The Southeastern Alaska Tourism Industry: Historical Overview and Current Status

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On any given summer day in Southeastern Alaska (Southeast), tourism is an obvious and robust presence. Several communities might see two to five large cruise ships in their harbors every day. Nearly all communities in the region see smaller tour boats and independent travelers who arrive by plane or boat to observe wildlife or go sport fishing. In 1999, approximately 835,000 people, about 11 visitors for every resident of Southeast, traveled to the region to experience its scenery, wildlife, and "last frontier" allure (Schroeder 2001).

The passenger volumes from cruise ships make up the largest proportion of visitation in Southeast. In the summer of 2002, nearly 700,000 people arrived in Ketchikan (resident population of about 8,000) by cruise ship (Ketchikan Visitors Bureau 2005). Juneau cruise ship arrivals were nearly 720,000 that year (Juneau Economic Development Council 2004) (Fig 1).

Tourism has played a role in the Southeast economy since the late nineteenth century, but the current magnitude of the cruise ship industry in the region is a recent phenomenon. The role of tourism in contemporary Southeast is examined below, following a look at the history of the industry.

FIG 1 Five cruise ships in the Juneau Harbor during the peak of the 2005 summer tourism season. Nearly a million visitors are traveling to southeast annually to enjoy and explore the region's scenery, wildlife, and culture. (John Schoen)

HISTORY OF TOURISM IN SOUTHEASTERN ALASKA

Naturalist John Muir's first visit to Southeast in 1879 could perhaps be noted as the inception of the Alaska visitor industry. His interest was natural science, in particular the study of glaciers. Muir's destination was Glacier Bay, and his route took him up the Inside Passage through what would later become the Tongass National Forest. Muir returned several times during the ensuing decade, and inspired other researchers to explore and study Glacier Bay. His flamboyant and enthusiastic written accounts of his adventures in Alaska (Muir 1915) helped put the region on the map as exotic and beautiful terrain on the edge of the American frontier.

Glacier Bay was accessible by steamship, and in 1883, Captain James Carroll took the side-wheeler steamship *Idaho* up the Inside Passage to Glacier Bay with tourists on board. By 1890, two steamship companies were operating in Southeast. The Pacific Steamship Company and the Alaska Steamship Company each operated three vessels in the Inside Passage, with Glacier Bay the featured destination (Catton 1995).

In 1889, railroad magnate E.H. Harriman chartered one of the Pacific Coast Steamship Company vessels, the *George W. Elder*, and conducted what is still the most renowned cruise of coastal Alaska. On board were luminaries of science and government: Chief

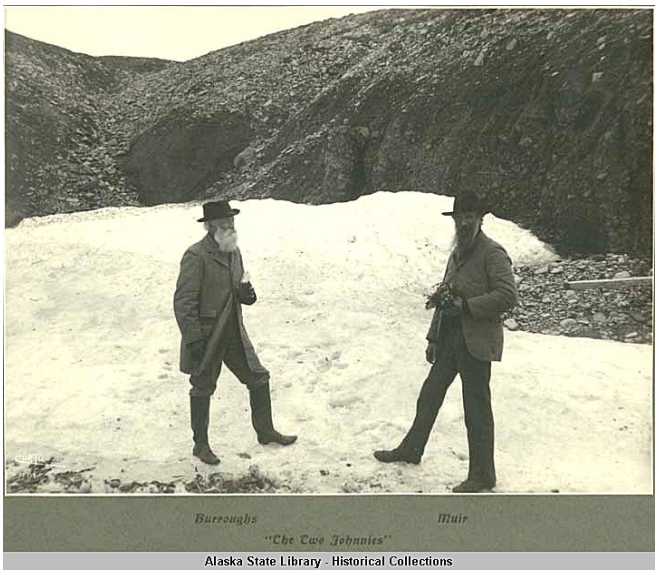

FIG 2 John Burroughs (left) and John Muir during their 1899 trip to Alaska during the Harriman Expedition. This and a few other turn of the century cruises up the Inside Passage was the advent of tourism to this spectacular region. (Alaska State Library, Edward S. Curtis, P305-186)

Forester, Bernard Fernow; naturalists, John Muir and John Burroughs; U.S. Biological Survey Chief, C. Hart Merriam; writer and publisher, George Bird Grinnell; and head of the U.S. Geological Survey, Henry Gannett (Fig 2). The voyage was billed as an exploratory expedition, and the participants' publications introduced many influential Americans to the coast of the Alaska Territory (Burroughs et al. 1899). In his report, Gannett prophesized the thriving Alaska visitor industry of today:

> The Alaska coast is to become the show-place of the earth, and pilgrims, not only from the United States, but from far beyond the seas will throng in endless procession to see it. Its grandeur is more valuable than the gold or the fish or the timber, for it will never be exhausted.

In 1899, an earthquake disrupted the Muir Glacier in Glacier Bay. The face of the glacier collapsed and the bay filled with ice bergs. Steamships could no longer approach the glacier, and visits began to focus on the Taku Glacier near Juneau. Although the steamship business continued, tourism was not a significant feature of Alaskan life. Gold mining, salmon canning, and logging were the primary endeavors from the end of the nineteenth century through the first half of the twentieth century (Catton 1995).

Tourism may have been an economic footnote, but some of the visitors were significant. The luminary entourage of the Harriman expedition was followed by hunters and outdoorsmen, who continued to visit the region. In 1930, writer and sportsman John Holzworth published *The Wild Grizzlies of Alaska*, which chronicled his visits to hunt and observe brown bears on Admiralty, Baranof, and Chichagof islands. Holzworth called the islands "the world's greatest bear country." He included in his book a chapter by Harry McGuire, a writer for *Outdoor Life* magazine, called "The Last Stand of the Bear." McGuire in turn cited a 1930 resolution of the American Society of Mammalogists calling on the federal government to "set aside said islands, Admiralty, Chichagof, and Baranof as inviolate sanctuaries for the Alaskan brown bear and grizzly bear."

The rhapsodic, natural history and travel writing of Muir, encyclopedic account of coastal Alaska geography by members of the Harriman expedition, and wildlife conservation interests of sports enthusiasts and biologists collectively captured the spirit of visitation to Southeast before the Second World War. That pivotal event changed Alaska as it changed everyone. Battles were fought in the Alaska Territory, the Alaska Highway was constructed, and military gun emplacements and airfields were built throughout Southeast. Americans began to think of Alaska as part of America rather than a distant territory. The campaign for statehood in the 1950s succeeded in bringing Alaska into at least the fringes of American consciousness.

In the 1960s, Southeast tourism began to grow. Although regionwide visitor records from that time are sparse, National Park Service records in Glacier Bay provide an index to Southeast tourism growth (Fig 3). A lodge at Bartlett Cove in Glacier Bay was completed in 1966, and by 1969, more than 3,000 people visited Glacier Bay. Approximately 1,600 arrived on cruise ships, and only about 100 ventured into the backcountry to camp.

The growth in Glacier Bay tourism reflected geography, history, technology, and growing American affluence. The steep-walled fiords and glaciers of

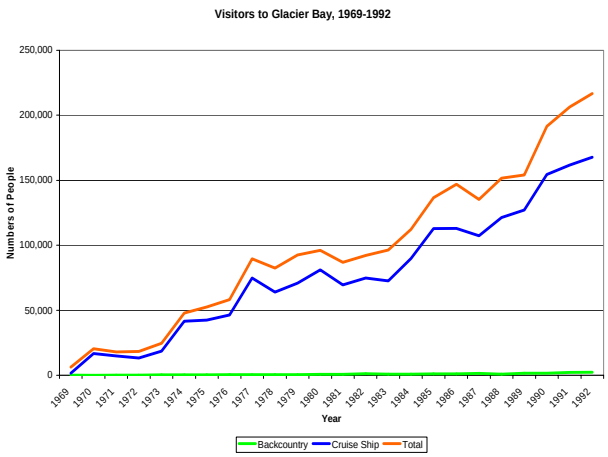

FIG 3 Annual visitation to Glacier Bay National Park, 1969-1992 (NPS data).

Glacier Bay are typical of the region, even if the presence of so many tidewater glaciers is unique (Fig 4). Marine vessel transportation is the most practical way to travel long distances, and technological advancement made petroleum-powered cruise ships a reality. And the increasing affluence of Americans in the post-war decades bolstered the market for such trips, as well. In addition, because most of the cruise ship vacations to Southeast featured Glacier Bay as a designation, the trends chronicled by the National Park Service are representative of those in the region as a whole.

Although cruise ship visitation clearly dwarfed backcountry visitation in terms of numbers of people, the beginnings of the ecotourism industry were evident in Southeast by the 1970s. In 1972, a local outdoorsman and Methodist minister from Sitka, Chuck Horner, incorporated the first wilderness guiding company in the state, Alaska Discovery. Inspired by his own adventures, Horner was also aware of the provision in the Alaska Native Claims Settlement Act of 1971 for the conservation and protection of federal "national interest lands" in Alaska. Horner had a vision that a successful private business could bring people to experience Alaska wilderness first-hand, thereby building support for conservation and demonstrating that the Alaska wilderness could support local businesses and provide jobs in local communities. Alaska Discovery began offering guided wilderness camping and natural history expeditions on Admiralty Island and in Glacier Bay. In time Alaska Discovery expanded trip offerings to Tracy Arm, West Chichagof Island, the Hubbard Glacier, and Icy Bay. The company's motto, "for the

FIG 4 Cruise ship at the face of Marjorie Glacier at the head of Tarr inlet in Glacier Bay National Park. Visitation to Glacier Bay has steadily increased over the last 4 decades. Southeast's spectacular scenery, glaciers, and wildlife are major attractions to people from all over the world. (John Schoen)

enjoyment and conservation of the great Alaska wilderness," combined the recreational and preservation goals that came to typify ecotourism (Alaska Discovery Wilderness Adventures 2005).

With expanding cruise ship visitation and ecotourism came expansion of yet another aspect of Southeast tourism: recreational or "sport" fishing. Abundant salmon and halibut are the foundation of a recreational fishing economy that is a key element of Southeast tourism (Fig 5). When a cruise ship pulls into Ketchikan, Sitka, or Juneau, many guests are bused immediately to waiting charter boats. Most outlying communities have fishing lodges that provide a more leisurely, in-depth fishing experience. The range of experiences available is diverse. At the other end of the spectrum from high-volume tours offered by cruise ships are private lodges both rustic and elite. High-end experiences are exemplified by the Waterfall Resort on Prince of Wales Island. Originally a salmon

cannery, the facility was converted to a fishing resort in 1973 and completely remodeled in 1980. With its own fleet of charter boats and top-notch accommodations, 4-day fishing packages in 2005 ran from $3,000 to $5,000 (Waterfall Resort 2005).

The growth in the cruise ship portion of the tourism economy has been accompanied by expansion of the number of retail businesses catering to tourists, and in the variety of short shoreside excursions available to

FIG 5 Sport fishing (top) has become a major draw for visitors to Southeast and is often combined with wildlife viewing, particularly for whales (below). (John Schoen)

passengers. Retail stores come in a wide variety, from franchise chain stores with outlets in cruise ship ports of call around the world, to locally owned art galleries and souvenir shops. In addition to fishing charters, popular day excursions include helicopter and seaplane sightseeing flights over the glacier and fiord scenery, guided hiking and bicycling, river float trips, and salmon bake dinners (Travel Juneau.com 2005).

Inconspicuous in the aggregate visitor statistics are the independent travelers, those who do not purchase a cruise or package, but prefer to organize their own travel and sometimes engage in a more spontaneous visit. Staying at bed and breakfasts and going on their own hikes and kayak trips, the independent travelers support a number of small, locally owned businesses that are not part of the cruise ship enterprise. In addition, a small but significant portion of Alaska's visitor industry consists of people who travel to Alaska for business rather than vacation.

CONTEMPORARY TOURISM IN SOUTHEASTERN ALASKA

Tourism in Southeast has continued to grow in magnitude and economic importance. The growth trend recorded for Glacier Bay visits by cruise ship passengers has also continued through the 1990s throughout Southeast (Fig 6). According to the Northwest Cruiseship Association, by the 2004 summer tourist season, more than 800,000 cruise ship passengers visited Southeast. The cruise ship expansion reflected additional ships in the Inside Passage, as well as the construction of huge new ships capable of carrying more than 2,000 passengers each.

FIG 6 Growth of tourship passengers in southeast Alaska, 1990 to 1999.

The economic impact of the cruise ship industry has been substantial. In 1999, the combined expenditures of cruise ship companies, their passengers, and their crews in four Southeast communities—Juneau, Sitka, Haines, and Ketchikan—were estimated to exceed $180 million. Those communities collected $6.6 million in cruise-related sales tax revenue. The employment related to cruise ship tourism was the equivalent of more than 1,500 jobs; considering part-time and seasonal jobs, the total number of people employed exceeded 5,000 individuals in 1999. The relative importance of the cruise ship industry to local employment in Southeast was greatest in Ketchikan, where cruise-related employment represented 16% of

the basic industry employment (McDowell Group 2000).

With the growth in cruise ship tourism has come contentious local issues. The City and Borough of Juneau has invested significant time and effort in mitigating tourism-related impacts and seeking consensus-based solutions. In Juneau, summer visitors increase pressure on residents who have trouble finding parking downtown and find the local streets overflowing with people and congested with vehicle traffic. Helicopter and seaplane sightseeing have increased noise levels when aircraft fly over residential and recreation areas. Significant numbers of Alaskans also question whether the cruise companies pay enough taxes to offset the impacts and costs they impose on local communities. Juneau recently imposed a $2 per visitor head tax, and annual campaigns call for higher and more widespread tourism taxes.

Significant pollution issues have been addressed somewhat successfully. Some ships now use shoreside electrical power so that they do not need to operate onboard generators in port, reducing air pollution. In addition, new state rules limiting waste-water discharges from the ships have led to improved discharge practices and more effective onboard treatment systems. Nonetheless, even in communities that place high value on the economic benefits derived from tourism, quality-of-life concerns loom large for many local residents. These concerns carry over to more remote, rural communities as well. Outlying communities that need the economic benefits associated with tourism are often hesitant to embrace the industry because of fear that their way of life will be overwhelmed by industrial tourism.

Often lost in the magnitude of big-cruise-ship tourism are the smaller tour vessel passengers and those who travel independently in Southeast. Many vessels carrying 6–100 passengers now ply the waters of the Inside Passage (Fig 7). These trips typically feature natural history, photography, on-shore hiking and wildlife observation, and a more intimate presence in the landscape than is possible for the large-cruise-ship traveler to experience. Arriving primarily by air, independent travelers engage in many of the same activities as do cruise ship passengers. However, they tend to stay longer, stay on shore, and spend more money locally than do cruise passengers (Egret Communications 2002). Although small in relation to the big cruise industry, emerging approaches to tourism feature Native cultures and natural history.

FIG 7 A variety of small cruise vessels are now offering scheduled and charter cruises for several to 100 passengers throughout Southeast. Many of these cruises focus their emphasis on natural history and wildlife viewing. (John Schoen)

PUBLIC LAND VALUES IN SOUTHEAST TOURISM

Interviews with visitors to Southeast consistently reveal that they come to see, and value, three top attributes: the Inside Passage itself, magnificent scenery, and abundant marine and terrestrial wildlife. These three experiences derive directly from the Tongass National Forest and Glacier Bay National Park, and the marine waters that ebb and flow among the islands of the Alexander Archipelago. These federal lands and waters together create the essential asset, the foundation, for the tourism industry of Southeast.

The role of Glacier Bay as a scenic and tourist attraction is longstanding. The role of the Tongass National Forest has grown with the industry, and the wildlife, fisheries, scenic, and recreation resources of the forest have become a foundation for tourism in the region. Developed recreation and natural areas, such as the Mendenhall Glacier in Juneau, are visited by hundreds of thousands of people each year. Wilderness areas like Misty Fiords, near Ketchikan, also are seeing substantial visitation by backcountry visitors and large numbers of sightseers in small aircraft. The Tongass Land Management Plan (TLMP) documented that 331,000 people visited the Mendenhall Glacier, and 60,000 visited Misty Fiords National Monument and Wilderness Area in 1993 (U.S. Forest Service [USFS] 1997). Since 1993, total regional visitation has nearly doubled across the board.

When Alaska Discovery began taking groups of 3–12 people camping in 1972, only a small handful of businesses featured canoeing and kayaking on the Tongass. By 2000, more than 100 recreation and

tourism businesses engaged in some way in paddle sports and nonmotorized boating in Southeast (Fig 8). The number of outfitting and guiding companies taking guests ashore to recreate on the Tongass, overnight or for day outings, has mushroomed during the same period. The USFS is planning to accommodate nearly 50,000 guided recreationists onshore in the north Tongass alone; the agency expects private, independent recreation to exceed this number many times over (USFS 2004).

FIG 8 Guided sea kayaking trips have become quite popular in Southeast and many locals and independent travelers also enjoy the activity. This is a great way to experience wildlife and many trips take advantage of Forest Service rental cabins scattered throughout the region. (John Schoen)

Southeast provides some of the best opportunities in the world to view wildlife, and these opportunities are highly valued by visitors. A statewide assessment of visitors' willingness to pay for day trips to observe wildlife found the three most valued animals to be brown or grizzly bears (*Ursus arctos*), whales, and bald eagles (*Haieaeetus leucocephalus*), quintessential species of the Southeast rainforest coast (Miller and McCollum 1997). This desire for wildlife viewing is borne out by the growing popularity of whale-watching charters in virtually every Southeast port. Visitation at the four USFS bear-viewing sites in the Tongass is at or approaching maximum allowed levels. Visitation at the Pack Creek area for brown bear viewing on Admiralty Island (Fig. 9) grew from about 100 people in 1981 to 1,400 in 1997, despite a large increase in permit cost (Fair 2000).

Almost all wildlife observation in Southeast occurs on public lands and waters, and the foundation of the wildlife abundance in the region is the diversity and abundance of productive wildlife habitat. The growing importance of tourism and recreation to the regional economy strongly suggests that land managers should devote particular attention to maintaining the wildlife, fish, and scenic resources of Southeast.

Although tourism and recreation are the fastest-growing economic activities in the region, the importance of these interests is not yet reflected in the annual USFS budget. In fiscal year 2001, the combined Tongass expenditures for wildlife, fisheries, recreation, trails, tourism, cultural resources, and wilderness management were about 20% of the agency budget while the timber and road management represented more than half the budget (USFS 2003). The USFS has an opportunity, however, to adjust its management emphasis to accommodate the growing public demand for tourism and recreation. To sustain this new economy, the USFS also needs to invest in monitoring and management of tourism and recreation to safeguard the habitat, wildlife, fish, and scenic resources of the Tongass, which is the foundation of tourism and recreation in Southeast.

FIG 9 Bear viewing has become a popular activity in Southeast and opportunities exist for several agency bear viewing sites including this one at Pack Creek on Admiralty Island. (John Schoen)

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