer 1990. Most of these businesses cited the same level or an increase in bookings so far this year as the major indicators of no spill effects. Others felt their clientele understands that a small part of Alaska was affected. Other most mentioned reasons included no oil where business operates, therefore no effects this year, and the oil spill clean-up efforts are considerably scaled down and will not require as much personnel or equipment as last year.

Table III-B-5

Why No Spill Effects in Summer 1990 All Businesses with No Effects - Group One

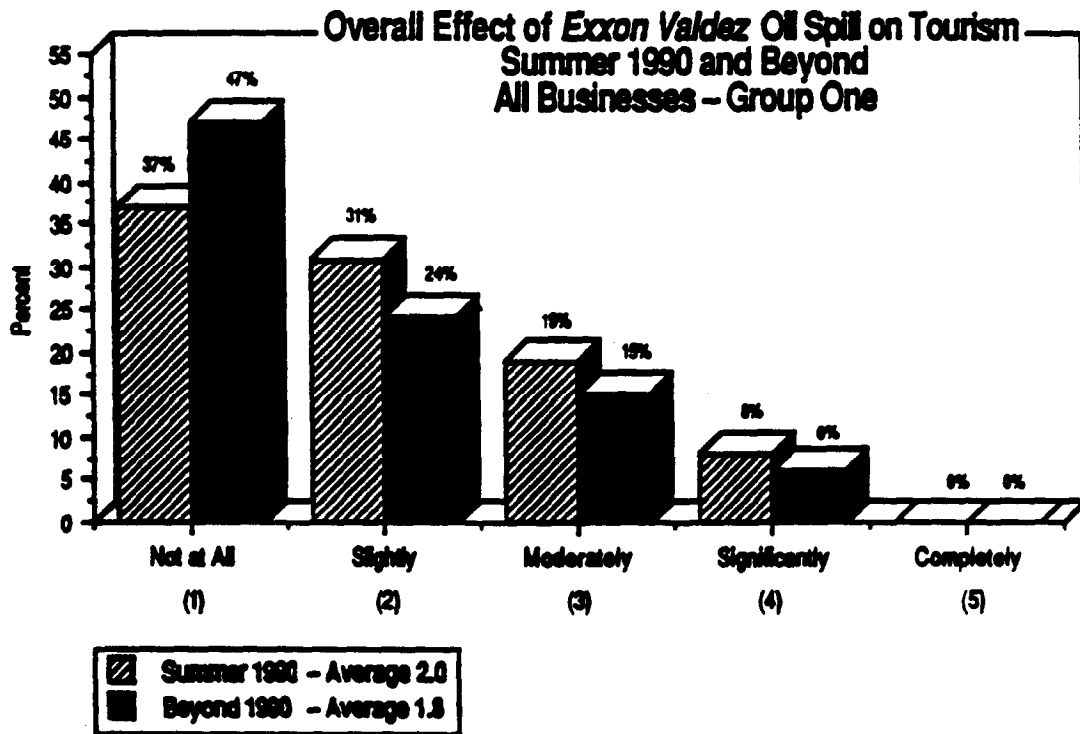
(Sample Size)	(86)
Booking levels are increased over last year	29%
Booking levels are same as last year	20%
Clients understand Alaska geography	20%
No oil where business is operated	16%
Oil spill clean up less (less personnel and equipment needs)	6%
Easy to redirect tours to other non-spill areas	2%
Other	27%

C. Summer 1990 and Beyond Impacts to Tourism

1. Overall Tourism Impacts

Business owners were asked to how they thought tourism in their area would be affected by the spill during Summer 1990 and beyond. The overall average effect for Summer 1990 was 2.0. In other words, tourism would be affected slightly, on average, by the spill. Beyond Summer 1990 this average drops to 1.8, which indicates businesses anticipate diminishing effects of the spill on tourism. In fact, nearly half indicated no effects of the spill would be felt by tourism beyond Summer 1990.

Graph III-C-1



ACE 1826875

All areas included in the interviews indicated diminishing effects for this year and beyond for tourism. However, the Prince William Sound area still shows above average effects in both Summer 1990 and beyond Summer 1990.

Table III-C-1

**Oil Spill Effects
Summer 1990 and Beyond
All Businesses by Location - Group One**

Location	1990	Beyond 1990
Total Average	2.0	1.8
Statewide	2.0	1.9
Southcentral Total	2.0	1.8
Anchorage	2.0	1.8
Kenai Peninsula	1.8	1.6
Prince William Sound	2.8	2.6
Other	1.4	1.3
Southwest Total	1.6	1.6
Iliamna/Katmai	1.0	1.2
Kodiak	1.5	1.5
Other	2.8	2.3

ACE 1826876

2. Types of Tourism Impacts

Positive effects of the oil spill on the tourism industry were mentioned by more businesses than negative effects in both 1990 and beyond 1990. However, the Prince William Sound area has nearly equal mentions of positive and negative effects. The most common negative response from businesses in Prince William Sound related to the tarnishing of Alaska's image, therefore, discouraging potential visitors from coming to Alaska. The only area with more negative than positive responses for tourism in 1990 was Kodiak.

Table III-C-2 shows positive and negative responses by location. Total responses for each area are shown, rather than percentages.

Less businesses indicated any effects beyond 1990 than in Summer 1990. Still, those businesses mentioning effects, whether positive or negative, were just over half of all businesses interviewed. Again, the effects mentioned were mainly positive, although negative media continues to be of concern beyond 1990.

Table III-C-2

Oil Spill Effects Summer 1990 and Beyond All Businesses by Location - Group One

Location	←-----Summer 1990-----→			←-----Beyond 1990-----→		
	#Responses	Positive	Negative	#Responses	Positive	Negative
Total	147	79	63	123	64	36
Statewide	24	14	10	20	12	6
Southcentral Total	111	63	43	92	48	27
Anchorage	28	20	6	18	13	2
Kenai Peninsula	44	23	18	39	16	9
Prince William Sound	34	17	17	31	17	15
Other	5	3	2	4	2	1
Southwest Total	11	2	9	10	4	2
Iliamna/Katmai	--	--	--	1	--	--
Kodiak	7	2	5	7	4	--
Other	4	--	4	2	--	2

ACE 1826877

Table III-C-3

**Types of Effects on Tourism – Summer 1990
All Business by Location – Group One**

	TOTAL	Statewide	Total	Anch	Southcentral Kenai Pen.	PWS	Other	Total	Southwest Iliamna/ Katmai	Kodiak
(Sample Size)	(147)	(24)	(111)	(28)	(44)	(34)	(5)	(11)	(0)	(7)
Total Positive	79	14	63	20	23	17	3	2	--	2
Potential visitors more aware of Alaska	36	8	27	9	12	6	--	1	--	1
Visitors will come to see spill area	25	4	27	9	12	6	--	1	--	1
Inquiries are up over last year	2	--	1	--	1	--	--	1	--	1
Other positive	42	9	32	13	10	6	3	1	--	1
Total Negative	63	10	43	6	18	17	2	9	--	5
Perception-Alaska is ruined; visitors may not come	25	4	20	4	6	8	2	1	--	1
Bookings are down in spill areas	10	4	4	1	3	--	--	1	--	--
Inquiries are lower than last year	4	1	2	--	--	2	--	1	--	1
Lack of visitor knowledge of spill area may affect business in PWS	4	--	4	--	3	1	--	--	--	--
Visitors will want to go to non-affected areas	4	1	3	--	1	2	--	--	--	--
Accommodations limited in spill clean-up areas	3	1	2	1	1	--	--	--	--	--
Other negative	34	2	25	2	9	13	1	7	--	4

Table III-C-4

**Types of Effects on Tourism - Beyond Summer 1990
All Business by Location - Group I**

	TOTAL	Statewide	Total	Southcentral			Other	Total	Southwest	
				Anch	Kenai Pen.	PWS			Iliamna/ Katmai	Kodiak
(Sample Size)	(123)	(20)	(92)	(18)	(39)	(31)	(4)	(10)	(1)	(7)
Total Positive	64	12	48	13	16	17	2	4	--	4
Awareness of Alaska will increase tourism	32	7	23	8	7	8	--	2	--	2
Visitors will come to see spill for themselves	30	7	21	7	6	8	--	2	--	2
Oil spill effects are declining	4	--	4	--	3	--	1	--	--	--
Spill awareness in-state will support tourism expenditures by gov't	3	--	3	1	1	1	--	--	--	--
Other positive	27	7	19	6	5	6	2	1	--	1
Total Negative	36	6	27	2	9	15	1	2	--	--
Media exposure will decrease tourism	10	2	7	--	--	6	1	--	--	--
Areas near spill will have less business	10	1	8	--	2	5	1	--	--	--
Poor sportfishing last year will affect future year's business	4	--	4	1	2	1	--	--	--	--
Other negative	23	5	16	1	7	8	--	2	--	--

3. Why No Tourism Impacts in Summer 1990 and Beyond

Of the 234 businesses interviewed 87 felt there would be no effects to tourism in the Summer 1990 and 111 felt there would be no effects beyond 1990. The main reason businesses felt tourism would not be affected during Summer 1990 was because the spill itself is not visible to visitors. This combined with a decrease in media exposure were cited as the major reasons for no effects.

Table III-C-5

**No Tourism Effects
Summer 1990
All Businesses Indicating No Effects - Group One**

(Sample Size)	(87)
Spill not visible to visitors	36%
Tourism appears to be stable	34
Media exposure has died down	25
Potential visitors are informed about spill	10
Business booked in advance by tour companies	3
Other	6

The main reason for no oil spill effects on the tourism industry beyond Summer 1990 mentioned by businesses was the sense that potential visitors will not remember much about the spill or that potential visitors will realize the spill did not ruin Alaska's beauty. In addition, businesses felt that increased awareness of Alaska through the spill, as well as other non-spill related efforts will serve to increase tourism and mitigate negative spill effects.

Table III-C-6

**No Tourism Effects
Beyond Summer 1990
All Businesses Indicating No Effects - Group One**

(Sample Size)	(111)
Potential visitors will forget about spill	36%
Most businesses far away from spill area	22
Potential visitors will realize Alaska has not been ruined	21
Tourism is increasing in general due to other non-spill factors	14
More awareness of Alaska has been created, more people will want to see it.	12
Other non-spill related publicity has generated interest in the area.	4
Other	8

ACE 1826881

Chapter IV. Major Findings
Business Survey - Group Two
Selected Tourism Affected Businesses in Non-Oil
Spill Impact Areas

Chapter IV. Major Findings

Business Survey - Group Two

Selected Tourism Affected Businesses in Non-Oil Spill Impact Areas

Group Two of the sample consisted of businesses which were not in the immediate spill-affected area, but located in all regions of the state. The sample was limited to specific business categories which included hotel/motel, bed & breakfast, lodge/resort, guided outdoor activities, charter boats, and sightseeing boats.

As with Group I, the purpose of the survey was to determine the existence of impacts of the oil spill on tourism related businesses - in this case - those outside the immediate spill area.

ACE 1826883

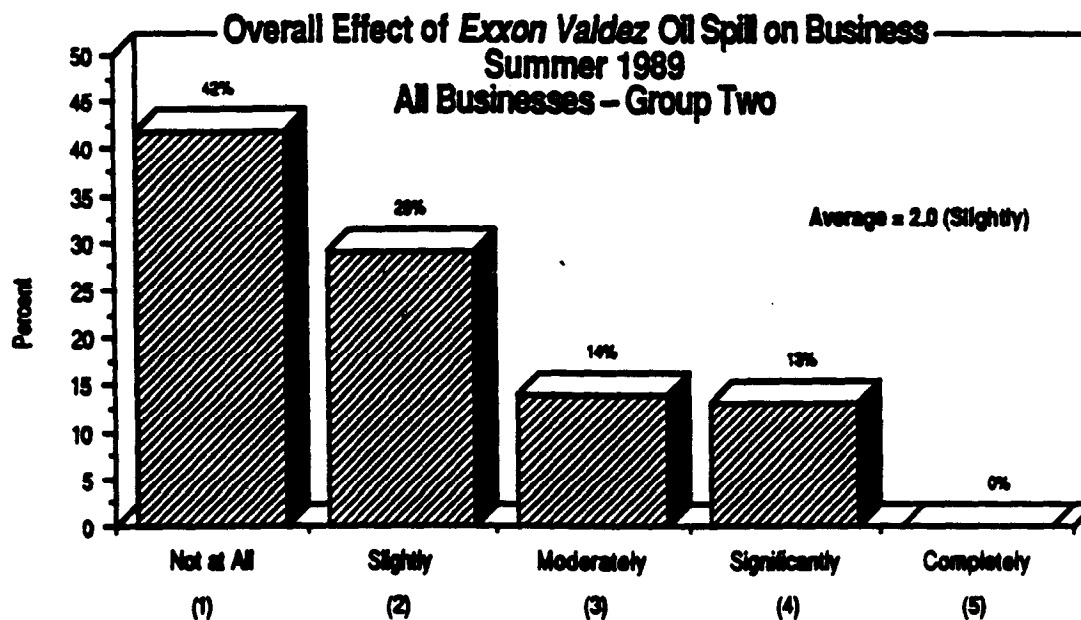
A. Summer 1989 Impacts to Tourism Businesses

1. Overall Tourism Business Impacts

More than half of all businesses surveyed indicated some kind of impact from the oil spill. However, the mean average of all businesses was 2.0, indicating on average, businesses outside the spill area were slightly impacted.

Businesses in this group which were most affected included those which operate statewide and in the Interior region, as well as those operating guided outdoor activities.

Graph IV-A 1



ACE 1826884

Table IV-A-1

**Average Oil Spill Effects
Summer 1989
All Businesses by Location - Group Two**

Location	Mean	Sample Size
Total	2.0	76
Statewide	2.9	8
Southeast	1.9	18
Southcentral Total	1.7	16
Anchorage	2.5	2
Kenai Peninsula	--	1
Other	1.6	13
Southwest Total	1.9	14
Iliamna/Katmai	2.0	4
Other	1.8	10
Interior Total	2.1	17
Fairbanks	1.9	10
Other	2.3	7
Denali/McKinley	1.3	3

Table IV-A-2

**Average Oil Spill Effects
Summer 1989
All Businesses by Business Type - Group Two**

Business Type	Mean	Sample Size
Hotel/Motel	1.8	12
Bed & Breakfast	2.0	3
Lodge/Resort	2.0	41
Guided Outdoor Activities	2.2	18
Charter Boats	2.0	1
Sightseeing Boats	1.0	1

ACE 1826885

2. Types of Business Impacts

As with Group One businesses, both positive and negative impacts were felt by businesses outside the spill area. More than half received cancellations of reservations and nearly half experienced a drop in inquiries following the spill, further evidence that the spill effects were felt well beyond the actual oil impacted area. One in seven businesses experienced lower bookings and less business which they attributed to the spill.

Again, labor issues were important with this group. A shortage of workers was the most common issue cited by these businesses. Interestingly, many businesses mentioned the lack of boats and planes available for visitors. This problem was mentioned most often among businesses located in Southeast Alaska, suggesting that much of this equipment relocated to Prince William Sound to assist with clean-up efforts.

Only 11% of the businesses indicated that bookings and business was up, as compared to 28% in Group One. Only 2% mentioned any increase in business due to servicing spill workers. Clearly, this group was affected by the spill, though not nearly to the extent of businesses located closer to the spill area. By the same token, business which was lost due to the spill was generally not recovered by servicing spill workers, as most of this group of businesses was not geographically close to the spill.

Table IV-A-3

**Types of Effects on Business
Summer 1989
All Businesses - Group Two**

Effect	%	Sample Size
Total	100%	44
Had cancellations	57	25
Business Down	14	6
Inquiries Down	48	21
Shortage of Workers	43	19
Paid Higher Wages	16	7
Boats/Planes Booked by Exxon (not avail. for visitors)	30	13
Provide reassurance to customers	25	11
Bookings were up	11	5
Independent travelers didn't come because no advance reservations	11	5
Visitors came to my area because they couldn't go to spill areas	9	4
Increased business due to servicing oil spill	2	1
Other mentions	23	10

ACE 1826887

3. Businesses With No Spill Effects

Nearly half of businesses sampled in this group indicated they had no spill effects. The main reason given was the fact that oil did not affect the area where the business operated. A few mentioned no reservation cancellations and others indicated they rely on particular market niches which were not affected.

Table IV-A-4

(Sample Size)	% 100%	Sample Size (32)
Oil did not affect area where business operates	47	15
Business didn't change due to spill	25	8
Had not cancellations of reservations	13	4
Business relies on packaged tours/cruises, which were not affected	6	2
Visitors understood Alaska geography	6	2
Have regular repeat clientele	6	2
Other	6	2

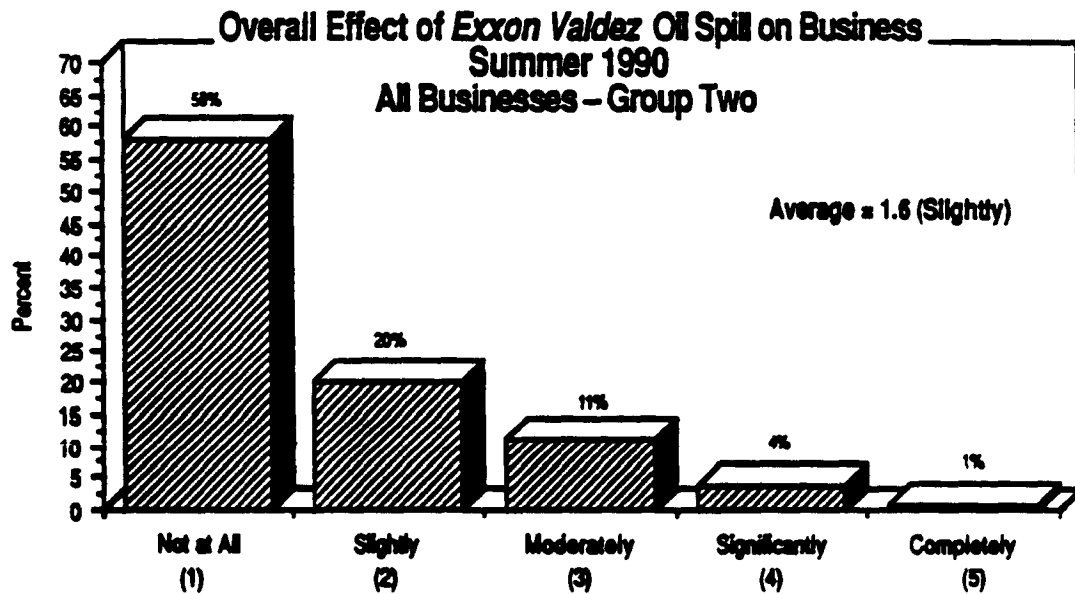
ACE 1826888

B. Summer 1990 Impacts to Tourism Businesses

1. Overall Tourism Business Impacts

Less of an impact was anticipated by these Group Two businesses for Summer 1990 than in 1989. More than half felt there would be no impact at all, bringing the overall average effect of the spill to 1.6 - or somewhat less than "slightly".

Graph IV-B-1



ACE 1826889

2. Types of Business Impacts

Among those businesses which indicated there would be impacts, over two-thirds thought these impacts would be negative. Many of these businesses appear to have based this on their current reservations and inquiry levels which were down from expectations.

Increased media attention was thought by those mentioning positive effects to translate into larger visitor numbers.

Table IV-B-1

Types of Effects on Business Summer 1990 All Businesses - Group Two

Effect	%	Sample Size
Total	100%	32
Negative Response Total	69	22
Expect decline due to fewer reservations	41	13
Expect decline due to fewer inquiries	19	7
Can't operate in some spill areas	6	2
Media attention	6	2
Other negative	16	5
Positive Response Total	25	8
Media attention; more awareness	16	5
Inquiry levels higher this year	3	1
Reservations from people to see spill	3	1
Other positive	9	3

ACE 1826890

3. Businesses Anticipating No Spill Effects in 1990

More than half of this group felt there would be no effects on their business in 1990. The two main reasons for this optimism included no oil in the area of business operations and the fact that business on the books was higher than last year indicating an increase.

Table IV-B-2

Why No Spill Effects in Summer 1990 All Businesses with No Effects - Group Two

	%	Sample Size
Total	100%	44
No oil where business operates	36	16
Have increased bookings for 1990	30	13
Clients understand Alaska geography	18	8
Reservations levels are same as last year, therefore business will be same	9	4
Oil spill clean up less	2	1
Other	18	8

ACE 1826891

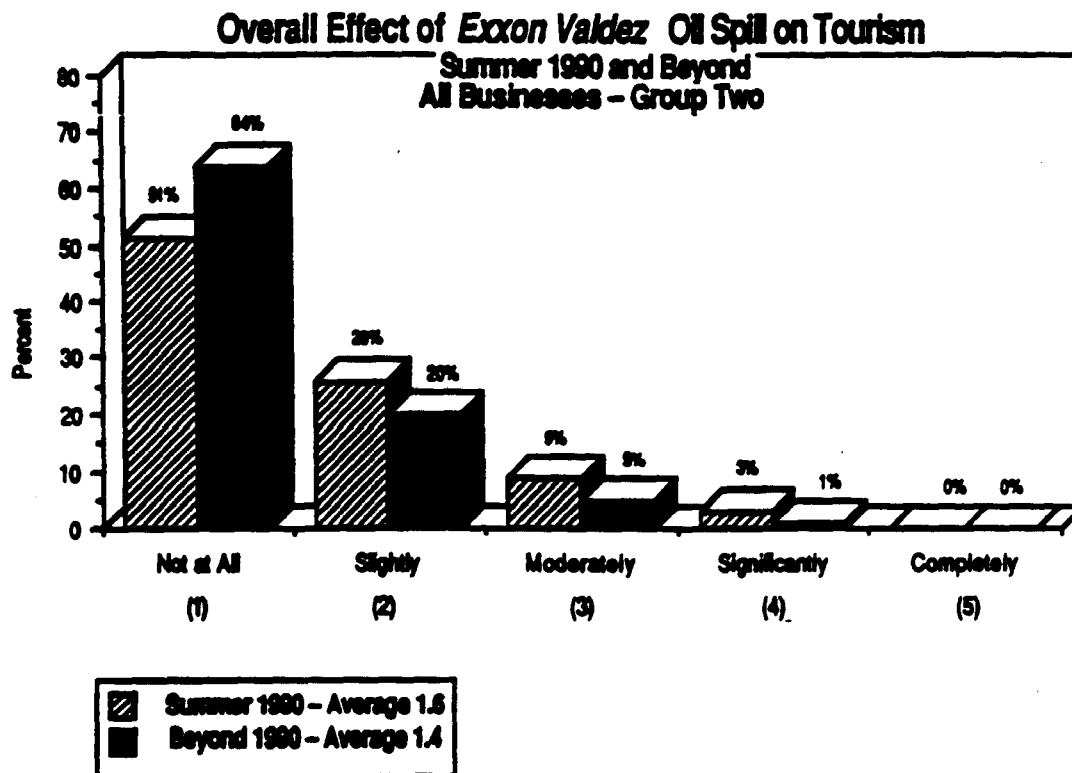
C. Summer 1990 and Beyond Impacts to Tourism

1. Overall Tourism Impacts

In 1990, half of the business owners felt there would be no effects on tourism in their area from the spill. One-quarter felt the effects would be slight and the remainder indicated moderate or significant effects. The overall average effects for Summer 1990 fell between no effects and slight effects, somewhat less than overall Summer 1989 average.

Beyond 1990 businesses felt the effects on tourism in their area would be even less, with nearly two-thirds indicating no effects at all. The overall average for beyond 1990 was slightly less than Summer 1990. As with Group One, businesses feel the effects of the spill on tourism, whether positive or negative, will diminish within a few years.

Graph IV-C-1



ACE 1826892

2. Types of Tourism Impacts

The negative effects outweighed the positive effects among those businesses who felt there would be impacts during the Summer 1990. Most of the negative responses related to a tarnished Alaska image as a result of the spill. Destination marketing is a very competitive business and the traveling public is very fickle. Fear that potential visitors may choose another destination over Alaska, due to the image of a pristine wilderness damaged beyond repair, is valid.

On the positive side, some businesses felt the increased media attention, rather than serve as a negative, would actually be a positive. Never has Alaska received so much exposure to the public for so long. The awareness of Alaska is certainly higher now than prior to the spill. That awareness may help attract new visitors to the state.

Table IV-B-1

Types of Effects on Tourism - Summer 1990 All Businesses - Group Two

Effect	Sample Size	%
Total	100%	37
Negative Response Total	54	20
Potential visitors feel Alaska ruined; may go elsewhere for vacation	32	12
Bookings are down in spill areas	8	3
Inquiries are lower than last year	5	2
Accommodations limited in spill areas	3	1
Visitors will want to go to non-affected areas of state	3	1
Other Negative	14	5
Positive Response Total	38	14
Media attention; more awareness	14	5
Visitors will want to see spill	11	4
Other Positive	19	7

ACE 1826893

Again, among those businesses which felt effects of the spill would be felt beyond 1990 indicated more negative effects than positive. The fear of a poor image of Alaska continued to be expressed by some in this group. Neutral responses were also heard from this group. These businesses that indicated some effects would be felt, but it was too early to know just how the spill would effect tourism in the longer term. Positive responses again included the notion that increased awareness of Alaska would increase tourism.

Table IV-C-2

**Types of Effects on Tourism
Beyond 1990
All Businesses - Group Two**

Effect	%	Sample Size
Total	100%	27
Negative Response Total	48	13
Media exposure will decrease tourism	22	6
Poor sportfishing last year will affect future business negatively	4	1
Some areas near spill will have less business	4	1
Other negative	26	7
Neutral Response Total	30	8
Too early to tell about future sportfishing	7	2
Increased competition from former Exxon contractors	4	1
Other neutral	19	5
Positive Response Total	26	7
Awareness of Alaska will increase tourism	7	2
Visitors will come to see spill area	4	1
Other positive	19	5

ACE 1826894

3. Why No Tourism Impacts in Summer 1990 and Beyond

The most commonly cited reason for tourism not being affected in Summer 1990 related to area of business operations. This sample of businesses was selected specifically because they were not in the immediate spill affected area, therefore very few, if any, would be operating where the oil was spilled.

Other businesses felt the tourism industry has stabilized since the spill and the effects of the spill and media attention are over. An others have confidence in the potential visitor and feel the spill will not affect their decision to visit Alaska.

Table IV-C-3

	%	Sample Size
Total	100%	39
No oil where business operates	54	21
Tourism appears to be stable	21	8
Media exposure has died down; average person will forget about spill	15	6
Potential visitors are better informed; know where spill happened; travel decisions won't be affected	15	6
Other	8	3

Nearly two-thirds of all businesses in this sample indicated the oil spill would not affect tourism in their area beyond 1990. The major reasons included the fact that these businesses do not operate in the oil spill areas and that potential visitors will forget about the spill. Other major reasons for believing no effects would be felt included that potential visitors will realize Alaska has not been ruined and their travel plans will not be affected and that the Alaska tourism industry is growing in general, due to other factors.

Table IV-C-4

**No Tourism Effects
Beyond 1990
All Businesses Indicating No Effects - Group Two**

	%	Sample Size
Total	100%	49
Business operates far from spill area	33	16
Potential visitors will forget about spill	22	11
Potential visitors will realize Alaska has not been ruined	18	9
Tourism is increasing due to other non-spill factors	14	7
Business has strong repeat business	4	2
More awareness of Alaska has been created	2	1
Other non-spill related publicity has generated interest in the area	2	1
Other	14	7

ACE 1826896

**Appendix - Business Questionnaire
CVB Government
Agency Questionnaire**

Survey # _____
Company Name _____
Address _____
City, State, Zip _____
Contact Name _____
Phone # _____
SIC Code _____

Date _____
Interviewer _____
Time On _____
Time Off _____
Total time _____

Oil Spill Tourism Survey Business Questionnaire

Hello, my name is _____ from The McDowell Group, an Alaska research firm. We are conducting a survey to assess the effects of the *Exxon Valdez* oil spill on the tourism industry in Alaska. We would like to ask you a few questions about the spill and whether or not the spill had any impact on your business. Answers about your individual business will be kept strictly confidential. Your answers will be combined with those of similar businesses in the state in order to assess overall effects.

I'd like to ask you questions about your overall business first.

1. In what part of Alaska do you operate (insert the name of the business)?

- 01 Southeast Alaska - specify _____
- 02 Southcentral Alaska - specify _____
- 03 Southwest Alaska - specify _____
- 04 Interior Alaska - specify _____
- 05 Far North Alaska - specify _____
- 99 Refused _____

2. How long have you been in business at that location?

- 01 0 - 2 Years
- 02 2 - 5 Years
- 03 5 - 10 Years
- 04 11 - 15 Years
- 05 15 Or More Years
- 99 Refused

ACE 1826898

3. What is your **PRIMARY** business?

- | | | | |
|----|---------------------|----|------------------------------------|
| 01 | Air Carrier (Jet) | 10 | Hotel/Motel Activities (Fishing) |
| 02 | Air Taxi (Commuter) | 11 | Bed & Breakfast |
| 03 | Cruiseline | 12 | Lodge/Resort (Fishing) |
| 04 | Ferry | 13 | R.V. Camps/Campground |
| 05 | Motorcoach Lines | 14 | Guided Outdoor Activities (Fish'g) |
| 06 | Packaged Tours | 15 | Charter Boats (Fishing) |
| 07 | R.V. Rentals | 16 | Sightseeing Boats |
| 08 | Car Rentals | 17 | Attractions/sightseeing |
| 09 | Train | 18 | Museums |

19 Other (Please Specify) _____

4. Did the *Exxon Valdez* oil spill of March 24, 1989 affect your overall summer 1989 business not at all, slightly, moderately, significantly, OR completely?

- 01 Not at all (Skip to 6)
- 02 Slightly
- 03 Moderately
- 04 Significantly
- 05 Completely
- 98 Don't Know/Not Sure
- 99 Refused

ACE 1826899

5. **HOW did the oil spill affect your business? (DON'T READ LIST BUT CIRCLE ALL ANSWERS THAT RESPONDENT GIVES).**

- 01 Received reservation cancellations
- 02 Level of inquiries dropped after spill
- 03 Shortage of visitor industry workers due to workers going to work on the spill
- 04 Had to pay higher wages to keep workers
- 05 Increased business due to servicing oil spill workers
- 06 Lack of accommodations for pleasure visitors
- 07 Visitors came to my area because they couldn't go to spill affected areas
- 08 Independent travelers didn't come because they didn't have advance reservations
- 09 No charter boats available to take visitors fishing
- 10 Other (PLEASE SPECIFY) _____

99 Refused

(SKIP to 7 if they answered 5)

6. **WHY didn't the oil spill affect your business? (DON'T READ LIST BUT CIRCLE ALL ANSWERS THAT RESPONDENT GIVES).**

- 01 Had no cancellation of reservations
- 02 My business relies on packaged tours or cruises, which were not affected because so many people book far in advance
- 03 Visitors who understood the geography of Alaska realized they would not be affected by the spill and came anyway
- 04 Other (PLEASE SPECIFY) _____

99 Refused

ACE 1826900

7. Did your business experience any of these other spill-related effects?

(READ LIST BELOW For those items NOT MENTIONED in #5. CIRCLE ALL ANSWERS THAT RESPONDENT GIVES.)

READ: FOR EXAMPLE.....

- 01 Did you experience any cancellation of reservations?
- 02 Did the number of inquiries you normally receive drop after the spill?
- 03 Was there a shortage of visitor industry workers due to workers going to work on the spill?
- 04 Did you have to pay higher wages to keep workers?
- 05 Did your business increase due to servicing oil spill-related workers?
- 06 Was there a Lack of accommodations for pleasure visitors?
- 07 Was there an increase in visitors to your business because they couldn't go to spill affected areas?
- 08 Did independent travelers not come because they didn't have advance reservations?
- 09 Were charter boats available to take visitors fishing?
- 10 Can you think of any other spill-related effects?
Other (PLEASE SPECIFY) _____

- 99 Refused

8. Do you think businesses similar to yours in your area experienced similar oil spill related effects?

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

PROBE (for why or why not there were/weren't similar impacts)

ACE 1826901

READ: Now I'd like to ask you about Vacation/Pleasure visitors. These visitors are defined as both Alaska residents and non-residents who visit your business while they are on a vacation trip - whether it is for a day, a weekend, a week or longer.

9. During summer 1989, what percent of your business was generated by Vacation/Pleasure visitors?

% Generated by VPs

01	0%	07	40%-49%
02	Less Than 5%	08	50%-59%
03	5% - 9%	09	60%-69%
04	10%-19%	10	70%-79%
05	20%-29%	11	80%-89%
06	30%-39%	12	90%-100%
98	Don't Know/Not Sure		
99	Refused		

10. Is this percent higher or lower or about the same as in 1988?

- 01 Higher
- 02 Lower
- 03 About the Same
- 98 Don't Know/Not Sure
- 99 Refused

ACE 1826902

11. Of your total Vacation/Pleasure business in summer 1989, what percent was from residents of Alaska versus non-residents?

% of Residents		11 A. % of Non-Residents	
01	0	02	0
03	Less than 5%	04	Less than 5%
05	10%-19%	06	10%-19%
07	20%-29%	08	20%-29%
09	30%-39%	10	30%-39%
11	40%-49%	12	40%-49%
13	50%-59%	14	50%-59%
15	60%-69%	16	60%-69%
17	70%-79%	18	70%-79%
19	80%-89%	20	80%-89%
21	90%-100%	22	90%-100%
98	Don't Know/Not Sure		
99	Refused		

12. What was the total number of Vacation/Pleasure visitors you served during summer 1989?

Number of VPs _____

98 Don't Know/Not Sure

99 Refused

13. What were your total gross sales from the Vacation/Pleasure visitors you served during summer 1989?

Gross Sales \$ _____

98 Don't Know/Not Sure

99 Refused

ACE 1826903

14. **PRIOR** to the spill, how many Vacation/Pleasure visitors did you **EXPECT** to serve during summer 1989?

Number of VPs _____

- 98 Don't Know/Not Sure
- 99 Refused

15. Again, **PRIOR** to the spill, what were your **PROJECTED** gross sales from Vacation/Pleasure visitors during summer 1989?

Gross Sales \$ _____

- 98 Don't Know/Not Sure
- 99 Refused

Read: Now I'd like to ask you a few questions about your business during summer 1988

16. What percent of your business during summer 1988 was generated by Vacation/Pleasure visitors?

% Generated by VPs

01	0%	07	40%-49%
02	Less Than 5%	08	50%-59%
03	5% - 9%	09	60%-69%
04	10%-19%	10	70%-79%
05	20%-29%	11	80%-89%
06	30%-39%	12	90%-100%

- 98 Don't Know/Not Sure
- 99 Refused

17. Is this percent higher, lower or about the same as summer 1987?

- 01 Higher
- 02 Lower
- 03 The Same
- 98 Don't Know/Not Sure
- 99 Refused

ACE 1826904

18. Of your total Vacation/Pleasure business in summer 1988, what percent was from residents of Alaska versus non-residents?

% of Residents		18 A. % of Non-Residents	
01	0	02	0
03	Less than 5%	04	Less than 5%
05	10%-19%	06	10%-19%
07	20%-29%	08	20%-29%
09	30%-39%	10	30%-39%
11	40%-49%	12	40%-49%
13	50%-59%	14	50%-59%
15	60%-69%	16	60%-69%
17	70%-79%	18	70%-79%
19	80%-89%	20	80%-89%
21	90%-100%	22	90%-100%
98	Don't Know/Not Sure		
99	Refused		

19. During summer 1988 how many Vacation/Pleasure visitors did you serve?

Number of VPs _____

- 98 Don't Know/Not Sure
- 99 Refused

20. During summer 1988 what were your gross sales from Vacation/Pleasure visitors?

Gross Sales \$ _____

- 98 Don't Know/Not Sure
- 99 Refused

21. How does summer 1988 compare to summer 1987 in terms of Vacation/Pleasure visitor numbers and gross sales? (PROBE)

ACE 1826905

22. From summer 1985 to summer 1988 did your gross sales from Vacation/Pleasure visitors increase, decrease or stay the same?

- 01 Increase
- 02 Decrease OR
- 03 Stay the same (Skip to 24)
- 98 Don't Know/Not Sure (Skip to 24)
- 99 Refused

23. In terms of percent, what was the average (increase, decrease) per year?

- 01 Average (increase, decrease) _____
- 98 Don't Know/Not Sure
- 99 Refused

READ: Now I'd like to ask you a few questions about whether you think the oil spill will affect your business for summer 1990. First

24. Do you think the oil spill will affect your business from Vacation/Pleasure visitors for summer 1990, not at all, slightly, moderately, significantly or completely?

- 01 Not at all (Skip to 26)
- 02 Slightly
- 03 Moderately
- 04 Significantly
- 05 Completely
- 98 Don't Know/Not Sure
- 99 Refused

(FOR BOTH 25 AND 26 PROBE FOR ANY INDICATORS THAT THE BUSINESS MAY HAVE WHICH SUPPORTS THEIR ANSWERS, SUCH AS INQUIRY LEVELS, RESERVATIONS LEVELS, up or down ETC).

25. HOW do you think the oil spill will affect your business?

(SKIP to 27)

ACE 1826906

26. **WHY do you think the oil spill will not affect your business in summer 1990?**
(PROBE)

27. **Do you think the oil spill will affect tourism in your area during the summer 1990 slightly, moderately, significantly, completely, or not at all?**

- 01 Not at all (Skip to 29)
- 02 Slightly
- 03 Moderately
- 04 Significantly
- 05 Completely
- 98 Don't Know/Not Sure
- 99 Refused

28. **HOW do you think the oil spill will affect tourism in your area?** **(PROBE)**

(SKIP to 30)

29. **WHY do you think the oil spill will not affect tourism in your area?** **(PROBE)**

30. Do you think the oil spill will affect tourism in your area beyond summer 1990 slightly, moderately, significantly, completely, or not at all?

- 01 Not at all (Skip to 32)
- 02 Slightly
- 03 Moderately
- 04 Significantly
- 05 Completely
- 98 Don't Know/Not Sure
- 99 Refused

31. HOW do you think the oil spill will affect tourism in your area? (PROBE)

(SKIP to 33)

32. WHY do you think the oil spill will not affect tourism in your area? PROBE

READ: And finally I have one more question for our coding purposes. Do you have your Alaska business license handy?

33. What is the SIC CODE number that appears in the upper right hand corner by your name and address on your business license?

SIC Code # _____

READ: Those are all the questions I have for you today, thank you very much for your cooperation.

ACE 1826908

ACE 1826909

Survey # _____
Company Name _____
Address _____
City, State, Zip _____
Contact Name _____
Phone # _____
SIC Code _____

Date _____
Interviewer _____
Time On _____
Time Off _____
Total time _____

Oil Spill Tourism Survey CVB/Government Agency Questionnaire

Hello, my name is _____ from The McDowell Group, an Alaska research firm. We are conducting a survey to assess the effects of the *Exxon Valdez* oil spill on the tourism industry in Alaska. We would like to ask you a few questions about the spill which should take about ten minutes of your time. I will be asking you about Vacation/Pleasure travel of both Alaska residents and non-residents. First, I would like to ask you about effects in 1989....

1. Did the Exxon Valdez oil spill of March 24, 1989 affect Vacation/Pleasure travel by Alaska residents to your area?

01 Yes
02 No (Skip to 3)
98 Don't Know/Not Sure (Skip to 3)
99 Refused

2. Would you classify the effects for Vacation/Pleasure travel by Alaska residents to your area as negative, positive or both?

01 Negative
02 Positive
03 Both
98 Don't Know/Not Sure
99 Refused

ACE 1826910

2a. As a result of the (negative/positive) effects, did Vacation/Pleasure traffic by Alaska residents change from previous years?

Negative Effects

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Yes
- 02 No (Skip to 2b)
- 98 D/K-Not Sure (Skip to 2b)
- 99 Refused

Did Traffic Increase or Decrease?

Negative Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

2b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall effects of the oil spill on Vacation/Pleasure travel by Alaska residents to your area?

Negative Effects

- 5 -4 -3 -2 -1 0 +1 +2 +3 +4 +5

Positive Effects

3. Did the Exxon Valdez oil spill of March 24, 1989 affect Vacation/Pleasure travel by Non-Alaska residents (in other words visitors to the State) to your area?

- 01 Yes
- 02 No (Skip to 5)
- 98 Don't Know/Not Sure (Skip to 5)
- 99 Refused

4. Would you classify the effects for Vacation/Pleasure travel by Non-Alaska residents to your area as negative, positive or both?

- 01 Negative
- 02 Positive
- 03 Both
- 98 Don't Know/Not Sure
- 99 Refused

ACE 1826911

4a. As a result of the (negative/positive) effects, did Vacation/Pleasure traffic by Non-Alaska residents change from previous years?

Negative Effects

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Yes
- 02 No (Skip to 4b)
- 98 D/K-Not Sure (Skip to 4b)
- 99 Refused

Did Traffic Increase or Decrease?

Negative Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

4b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall effects of the oil spill on Vacation/Pleasure travel by Non-Alaska residents to your area?

Negative Effects

-5 -4 -3 -2 -1 0

Positive Effects

+1 +2 +3 +4 +5

5. How else did the oil spill affect Vacation/Pleasure travel in your area?

ACE 1826912

6. Do you have any documented evidence of the effect of the oil spill on Vacation/Pleasure travel to your area?

- 01 Yes
- 02 No (Skip to 8)
- 98 Don't Know/Not Sure (Skip to 8)
- 99 Refused

If YES, probe for the following:

- Number of inquiries for years preceding 1989
- Number of inquiries for 1989
- Inquiry level before and after the spill
- Inquiry level for 1990
- Bed tax revenues
- Visitor Information Center usage
- Visitor count to the area/region/city/town
- Membership increases or decreases
- Reservation cancellations
- Any other relevant information

(DON'T READ: If respondent has any documented evidence available, please request that they send us copies)

ASK ONLY IF respondent answered NO or DK to Questions #1 or #3

7. Why do you think there was no effect (or are not sure of the effects) of the oil spill on Vacation/Pleasure travel?

ACE 1826913

NOW, I'D LIKE TO ASK YOU ABOUT THE EFFECTS IN 1990.

8. Do you think the oil spill will affect Vacation/Pleasure travel by Alaska residents to your area in 1990?

- 01 Yes
- 02 No (Skip to 10)
- 98 Don't Know/Not Sure (Skip to 10)
- 99 Refused

9. Would you classify the effects for Vacation/Pleasure travel by Alaska residents to your area as negative, positive or both?

- 01 Negative
- 02 Positive
- 03 Both
- 98 Don't Know/Not Sure
- 99 Refused

9a. As a result of the (negative/positive) effects, do you think Vacation/Pleasure traffic by Alaska residents will change from previous years?

- | | | | |
|-------------------------|---------------------|-------------------------|---------------------------|
| Negative Effects | | Positive Effects | |
| 01 | Yes | 01 | Yes |
| 02 | No | 02 | No (Skip to 9b) |
| 98 | Don't Know/Not Sure | 98 | D/K-Not Sure (Skip to 9b) |
| 99 | Refused | 99 | Refused |

Will Traffic Increase or Decrease?

- | | | | | | | | |
|-------------------------|---------------------|-------------|-------|-------------------------|---------------------|-------------|-------|
| Negative Effects | | | | Positive Effects | | | |
| 01 | Increase | By How Much | _____ | 01 | Increase | By How Much | _____ |
| 02 | Decrease | By How Much | _____ | 02 | Decrease | By How Much | _____ |
| 98 | Don't Know/Not Sure | | | 98 | Don't Know/Not Sure | | |
| 99 | Refused | | | 99 | Refused | | |

9b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall effects of the oil spill on Vacation/Pleasure travel by Alaska residents to your area?

- | | | | | | | | | | | |
|-------------------------|----|----|----|----|-------------------------|----|----|----|----|----|
| Negative Effects | | | | | Positive Effects | | | | | |
| -5 | -4 | -3 | -2 | -1 | 0 | +1 | +2 | +3 | +4 | +5 |

ACE 1826914

10. Do you think the oil spill will affect Vacation/Pleasure travel by Non-Alaska residents to your area in 1990?

- 01 Yes
- 02 No (Skip to 14)
- 98 Don't Know/Not Sure (Skip to 14)
- 99 Refused

11. Would you classify the effects for Vacation/Pleasure travel by Non-Alaska residents to your area as negative, positive or both?

- 01 Negative
- 02 Positive
- 03 Both
- 98 Don't Know/Not Sure
- 99 Refused

11a. As a result of the (negative/positive) effects, did Vacation/Pleasure traffic by Non-Alaska residents change from previous years?

Negative Effects

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Yes
- 02 No (Skip to 11b)
- 98 D/K-Not Sure (Skip to 11b)
- 99 Refused

Will Traffic Increase or Decrease?

Negative Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

Positive Effects

- 01 Increase By How Much _____
- 02 Decrease By How Much _____
- 98 Don't Know/Not Sure
- 99 Refused

11b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall effects of the oil spill on Vacation/Pleasure travel by Non-Alaska residents to your area?

Negative Effects

- 5 -4 -3 -2 -1 0 +1 +2

Positive Effects

- +3 +4 +5

ACE 1826915

12. How else did the oil spill affect Vacation/Pleasure travel in your area?

13. Do you have any documented evidence which supports your opinion that the oil spill will effect Vacation/Pleasure travel to your area in?

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

(If YES, probe and ask to have copies sent to us of any evidence)

ASK ONLY if answered NO or Don't Know to Questions 8 or 10)

14. WHY do you think there will be no effect or (are not sure of the effects) of the oil spill on Vacation/Pleasure travel to your area in 1990?

ACE 1826916

NOW I'D LIKE TO ASK YOU ABOUT THE EFFECTS BEYOND 1990. . . .

15. Do you think the oil spill will affect Vacation/Pleasure travel by Alaska residents to your area beyond 1990?

- 01 Yes
- 02 No (Skip to 17)
- 98 Don't Know/Not Sure (Skip to 17)
- 99 Refused

16. Would you classify future effects for Vacation/Pleasure travel by Alaska residents to your area as negative, positive or both?

- 01 Negative
- 02 Positive
- 03 Both
- 98 Don't Know/Not Sure
- 99 Refused

16a. As a result of the (negative/positive) effects, do you think Vacation/Pleasure traffic by Alaska residents will change from previous years?

- | | |
|-------------------------|-------------------------------|
| Negative Effects | Positive Effects |
| 01 Yes | 01 Yes |
| 02 No | 02 No (Skip to 16b) |
| 98 Don't Know/Not Sure | 98 D/K-Not Sure (Skip to 16b) |
| 99 Refused | 99 Refused |

Will Traffic Increase or Decrease?

- | | |
|-------------------------------|-------------------------------|
| Negative Effects | Positive Effects |
| 01 Increase By How Much _____ | 01 Increase By How Much _____ |
| 02 Decrease By How Much _____ | 02 Decrease By How Much _____ |
| 98 Don't Know/Not Sure | 98 Don't Know/Not Sure |
| 99 Refused | 99 Refused |

16b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall future effects of the oil spill on Vacation/Pleasure travel by Alaska residents to your area?

- | | |
|--------------------------------------|-------------------------|
| Negative Effects | Positive Effects |
| -5 -4 -3 -2 -1 0 +1 +2 | +3 +4 +5 |

ACE 1826917

17. Do you think the oil spill will affect Vacation/Pleasure travel by Non-Alaska residents to your area beyond 1990?

- 01 Yes
- 02 No (Skip to 21)
- 98 Don't Know/Not Sure (Skip to 21)
- 99 Refused

18. Would you classify future effects for Vacation/Pleasure travel by Non-Alaska residents to your area as negative, positive or both?

- 01 Negative
- 02 Positive
- 03 Both
- 98 Don't Know/Not Sure
- 99 Refused

18a. As a result of the (negative/positive) effects, did Vacation/Pleasure traffic by Non-Alaska residents change from previous years?

- | | | | |
|-------------------------|---------------------|-------------------------|----------------------------|
| Negative Effects | | Positive Effects | |
| 01 | Yes | 01 | Yes |
| 02 | No | 02 | No (Skip to 18b) |
| 98 | Don't Know/Not Sure | 98 | D/K-Not Sure (Skip to 18b) |
| 99 | Refused | 99 | Refused |

Will Traffic Increase or Decrease?

- | | | | | | | | |
|-------------------------|---------------------|-------------|-------|-------------------------|---------------------|-------------|-------|
| Negative Effects | | | | Positive Effects | | | |
| 01 | Increase | By How Much | _____ | 01 | Increase | By How Much | _____ |
| 02 | Decrease | By How Much | _____ | 02 | Decrease | By How Much | _____ |
| 98 | Don't Know/Not Sure | | | 98 | Don't Know/Not Sure | | |
| 99 | Refused | | | 99 | Refused | | |

18b. On a scale of -5 to +5, with -5 being the maximum negative effects and +5 being the maximum positive effects, how would you rate the overall future effects of the oil spill on Vacation/Pleasure travel by Non-Alaska residents to your area?

- | | | | | | | | | | | |
|-------------------------|----|----|----|----|-------------------------|----|----|----|----|----|
| Negative Effects | | | | | Positive Effects | | | | | |
| -5 | -4 | -3 | -2 | -1 | 0 | +1 | +2 | +3 | +4 | +5 |

ACE 1826918

19. How else do you expect the oil spill to affect Vacation/Pleasure travel in your area?

20. Do you have any documented evidence which supports your opinion that the oil spill will effect Vacation/Pleasure travel to your area in?

- 01 Yes
- 02 No
- 98 Don't Know/Not Sure
- 99 Refused

(If YES, probe and ask to have copies sent to us of any evidence)

ASK ONLY if answered NO or Don't Know to Questions 15 or 17)

14 WHY do you think there will be no effect or (are not sure of the effects) of the oil spill on Vacation/Pleasure travel to your area beyond 1990?

ACE 1826919