

Draft  
Secondary Arrival Report  
Summer 2002



 **northern** economics inc.

Report available at: [www.dced.state.ak.us/cbd/toubus](http://www.dced.state.ak.us/cbd/toubus)

Prepared for  
Department of Community  
and Economic Development

March 2003



# Summer 2002 Secondary Arrival Report

*Prepared for the*

**State of Alaska, Department of  
Community and Economic Development**

**Revised January 2004**

*Prepared by*

**northern**economics inc.

880 H STREET, SUITE 210, ANCHORAGE, ALASKA 99501  
T: 907.274.5600 F: 907.274.5601

E: [norecon@norecon.com](mailto:norecon@norecon.com) • [www.northeconomics.com](http://www.northeconomics.com)

**Report available at: <http://www.dced.state.ak.us/cbd/toubus>**

**PROFESSIONAL CONSULTING SERVICES IN APPLIED ECONOMIC ANALYSIS**

President & Principal Economist: Patrick Burden  
Economists: Leah Cuyno, Ph.D., Scott Miller  
Associate Economists: Hart Hodges, Ph.D., Donald Schug, Ph.D.  
Office Manager: Stephanie Cabaniss

Vice President & Senior Economist: Marcus L. Hartley  
Policy Analyst: Nancy Mundy, Ph.D.  
Analysts: Michael Fisher, Cal Kerr  
Document Processor: Terri McCoy

880 H STREET, SUITE 210, ANCHORAGE, ALASKA 99501  
TEL. 907.274.5600 FAX 907.274.5601  
E-mail: [norecon@norecon.com](mailto:norecon@norecon.com) Internet: [www.northemeconomics.com](http://www.northemeconomics.com)



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## Acknowledgements

The success of the Alaska Visitors Statistics Program (AVSP) depends on cooperation and assistance of many individuals and agencies. Northern Economics, Inc. would like to thank the following agencies for their help with the 2001-02 secondary arrival reports:

- Personnel at the State of Alaska, Department of Community and Economic Development
- Personnel at Ted Stevens Anchorage International Airport, Fairbanks International Airport, and Juneau International Airport
- Management of Alaska Airlines
- U.S. Customs Officials—in Anchorage and at the highway border stations on the Alcan, Klondike, and Haines Highways
- Personnel of the Alaska Marine Highway System
- Personnel at Alaska Cruise Line Agencies and Northwest Cruiseship Association



## Abbreviations and Definitions

### Abbreviations

AMHS	Alaska Marine Highway System
AVSP	Alaska Visitors Statistics Program
DCED	State of Alaska, Department of Community and Economic Development
SAR	Secondary Arrival Report
TIA	Travel Industry Association of America
VFR	Visiting Friends and Relatives
VOS	Visitor Opinion Survey

### Definitions

Business Only	One of the categories in “purpose of trip” for visitors traveling to Alaska. A purpose of trip category that describes those visiting Alaska, but for business only reasons.
Business / Pleasure	The purpose of trip category for those traveling to Alaska for a mixture of business and pleasure reasons.
Secondary Arrival Report(s)	Arrival reports that are prepared in non-survey years. These reports are based on current total arrival data and visitor counts conducted in survey years.
Total Arrivals	All arrivals to the State of Alaska – arrivals made by residents and visitors combined.
Vacation and Pleasure	The purpose of trip category to describe those visitors traveling primarily for vacation or pleasure.
Visiting Friends and Relatives	The purpose of trip category for those visiting friends and relatives who live in Alaska.
Visitors	Non-residents traveling to Alaska. The major visitor categories are vacation and pleasure, visiting friends and relatives, business and pleasure, and business only.
Visitor Percentage(s)	The portion of total arrivals for a given mode of entry that are visitors.
Visitor Tallies	Counts conducted by surveyors to determine the portion of people that are visitors on randomly selected boats, planes, and cars.



## Executive Summary

The Alaska Visitors Statistics Program (AVSP) is a significant visitor industry research project conducted by the State of Alaska. The AVSP provides the State of Alaska and the visitor industry with important, useful data on visitors to Alaska. These data include information on the number of visitors, general demographic and other characteristics of the visitor population, as well as information on visitor expenditures, activities, and opinions.

This secondary arrival report (SAR) presents information on the number of total arrivals and visitor arrivals to the State of Alaska during Summer 2002 (**May 1 through September 30, 2002**). Also included are yearlong summary tables. "Total Arrivals" include arrivals of both residents and visitors combined. "Visitor Arrivals" include all non-residents traveling to Alaska. Estimates of visitor arrivals are based on current total arrival data and visitor counts conducted in AVSP survey years. No surveys were conducted during Summer 2002.

According to the Travel Industry Association of America (TIA), the travel industry struggled on the national level in 2002. International inbound travel to the U.S., business travel, air travel, hotel performance, travel expenditures, and travel employment did not return to their pre-September 11, 2001 levels.<sup>1</sup> Domestic business travel declined 4 percent during 2002 and international air arrivals to the United States were down 17 percent during the first half of 2002. Domestic air business travel declined 20 percent, while leisure air travel declined about 11 percent. However, TIA reported that there was a two percent increase in domestic leisure travel in 2002 relative to 2001.

Visitor arrivals to Alaska were the reverse of national travel trends with visitor arrivals to Alaska in Summer 2002 showing a six percent increase over 2001 and a five percent increase for the full year. However, these increases are due in part to a 14 percent increase in the number of cruise ship arrivals. For the first time, cruise ship arrivals were the dominant mode of entry for visitors into the State during the Summer season.

The U.S. Small Business Administration has provided 22 businesses in Alaska with \$2,107,900 in disaster relief loans for economic injury suffered because of the September 11, 2001 terrorist attacks.<sup>2</sup> Many of these small businesses are in the tourism industry.

Because the cruise industry is of such importance to the Alaska visitor industry, we would like to take a moment to give particular clarification to some numbers used in this report. The purpose of secondary arrival reports is to count arrivals into the state by a particular mode of arrival. Approximately 581,000 visitors arrived in Alaska in Summer 2002 by cruise ships. Another 154,700 visitors arrived in Alaska by domestic or international air, ferry, motorcoach, or auto, and then cruised south out of Seward. Although they are cruise passengers, these visitors are not counted in the cruise arrival numbers, given the strict criteria of counting *only* arrivals for any given mode. In addition, another several thousand visitors to Alaska take cruises within Alaska after they arrive by various modes other than a cruise ship, and then depart by other means than a cruise ship. Again, these visitors do not appear in our counts of cruise arrivals. As a result, the cruise industry arrivals presented in this report are not necessarily comparable to cruise passenger numbers reported by other sources.

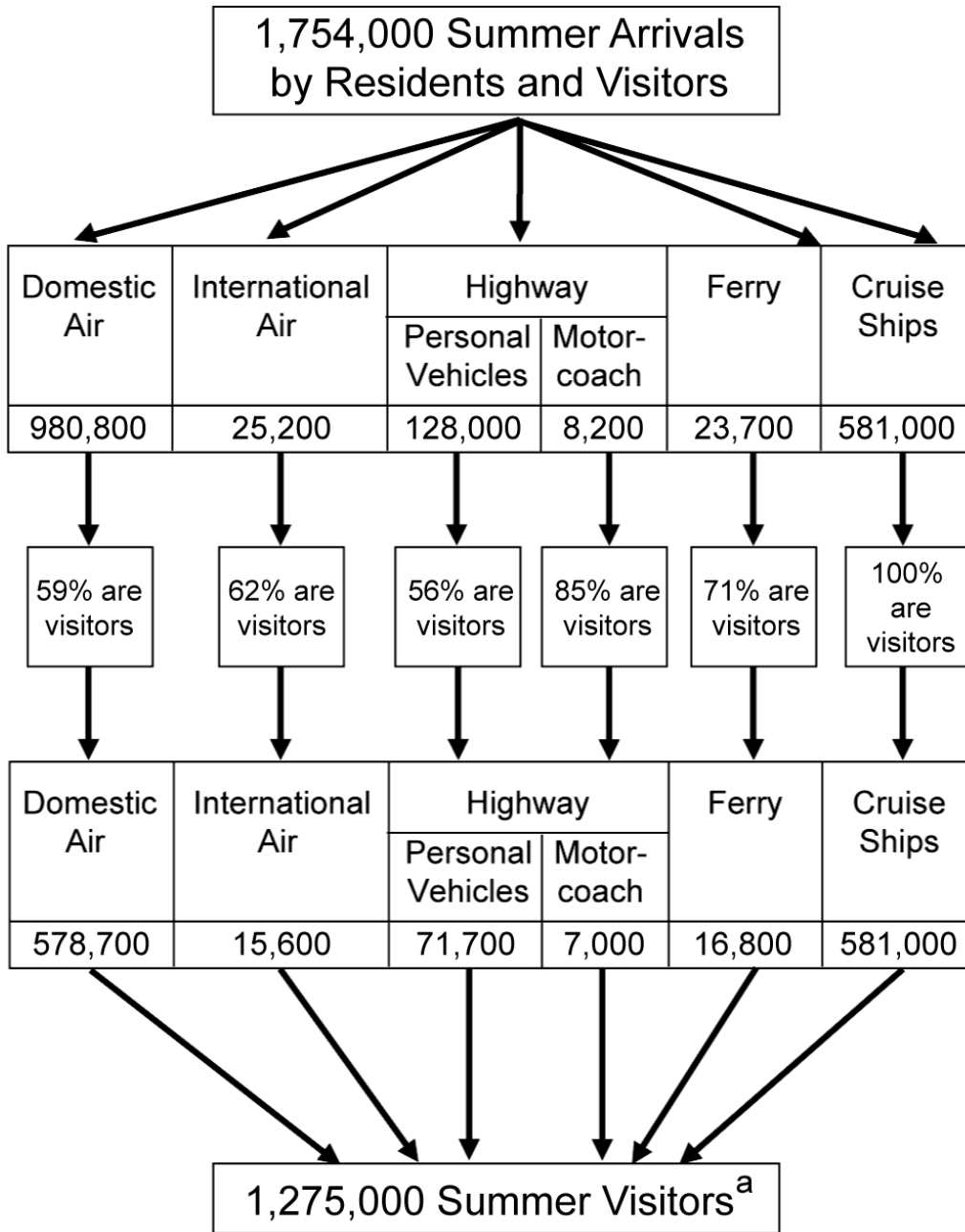
Another important point to stress is the potential for misinterpretation of changes in cruise arrival numbers. Cruise arrivals for 2002 increased from 510,000 in 2001, to 581,000—a 14 percent increase. However, the number of visitors who arrived by other means and then cruised out of Alaska

<sup>1</sup> Norma P. Nickerson. "2003 Outlook Travel Industry Indicators and Economics." *Montana Vision*. The Institute for Tourism and Recreation Research. February 2003.

<sup>2</sup> U.S. Small Business Administration, Office of Disaster Assistance, Disaster Area 4, Sacramento

actually declined slightly (from 170,000 people in 2001 to 154,700 in 2002). Further, the third category—visitors who arrived in Alaska by various means and cruised within the state before leaving by other means—are not quantified in secondary arrival reports. Therefore, it is important to note that although the net total of all cruise passengers has increased, the increase is not as dramatic as might be inferred from looking only at arrivals in secondary arrival reports.

**Figure ES - 1. Total Arrivals, Visitor Percentages, and Visitor Arrivals  
Summer 2002**



<sup>a</sup> Totals include arrivals from "Other" category (drivers and passengers of commercial vehicles, and pedestrians) who are not a sampled mode of arrival.

## Total Arrivals

“Total Arrivals” include arrivals of both residents and visitors combined. Total arrivals in Summer 2002 were approximately five percent higher than total arrivals in Summer 2001. This increase was driven by a 14 percent increase in cruise ship arrivals. Arrivals via domestic and international air were up slightly from Summer 2001. Ferry arrivals and highway arrivals via personal vehicle decreased approximately two percent and highway arrivals by motorcoach were down approximately 25 percent.

**Table ES - 1. Trends in Total Arrivals (Residents and Visitors)  
by Mode of Entry  
Summer 1993 to 2002**

Mode	AVSP III	Secondary Arrival Reports (SAR)						AVSP IV	SAR
	1993	1994	1995	1996	1997	1998	1999 <sup>a</sup>	2001	2002
Cruise Ship	247,000	285,100	283,500	336,500	392,100	431,200	457,100	510,000 <sup>b</sup>	581,000 <sup>b</sup>
Domestic Air	697,500	763,600	788,100	837,000	845,500	824,500	850,100	968,000	980,800
Ferry	35,900	35,100	33,000	30,100	23,500	26,400	25,800	24,100	23,700 <sup>d</sup>
Highway— Personal Vehicle	171,100	178,300	188,100	183,100	178,500	199,000	195,900	130,400	128,000
Highway— Motorcoach	4,100	3,900	3,900	4,200	3,700	4,100	3,700	10,900	8,200
International Air	19,500	20,600	19,300	28,600	26,500	25,100	27,500	24,700	25,200
Other <sup>c</sup>	31,500	31,900	42,200	47,100	43,800	37,700	38,000	7,700	7,100
<b>Total</b>	<b>1,206,500</b>	<b>1,318,500</b>	<b>1,357,900</b>	<b>1,466,500</b>	<b>1,513,500</b>	<b>1,548,000</b>	<b>1,598,200</b>	<b>1,675,800</b>	<b>1,754,000</b>

<sup>a</sup> No secondary arrival report was conducted in 1999-2000.

<sup>b</sup> Includes only cruise passengers who first arrive in Alaska by cruise ship. In 2001 an additional 170,000 cruise passenger arrived by other modes and cruised south from Seward. In 2002, an additional 154,700 passengers cruised south from Seward.

<sup>c</sup> “Other” category includes some domestic air arrivals in 1995-1999, but for 2000-01 and 2001-02 includes only drivers and passengers of commercial vehicles, and pedestrians.

<sup>d</sup> Ferry numbers for 2002 adjusted 12/26/03.

## Visitor Arrivals

In Summer 2002, cruise ship arrivals increased 14 percent relative to cruise ship arrivals in Summer 2001, going from 510,000 to 581,000 arrivals. Visitor arrivals by domestic air increased approximately one percent. For the first time, more visitors arrived at their first point of entry in Alaska on a cruise ship than by domestic air. Ferry arrivals decreased approximately two percent.

Highway visitor arrivals decreased by approximately four percent. Some of the decline in highway travel to Alaska has been attributed to a national trend towards shorter vacations closer to home. International air arrivals decreased approximately two percent.

**Table ES - 2. Trends in Visitor Arrivals  
by Mode of Entry  
Summer 1993 to 2002**

Mode	AVSP III	Secondary Arrival Reports (SAR)						AVSP IV	SAR
	1993	1994	1995	1996	1997	1998	1999 <sup>a</sup>	2001	2002
Cruise Ship	247,000	285,100	283,500	336,500	392,100	431,200	457,100	510,000 <sup>b</sup>	581,000 <sup>b</sup>
Domestic Air	443,600	488,000	508,300	547,900	560,800	551,600	565,600	573,000	578,700
Ferry	29,100	28,400	27,000	24,000	18,900	21,600	20,800	17,200	16,800 <sup>d</sup>
Highway	91,900	95,300	108,100	103,400	100,200	111,700	110,000	82,100	78,700
International Air	14,500	14,200	13,300	22,500	21,000	20,000	21,700	15,900	15,600
Other <sup>c</sup>	20,100	20,400	26,900	30,000	27,500	27,600	23,800	4,600	4,200
<b>Total</b>	<b>846,200</b>	<b>931,400</b>	<b>967,100</b>	<b>1,064,300</b>	<b>1,120,500</b>	<b>1,163,700</b>	<b>1,199,000</b>	<b>1,202,800</b>	<b>1,275,000</b>

<sup>a</sup> No secondary arrival report was conducted in 1999-00.

<sup>b</sup> Includes only cruise passengers who first arrive in Alaska by cruise ship. In 2001 an additional 170,000 cruise passenger arrived by other modes and cruised south from Seward. In 2002, an additional 154,700 passengers cruised south from Seward.

<sup>c</sup> "Other" category includes some domestic air arrivals in 1995-1999, but for 2000-01 and 2001-02 includes only drivers and passengers of commercial vehicles, and pedestrians.

<sup>d</sup> Ferry numbers for 2002 adjusted 12/26/03.

## Full-Year Arrivals

Alaska received more than 1.5 million visitors between October 1, 2001 and September 30, 2002. This estimate is about 60 percent of the approximately 2.5 million arrivals to the State. With Alaska's estimated population at 643,786 as of July 1, 2002,<sup>3</sup> that translates into more than two visitors for every resident of the State.

**Table ES - 3. Total Arrivals (Residents and Visitors Combined)  
Fall 2001 through Summer 2002**

Mode	Fall-Winter 2001-02	Summer 2002	Total
Cruise Ship	2,000	581,000	583,000
Domestic Air	683,400	980,800	1,664,200
Ferry	10,100	23,700	33,800
Highway Personal Vehicle	34,000	128,000	162,000
Highway Motorcoach	800	8,200	9,000
International Air	6,600	25,200	31,800
Other	8,100	7,100	15,200
<b>Total</b>	<b>745,100</b>	<b>1,754,000</b>	<b>2,499,100</b>

<sup>3</sup> Alaska Department of Labor and Workforce Development Research and Analysis Section accessed at <http://almis.labor.state.ak.us/> on March 4, 2003.

**Table ES - 4. Total Visitor Arrivals  
by Mode of Arrival  
Fall-Winter 2001-02 and Summer 2002**

<b>Mode</b>	<b>Fall-Winter 2001-02</b>	<b>Summer 2002</b>	<b>Total</b>
Cruise Ship	2,000	581,000	583,000
Domestic Air	232,300	578,700	811,000
Ferry	1,600	16,800	18,400
Highway Personal Vehicle	10,600	71,700	82,300
Highway Motorcoach	400	7,000	7,400
International Air	3,200	15,600	18,800
Other	2,800	4,200	7,000
<b>Total</b>	<b>253,000</b>	<b>1,275,000</b>	<b>1,528,000</b>



# 1 Introduction

The Alaska Visitors Statistics Program (AVSP), begun in 1985, is a significant visitor industry research project conducted by the State of Alaska, and is nationally recognized as one of the most sophisticated tourism surveys in the nation. The AVSP provides the State of Alaska and the visitor industry with important, useful data on visitors to Alaska. These data include information on the number of visitors, and general demographic and other characteristics of the visitor population, as well as information on visitor expenditures, activities, and opinions. The most recent AVSP, AVSP IV, was carried out from October 1, 2000 through September 30, 2001. Previous AVSP studies were conducted in 1985-86, 1989-90, and 1993-94. Changes and improvements in methodology have been made with each AVSP and explanations of these changes and the methodology used can be found in all AVSP IV reports.<sup>4</sup>

This report begins with a brief introduction to the AVSP and a discussion of the methodology used to prepare secondary arrival reports. The second section presents trends on total arrivals, which include both residents and visitors. The third section presents arrival trends for visitors to Alaska. Visitors include all non-residents traveling to Alaska. Visitors are counted at their first point of entry into the state unless otherwise noted. In the fourth section, full year arrival numbers are presented.

Total arrival data are collected throughout the season for each mode of arrival. Data come directly from the agency responsible for monitoring a particular mode of travel or the entity that provides the service. For example, the U.S. Customs Service monitors all vehicles and people that cross the border into Alaska on highways, and the Alaska Marine Highway System (AMHS) keeps track of the passengers on AMHS ferries.

Total arrival data can be collected annually for each mode of arrival, but visitor percentages can only be estimated and updated in AVSP survey years from the tallies and surveys conducted as part of the study effort. In between AVSP survey years, arrival data are collected and estimates are made about visitors to Alaska using visitor percentages derived in AVSP survey years. The arrival data are presented in secondary arrival reports. Each report covers one season.

- Fall-Winter Season—October 1 through April 30
- Summer Season—May 1 through September 30

This secondary arrival report covers **Summer—May 1, 2002 through September 30, 2002.**

Table 1 summarizes the sources of data for arrival counts. The weighted percentages of visitors derived from tallies in AVSP IV are used in this report to estimate the number of visitors by mode of arrival and by purpose of trip for Summer 2002.

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<sup>4</sup> *Alaska Visitor Arrivals Fall/Winter 2000-01, Alaska Visitor Expenditures and Opinions Fall/Winter 2000-01, Alaska Visitor Arrivals Summer 2001, and Alaska Visitor Expenditures and Opinions Summer 2001* available at <http://www.dced.state.ak.us/cbd/toubus>.

**Table 1. Sources of Data for Arrival Counts  
Summer 2002**

<b>Mode of Arrival</b>	<b>Source of Data for Arrival Counts</b>
Cruise Ship	Cruise Line Agencies of Alaska and Northwest Cruiseship Association
Domestic Air	
Airlines with interstate and intrastate service	Airlines
Airlines without intrastate service	Airports (deplanement data for each airline)
Ferry	Alaska Marine Highway System
Highway	U.S Customs and Immigration Office, Anchorage Area Port Senior Inspector and border stations
International Air	Airports (deplanement data for each airline)

## 2 Total Arrivals (Residents and Visitors Combined)

Table 2 and Figure 1 show trends in total arrivals for residents and visitors combined by mode of entry. Table 3 shows the number and percent change in arrivals between 2001 and 2002. Total arrivals in Summer 2002 (residents and visitors combined) increased by approximately 5 percent over Summer 2001. This increase was driven by a 14 percent increase in cruise ship arrivals going from 510,000 arrivals in Summer 2001 to 581,000 in Summer 2002. Domestic air arrivals increased about 1 percent, accounting for an additional 12,800 arrivals. Highway-personal vehicle traffic was down approximately 2 percent, motorcoach arrivals were down 25 percent, and ferry arrivals were down almost 2 percent. International air arrivals showed a small increase of approximately two percent.

**Table 2. Trends in Total Arrivals (Residents and Visitors)  
by Mode of Entry  
Summer 1993 to 2002**

Mode	AVSP III	Secondary Arrival Reports (SAR)						AVSP IV	SAR
	1993	1994	1995	1996	1997	1998	1999 <sup>a</sup>	2001	2002
Cruise Ship	247,000	285,100	283,500	336,500	392,100	431,200	457,100	510,000 <sup>b</sup>	581,000 <sup>b</sup>
Domestic Air	697,500	763,600	788,100	837,000	845,500	824,500	850,100	968,000	980,800
Ferry	35,900	35,100	33,000	30,100	23,500	26,400	25,800	24,100	23,700 <sup>d</sup>
Highway— Personal Vehicle	171,100	178,300	188,100	183,100	178,500	199,000	195,900	130,400	128,000
Highway— Motorcoach	4,100	3,900	3,900	4,200	3,700	4,100	3,700	10,900	8,200
International Air	19,500	20,600	19,300	28,600	26,500	25,100	27,500	24,700	25,200
Other <sup>c</sup>	31,500	31,900	42,200	47,100	43,800	37,700	38,000	7,700	7,100
<b>Total</b>	<b>1,206,500</b>	<b>1,318,500</b>	<b>1,357,900</b>	<b>1,466,500</b>	<b>1,513,500</b>	<b>1,548,000</b>	<b>1,598,200</b>	<b>1,675,800</b>	<b>1,754,000</b>

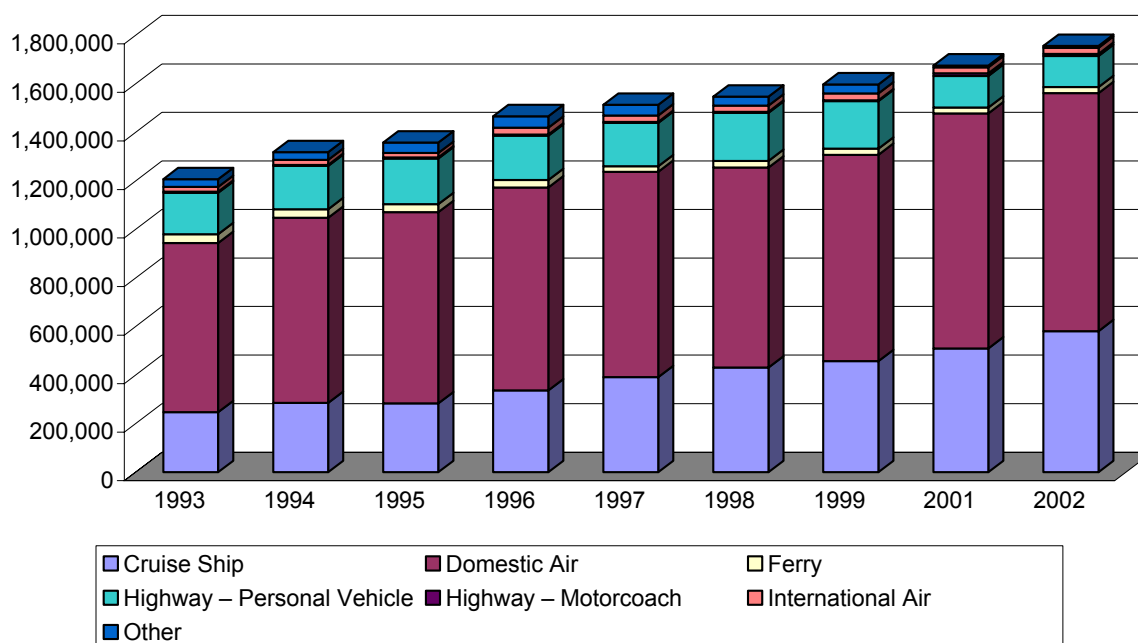
<sup>a</sup> No secondary arrival report was conducted in 1999-00.

<sup>b</sup> Includes only cruise passengers who first arrive in Alaska by cruise ship. In 2001 an additional 170,000 cruise passenger arrived by other modes and cruised south from Seward. In 2002, an additional 154,700 passengers cruised south from Seward.

<sup>c</sup> "Other" category includes some domestic air arrivals in 1995-1999, but for 2000-01 and 2001-02 includes only drivers and passengers of commercial vehicles, and pedestrians.

<sup>d</sup> Ferry numbers for 2002 adjusted 12/26/03.

**Figure 1. Trends in Total Arrivals (Residents and Visitors)  
by Mode of Arrival  
1993 through 2003**



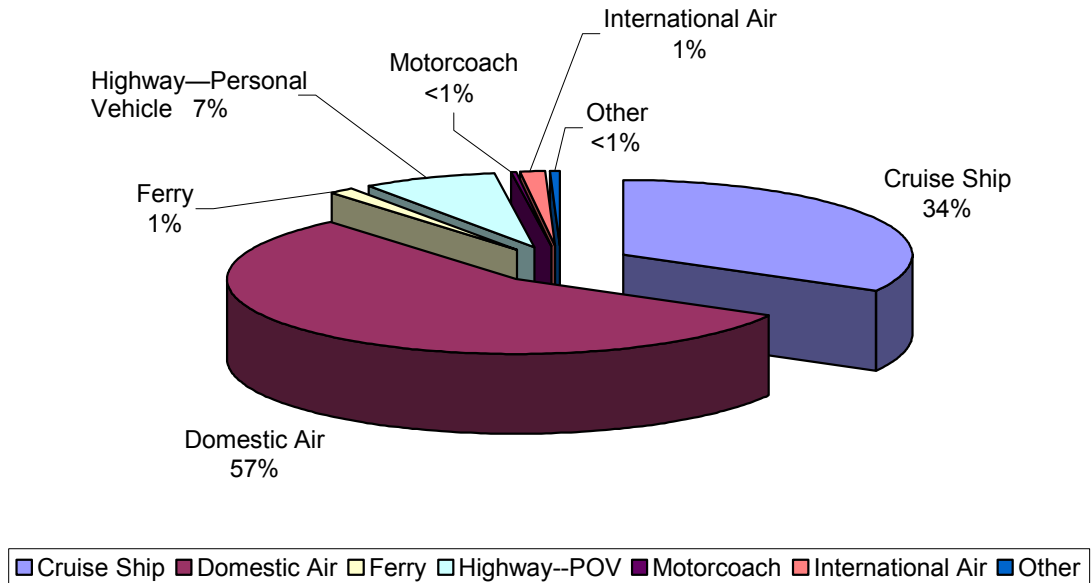
Note: No secondary arrival report was conducted in 1999-00.

**Table 3. Number and Percent Change in Total Arrivals (Residents and Visitors Combined)  
by Mode of Arrival  
Summer 2001 and Summer 2002**

Entry Mode	Number for Summer 2001	Number for Summer 2002	Number Change	Percent Change
Cruise Ship	510,000	581,000	71,000	14
Domestic Air	968,000	980,800	12,800	1
Ferry	24,100	23,700	-400	-2
Highway - Personal Vehicle	130,400	128,000	-2,400	-2
Highway - Motorcoach	10,900	8,200	-2,700	-25
International Air	24,700	25,200	500	2
Other	7,700	7,100	-600	-8
<b>Total</b>	<b>1,675,800</b>	<b>1,754,000</b>	<b>78,200</b>	<b>5</b>

In Summer 2002 domestic air arrivals accounted for approximately 57 percent of total arrivals (residents and visitors combined), while cruise ship arrivals accounted for 34 percent (see Figure 2). Highway personal vehicles accounted for 7 percent of arrivals while international air, ferry, and motorcoach arrivals accounted for 1 percent or less respectively.

**Figure 2. Percent of Total Arrivals (Residents and Visitors Combined) by Mode of Arrival Summer 2002**





## 3 Visitor Arrivals

### 3.1 Statistical Weights and Visitor Percentages

“Visitor Arrivals” include all nonresidents traveling to Alaska. Visitor Arrivals are based on tallies conducted by surveyors at AVSP survey locations during Summer 2001. When conducting tallies, surveyors ask travelers at the border stations, as they deplane, as they disembark a ship, and in certain locations where they embark, whether they are a resident of Alaska returning home or a visitor to the State. These tallies are then weighted to reflect the amount of sampling that was conducted in each location, the total number of arrivals at the different points of entry, the number of people traveling by different modes, and other factors.

Statistical weights are calculated for each mode of arrival based on the number of tallies conducted, the relative number of people traveling by that mode at different times of the season, and other factors. Additional information about the methodology can be found in the AVSP IV reports.

### 3.2 Visitor Percentages

Figure 3 shows the ratios between residents and visitors by mode of entry. The visitor percentages derived from the surveys and tallies conducted as part of AVSP IV (2000-01) are used to estimate the number of visitors for Summer 2002. In Summer, 59 percent of domestic air arrivals, 100 percent of cruise ship arrivals, 71 percent of ferry arrivals, 62 percent of international air arrivals, 85 percent of motorcoach arrivals, and 56 percent of highway arrivals are estimated to be visitors to the State.

**Figure 3. Visitor/Resident Arrival Composition  
Percent by Mode of Arrival  
Summer 2002**

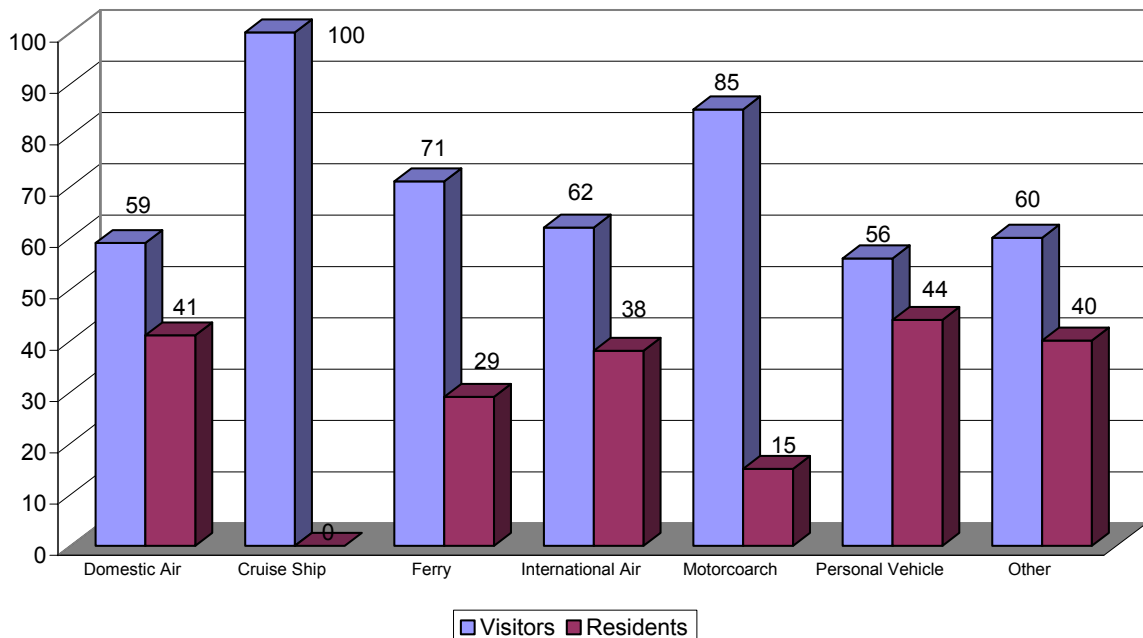
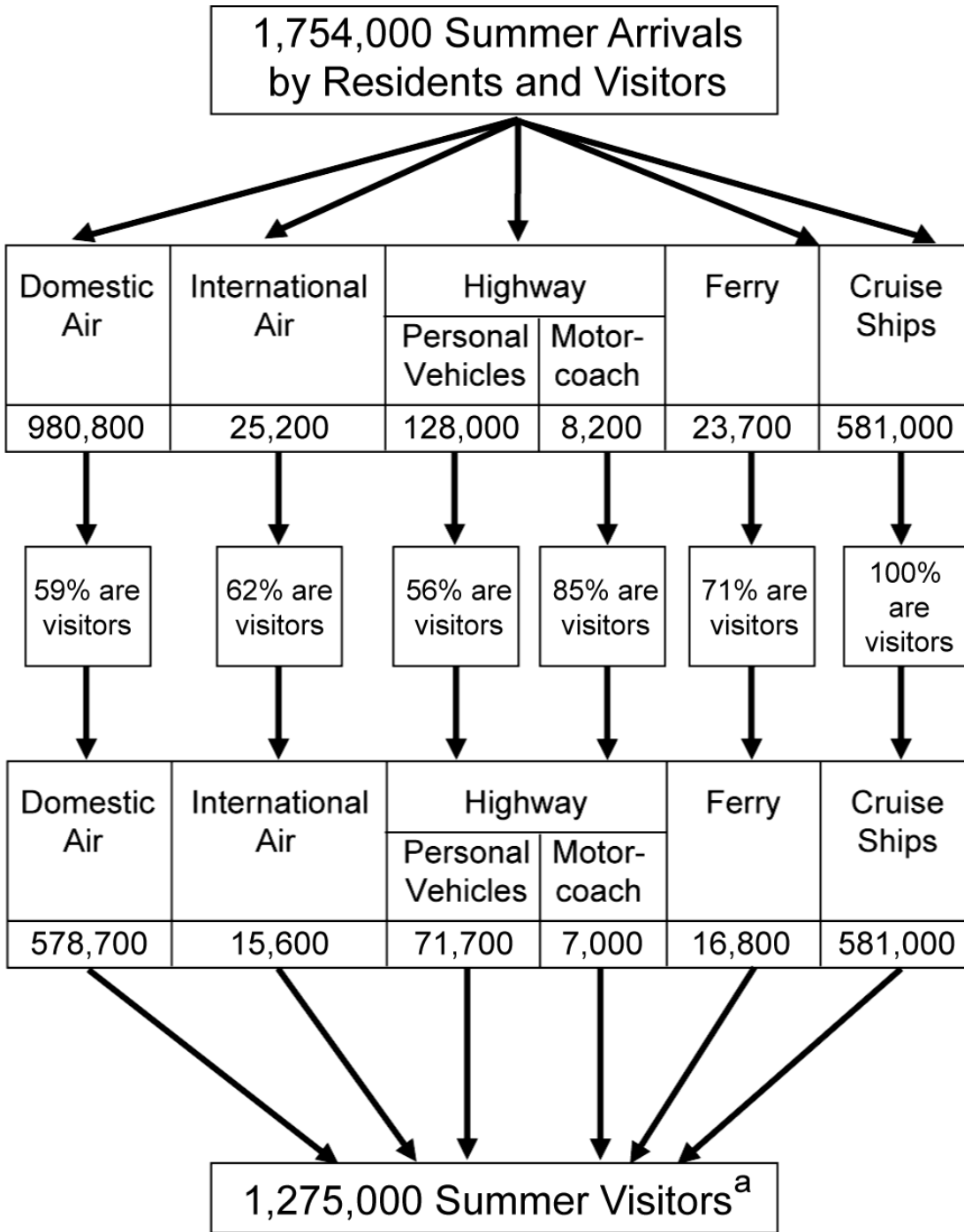


Figure 4 provides a graphical representation of the process for estimating visitor arrivals from total arrival data and the visitor percentages derived in AVSP survey years.

**Figure 4. Total Arrivals, Visitor Percentages, and Visitor Arrivals  
Summer 2002**



<sup>a</sup> Totals include arrivals from the "Other" category, which includes drivers and passengers of commercial vehicles and pedestrians.

### 3.3 Trends in Visitor Arrivals

According to the Travel Industry Association of America (TIA) the travel industry struggled on the national level in 2002. International inbound travel to the U.S., business travel, air travel, hotel performance, travel expenditures, and travel employment did not return to their pre-September 11, 2001 levels.<sup>5</sup> Domestic business travel declined 4 percent during 2002 and international air arrivals to the United States were down 17 percent during the first half of 2002. Domestic air business travel declined 20 percent, while leisure air travel declined about 11 percent. However, TIA reported that there was a two percent increase in domestic leisure travel in 2002 relative to 2001.

Visitor arrivals to Alaska were the reverse of national travel trends with visitor arrivals to Alaska in Summer 2002 showing a 6 percent increase over 2001 and a 5 percent increase for the full year. However, these increases are due in part to a 14 percent increase in the number of cruise ship arrivals. For the first time, cruise ship arrivals were the dominant mode of entry for visitors into the State during the Summer season.

Because the cruise industry is of such importance to the Alaska visitor industry, we would like to take a moment to give particular clarification to some numbers used in this report. The purpose of secondary arrival reports is to count arrivals into the state by a particular mode of arrival.

Approximately 581,000 visitors arrived in Alaska in Summer 2002 by cruise ships. Another 154,700 visitors arrived in Alaska by domestic or international air, ferry, motorcoach, or auto, and then cruised south out of Seward. Although they are cruise passengers, these visitors are not counted in the cruise arrival numbers, given the strict criteria of counting *only* arrivals for any given mode. In addition, another several thousand visitors to Alaska take cruises within Alaska after they arrive by various modes other than a cruise ship, and then depart by other means than a cruise ship. Again, these visitors do not appear in our counts of cruise arrivals. As a result, the cruise industry arrivals presented in this report are not necessarily comparable to cruise passenger numbers reported by other sources.

Another important point to stress is the potential for misinterpretation of changes in cruise arrival numbers. Cruise arrivals for 2002 increased from 510,000 in 2001, to 581,000—a 14 percent increase. However, the number of visitors who arrived by other means and then cruised out of Alaska actually declined slightly (from 170,000 people in 2001 to 154,700 in 2002). Further, the third category—visitors who arrived in Alaska by various means and cruised within the state before leaving by other means—are not quantified in secondary arrival reports. Therefore, it is important to note that although the net total of all cruise passengers has increased, the increase is not as dramatic as might be inferred from looking only at arrivals in secondary arrival reports.

Visitor arrivals in Summer 2002 increased approximately 6 percent over Summer 2001—an additional 72,200 visitors (see Table 4 and Table 5). The 14 percent increase (71,000) in visitor cruise arrivals accounts for almost all of this increase. In Summer 2002, more visitors arrived by cruise ship than by domestic air, 46 percent and 45 percent, respectively (see Figure 5). In addition, another 154,700 visitors arrived in the State by other modes, primarily domestic or international air, then cruised south out of Seward. The increase in cruise ship arrivals in Summer 2002 is attributed in part to heavy marketing and discounted fares offered by the cruise industry in response to the downturn in travel resulting from the terrorist attacks of September 11, 2001.

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<sup>5</sup> Norma P. Nickerson. "2003 Outlook Travel Industry Indicators and Economics." *Montana Vision*. The Institute for Tourism and Recreation Research. February 2003.

**Table 4. Trends in Visitor Arrivals  
by Mode of Entry  
Summer 1993 to 2002**

Mode	AVSP III	Secondary Arrival Reports (SAR)						AVSP IV	SAR
	1993	1994	1995	1996	1997	1998	1999 <sup>a</sup>	2001	2002
Cruise Ship	247,000	285,100	283,500	336,500	392,100	431,200	457,100	510,000 <sup>b</sup>	581,000 <sup>b</sup>
Domestic Air	443,600	488,000	508,300	547,900	560,800	551,600	565,600	573,000	578,700
Ferry	29,100	28,400	27,000	24,000	18,900	21,600	20,800	17,200	16,800 <sup>d</sup>
Highway	91,900	95,300	108,100	103,400	100,200	111,700	110,000	82,100	78,700
International Air	14,500	14,200	13,300	22,500	21,000	20,000	21,700	15,900	15,600
Other <sup>c</sup>	20,100	20,400	26,900	30,000	27,500	27,600	23,800	4,600	4,200
<b>Total</b>	<b>846,200</b>	<b>931,400</b>	<b>967,100</b>	<b>1,064,300</b>	<b>1,120,500</b>	<b>1,163,700</b>	<b>1,199,000</b>	<b>1,202,800</b>	<b>1,275,000</b>

<sup>a</sup> No secondary arrival report was conducted in 1999-00.

<sup>b</sup> Includes only cruise passengers who first arrive in Alaska by cruise ship. In 2001 an additional 170,000 cruise passenger arrived by other modes and cruised south from Seward. In 2002, an additional 154,700 passengers cruised south from Seward.

<sup>c</sup> "Other" category includes some domestic air arrivals in 1995-1999, but for 2000-01 and 2001-02 includes only drivers and passengers of commercial vehicles, and pedestrians.

<sup>d</sup> Ferry numbers for 2002 adjusted 12/26/03.

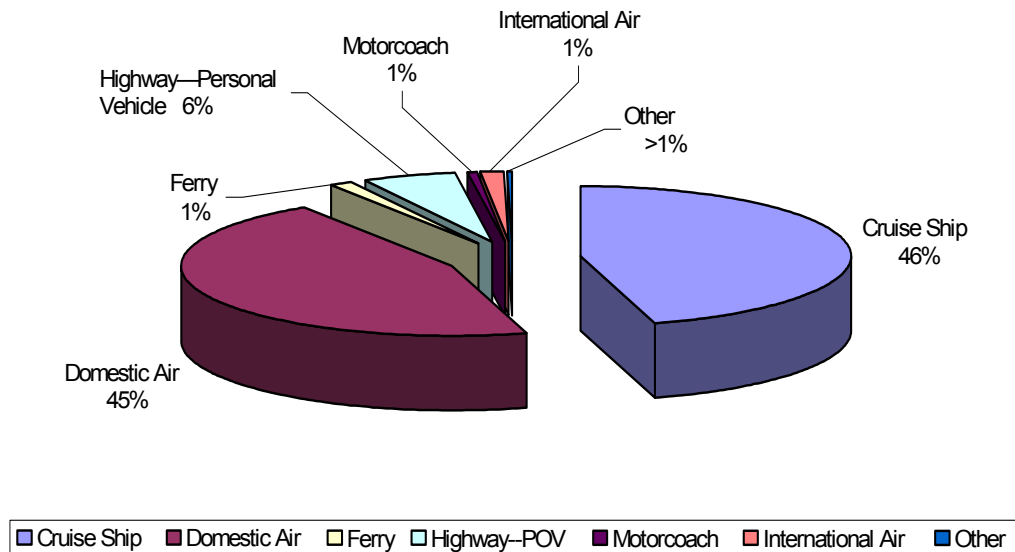
**Table 5. Number and Percent Change in Visitors Arrivals  
Summer 2001 and 2002**

Entry Mode	Number for Summer 2001	Number for Summer 2002	Percent Change	Number Change
Cruise Ship	510,000	581,000	14	71,000
Domestic Air	573,000	578,700	1	5,700
Ferry	17,200	16,800	-2	-400
Highway	82,100	78,700	-4	-3,400
International Air	15,900	15,600	-2	-300
Other	4,600	4,200	-9	-400
<b>Total</b>	<b>1,202,800</b>	<b>1,275,000</b>	<b>6</b>	<b>72,200</b>

Notes: Column and row totals may not equal total due to rounding.

Numbers rounded to the nearest 100.

**Figure 5. Percent of Visitor Arrivals by Mode of Arrival Summer 2002**



Domestic air visitor arrivals increased approximately one percent. Ferry visitor arrivals and international air visitor arrivals each decreased two percent. The decrease in international air arrivals could have been more severe if Alaska businesses had not acted proactively to counter the effects of September 11, 2001. For example, in Fairbanks, Alaska, a consortium of 15 businesses, organizations, and individuals led by the Fairbanks Convention and Visitors Bureau pledged \$100,000 to the German-based vacation airline, Condor Airlines as a financial incentive to the airline.<sup>6</sup> The Letter of Credit was intended to offset a portion of Condor’s commercial risk in developing the Fairbanks international air market. Under the terms of the agreement, Condor Airlines would have been reimbursed when the average number of paying passengers boarding in Fairbanks dropped below 50 passengers per return flight. Condor also flies to Anchorage.

However, businesses in Alaska have felt the effects of changing travel patterns. For example, 58 Alaska businesses applied for disaster relief loans from the Small Business Administration (SBA) for economic injury suffered as a result of the terrorist attacks of September 11, 2001. As of early February 2003, SBA had awarded 22 businesses in Alaska \$2,107,900 in disaster relief loans. Most of these small businesses are in the tourism industry.<sup>7</sup>

Highway arrivals decreased by four percent. Some of the decline in highway travel to Alaska has been attributed to a national trend towards shorter vacations taken closer to home. While highway arrivals were down overall, highway arrivals at Poker Creek (Taylor Highway) were up by more than 6,000 over the previous year for the same period. Conversations with customs official did not identify the reason for this increase.

<sup>6</sup> Fairbanks Convention & Visitors Bureau. “The FCVB presents refund checks to Condor sponsors.” November 4, 2002.

<sup>7</sup> U.S. Small Business Administration, Office of Disaster Assistance, Disaster Area 4, Sacramento.

In terms of total and visitor arrivals to Alaska, it is difficult to sort out the after effects of the terrorism attacks from other factors affecting domestic and international travel prior to September 11, 2001. For example, the downturn in business travel continues.

### **3.4 Trip Purpose**

Visitors to Alaska are categorized by five trip purposes: “Business Only,” “Business and Pleasure,” “Vacation and Pleasure,” “Visiting Friends and Relatives,” and “Other.” In the Summer season, 75 percent of visitors to Alaska were traveling for “Vacation and Pleasure;” this amounts to almost 950,000 visitors (see Table 6). Travel for “Business Only” is the second largest category and accounted for approximately 15 percent of visitors in the summer. Estimates of arrivals by trip purpose for Summer 2002 are based on summer survey data from the most recent AVSP survey year (2000-01). No surveys were conducted during Summer 2002. Table 7 shows trends in visitor arrivals by trip purpose for 1993 through 2002.

**Table 6. Percent and Number of Visitor Arrivals by Trip Purpose  
Summer 2002**

<b>Purpose of Trip</b>	<b>Percent</b>	<b>Number</b>
Vacation and Pleasure	75	946,800
Visiting Friends and Relatives	6	75,000
Business and Pleasure	5	61,000
Business Only	15	188,100
Other	n/a	4,200
<b>Total</b>	<b>100</b>	<b>1,275,000</b>

Notes: “Other” category includes drivers and passengers of commercial vehicles and pedestrians and is not a sampled mode of arrival.

The percentages used to estimate arrivals by trip purpose are derived from information collected during AVSP survey years—in this case AVSP IV in 2000-01.

**Table 7. Trends in Purpose of Trip  
Summer 1993-2002**

<b>Purpose</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2001</b>	<b>2002</b>
Vacation and Pleasure	600,800	669,800	698,200	786,400	839,200	885,60	914,500	892,700	946,800
Visiting Friends and Relatives	89,787	97,100	100,500	103,500	104,500	103,200	105,500	70,700	75,000
Business and Pleasure	56,420	60,700	62,500	65,600	66,400	66,000	67,600	57,500	61,000
Business Only	85,843	90,300	92,400	95,200	96,800	94,900	97,400	177,300	188,100
Seasonal Workers	13,347	13,400	13,500	13,600	13,700	14,000	14,000	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,600	4,200
<b>Total</b>	<b>846,200</b>	<b>931,400</b>	<b>967,100</b>	<b>1,064,300</b>	<b>1,120,500</b>	<b>1,163,700</b>	<b>1,199,000</b>	<b>1,202,800</b>	<b>1,275,000</b>

Source: Alaska Visitor Arrivals, Summer 1993-1999 (McDowell Group); Alaska Visitor Arrivals, Summer 2001-2002 (Northern Economics, Inc.).

**Notes:**

Column and row totals may not be equal due to rounding.

Numbers rounded to the nearest 100.

n/a – not available

No secondary arrival study conducted in 1999-00.

“Other” category included seasonal workers. For 2001 and 2002 includes drivers and passengers of commercial vehicles and pedestrians.

### 3.5 Mode Use

Visitors to Alaska can arrive and depart by a variety of modes and many people in the tour and travel industry are interested in the combined mode use (entry and exit) of visitors. It is important to remember that the AVSP is designed to give accurate information about the characteristics of visitors. This information can be divided to show differences by mode of entry, trip purpose, and traveler type. The AVSP sample plan does not include any monitoring or adjustments based on visitors’ “intended” mode of exit.

Visitors that agree to participate in the AVSP are asked, among other things, “how they intend” to depart the State. No effort is made to ensure that a certain number of visitors are interviewed who are departing by different modes. The sample plan includes several adjustments to account for the fact that a relatively small number of visitors arrive by international air and ferry. No similar adjustments are made to account for differences in the way visitors depart the State. As a result, a random sample of arriving visitors might yield either a very low or a very high number of visitors departing by a given mode.

As a result, information about overall mode use can be corroborated with, but should not be based solely on, AVSP survey data. For example, arrival data from airlines and Cruise Line Agencies of Alaska (CLAA) give a very good indication of the number of people who arrive by air and depart by cruise ship, or who arrive by cruise ship and depart by air. These data are a better source of information regarding the air-cruise mode market or total cruise and total air mode markets than the RAS survey data alone and are used in estimating one-way and round-trip mode used in the table below.

The table shows estimates of one-way and round-trip mode use for various modes. The estimates of one-way and round-trip mode use for domestic air and cruise ship are derived from airline arrival

data and data provided by the cruise industry. The estimates for one-way and round trip mode use for ferry, international air, and highway visitors are taken from survey data for AVSP IV.

The one-way users in the cruise ship category include approximately 154,700 people who are assumed (for this table) to have flown into the State on domestic air and cruised south across the Gulf out of Seward. Another 156,000 cruised into the State and left via an alternate mode of transportation (assumed for this table to be domestic air). Most of the 425, 000 people who fall into the round-trip cruise ship users category sailed from Seattle, San Francisco, Vancouver, or Prince Rupert through Southeast Alaska.

**Number of Visitors Who Travel One Way or Round Trip by Selected Modes  
Summer 2002**

Mode of Entry	Number of Visitors by Mode Use	
	One-Way Users	Round-Trip Users
Domestic Air <sup>a</sup>	310,700	268,000
International Air	9,700	5,900
Cruise Ship <sup>a</sup>	310,700 <sup>b</sup>	425,000
Ferry	11,400	5,400
Highway <sup>c</sup>	11,700	60,000
Other <sup>c</sup>	-	4,200

Notes: Includes percentages of individuals who refused to respond or did not know their method of exit. Percentages for one-way users of international air, ferry, and highway are estimated from survey information in AVSP IV.

<sup>a</sup> Based on arrival data from airlines and data from Cruise Line Agencies of Alaska.

<sup>b</sup> Approximately 154,700 people flew into the State and cruised south across the Gulf out of Seward. Another 156,000 cruised into the State and left via an alternate mode of transportation.

<sup>c</sup> In past AVSP reports, mode of exit for highway referred to personal vehicles. Motorcoach arrivals are not a sampled mode in the AVSP. However, since visitors are surveyed as they arrive, the potential exists that some of those interviewed may be departing via motorcoach.

## 4 Full Year Visitor Arrival Trends

Alaska received more than 1.5 million visitors between October 1, 2001 and September 30, 2002. With Alaska's estimated population at 643,786 as of July 1, 2002,<sup>8</sup> that translates into more than two visitors for every resident of the State.

Table 8 shows total arrivals, residents and visitors combined for the full year from October 1, 2001 to September 30, 2002. Table 9 shows total visitor arrivals for the same period while Table 10 shows the percent and number change in visitor arrivals between Summer 2001 and Summer 2002. Overall, full-year visitor arrivals for Fall-Winter 2001-02 and Summer 2002 increased approximately 5 percent over the previous year. However, this increase is due to a 14 percent increase in cruise ship arrivals. International air visitor arrivals decreased approximately 9 percent.

**Table 8. Total Arrivals (Residents and Visitors Combined)  
Fall 2001 through Summer 2002**

Mode	Fall-Winter 2001-02	Summer 2002	Total
Cruise Ship	2,000	581,000	583,000
Domestic Air	683,400	980,800	1,664,200
Ferry	10,100	23,700	33,800
Highway Personal Vehicle	34,000	128,000	162,000
Highway Motorcoach	800	8,200	9,000
International Air	6,600	25,200	31,800
Other	8,100	7,100	15,200
<b>Total</b>	<b>745,100</b>	<b>1,754,000</b>	<b>2,499,100</b>

**Table 9. Total Visitor Arrivals  
Fall 2001 through Summer 2002**

Mode	Fall-Winter 2001-02	Summer 2002	Total
Cruise Ship	2,000	581,000	583,000
Domestic Air	232,300	578,700	811,000
Ferry	1,600	16,800	18,400
Highway Personal Vehicle	10,600	71,700	82,300
Highway Motorcoach	400	7,000	7,400
International Air	3,200	15,600	18,800
Other	2,800	4,200	7,000
<b>Total</b>	<b>253,000</b>	<b>1,275,000</b>	<b>1,528,000</b>

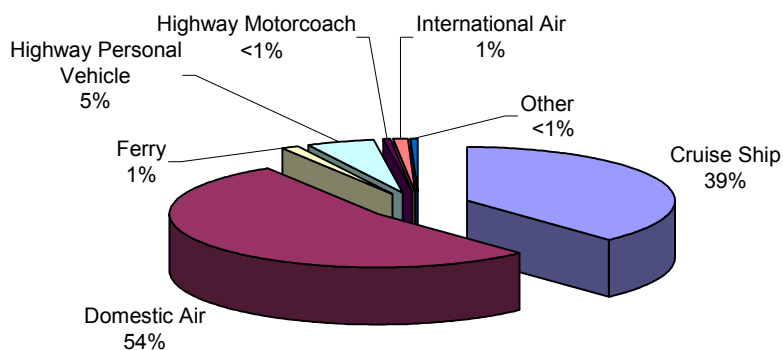
<sup>8</sup> Alaska Department of Labor and Workforce Development Research and Analysis Section accessed at <http://almis.labor.state.ak.us/> on March 4, 2003.

**Table 10. Percent and Number Change in Visitor Arrivals, Full Year  
between Fall-Winter and Summer 2000-01 and Fall-Winter and Summer 2001-02**

Mode	Fall-Winter 2000-01 and Summer 2001	Fall-Winter 2001-02 and Summer 2002	Percent Change	Number Change
Cruise Ship	510,200	583,000	14	72,800
Domestic Air	807,000	811,000	>1	4,000
Ferry	18,700	18,400	-2	-300
Highway	93,600	89,700	-4	-3,900
International Air	20,600	18,800	-9	-1,800
Other	7,100	7,000	-1	-100
<b>Total</b>	<b>1,457,300</b>	<b>1,528,000</b>	<b>5</b>	<b>70,700</b>

Figure 6 shows the percent of visitor arrivals of mode of arrival for the full year. Domestic air is the dominant mode of arrival for full-year visitor arrivals accounting for approximately 54 percent of all visitor arrivals. Cruise ship arrivals account for 39 percent of yearlong visitor arrivals. Personal vehicle highway arrivals account for five percent while international air and ferry each account for one percent of yearlong visitor arrivals. Approximately 83 percent of visitor arrivals take place during the Summer season—May through September.

**Figure 6. Percent by Mode of Arrival of Visitor Arrivals  
for Fall-Winter and Summer 2001-02**



■ Cruise Ship 
 ■ Domestic Air 
 ■ Ferry 
 ■ Highway Personal Vehicle 
 ■ Highway Motorcoach 
 ■ International Air 
 ■ Other

## Appendix A—Support Data

The tables in this appendix present highway arrival counts as they are received from U.S. Customs. In the main body of the SAR, highway arrival numbers have been adjusted to take into account double counting. However, for planning purposes, it may useful for the reader to know how many people entered Alaska at various border stations by month.

Table A - 1 shows the number of individuals who arrived in Alaska in a personal vehicle at the Alcan, Poker Creek, Haines, and Skagway border stations by month. Table A - 2 contains a compilation of the data as it was received from U.S. Customs in Anchorage and shows highway arrivals by month for commercial vehicles motorcoach/bus, occupants of personal vehicles, and pedestrians.

**Table A - 1. Number of Arrivals by Personal Vehicle at Border Stations by Month  
Summer 2002**

<b>Border Station</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>Total</b>
Alcan	9,756	19,008	19,919	14,053	6,685	69,471
Poker Creek	259	6,961	9,840	6,354	2,594	26,008
Haines	3,403	6,850	8,738	8,943	4,481	32,415
Skagway	9,824	15,805	19,176	16,676	9,128	70,609
<b>Total</b>	<b>23,242</b>	<b>48,624</b>	<b>57,673</b>	<b>46,026</b>	<b>22,888</b>	<b>198,453</b>

Source: U.S. Customs, Anchorage office.

**Table A - 2. U. S. Customs Arrival Data  
by Border Crossing and by Month  
Summer 2002.**

Border Crossing	Commercial Vehicle	Bus	Private Vehicle	Pedestrian
<b>Alcan (Tok/Beaver Creek)</b>				
May	1,166	112	9,756	0
June	1,046	947	19,008	0
July	948	1,700	19,919	43
August	1,130	1,291	14,053	0
September	946	609	6,685	0
Total	5,236	4,659	69,421	43
<b>Dalton Cache (Haines)</b>				
May	82	12	3,403	29
June	113	108	6,850	8
July	117	433	8,738	24
August	108	193	8,943	12
September	61	94	4,481	15
Total	481	840	32,415	88
<b>Poker Creek (Taylor Hwy)</b>				
May	10	14	259	0
June	89	1,346	6,961	0
July	72	1,160	9,840	0
August	93	953	6,354	0
September	93	657	2,594	0
Total	357	4,130	26,008	0
<b>Skagway (Klondike Hwy)</b>				
May	198	14,129	9,824	0
June	159	30,638	15,805	3
July	162	33,614	19,176	0
August	171	28,617	16,676	0
September	170	22,765	9,128	0
Total	860	129,763	70,608	3
<b>Grand Total</b>	<b>6,934</b>	<b>139,392</b>	<b>198,453</b>	<b>134</b>

Source: U.S. Customs, Anchorage office.