
KOTTKE NATIONAL END OF SEASON SURVEY 2007/08

P R E L I M I N A R Y R E P O R T

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NATIONAL
SKI AREAS
ASSOCIATION



KOTTKE NATIONAL END OF SEASON SURVEY 2007/08 P R E L I M I N A R Y R E P O R T

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National Ski Areas Association
In conjunction with
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A C K N O W L E D G M E N T S

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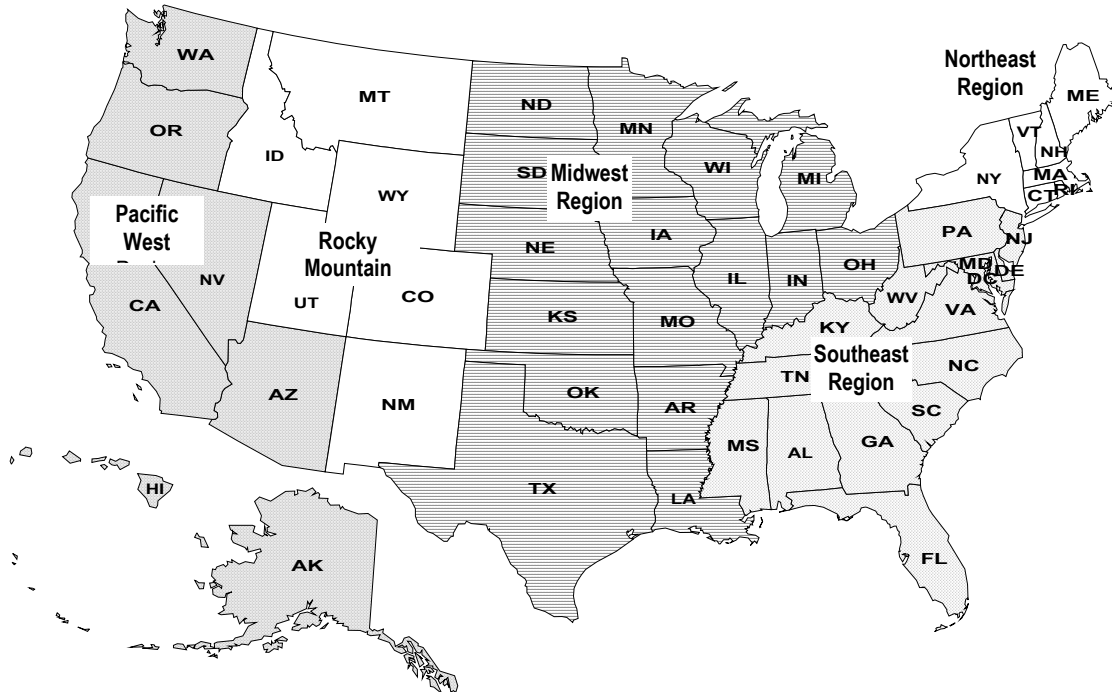
KOTTKE NATIONAL END OF SEASON SURVEY 2007/08

PRELIMINARY REPORT

By RRC Associates – Nolan Rosall, David Becher, and Tim Ireland

May 22, 2008

REGIONAL BOUNDARIES FOR END OF SEASON ANALYSIS



Key Highlights of the 2007/08 Season

- Record season achieved. The industry rebounded dramatically from the difficult 2006/07 season to set an all-time record in visits. Even more impressive, based upon preliminary estimates obtained for this report, 2007/08 reached the milestone of 60.1 million visits. This record represents a 9.1 percent increase from the 55.1 million visits recorded in 2006/07, and a 2.0 percent rise from the prior record of 58.9 million visits set in 2005/06.
- Impressive depth and consistency in all regions and resort sizes. All regions of the United States and, in general, resorts of all size categories contributed to the record season. Among the regions hardest hit by poor weather last year, the Northeast rebounded by 19.3 percent, the Midwest rose by 12.3 percent, and the Pacific West improved by 10.0 percent. The Southeast gained a more moderate 6.5 percent and the Rocky Mountains, which set a new record in 2006/07, topped that record by 2.3 percent this year as well.

With the single exception of the largest resorts in the Southeast region, all resort size categories in all regions showed gains in visits as compared to last season.

- Relative gains and losses by state. Each state within the Northeast reported substantial increases in visitation. The two largest states within the region, Vermont and New York, showed estimated gains of 15 percent and 19 percent, respectively.

Within the Southeast, the most dominant state, Pennsylvania, was up by about 12 percent and New Jersey, considerably smaller in terms of sheer volume, increased visitation by almost 30 percent. Virginia, Maryland, West Virginia, and North Carolina reported declines compared to last season, thereby moderating the strength present in the northern tier of the region.

All states in the Midwest reported increases this season over last. The two largest states, Wisconsin (up 21 percent) and Michigan (up 15 percent) both increased substantially. The other dominant state in that region, Minnesota, showed less than a two percent gain.

Within the Rocky Mountain Region, Colorado, Utah, and New Mexico each had relatively minor changes from last season with Colorado essentially flat, Utah up slightly, and New Mexico down slightly. The northern Rockies states, Idaho, Montana, and Wyoming, were all up more strongly, between 11 and 17 percent.

The largest state in the Pacific West, California, gained by an estimated almost eight percent. The Northwest, Oregon and Washington, were up more moderately and Alaska was down by almost 14 percent, the greatest decline of any state. Arizona and Nevada, both relatively small in total visits, nevertheless reported very substantial increases in visitation with Arizona reporting gains of over 400 percent and Nevada up by over 20 percent.

- Strong growth in international visits. Contributing to the record 2007/08 season was an increase in international visits, which this year represented 6.4 percent of visits, up from 5.3 percent of visits last season. In absolute terms, international visits are estimated to have jumped by 29 percent this season. Larger resorts, and particularly those in the Rocky Mountain, were the greatest beneficiaries of the increased international presence.
- Record visits despite headwinds in economic and travel environment. It is notable that the record 2007/08 ski season took place despite a national economic slowdown, signaled by a GDP growth rate of under 1 percent, rising unemployment, the bursting of the housing bubble, mortgage and credit crises, a slumping stock market, soaring oil and gas prices, plunging consumer confidence, and declining travel measures such as reduced hotel occupancy rates and declining domestic enplanements. While favorable snowfall provided a powerful boost to the ski industry, the gains occurred notwithstanding a deteriorating economic climate, illustrating the resilience of the industry and much of its customer base to macroeconomic fluctuations. The record season also suggests that the industry has enhanced its ability to capitalize on favorable snow conditions, when the opportunity arises.
- Abundant, favorably timed snowfall. This season, improved winter weather conditions and abundant snowfall in all regions except the Southeast helped the U.S. to rebound from a sub-par 2006/07. Strong increases in snowfall were experienced by the Pacific West (up 62 percent), Rocky Mountains (up 39 percent), Midwest (up 35 percent), and Northeast (up 26 percent), with only the Southeast reporting a decrease in snowfall (-7 percent).

As important as the increased total snowfall was its timing. Substantial early season gains in snowfall occurred in the Northeast, Southeast and Midwest, in direct contrast to the paucity of early snow last season. This helped these regions get off to a dramatically stronger start, and a

sufficient base was established to enable that momentum to be carried over into the mid- to later winter months.

By contrast, the Rocky Mountains and Pacific West had relatively dry conditions in November and early December, depressing early season visitation, and likely dampening advance bookings for later in the year. However, strong snowfall began shortly before the Christmas period and continued throughout the remainder of the season, reversing the early slow start, and carrying those regions to overall visitation gains.

- Visitation by time of season linked to snowfall. On an overall national basis, visitation gains occurred in each of five identified season periods of the season, reflecting the generally improved snow conditions across the country throughout the year. Specifically, visits were up 6 percent in the pre-Christmas period; up 31 percent over the Christmas/New Year's holiday; up 6 percent over the January 3 – February 18 period; up 3 percent over the February 19 – March 23 period; and up 14 percent over the March 24 – close period. The Northeast, Southeast, and Midwest were up especially strongly through Christmas, with the Northeast sustaining strong growth through the remainder of the season, and the Southeast and Midwest experiencing more variable results. By contrast, impacted by poor early season snow, the Rockies and Pacific West were both down in the pre-Christmas period, but up in almost all of the remaining segments of the season.
- Average days open up 7 percent. Consistent with improved snowfall and/or favorable snowmaking weather, every region of the country experienced a longer season (except the Rockies, which were virtually flat), helping drive visitation gains. Days open increased by 13 percent in the Northeast, 14 percent in the Southeast, 8 percent in the Midwest, and 11 percent in the Pacific West, while declining 0.3 percent in the Rockies. The increase in days open was also aided by a reduced incidence and duration of unplanned midseason closures.
- Snowboarding increases moderately. Snowboarding represented 31.6 percent of total skier visits this season, up from 30.7 percent last season. The overall national growth in snowboarding reflected both widespread growth across most region and size categories, as well as high growth in overall visitation by regions which have high snowboarding participation rates (particularly the Pacific West, Midwest, and Southeast).
- Growth in day visitation. Day visitation increased significantly in proportionate terms this season, building upon steady albeit more moderate gains in the previous three seasons. Day visitation increased in every region except the Southeast, and also rose in all size categories except the smallest resorts.

The steady growth in day visitation over the past four seasons suggests a potentially more systemic shift in the visitation mix in favor of day visitation. This is consistent with the industry's long-term growth in season pass visitation – a trend, however, which was at least temporarily reversed this season (as discussed below). As such, the growth in day visitation this season appears likely to have been due at least in part to day visitors who are not season passholders – perhaps less frequent participants who were encouraged to visit by favorable snow conditions. These patterns will bear further review and assessment in the final report, as sample sizes increase.

In addition, very favorable snow conditions which prevailed most of the season in each region, combined with the recessionary pressures and expense of travel, encouraged active skiers and riders within each region to stay “local”, which was reflected in multiple statistics this past season.

- Paid tickets increase; season pass visits and sales dip. Paid tickets edged up to 59.5 percent of total national visits from 58.9 percent last season. The uptick this season at least temporarily reverses several seasons of decline, and should be a positive harbinger for resort revenues. Additionally, in the context of the record visitation this season, the results indicate that paid skiers contributed disproportionately to the gains. To the extent that paid visitors tend to be less frequent participants (as contrasted with season pass loyalists), the data suggests that a more diverse crowd visited the slopes this season, perhaps attracted by the favorable snow conditions.

In contrast to the growth in paid visits, season pass visits edged down this season, accounting for 31.9 percent of total visits, vs. 32.2 percent in 2006/07. Consistent with the proportionate decline in season pass visits, the number of season passes sold declined this past season nationally and in every region and size category, following several seasons of growth. While the reasons for the decline in pass sales are not clear, contributing factors could include increased pass prices, a weakening economy, concern about snow conditions in some regions, and shifting skier preferences and behavior, among other factors.

- Ticket yield ratios slip. In a somewhat counterintuitive finding, reported ticket yield ratios slipped this winter, notwithstanding an increase in the share of visits attributable to paid tickets. This may be attributable to “recalibrated” results at a small number of resorts, and will be more fully investigated ahead of the final report, when additional survey responses will also be available. In broader historical perspective, ticket yield ratios appear to have generally plateaued nationally and in most regions over the past three to four seasons, stabilizing after several years of decline.
- Lesson volume up slightly. Among responding resorts, total lessons this season increased by 1.9 percent, a positive gain but significantly weaker than the projected 9.1 percent increase in skier visits. Total lesson volumes were up in the Southeast (11.2 percent), Pacific West (6.1 percent), and Northeast (5.9 percent), but down in the Rocky Mountains (-3.2 percent) and Midwest (-3.4 percent).

By equipment type, both alpine lessons (up 1.5 percent) and snowboard lessons (up 3.2 percent) eked out increases, although patterns were mixed by region. By ability level, Level 2+ lessons fared better (up 4.1 percent) than Level 1 lessons (-2.0 percent). By age, adult lessons declined (-1.5 percent), while kids’ lessons rose (up 5.9 percent).

Methodology

The End of Season Survey is designed to provide an ongoing tracking of several key barometers of interest and importance to the industry. Response to this season's questionnaire has been strong; the data presented reflect the participation of 215 of the nation's 481 operating ski resorts (including 214 which provided data for both 2007/08 and 2006/07). These 215 resorts account for 49.0 million skier visits, which permits generally reliable estimates of national results to be made at this time.

It should be emphasized, however, that the findings contained in this report are preliminary, and are subject to adjustment. The deadline for responding to the End of Season Survey occurred while several resorts remained open or had yet to make final adjustments to their skier visit numbers. A final and more comprehensive report will be completed this summer. With the expectation of additional resort participation in that final study, as well as more complete and updated data from existing participants, it can be assumed that final statistics will vary somewhat from estimates provided in this preliminary report.

Most of the issues and topics addressed in the survey have remained consistent from year to year to allow for a tracking of trends and patterns over time. As well, changes are typically made each year to address current topics of interest to the industry. This season, two new questions were added, regarding classification of ski area (day ski area, overnight drive ski area, overnight fly/destination ski area), and estimated design capacity. Two questions were dropped, pertaining to hours that snowmaking was operated, and projected snowboarding visitation in five years.

The NSAA Economic Committee and RRC Associates greatly appreciate the cooperation and involvement of the many participating resorts which make this report possible.

Skier Visit Results

Clearly, 2007/08 was a very positive winter overall, with all regions enjoying largely favorable snowfall and weather conditions. Skier visits, overall, set a new all-time record 60.1 million visits, exceeding the previous record set in 2005/06 of 58.9 million visits by 2.0 percent. Visits were also up by 9.1 percent from 2006/07, a season in which most regions of the country (outside of the Rocky Mountains) experienced relatively poor snow conditions during a significant portion of the season.

All regions reported increases in visitation in 2007/08. The Northeast jumped by 19.3 percent, the Midwest rebounded by 12.3 percent, and the Pacific West improved by 10.0 percent. The Southeast gained a more moderate 6.5 percent and the Rocky Mountains, which set a new record in 2006/07, topped that record by 2.3 percent this year as well.

Utilizing only the actual reported skier visits from the respondent areas which provided data for both this season and last, results parallel the overall projections of the model. The 214 responding areas show an increase of 8.3 percent, to 48.8 million visits this season from 45.1 million in 2006/07, and show consistent trending between actual and projected visits at the regional level as well (Table 2 to follow). Finally, for a broader historical perspective, Table 3 to follow summarizes actual results from the 194 resorts which reported visits for each of the past four years.

Table 1
Projected Skier Visits by Region
2004/05 - 2007/08

	07/08 vs. 06/07			07/08 vs. 05/06		07/08 vs. 04/05	
	2007/08	2006/07	% Change	2005/06	% Change	2004/05	% Change
Northeast	14,074,622	11,801,143	19.3%	12,505,055	12.6%	13,660,522	3.0%
Southeast	5,207,206	4,887,884	6.5%	5,839,233	-10.8%	5,503,915	-5.4%
Midwest	8,089,351	7,200,313	12.3%	7,786,901	3.9%	7,532,897	7.4%
Rocky Mountain	21,329,343	20,849,376	2.3%	20,717,139	3.0%	19,606,365	8.8%
Pacific West	<u>11,365,589</u>	<u>10,329,629</u>	<u>10.0%</u>	<u>12,048,642</u>	<u>-5.7%</u>	<u>10,578,599</u>	<u>7.4%</u>
<i>Total</i>	60,066,111	55,068,344	9.1%	58,896,971	2.0%	56,882,298	5.6%

Table 2
Skier Visits by Region—Survey Respondents Only
2007/08 vs. 2006/07 (Two Season Comparison)

	Survey Respondents 2007/08	Survey Respondents 2006/07	07/08 vs. 06/07 % change	Survey Responses
Northeast	10,768,368	9,076,417	18.6%	57
Southeast	3,480,208	3,237,030	7.5%	19
Midwest	3,300,391	2,923,786	12.9%	31
Rocky Mountain	20,491,141	20,026,081	2.3%	64
Pacific West	<u>10,791,554</u>	<u>9,826,623</u>	<u>9.8%</u>	<u>43</u>
<i>Total</i>	48,831,662	45,089,937	8.3%	214

**Note: Table reflects skier visits by resorts reporting data for both 2007/08 and 2006/07.*

Table 3
Skier Visits by Region—Survey Respondents Only
2004/05 – 2007/08 (Four Season Comparison)

	07/08 vs. 06/07			07/08 vs. 05/06		07/08 vs. 04/05		Survey
	2007/08	2006/07	% Change	2005/06	% Change	2004/05	% Change	Responses
Northeast	10,485,545	8,848,823	18.5%	9,432,162	11.2%	10,263,365	2.2%	51
Southeast	3,443,582	3,197,169	7.7%	3,741,200	-8.0%	3,575,887	-3.7%	17
Midwest	3,104,248	2,785,181	11.5%	2,951,796	5.2%	2,855,047	8.7%	26
Rocky Mountain	20,485,141	20,020,492	2.3%	19,831,905	3.3%	18,812,445	8.9%	63
Pacific West	<u>10,190,743</u>	<u>9,254,522</u>	<u>10.1%</u>	<u>10,757,086</u>	<u>-5.3%</u>	<u>9,056,501</u>	<u>12.5%</u>	<u>37</u>
<i>Total</i>	47,709,259	44,106,187	8.2%	46,714,149	2.1%	44,563,245	7.1%	194

**Note: Table reflects skier visits by resorts reporting data for both all four seasons (2004/05 through 2007/08).*

- The difference in the results between actual reported visits from the respondent sample (Tables 2 and 3) and estimated total visits (Table 1) is a function of the modeling process which is used to estimate the skier visits of non-responding resorts, taking into account the size and location of such resorts. Non-responding resorts, for which projected visits are extrapolated, are predominantly small to mid-sized resorts.

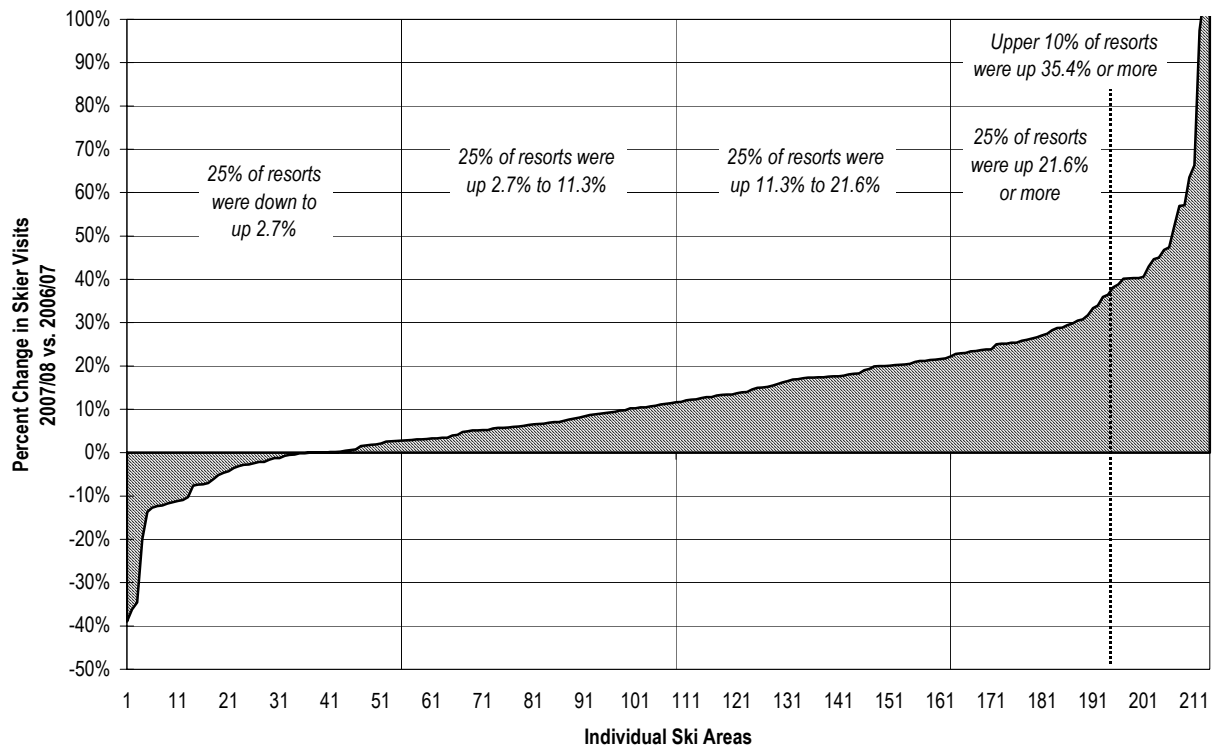
- The modeling process used to generate the skier visit projections is widely viewed to be reasonable and accurate. The differences between actual responses and projected results is aided by the high proportion of “reported” total visits, approximately 48.8 million or 81.3 percent of total projected visits, which are accounted for by the responding resorts participating over the past two seasons. This reduces the incremental total which is based upon projections generated by the model (18.7 percent). The regional categorization of the “raw” data is provided in Tables 2 and 3 previously. The final report to be prepared this summer will utilize a larger sample size and a more up-to-date basis for estimating overall skier visits.
- It is often helpful to note variations which occur among reported visits from smaller segments of the major NSAA regions. Within the broader Pacific West, all states except Alaska recorded visitation gains, with year-over-year improvement strongest in the south and least in the north. Specifically, among responding resorts, Southern California, Arizona and Nevada reported visitation gains of 16.0 percent, as compared to increases of 11.0 percent in the Tahoe region and 4.6 percent in the Pacific Northwest/Alaska.

Conversely, in the Rockies, the patterns were reversed, favoring the north over the south. The northern Rockies states, Idaho, Montana, and Wyoming, were all up strongly, between 11 and 17 percent. By contrast, Colorado, Utah, and New Mexico each had relatively minor changes from last season, with Colorado essentially flat, Utah up slightly, and New Mexico down slightly.

Within the Midwest, all states reported gains this season, with every state up strongly, except for a relatively modest increase in Minnesota (less than 2 percent). In the Southeast, the northern states (NJ, PA, MD) were up 14.1 percent, while more southerly states were down 4.8 percent. Finally, in the Northeast, strong gains were noted throughout the region.

- In another way of looking at the overall season, of the 214 areas reporting data for each of the past two seasons, fully 81 percent (174 areas) reported gains in visits, while 17 percent (36 areas) reported losses. The median resort had a gain of 11.3 percent, while the top quarter of resorts were up by 21.6 percent or more, and the top 10 percent of resorts had gains of 35.4 percent or more (Figure 1 to follow).

Figure 1
Ranked Distribution of Reporting Ski Resorts
by Percentage Change in Skier Visits, 2007/08 vs. 2006/07

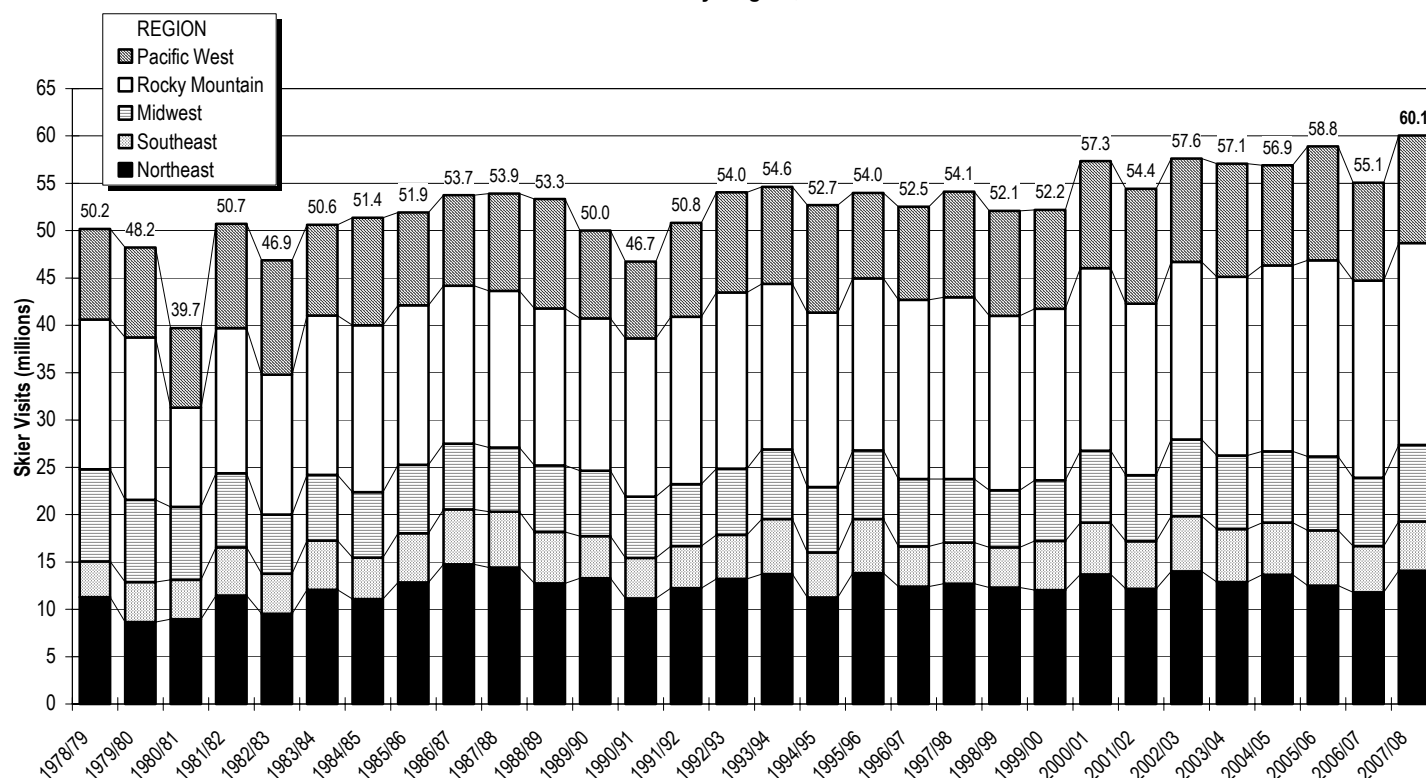


Skier Visit Patterns Since 1978/79

The following graph summarizes skier visits in the U.S., as they have been estimated since 1978/79. As noted, based on preliminary results, the 60 million visit threshold was exceeded for the first time this season. This extends an era of strong performance which the industry has exhibited since the 2000/01 season, in which visits have reached 57 – 60 million visits in good years, and 54 – 55 million visits in poor years, both significantly above the levels recorded in previous decades.

The record 2007/08 results were clearly aided by snow conditions which were largely favorable across the country and throughout the season, a fortuitous occurrence that is not often experienced. However, the industry also showed resilience by growing strongly despite a deteriorating economic climate marked by rising unemployment, sinking consumer confidence, a housing slump, mortgage and credit crises, rising gas prices, and other negative headwinds.

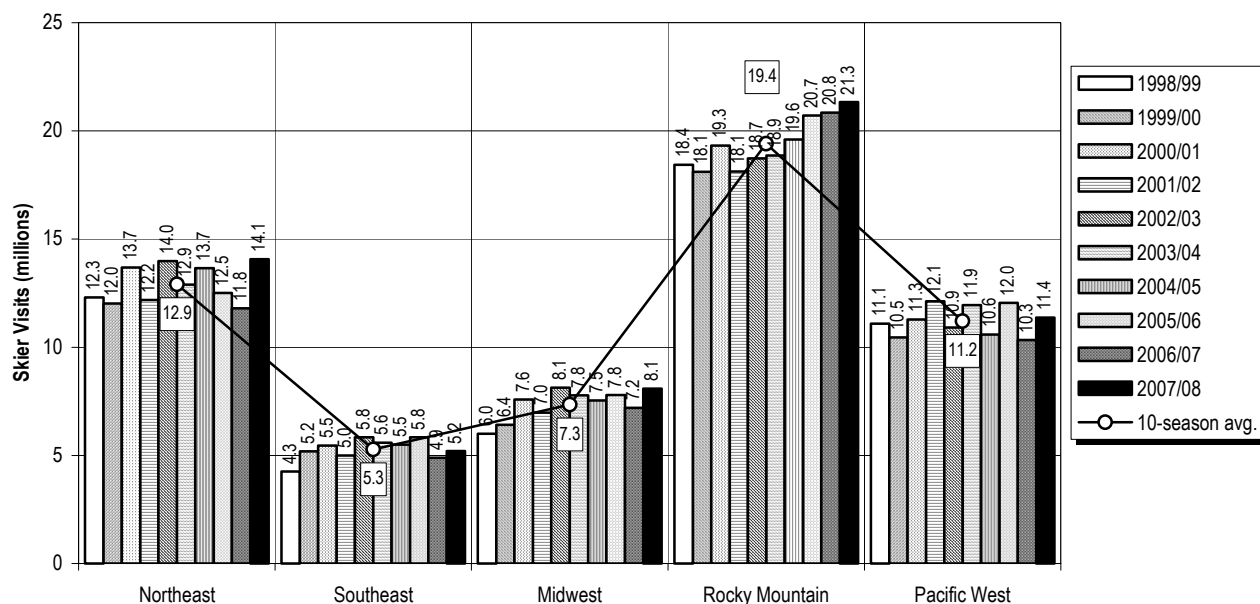
Figure 2
Estimated Skier Visits by Region, 1978/79 - 2007/08



Skier Visit Patterns Since 1998/99

The following graph illustrates the number of skier visits by region over the past 10 seasons, as well as the average level of skier visits for the 10-year period. It also illustrates the relative magnitude of each region in terms of annual skier visits.

Figure 3
Estimated Skier Visits by Region
1998/99 - 2007/08



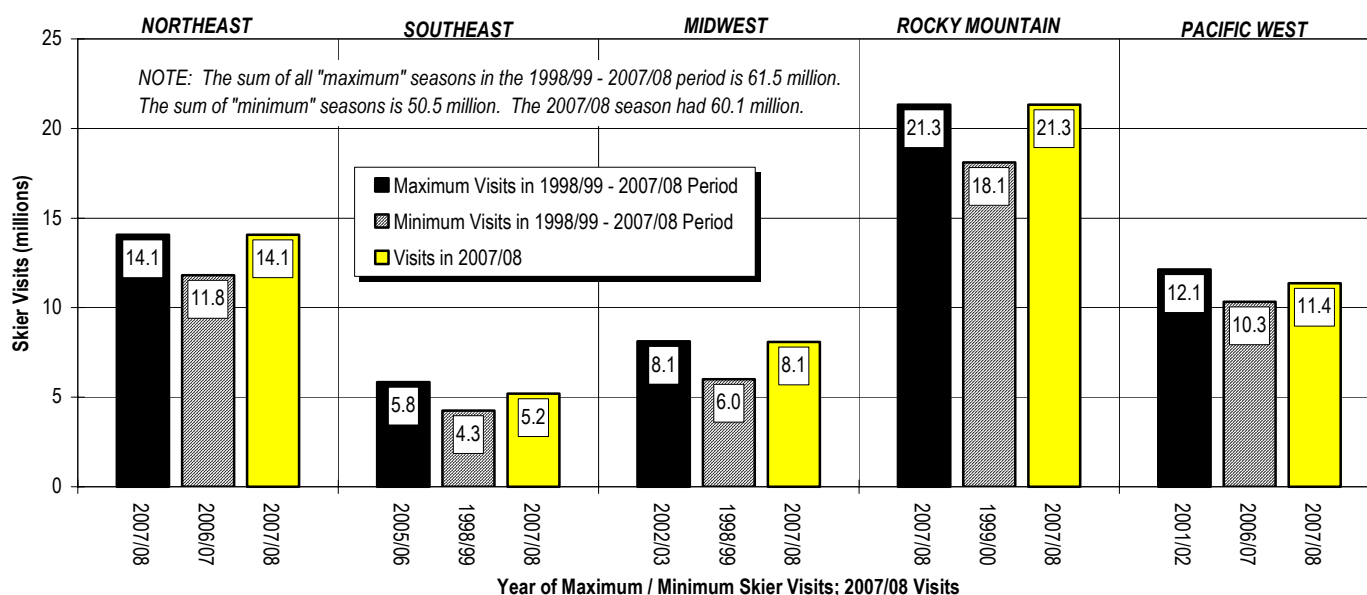
The following observations summarize 2007/08's performance relative to the 10-year average.

- *National:* Over the last ten seasons (1998/99 – 2007/08), the average number of visits recorded nationally was 56.16 million visits. The 2007/08 season, at a preliminary 60.07 million visits, represents a 7.0 percent increase from this ten-year average.
- *Northeast:* At 14.07 million visits in 2007/08, the Northeast was up 9.0 percent from its ten-year average of 12.91 million visits.
- *Southeast:* At 5.21 million visits in 2007/08, the Southeast was down 1.3 percent from its ten-year average of 5.28 million visits.
- *Midwest:* The Midwest, with 8.09 million visits, was up 10.1 percent from its ten-year average of 7.35 million visits.
- *Rocky Mountains:* With 21.33 million visits in 2007/08, the Rockies were up 9.9 percent from their ten-year average of 19.41 million visits.
- *Pacific West:* With 11.37 million visits in 2007/08, the Pacific West was up 1.4 percent from its ten-year average of 11.21 million visits.

Highs and Lows in Ski Visitation Since 1998/99

The following graph identifies the highest and lowest skier visit totals that have been reported for each region over the past 10 seasons (since 1998/99), as well as the visits recorded in 2007/08. If all regions experienced their lowest totals during the same season, the national total visits would be 50.5 million. If each region reported its highest total during the same season, the national total would be 61.5 million visits – only moderately above the 60.1 million visits recorded in 2007/08. Both the Northeast and Rocky Mountains recorded 10-season highs this winter, while the Midwest was just shy of its 10-season high. Both the Southeast and Pacific West, while less strong in historical context relative to the other regions, nevertheless performed near the midpoint of their 10-season ranges.

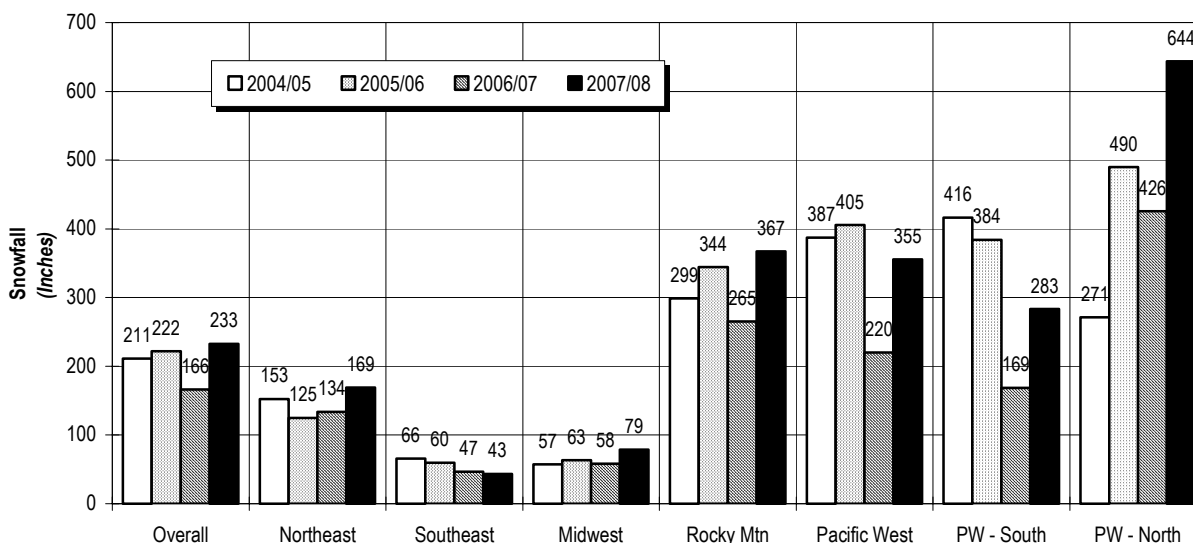
Figure 4
Maximum and Minimum Skier Visits by Region, 1998/99 - 2007/08
2007/08 Skier Visits



Snowfall

Overall, among responding resorts nationwide, average snowfall was up 40 percent this season from 2006/07. Every region had increased snowfall except for the Southeast, which had a 7 percent decrease. Snowfall increases were significant in every other region, including the Northeast (26 percent), Midwest (35 percent), Rocky Mountains (39 percent), and Pacific West (62 percent). The overall increased snowfall, and particularly the good coverage throughout the season in most regions, clearly buoyed skier visits. Even the Southeast, which had a decrease in net snowfall, recorded a gain in skier visits, largely due to a more favorable distribution of snow throughout the season.

Figure 5
Average Snowfall by Region
2004/05 - 2007/08



Note: Pacific West – North is defined as N. California (Mt. Shasta north), Oregon, Washington, and Alaska.

Pacific West – South is defined as central and southern California (incl. Tahoe area), Nevada, and Arizona.

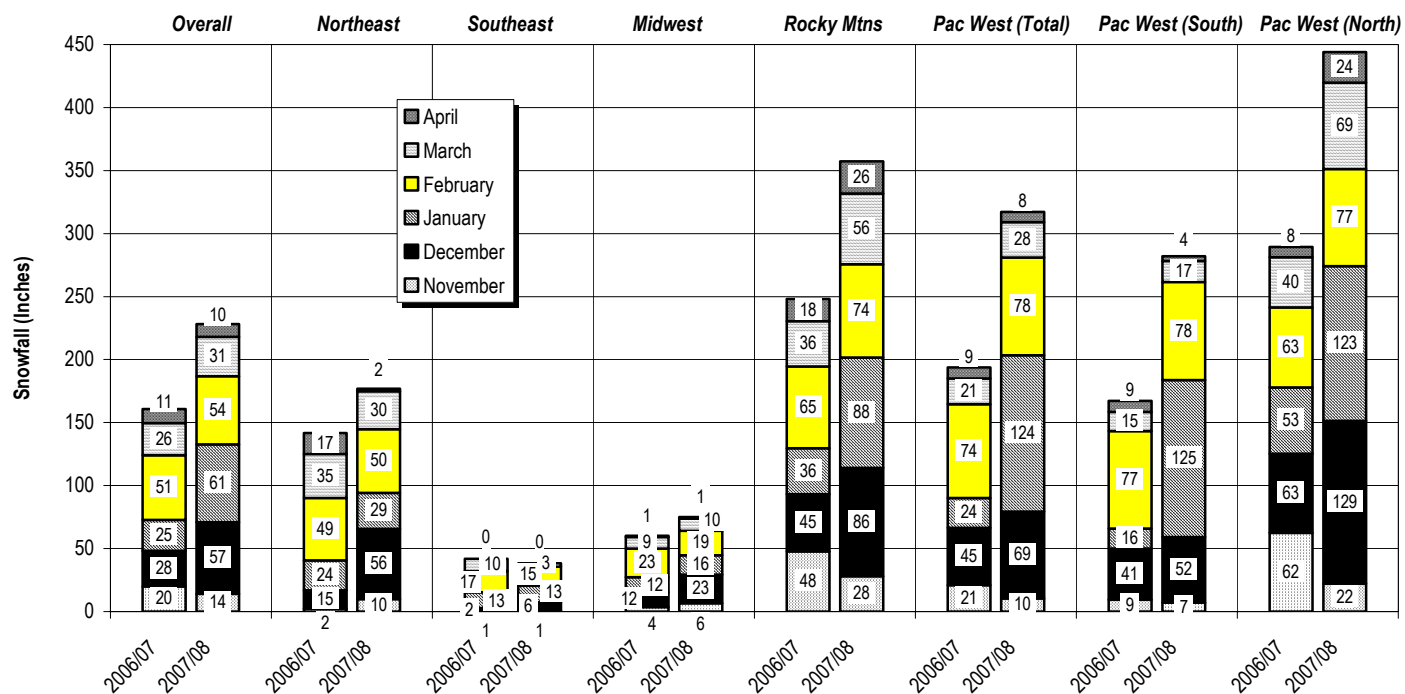
To better document weather patterns throughout the winter, and associated trends in visitation, the Kottke survey tracks monthly snowfall. On average nationally, snowfall this winter was up from winter 2006/07 in every month of the winter except November and April, as illustrated in Figure 6 to follow.

Regional variations in monthly snowfall were quite distinctive:

- The Northeast, which suffered from unusually poor early season snowfall last season, bounced back this season with copious early and midseason snow. Snowfall through December (66 inches) was almost quintuple the snowfall in the same period last season (17 inches). Snowfall was also higher in January this year than last, while holding steady in a very strong February. Snowfall was slightly weaker in March this year than last, and notably weaker in April, which was exceptionally strong last year.
- The Southeast had very light early season snowfall, with an average of 7 inches in November and December combined, albeit up from 3 inches in the previous season, which had unusually poor early season snow. Snowfall then kept pace with last season in January and February, although March was notably weaker (3 inches this year vs. 10 inches in 2006/07).
- The Midwest, like the Northeast, got off to a much stronger start this season, with almost double the amount of snow through December this season than last. Snowfall then kept pace with last season in January, February and March, which were comparatively strong for the Midwest both this season and last season.
- The Rocky Mountains experienced a comparatively slow start, with snowfall down by 41 percent in November. Low snow afflicted many resorts into December as well, often until just before the Christmas holiday. However, snowfall picked up strongly from late December onward, increasing significantly in every month in December through April. While the Rockies recorded a 2 percent gain in visits this season, the gains were likely muted by the poor early season snow, which affected early season visitation as well as advance reservations for later in the winter.

- The Pacific West, like the Rockies, also experienced a comparatively slow start, with reduced snowfall in November through mid-December. However, again like the Rockies, snowfall was up dramatically across the remainder of the season (except for April, which was similar to last year). January snowfall in particular was dramatically improved this season, up fivefold from last season. Both the southern and northern Pacific West showed similar seasonal patterns, as described below.
 - The southern Pacific West (Tahoe region and south) experienced a somewhat drier version of the overall Pacific West average, with reduced snowfall in the early season, followed by improved snow in December through March (and particularly January).
 - The northern Pacific West (Mt. Shasta north) experienced an overall snowier season than its southern counterpart (as is often the case), with generally similar seasonal variations. November was comparatively dry as compared to last season, while every other month of the season was notably snowier than last year.

Figure 6
Monthly Snowfall by Region, 2006/07 vs. 2007/08



Note: Pacific West – North is defined as N. California (Mt. Shasta north), Oregon, Washington, and Alaska.

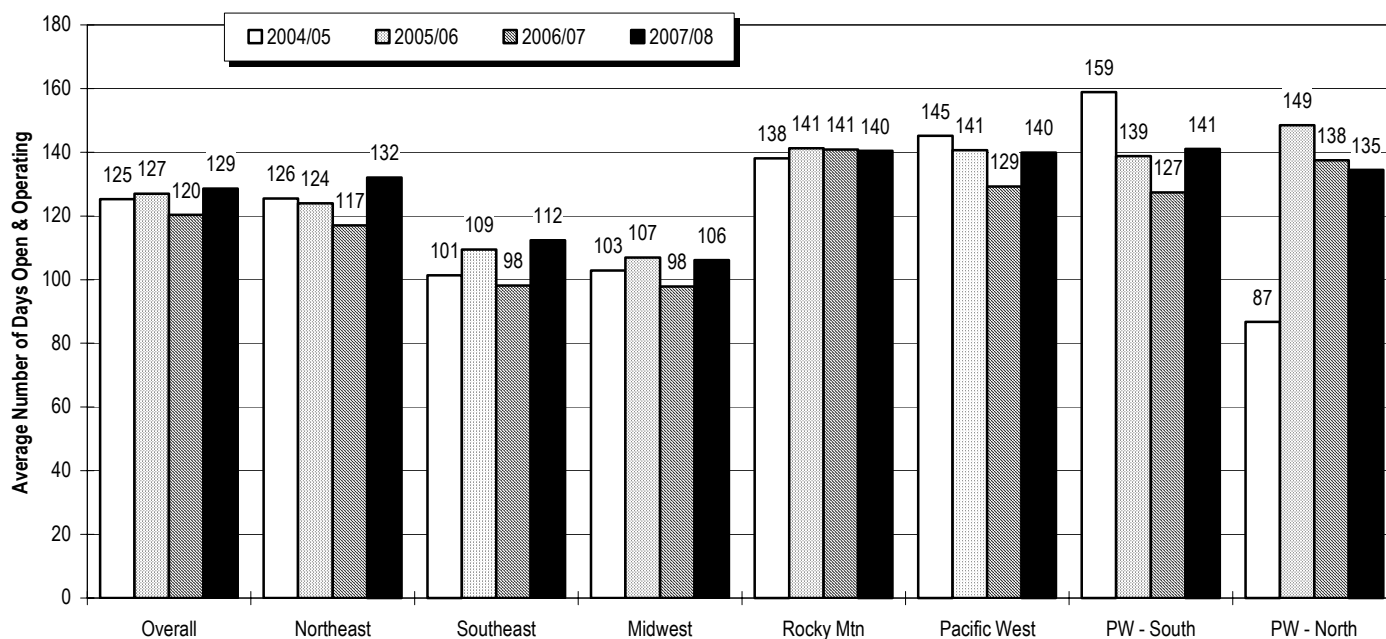
Pacific West – South is defined as central and southern California (incl. Tahoe area), Nevada, and Arizona.

Total snowfall shown in Figures 5 and 6 may differ due to different mix of responding resorts.

Average Days Open

As might be expected, days of operation were significantly influenced by snowfall and weather, with every region of the country experiencing a longer season (except the Rockies, which were virtually flat). On an overall basis, resorts responding to the survey were open an average of 129 days this season, up from 120 days in 2006/07, an increase of 7 percent. Days open also increased by 13 percent in the Northeast, 14 percent in the Southeast, 8 percent in the Midwest, and 11 percent in the Pacific West, while declining 0.3 percent in the Rockies. The generally longer operating seasons this year helped drive the increased visitation.

Figure 7
Average Days Open by Region, 2004/05 - 2007/08



Note: Pacific West – North is defined as N. California (Mt. Shasta north), Oregon, Washington, and Alaska.

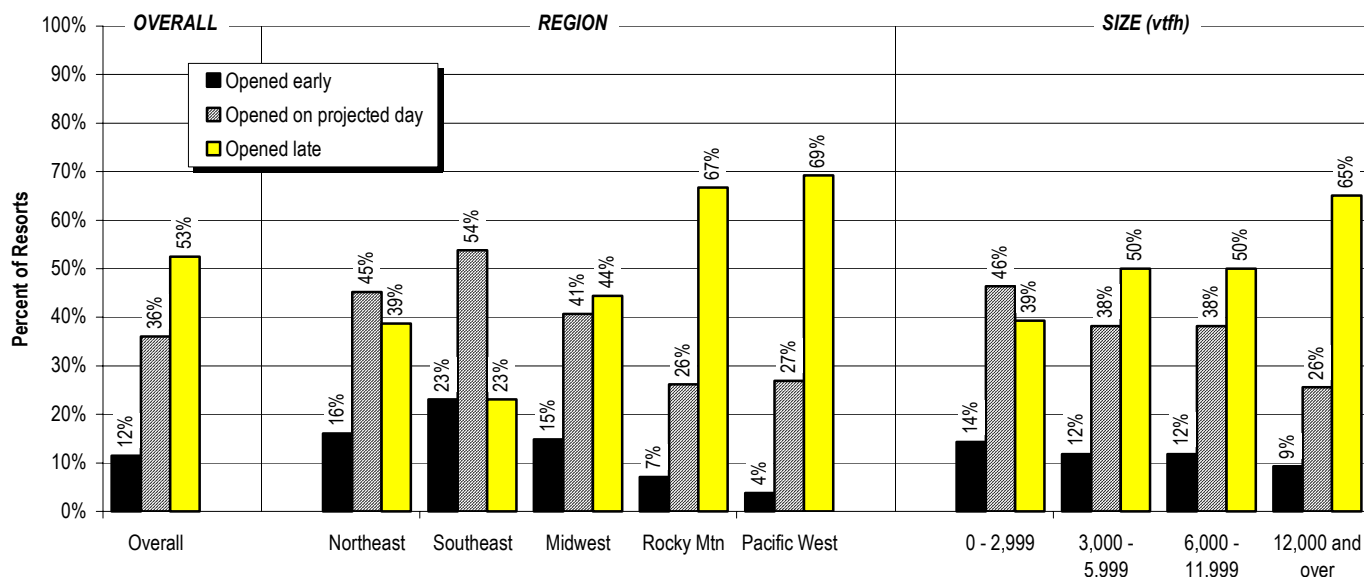
Pacific West – South is defined as central and southern California (incl. Tahoe area), Nevada, and Arizona.

Actual vs. Projected Opening Date

For the second season, resorts were asked to provide their projected opening date. This date can be compared to the actual opening date, to determine the degree to which resorts were able to open on time, or (due to either favorable or unfavorable circumstances) accelerate or delay their openings.

As illustrated in the graph below, a majority of responding resorts opened late this season (53 percent), while 36 percent opened on time and 12 percent opened early. Resorts in the Pacific West and Rocky Mountains were especially likely to open late (69 percent and 67 percent respectively), due to poor early season snow conditions, as described earlier in the report. By contrast, a majority of resorts were able to open on time or early in the Southeast (77 percent), Northeast (61 percent), and Midwest (56 percent), reflecting those regions' comparatively favorable early season snow conditions and snowmaking weather.

Figure 8
Percent of Resorts Opening Early, On-Time, and Late (Relative to Projected Opening Day), 2007/08

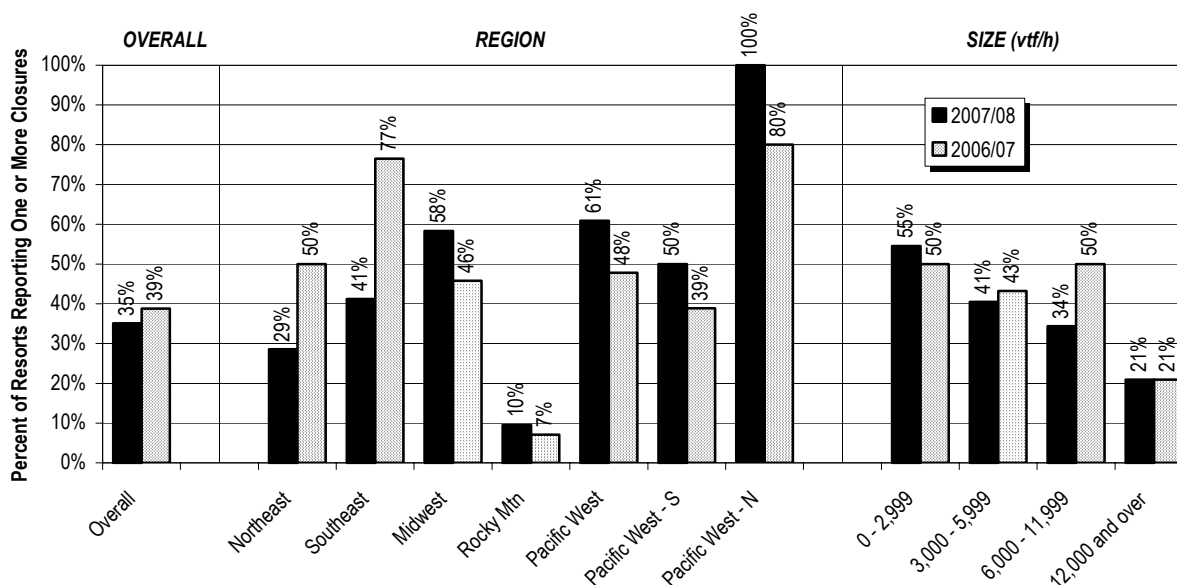


Unscheduled Midseason Closures

Overall, 35 percent of responding areas reported one or more unscheduled closures this past season, down from 39 percent last season. Reflecting improved weather and snowfall, the proportion of resorts with an unscheduled closure decreased in the Northeast (to 33 percent from 50 percent) and Southeast (to 41 percent from 77 percent). By contrast, the proportion of resorts with unscheduled closures increased in the Midwest (to 58 percent from 46 percent), Pacific West (to 61 percent from 48 percent), and Rockies (to 10 percent from 7 percent).

As might be expected, the smallest resorts were more likely to have unscheduled closures (55 percent this season), declining to 21 percent at largest resorts, which were relatively more able to absorb the impacts of variable conditions and remain open more consistently.

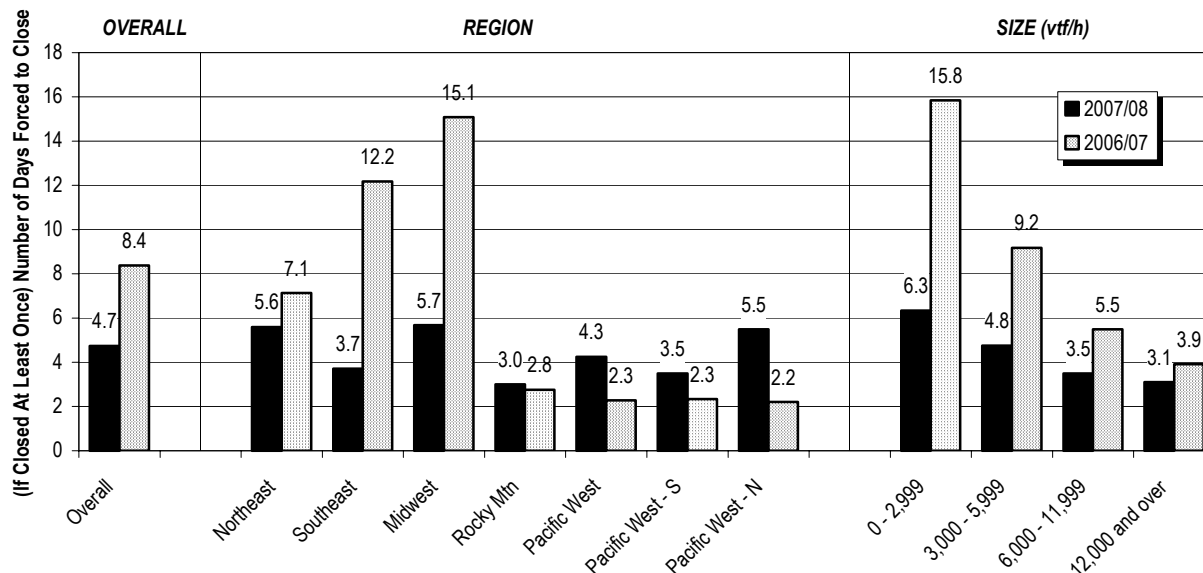
Figure 9
Did your resort have any unscheduled and/or unplanned midseason closures this season (closure between your opening date and closing date, for one or more entire days) due to weather, mechanical, or other factors?
2007/08 vs. 2006/07



Note: Pacific West – North is defined as N. California (Mt. Shasta north), Oregon, Washington, and Alaska.
 Pacific West – South is defined as central and southern California (incl. Tahoe area), Nevada, and Arizona.
 Results based on a sample of 134 areas.

Among resorts reporting at least one unscheduled closure, the total cumulative duration of closures averaged 4.7 days per resort this season, down significantly from 8.4 days last season (Figure 10 below). The decreases were driven by the Midwest, Southeast, and Northeast, where average days of closure all dropped. In contrast, increases in closure durations occurred in the Pacific West and to a lesser extent the Rocky Mountains. By size, average durations of closure declined significantly across all categories.

Figure 10
(If closed at least once) How many total days was your area forced to close this season?
Average days closed
2007/08 vs. 2006/07



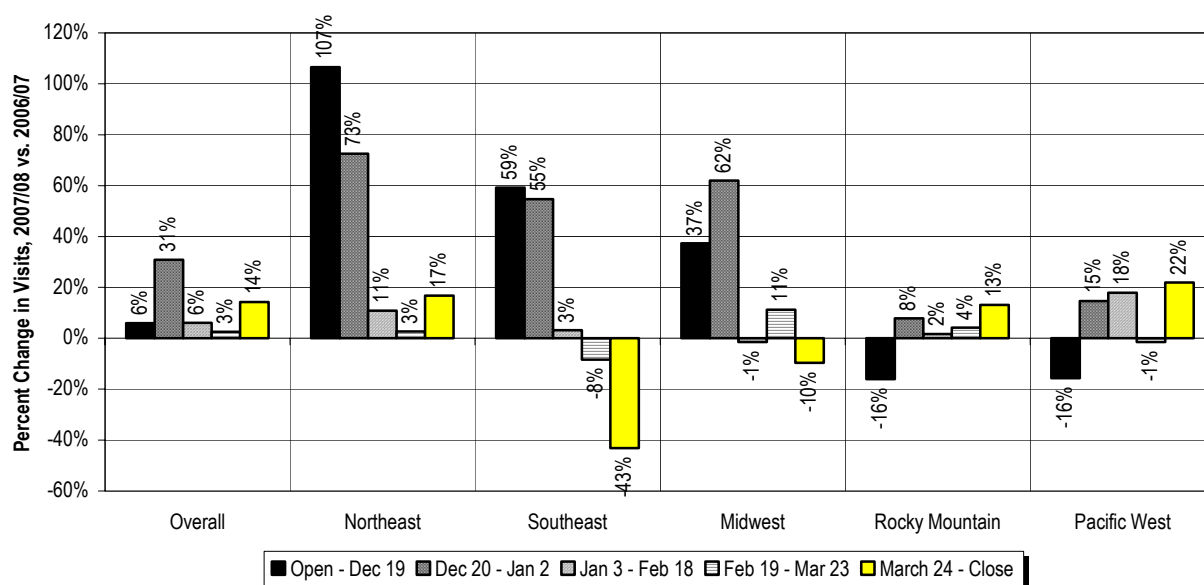
Note: Pacific West – North is defined as N. California (Mt. Shasta north), Oregon, Washington, and Alaska.
Pacific West – South is defined as central and southern California (incl. Tahoe area), Nevada, and Arizona.
Results based on a sample of 56 areas in 2007/08 and 62 areas in 2006/07.

Visitation by Time of Season

Visitation data was collected for five periods of the season—opening to December 19, December 20 to January 2, January 3 to February 18, February 19 to March 23, and March 24 to closing—which were chosen as indicators of early season, Christmas/New Year's holiday, January through Presidents' Weekend, spring break, and late season business. It should be noted that the proportion of visits occurring in the late season will end up being revised, since some resorts were still operating as of the survey due date, and the numbers presented here reflect their best estimate of April and late season visitation, rather than actual visitation.

On an overall national basis, visitation gains occurred in the every part of the season, reflecting the generally improved snow conditions across the country relative to last season. Specifically, based on numbers provided by 143 responding resorts for each of the past two years, visits were up 6 percent in the early season (pre-Christmas); up 31 percent over the Christmas/New Year's holiday; up 6 percent over the January 3 – February 18 period; up 3 percent over the February 19 – March 23 period; and up 14 percent over the March 24 – close period.

Figure 11
Percent Change in Visits by Time of Season
Comparison by Resort Region—2007/08 vs. 2006/07



Each region experienced differing fortunes throughout the season, often paralleling trends in snowfall, as follows:

- *Northeast*: The Northeast was up in every period of the season. The strongest gains occurred in the early season (up 107 percent) and Christmas/New Year's period (up 73 percent), as the region rebounded abruptly from the extremely poor early season conditions last year. Accordingly, the share of total visitation at Northeastern resorts which occurred from opening through January 2 jumped to 23.5 percent in 2007/08 from an unusually low 14.8 percent in 2006/07 (see Figure 12 to follow). Visitation gains were substantial albeit more moderate through the remainder of the season, due to a more challenging comparison to 2006/07's improved performance in the latter parts of the season. Visitation was up 11 percent over the January 3 – February 18 period, 3 percent during the February 19 – March 23 period, and 17 percent over the March 24 – close period. Relatedly, snowfall was up dramatically in the early season (up nearly 300 percent in November-December), and was also up 21 percent in January and 2 percent in February. Interestingly, however, the Northeast continued to show gains in visitation the latter parts of the season even though snowfall was down 14 percent in March and 89 percent in April.
- *Southeast*: Like the Northeast, the Southeast had a very strong opening in comparison to the exceedingly difficult conditions last year. Visitation was up 59 percent during the early season and up 55 percent over the Christmas/New Year's holiday. Accordingly, the share of total visitation to Southeastern resorts which occurred through New Year's rebounded to 20.5 percent from 14.1 percent in 2006/07. Visitation also rose 3 percent during the January through Presidents Weekend period, before turning negative during the Spring Break period (-8 percent) and late season period (-43 percent, on a small base of visitation). Consistent with these patterns, snowfall jumped 167 percent in November/December and rose 6 percent in January, before dropping 12 percent in February and 71 percent in March.

- *Midwest:* The Midwest generally paralleled the Northeast and Southeast with a very strong start to the season, again aided by the comparison to the weak start in 2006/07. Visitation jumped 37 percent in the early season and 62 percent in the Christmas/New Year's period, clearly aided by the 92 percent increase in November/December snowfall. The share of total season visitation occurring through January 2 accordingly rebounded to 26.9 percent this season from 19.8 percent in 2006/07. The balance of the season was mixed, with a loss of 1 percent from Jan. 3 – Feb. 18, an increase of 11 percent from Feb. 19 – Mar. 23, and a drop of 10 percent from Mar. 24 – close (on a small base).
- *Rocky Mountains:* In contrast to the early-season strength in the Midwest and East Coast, the Rocky Mountains were down 16 percent in the pre-Christmas period, dragged down by poor snowfall (down 41 percent in November from last season). However, the Rockies were up in the remainder of the season as snowfall improved, particularly after mid-December. Visits were up 8 percent during the Christmas-New Year's period, up 2 percent during the New Year's – President's period, up 4 percent during the Spring Break period, and up 13 percent during the late season period. Likewise, snowfall increased by 142 percent during January, 14 percent in February, 57 percent in March, and 45 percent in April. However, the gains in visits were perhaps not as large as the snowfall might have promised, as the lack of early season snowfall likely hurt early season advanced bookings and may have negatively colored destination skier perceptions later in the season.
- *Pacific West:* The Pacific West mirrored the Rockies' pre-Christmas difficulty, with a 16 percent drop in visits, clearly affected by poor early season snowfall. However, visits were up most of the rest of the season, including Christmas/New Year's (up 15 percent), New Year's – Presidents (up 18 percent), and the late season (up 22 percent); although the Spring Break period exhibited some weakness (down 1 percent).

Figure 12
Percent of Visitation by Time of Season
Comparison by Region—2007/08 vs. 2006/07

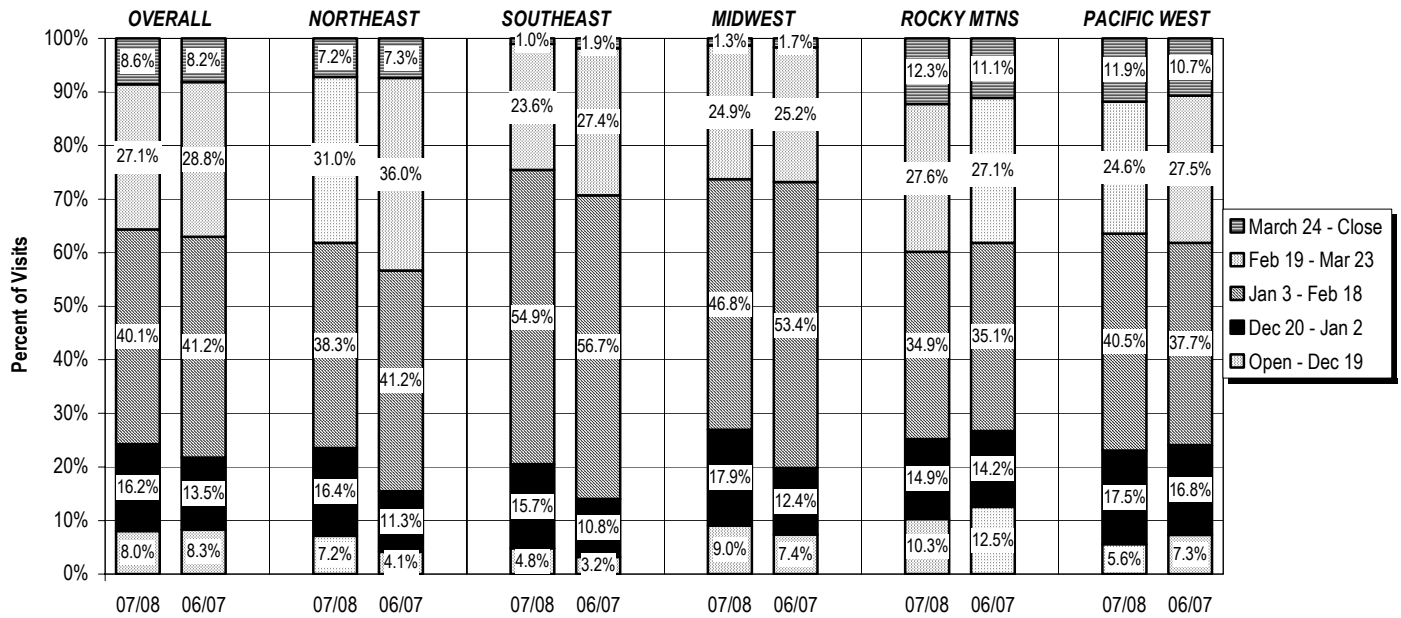
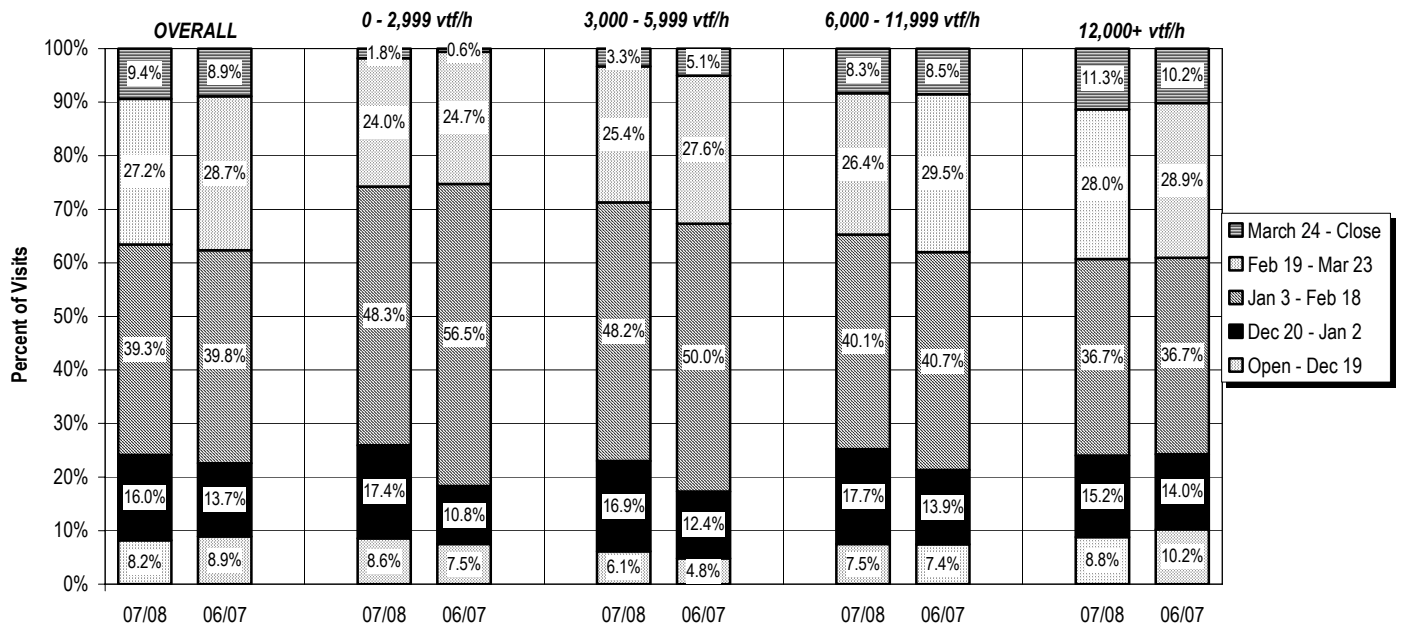


Figure 13
Percent of Visitation by Time of Season
Comparison by Resort Size—2007/08 vs. 2006/07

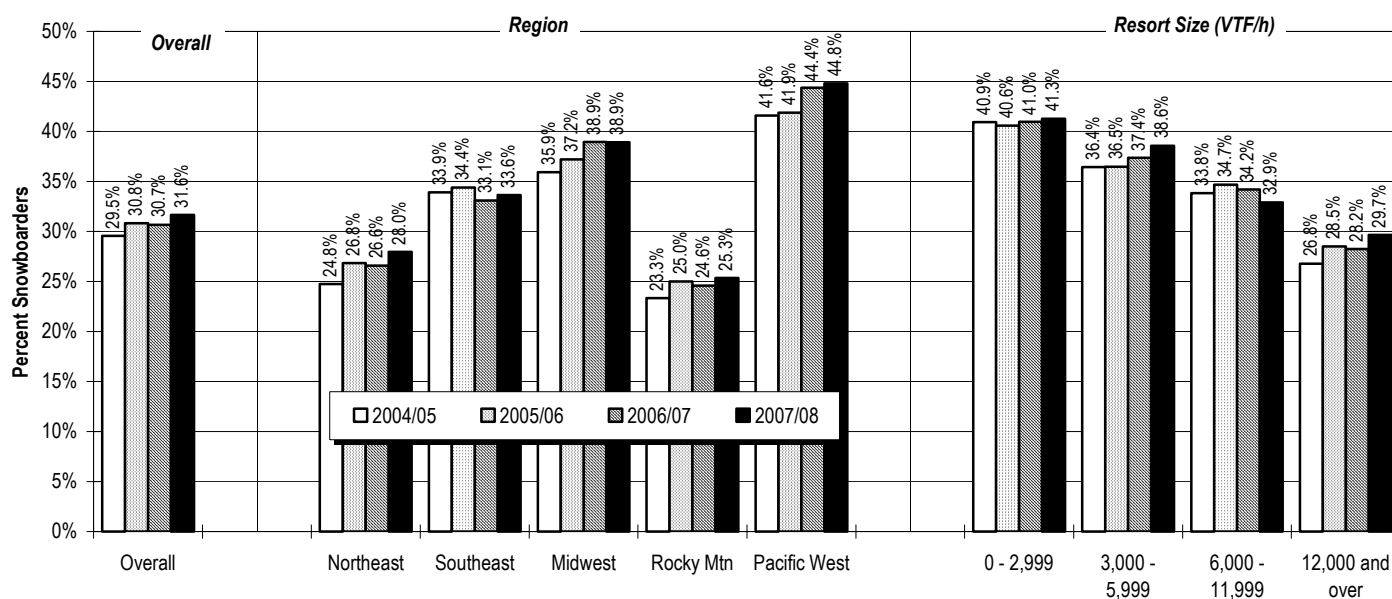


Snowboarding

This season, based upon resorts providing four seasons of data, snowboarding represented 31.6 percent of total skier visits, up from 30.7 percent last season. Snowboarding edged up in all regions except the Midwest, where it held flat. By size, all resort groupings had increased snowboarding participation this season except for the second-largest grouping. The overall national growth in snowboarding this season reflects both the widespread growth across regions and most size categories, as well as high growth in overall visitation of regions which have high snowboarding participation rates (Pacific West, Midwest, and Southeast), thus increasing these regions' influence on the national total.

The Pacific West has consistently had the highest rate of snowboarding participation of any region (44.8 percent in 2007/08), followed by the Midwest (38.9 percent this season), Southeast (33.6 percent), Northeast (28.0 percent), and Rocky Mountains (25.3 percent). By size, the smallest resorts continue to attract the highest proportion of snowboarders (41.3 percent), decreasing steadily by size to the largest resorts (29.7 percent snowboarders).

Figure 14
Snowboarders as a Percent of Total Visits
2004/05 - 2007/08



Day / Overnight Visitation

This past season, day visitation increased significantly overall, building upon steady albeit more moderate gains in the previous three seasons. Day visitation also increased in every region except the Southeast, and also rose in all size categories except the smallest resorts. Day visitation thus disproportionately contributed to the overall record visitation this season.

Additionally, the long term growth in day visitation suggests a potentially more systemic shift in the visitation mix in favor of day visitation. This is consistent with the industry's long-term growth in season pass visitation – a trend, however, which was at least temporarily reversed this season (as discussed later in the report). As such, the growth in day visitation this season appears likely to have been due in part to day visitors who are not season passholders – perhaps less frequent participants who were encouraged to visit by favorable snow conditions. These patterns will bear further review and assessment in the final report, as sample sizes increase.

By region, the Rockies and Pacific West have experienced ongoing increases in day visitation over the past four seasons. The Midwest also experienced a slight upward trend in day visitation prior to an outsized jump this season, which was in part related to some resorts' recalibration of their day visitation estimates. The Northeast also experienced an increase in day visitation this season (rebounding from lower levels recorded in the prior two seasons). Day visitation in the Southeast has fluctuated with no clear trend.

Day visitation as a proportion of total visits is highest in the Midwest (86.9 percent), followed by the Southeast (63.5 percent), Pacific West (58.3 percent), Northeast (54.7 percent), and Rocky Mountains (42.4 percent). By size, day visitation predominates in the three smallest size categories (73.9 – 91.4 percent), while comprising a smaller share of visits at the largest resorts (39.7 percent).

Figure 15
Day Visitors as a Percentage of Total Visitation: 2004/05 – 2007/08

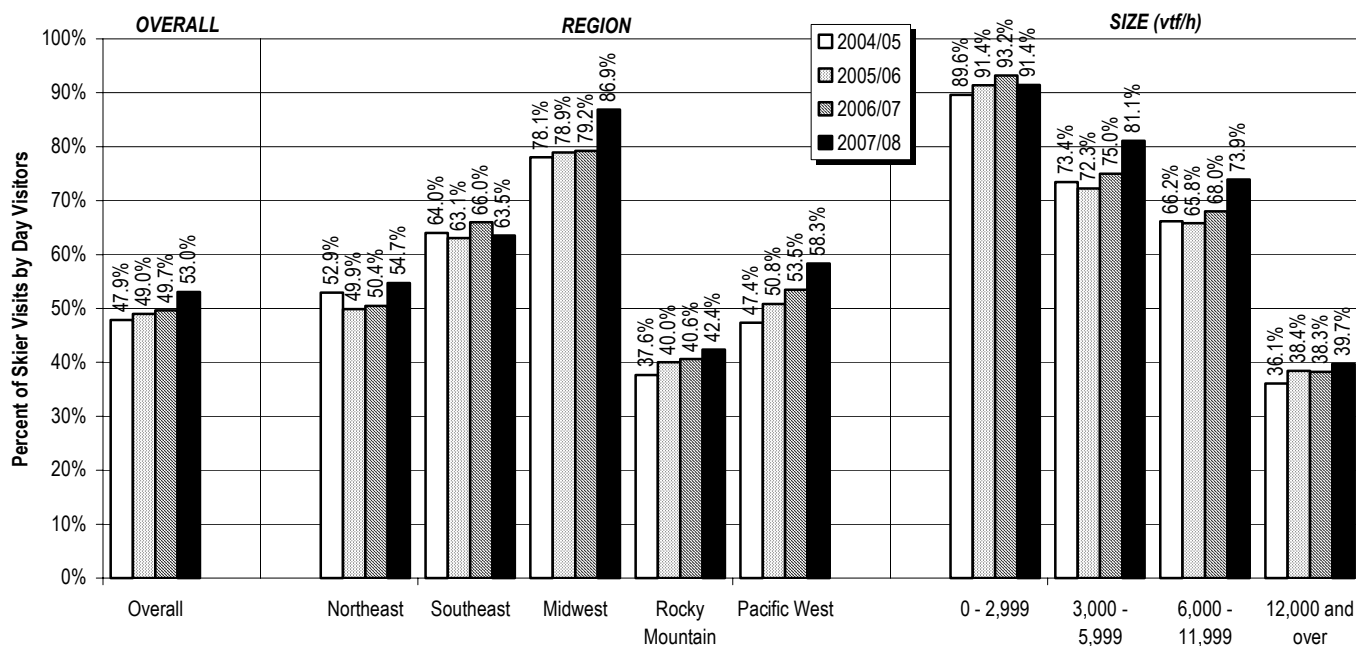
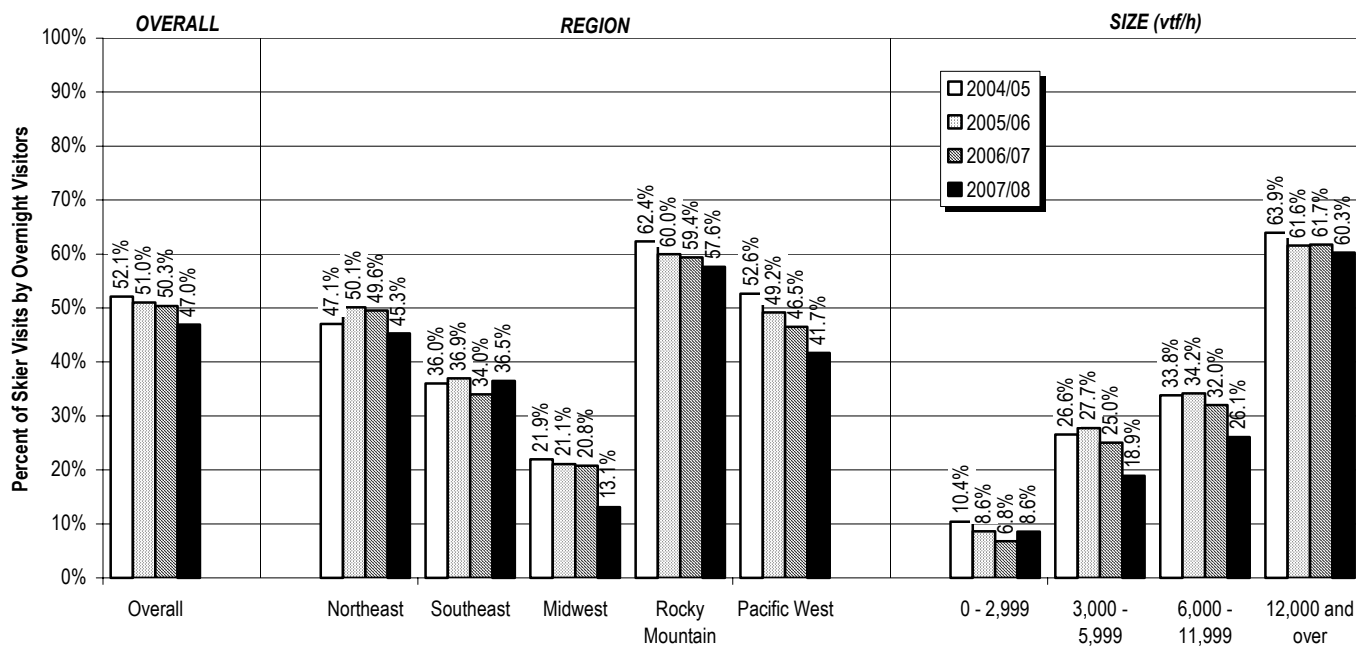


Figure 16
Overnight Visitors as a Percentage of Total Visitation: 2004/05 – 2007/08



Percent of Visits on Weekdays and Weekends/Holidays

Of interest in the analysis of weekend/weekday visitation is the degree to which weekend peaking dominates overall patterns, and how this varies by region and size of resort. Additionally, shifts in the mix of weekend/weekday visitation can hint at other changes in the visitor mix, such as the day/overnight mix.

This season, the proportion of visitation occurring on weekends and holidays rose to 54.8 percent, up from 51.5 percent last season. Weekend/holiday visitation increased in the Southeast, Midwest, and Rocky Mountains, while holding essentially flat in the Northeast and Pacific West. Weekend/holiday visitation also rose in all size categories.

Based on data available from the NSAA Demographic survey, the day/overnight visitor mix tends to differ somewhat on weekends and weekdays. In the Southeast and Midwest, overnight visitation increases proportionately on weekends and decreases on weekdays. The same pattern is true in the Northeast, except that weekend visitation by overnight visitors is mostly focused on Saturdays. In the Rocky Mountains and Pacific West, the reverse is true, with overnight visitation increasing proportionately on weekdays, and decreasing on weekends. Based on these trends, one might anticipate that an increase in weekend visitation would be associated with an increase in overnight visitation in the Northeast, Southeast, and Midwest, and associated with an increase in day visitation in the Rocky Mountains and Pacific West. Such a correlation appears to exist among Rocky Mountains resorts in the Kottke data this year, as the Rockies reported a proportionate increase in both weekend visitation and day visitors. However, the correlations were not as direct in the remainder of the country, suggesting that other factors may have come into play and/or that the underlying correlations are less strong.

Weekend/holiday peaking this season is most pronounced within the Northeast (67.4 percent of total visits this season), followed by the Southeast (62.7 percent), Midwest (60.7 percent), and Pacific West (54.7

percent). The Rocky Mountains, which emphasize destination visits to a greater degree, is the only region where a minority of visits occur on weekends (47.0 percent).

Figure 17
Percent of Skier Visits on Weekends and Holidays, 2007/08 vs. 2006/07

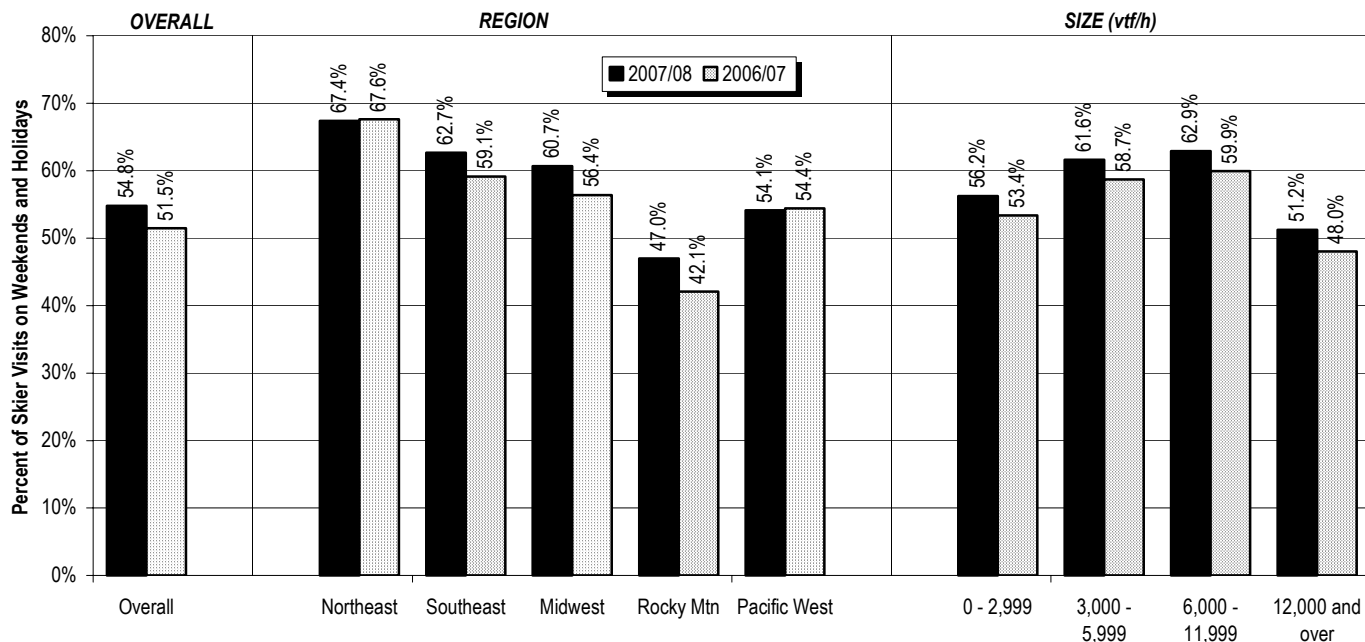
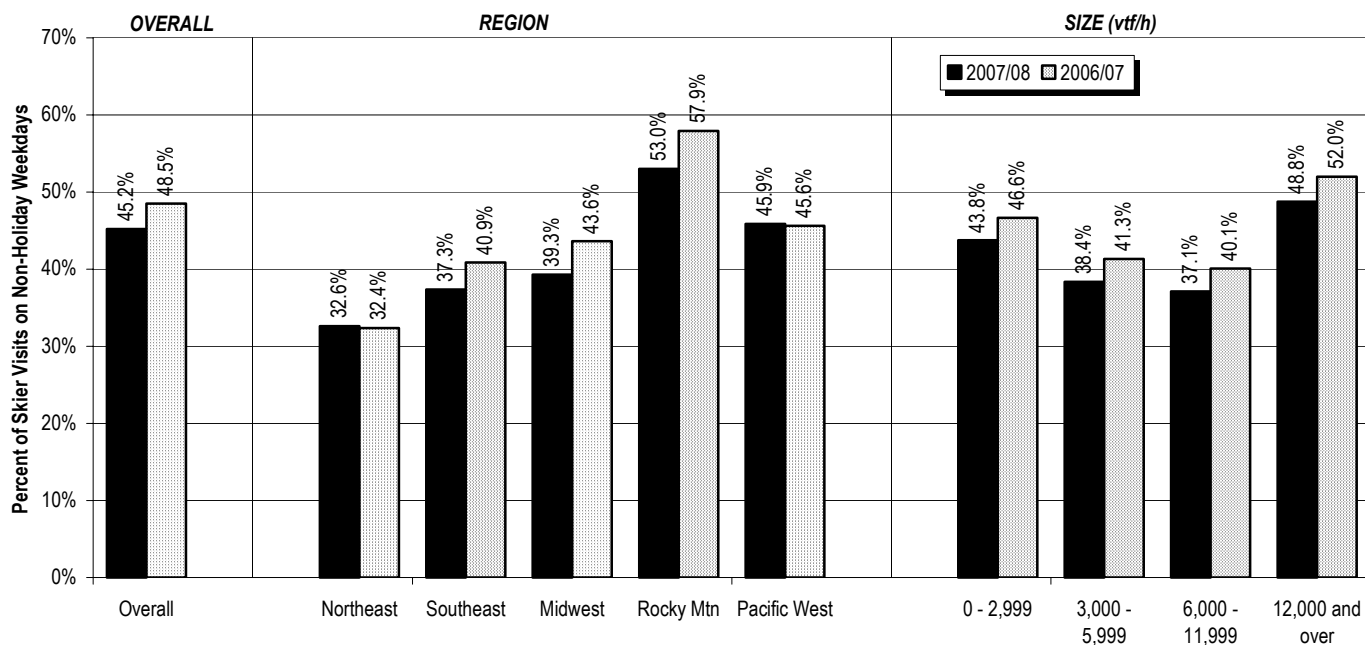


Figure 18
Percent of Skier Visits on Non-Holiday Weekdays, 2007/08 vs. 2006/07



Country of Origin

Aided by a comparatively weak US dollar, international visitation jumped this season, especially to the Rocky Mountains. Total international visitation rose to 6.4 percent of total visits, up from 5.4 percent last season. Canadian visitation edged up to 1.7 percent from 1.5 percent last season, while “other international” visitation jumped to 4.7 percent from 3.8 percent a year ago. In real numbers terms, when projected to all visits, international visitation is estimated to have leaped 29 percent, with increases in all regions. Canadian visitation is estimated to have increased by 19 percent, while other international visitation is projected to have soared by 34 percent.

Looking at the results in more detail by region, international visitation is estimated to have held very steady in proportionate terms in the Northeast, Southeast, and Midwest, with fluctuations of 0.1 – 0.2 points. In proportionate terms, international visitation also grew by a moderate 0.5 points in the Pacific West. In the context of each region’s overall growth in visits this season, international visitation also grew in absolute terms in these regions. However, the standout gains occurred in the Rockies, where international visitation jumped from 6.6 percent to 9.1 percent of visits, and increased by a projected 40 percent in absolute terms.

Focusing on Canadian visitation more closely, the Northeast and Midwest have recorded declining proportionate visitation from Canada over the past four seasons, a potentially worrisome trend. Notwithstanding a favorable exchange rate, it may be that geographic variations in snowfall and more stringent US entry requirements have affected cross-border Canadian visitation. On a more positive note, however, Canadian visitation to the Rocky Mountains and Pacific West, which is predominantly related to overnight travel, set four-season highs this winter.

Figure 19
U.S. Resident Visitation: 2004/05 – 2007/08

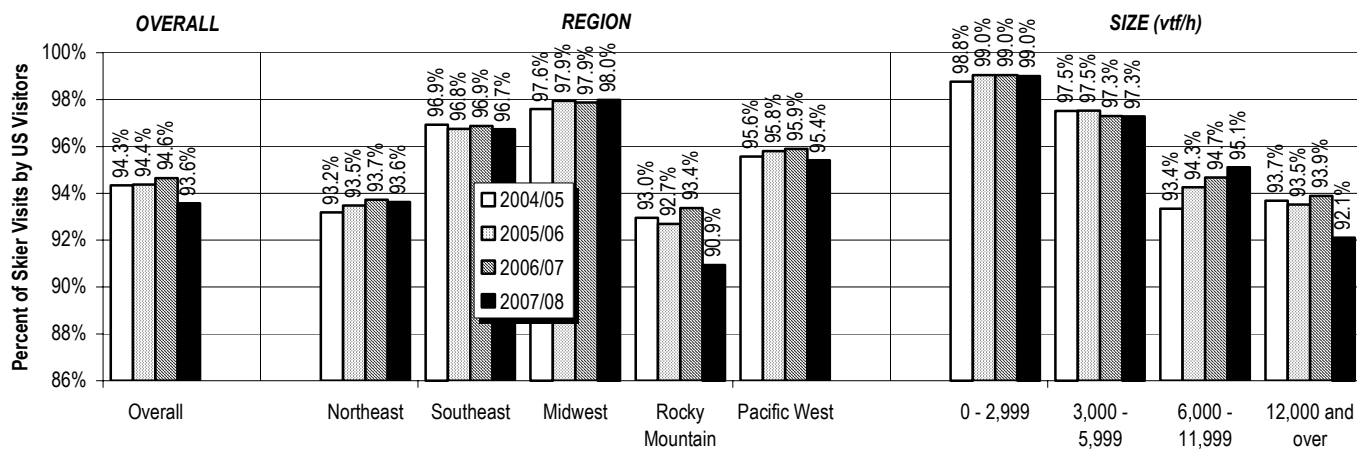


Figure 20
Canadian Visitation: 2004/05 – 2007/08

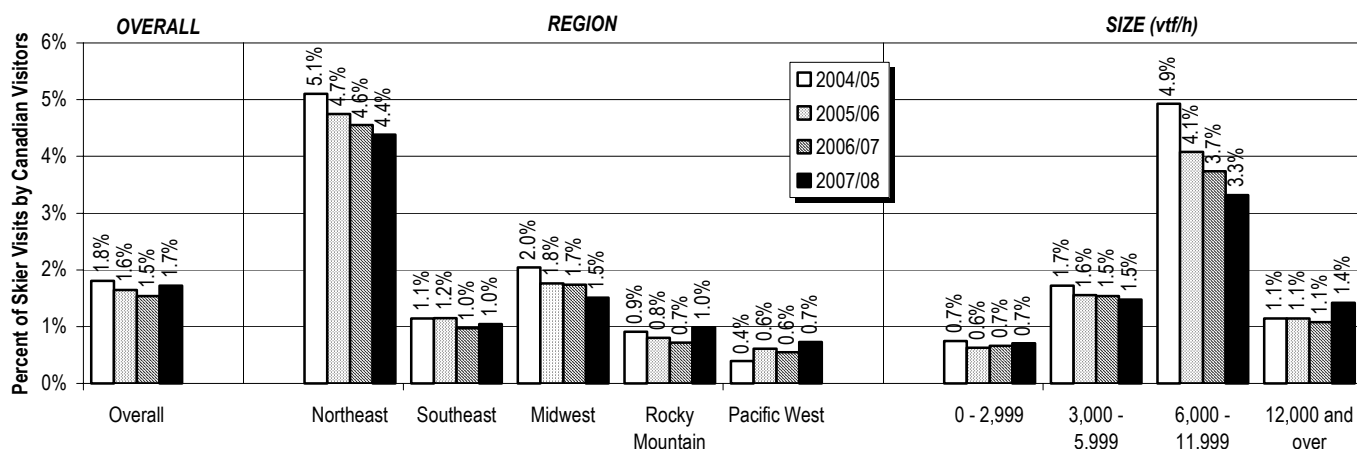
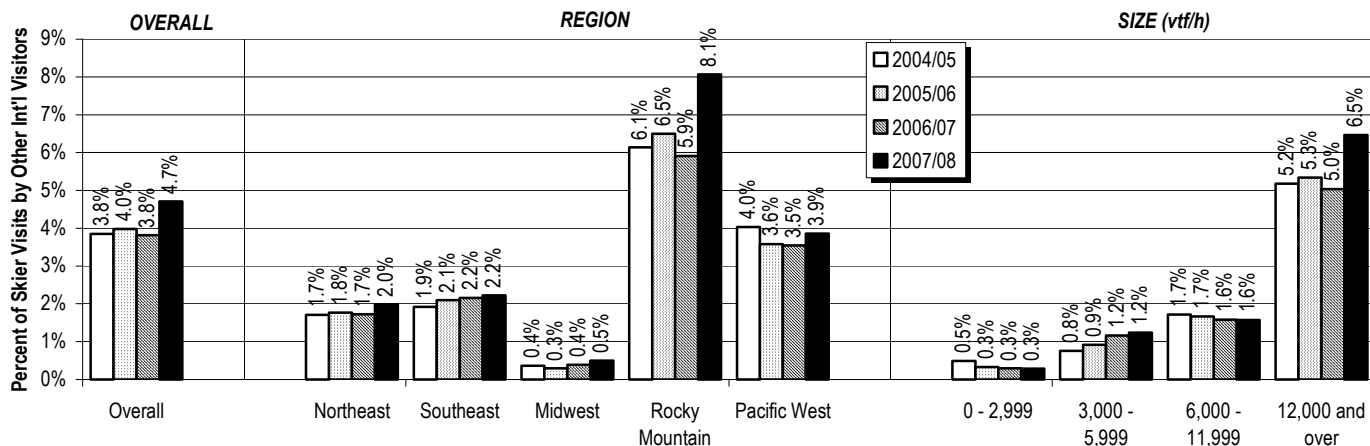


Figure 21
Other International Visitation: 2004/05 – 2007/08



Visits by Ticket Type

Resorts were asked to provide a breakdown of their skier/ snowboarder visits by ticket type, including paid tickets, season pass visits, off-duty employee visits, complimentary tickets, and other non-paid lift tickets. A separate question asked resorts to quantify “other” visits, including snowtubing, Nordic tickets, paid sightseeing visits, and any other visits.¹

As illustrated in Figure 22 on the following page, on an overall national basis, paid tickets edged up to 59.5 percent of total visits from 58.9 percent last season. Paid tickets also increased in the Northeast, Midwest, and Pacific West, while holding steady in the Southeast and declining in the Rockies. Paid tickets also increased in proportionate terms in all size categories except the largest resorts. The uptick this season at least temporarily reverses several seasons of decline, and should be a positive harbinger for resort revenues. Additionally, in the context of the record visitation this season, the results indicate that paid skiers contributed disproportionately to the gains. To the extent that paid visitors tend to be less frequent participants (as contrasted with season pass loyalists), the data suggests that a more diverse crowd visited the slopes this season, perhaps attracted by the favorable snow conditions.

Among the regions, the Southeast had the highest share of paid tickets (73.8 percent in 2007/08), with other regions clustered in the 55.5 – 62.9 percent range. By size, the largest resorts tend to have a somewhat smaller share of paid tickets (57.1 percent) than medium and small resorts (61.2 – 66.5 percent).

In contrast to the growth in paid visits, season pass visits (Figure 23) edged down this season, accounting for 31.9 percent of total visits, vs. 32.2 percent in 2006/07. The decline in season pass visits was attributable to the Midwest and Pacific West, where season pass usage has exhibited variable patterns over the past four seasons. By contrast, season pass usage continued to grow in the Northeast and Southeast, while holding essentially flat in the Rocky Mountains. By size, season pass usage declined in all resort groupings except the largest resorts. The Southeast has a notably lower share of season pass visits (20.6 percent in 2007/08) than other regions (29.1– 34.8 percent).

Off-duty employee visits (Figure 24), a relatively small category of visits, dipped to 2.4 percent this season from an unusually high 2.7 percent in 2006/07, led by decreases in the Northeast, Southeast, and Pacific West.

Complimentary and other non-paid visits (Figure 25) have trended flat over the past four seasons on a national basis, at 5.7 – 5.9 percent of total visits. However, patterns have been somewhat variable in the region and size groupings.

¹ For reference, the Kottke survey defines “skier visit” as follows: “A skier visit represents one person visiting a ski area for all or any part of a day or night for the purpose of skiing, snowboarding, or other downhill sliding. Skier visits include full-day, half-day, night, complimentary, adult, child, season pass and any other type of ticket that gives a skier the use of an area's facilities. Where single ride or coupon books are sold, skier visits for such tickets should be computed on an equivalent basis (i.e. x rides = 1 skier visit).” The survey’s “definition of terms” goes on to provide suggested ways of estimating season pass visits (if not scanned) and employee off-duty skier visits (if included by the resort in its skier visit tabulations). The survey form (question 1) also clarifies that snowtubing and other snowplay visits are to be excluded from the skier visit totals.

Figure 22
Percent of Skier Visits Attributable to Paid Tickets, 2004/05 – 2007/08

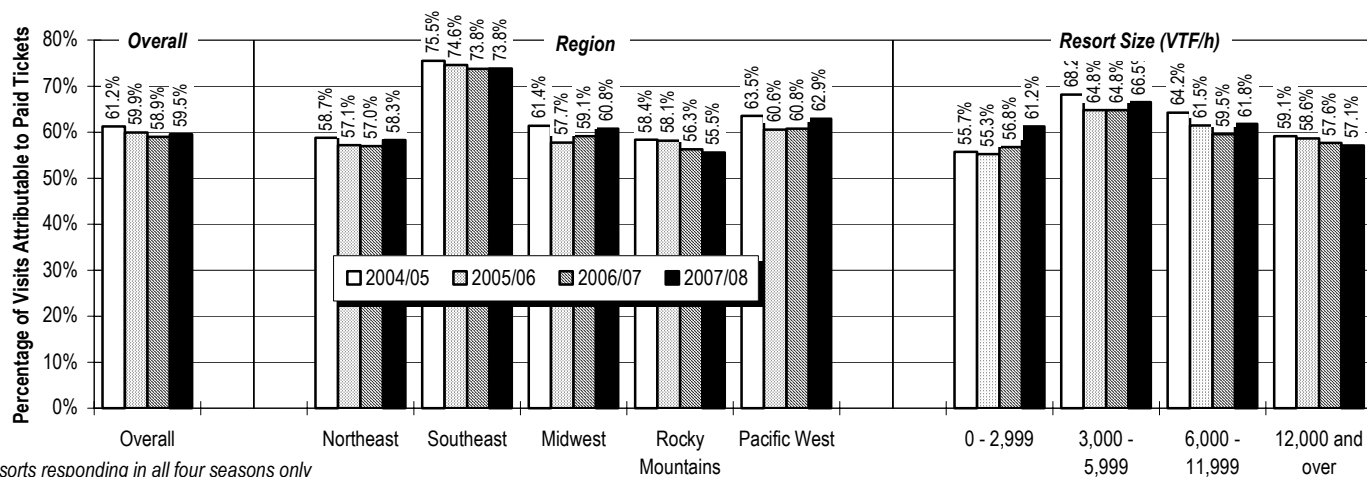


Figure 23
Percent of Skier Visits Attributable to Season Pass Usage, 2004/05 – 2007/08

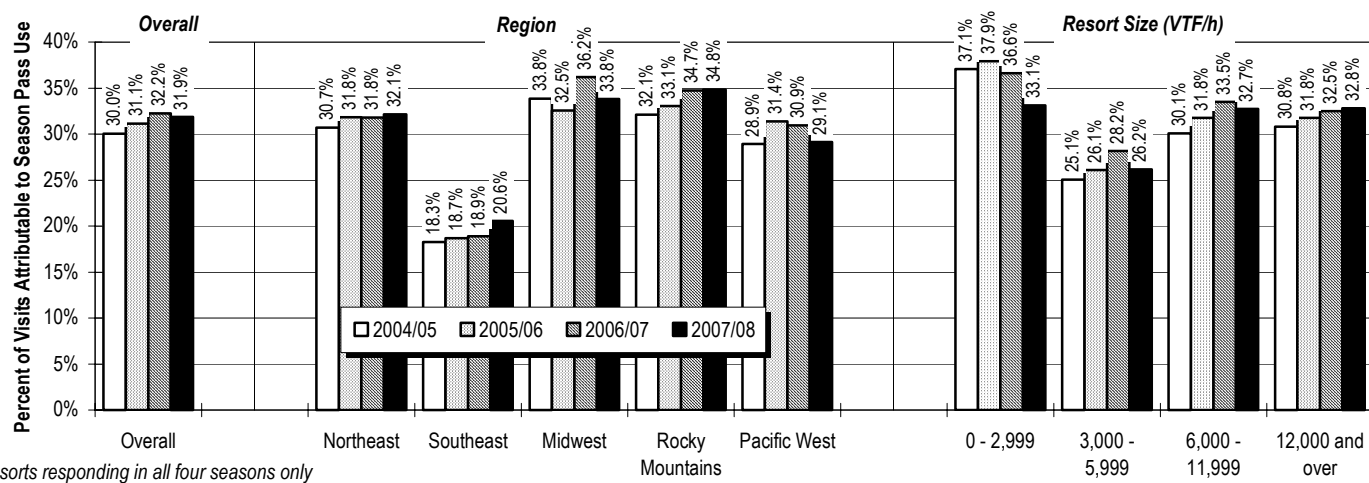


Figure 24
Percent of Skier Visits Attributable to Off-Duty Employee Visits, 2004/05 – 2007/08

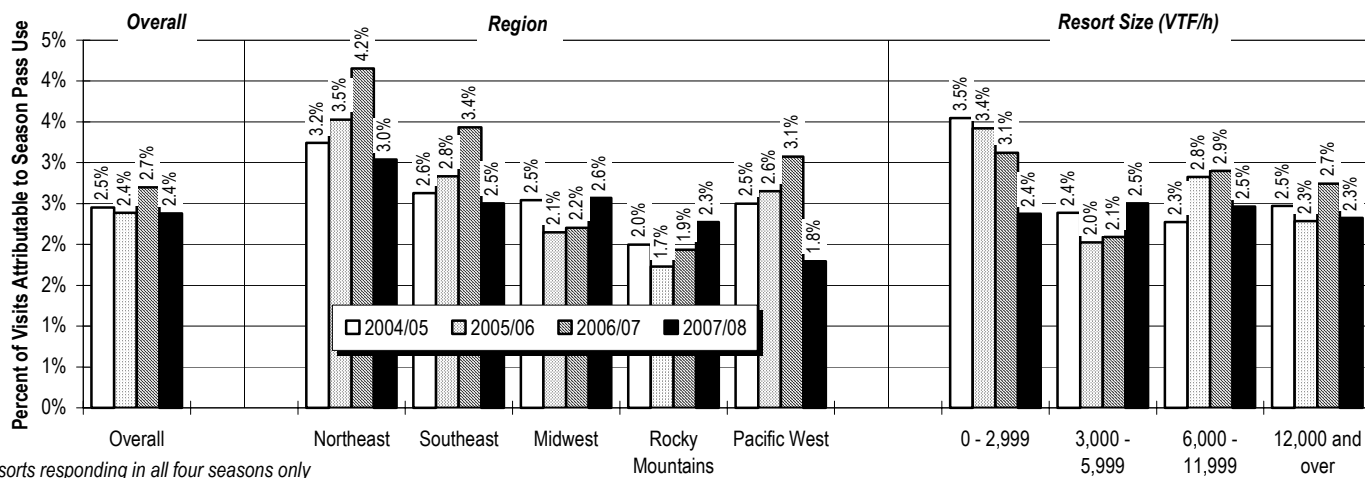
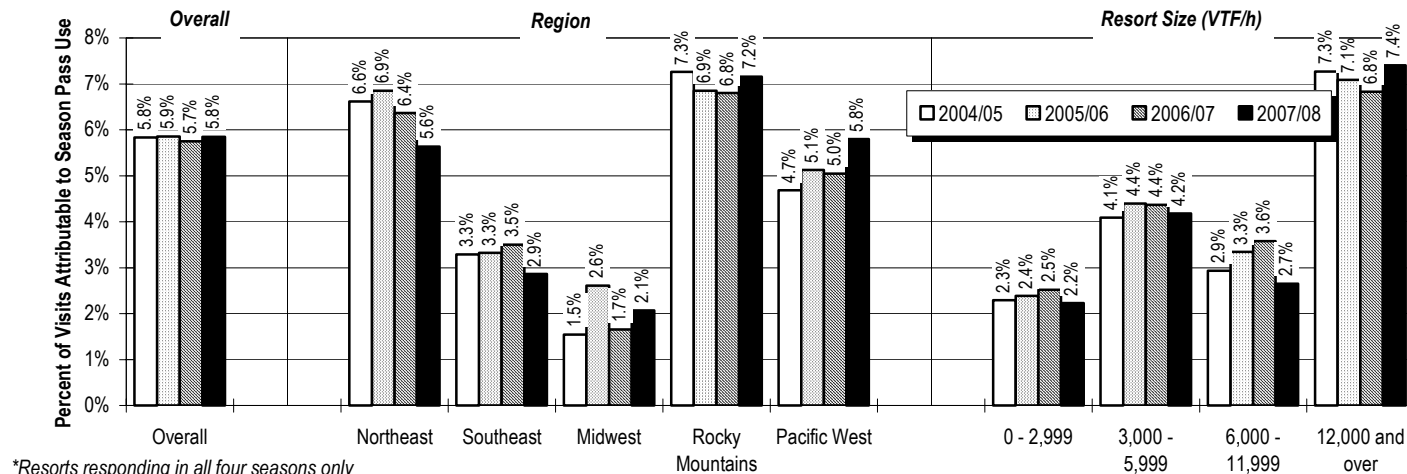


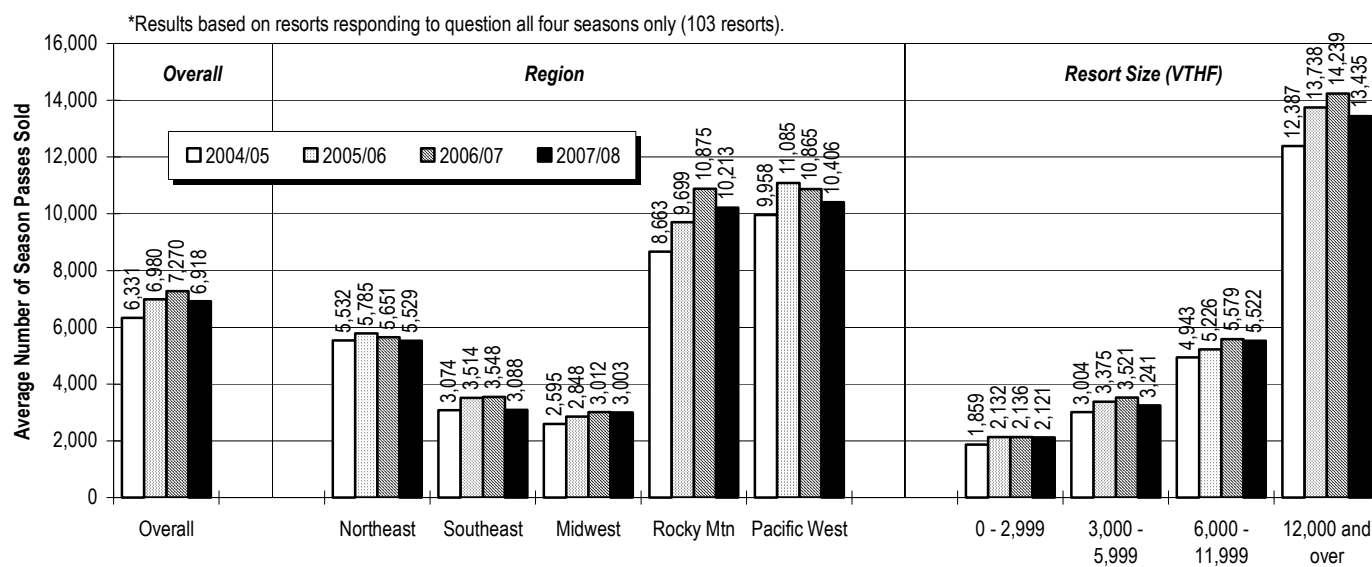
Figure 25
Percent of Skier Visits Attributable to Complimentary and Other Non-Paid Tickets, 2004/05 – 2007/08



Season Passes Sold

Consistent with the proportionate decline in season pass *visits* discussed previously, the number of season passes *sold* declined this past season, following several seasons of growth. Underscoring the breadth of the turnabout, season pass sales declined in every region and every size category. Nationally, the average number of passes sold per resort decreased by 4.8 percent in 2007/08, with the greatest decrease in the Southeast (-13.0 percent), followed by the Rocky Mountains (-6.1 percent), Pacific West (-4.2 percent), Northeast (-2.1 percent), and Midwest (-0.3 percent). While the reasons for the decline in sales are not clear, contributing factors could include increased pass prices, a weakening economy, concern about snow conditions in some regions, and shifting skier preferences and behavior, among other factors.

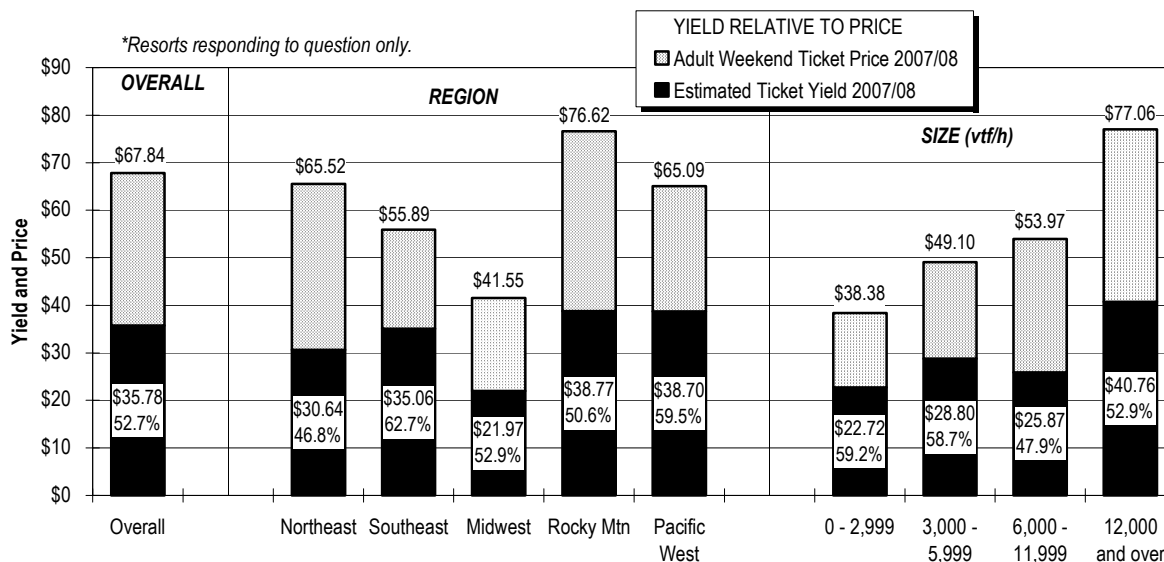
Figure 26
Average Number of Season Passes Sold per Resort, 2004/05 – 2007/08



Ticket Price and Yield

The issue of lift ticket lead pricing and actual ticket yield is of great interest to the industry. The following graph illustrates average lead ticket prices and actual ticket yield. Ticket prices and average yields have been weighted by skier visits, such that a resort with a greater number of skier visits counts for proportionately more in terms of ticket price and ticket yield than does a smaller resort.

Figure 27
Ticket Price / Ticket Yield, 2007/08



- **Overall results:** Overall, weekend adult ticket prices averaged \$67.84 this season, while ticket revenues per visit averaged \$35.78. This represents a “yield ratio” of about 52.7 percent. This ratio reflects a combination of discounting and promotions, children’s tickets, comps, season passes, etc.
- **Results by region:** When arranged by region, lead lift ticket prices were highest in the Rockies (\$76.62), followed by the Northeast (\$65.52), Pacific West (\$65.09), Southeast (\$55.89), and Midwest (\$41.55).

The Rocky Mountains had the highest average yield in dollar terms (\$38.77), followed by the Pacific West (\$38.70), Southeast (\$35.06), Northeast (\$30.64), and Midwest (\$21.97).

The highest yield ratios this season occurred in the Southeast (62.7 percent) and Pacific West (59.5 percent), while significantly lower yield ratios occurred in the Midwest (52.9 percent), Rocky Mountains (50.6 percent), and Northeast (46.8 percent).

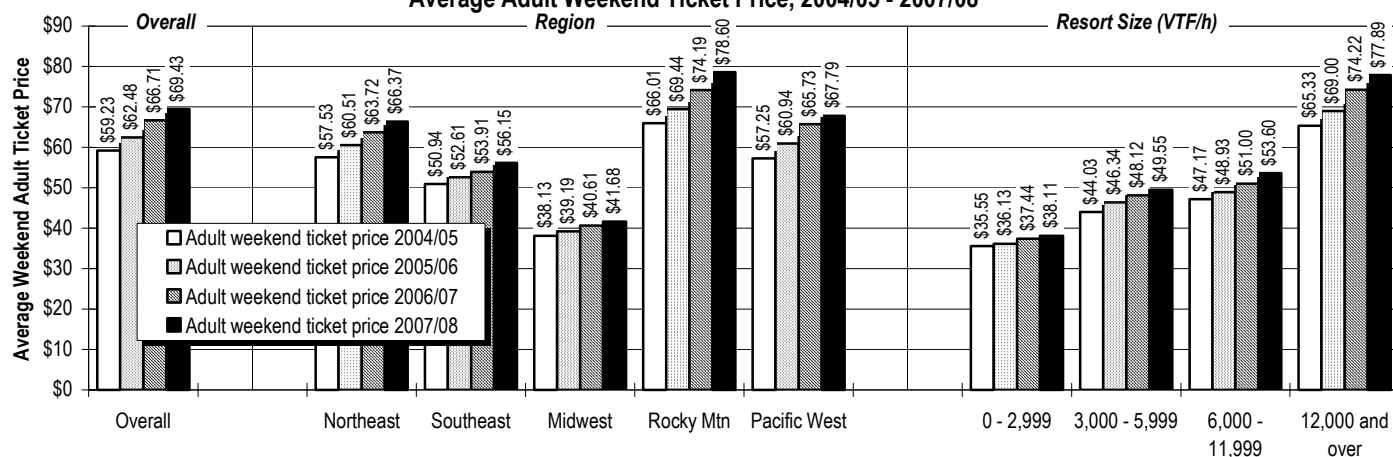
The absolute dollar gap between lead price and effective yield was highest in the Rocky Mountains (\$37.85), followed by the Northeast (\$34.88), Pacific West (\$26.39), Southeast (\$20.83), and Midwest (\$19.58).

- **Results by size:** A clear hierarchy of average ticket prices and revenues exists when resorts are arranged by relative size as measured by VTF/hour, with a particularly distinct difference between the

very largest resorts vs. small and mid-sized resorts. Average adult ticket prices ranged from \$38.38 - \$53.97 at small to mid-sized areas to \$77.06 at the largest resorts. Average actual ticket revenues ranged from \$22.72 - \$28.80 at small to mid-sized areas vs. \$40.76 at the largest. Yield ratios were variable by size, with the two smallest categories having the highest ratios, and the two largest categories having the lowest ratios.

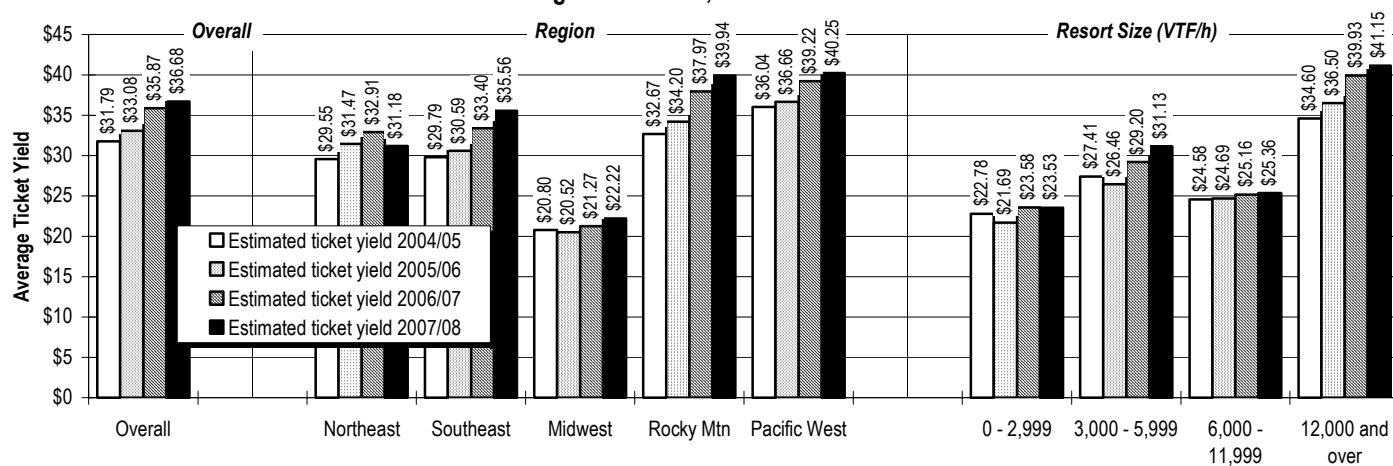
- *Four-season trends:* As would be expected, ticket prices and ticket yields have been increasing steadily over time, while ticket yield ratios – after declining gradually for many years – appear to have begun to plateau more recently. The results discussed below should be viewed as preliminary and subject to change as additional surveys are tabulated for the final report.
 - As illustrated in Figure 28 to follow, average adult weekend prices have risen by 17 percent overall over the four-year period. Gains have been greatest in the Rockies (19 percent), followed by the Pacific West (18 percent), Northeast (15 percent), Southeast (10 percent) and Midwest (9 percent). The largest resorts have had the largest increases (19 percent), decreasing to 7 percent at the smallest resorts.
 - As illustrated in Figure 29, ticket yields have risen by 15 percent overall over the four-year period. Gains have been greatest in the Rockies (22 percent), followed by the Southeast (19 percent), Pacific West (12 percent), Midwest (7 percent), and Northeast (6 percent). The Northeast reported an actual ticket yield decline in 2007/08, although this may be due to resort “recalibration” of the yield calculations (this will be investigated in more detail prior to the final report). By size, the largest resorts have seen greater yield gains over four seasons (19 percent) than other size categories (3 percent to 14 percent).
 - As illustrated in Figure 30, ticket yield ratios have fluctuated over the past four seasons in no clear trend. Overall, the ticket yield ratio slipped to 52.8 percent this season from 53.8 percent last season, primarily due to a drop in the Northeast, which in turn appears to have been influenced by significant recalibration of yield estimates at a small number of resorts (to be investigated prior to the final report). Yield ratios rose in the Southeast and Midwest, while dipping slightly in the Rockies and Pacific West. For longer-term perspective, today’s average yield ratio of about 53 percent is significantly lower than the yield ratios reported in the 1994/95 Kottke study (63.4 percent) and 1995/96 study (62.1 percent).

Figure 28
Average Adult Weekend Ticket Price, 2004/05 - 2007/08



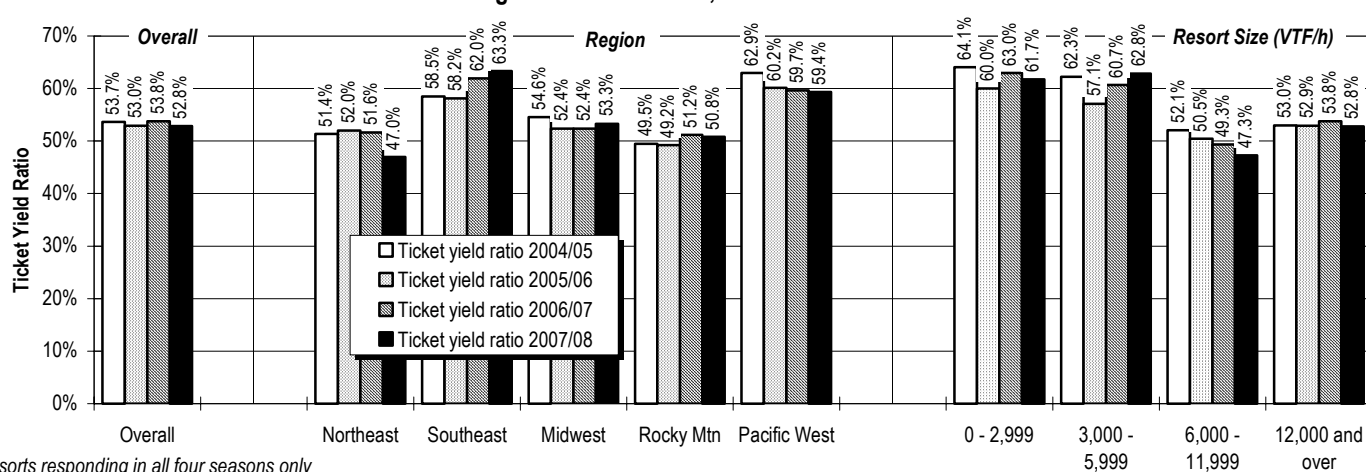
*Resorts responding in all four seasons only

Figure 29
Average Ticket Yield, 2004/05 - 2007/08



*Resorts responding in all four seasons only

Figure 30
Average Ticket Yield Ratio, 2004/05 - 2007/08



*Resorts responding in all four seasons only

Lessons

Table 4 to follow illustrates the average number of lessons of various types that were given by ski areas in the past two years. The issue of lesson participation, particularly at the entry level, has been an area of focus for the industry, especially as a key element of the strategy for attracting newcomers to snowsports and converting first-timers into committed, long-term participants. Skier visitation models demonstrate that long-term, sustainable growth in the industry will be strongly tied to improving the retention of entry level skiers, in large measure through improved and upgraded lessons programs.

A total of 105 areas responded with complete lesson data for both 2007/08 and 2006/07. As illustrated in Table 4, information presented is based on those surveys only. Overall, the data indicate that total lessons this season increased by 1.9 percent, a positive gain but significantly weaker than the projected 9.1 percent increase in skier visits. Total lesson volumes were up in the Southeast (11.2 percent), Pacific West (6.1 percent), and Northeast (5.9 percent), but down in the Rocky Mountains (-3.2 percent) and Midwest (-3.4 percent).

By equipment type, both alpine lessons (up 1.5 percent) and snowboard lessons (up 3.2 percent) eked out increases, although patterns were mixed by region. By ability level, Level 2+ lessons fared better (up 4.1 percent) than Level 1 lessons (-2.0 percent). By age, adult lessons declined (-1.5 percent), while kids' lessons rose (up 5.9 percent).

With regards to lesson volumes, alpine lessons continued to account for a significantly larger share of total lessons this season (76.1 percent of lessons) than snowboarding lessons (23.9 percent). Additionally, Level 2+ lessons accounted for a greater volume of lessons (65.8 percent) than Level 1 lessons (34.2 percent), and adult lessons were slightly more prevalent (52.1 percent of lessons) than children's lessons (47.9 percent). The mix of lesson types was relatively stable this season relative to last season.

The regions exhibit distinct differences in the mix of lessons given by equipment type, ability, and age. Snowboard lessons account for the highest proportion of total lessons in the Pacific West (39.8 percent in 2007/08), followed by the Southeast (27.1 percent), Midwest (23.4 percent), Rocky Mountains (19.5 percent), Northeast (18.8 percent), and roughly paralleling the regional prevalence of snowboarding visits (although snowboarding lesson participation generally underperforms snowboarder visitation, suggesting resistance by some snowboarders to lessons). By ability, the Midwest gives the highest proportion of Level 1 lessons (61.9 percent), followed by the Southeast (44.8 percent), Pacific West (40.0 percent), Rocky Mountains (28.8 percent), and Northeast (27.3 percent). By age, the Rocky Mountains give the highest proportion of children's lessons (55.2 percent), followed by the Northeast (49.8 percent), Pacific West (49.4 percent), Midwest (27.1 percent), and Southeast (26.9 percent).

Table 4
Average Number of Lessons Given per Ski Area by Lesson Type and Region, 2007/08 vs. 2006/07

	Overall	Northeast	Southeast	Midwest	Rocky Mountain	Pacific West
<i>Responses</i>	<i>105</i>	<i>24</i>	<i>12</i>	<i>17</i>	<i>30</i>	<i>22</i>
TOTAL LESSONS						
2007/08	23,488	24,635	23,341	9,039	34,078	19,042
2006/07	23,048	23,262	20,993	9,359	35,194	17,948
% Change	1.9%	5.9%	11.2%	-3.4%	-3.2%	6.1%
ALPINE TOTAL						
2007/08	17,877	19,992	17,009	6,928	27,442	11,461
2006/07	17,612	18,588	14,950	7,179	28,508	11,203
% Change	1.5%	7.6%	13.8%	-3.5%	-3.7%	2.3%
LEVEL 1 ALPINE						
2007/08	5,454	4,975	6,812	4,154	7,067	4,039
2006/07	5,612	4,655	6,591	3,856	8,163	3,999
% Change	-2.8%	6.9%	3.4%	7.7%	-13.4%	1.0%
LEVEL 2+ ALPINE						
2007/08	12,423	15,017	10,196	2,774	20,375	7,422
2006/07	12,001	13,933	8,359	3,324	20,345	7,204
% Change	3.5%	7.8%	22.0%	-16.5%	0.1%	3.0%
SNOWBOARD						
2007/08	5,611	4,643	6,332	2,111	6,637	7,581
2006/07	5,435	4,674	6,043	2,180	6,686	6,744
% Change	3.2%	-0.7%	4.8%	-3.2%	-0.7%	12.4%
LEVEL 1 SNOWBOARD						
2007/08	2,583	1,755	3,640	1,441	2,744	3,573
2006/07	2,588	1,593	3,759	1,820	2,867	3,247
% Change	-0.2%	10.2%	-3.2%	-20.8%	-4.3%	10.1%
LEVEL 2+ SNOWBOARD						
2007/08	3,028	2,887	2,692	670	3,892	4,008
2006/07	2,848	3,081	2,284	360	3,819	3,498
% Change	6.3%	-6.3%	17.9%	85.9%	1.9%	14.6%
KIDS TOTAL						
2007/08	11,262	12,256	6,274	2,447	18,814	9,412
2006/07	10,638	11,612	5,353	2,055	18,606	8,225
% Change	5.9%	5.6%	17.2%	19.1%	1.1%	14.4%
ADULTS TOTAL						
2007/08	12,226	12,379	17,068	6,592	15,264	9,630
2006/07	12,410	11,650	15,640	7,305	16,589	9,723
% Change	-1.5%	6.3%	9.1%	-9.8%	-8.0%	-0.9%
LEVEL 1 TOTAL						
2007/08	8,037	6,731	10,452	5,594	9,811	7,612
2006/07	8,199	6,248	10,350	5,675	11,030	7,246
% Change	-2.0%	7.7%	1.0%	-1.4%	-11.1%	5.1%
LEVEL 2+ TOTAL						
2007/08	15,451	17,904	12,889	3,444	24,267	11,430
2006/07	14,848	17,014	10,643	3,684	24,164	10,702
% Change	4.1%	5.2%	21.1%	-6.5%	0.4%	6.8%

Capital Improvements

Resorts were asked to provide dollar figures for their capital improvement investments over the past two seasons plus the projected expenditures for the upcoming season (2008/09), within the general categories of new and upgraded lifts, other on-mountain facilities and support, and real estate.

Altogether, total expenditures on capital improvements by 140 survey respondents decreased significantly from 2006/07 (\$474 million) to 2007/08 (\$400 million), but are projected to rise to \$438 million in 2008/09. Each of the three categories of improvements has had varied patterns. Real estate spending, the overall largest category, dropped from \$224 million in 2006/07 to \$135 million in 2007/08, but is projected to jump to \$242 million in 2008/09. Spending on lifts has been in a declining trend over the period, dropping from \$97 million in 2006/07 to \$88 million in 2007/08 and \$65 million in 2008/09. Spending on other on-mountain facilities and support rose from \$153 million in 2006/07 to \$177 million in 2007/08, but is projected to drop back to \$130 million in 2008/09.

Based on cumulative past and planned spending over a three year period (2006/07 – 2008/09), the largest share of investment over the period is earmarked for real estate (46 percent), followed by on-mountain facilities and support (35 percent) and new and upgraded lifts (19 percent).

By region, the greatest cumulative three-year investments are projected to occur in the Rocky Mountains (\$632 million), followed by the Northeast (\$326 million), Southeast (\$190 million), Pacific West (\$142 million), and Midwest (\$22 million). It should be cautioned that a small number of large projects, particularly in the case of real estate, can heavily impact the numbers, and that not all ski resort capital improvement projects are represented in the data.

With respect to the number of new or upgraded lifts, this past season (2007/08), 57 new or upgraded lifts were installed, based upon information from the resort respondents. The Rocky Mountains (23 lifts) and the largest resorts (26 lifts) installed the greatest number of new or upgraded lifts last season among responding resorts.

This next season (2008/09), the same group of resorts is planning to install 55 new or upgraded lifts, just two fewer lifts than this season, although with a significantly lower dollar level of investment (\$65 million next year vs. \$88 million in 2007/08). The Pacific West (16 lifts) and largest resorts (24 lifts) will be adding/upgrading the largest number of lifts next season among responding resorts.

As illustrated in Figure 33 to follow, the largest share of lifts added or upgraded this past season were chairlifts (32 lifts), followed by carpets/conveyors (16 lifts), tows/surface lifts (7 lifts), and gondolas/trams (2 lifts). Next season, responding resorts are projecting that they will add or upgrade 29 chairlifts, 17 carpets/conveyors, 5 tows/surface lifts, and 4 gondolas/trams.

Figure 31
Sum of Capital Expenditures by Region*
Actual 2006/07 and 2007/08 / Proposed 2008/09

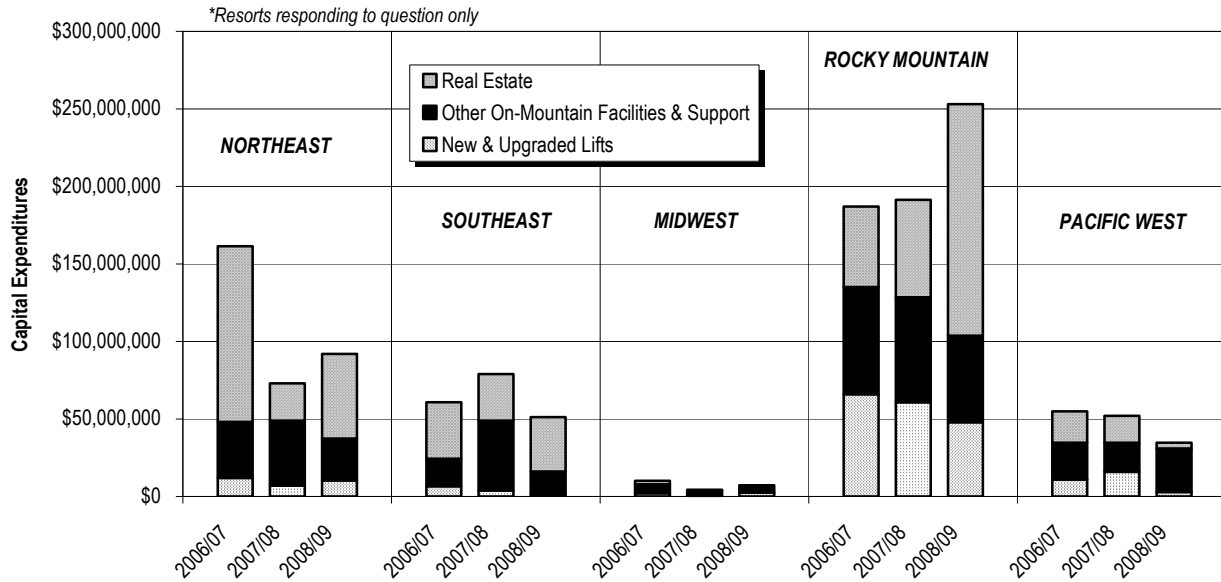
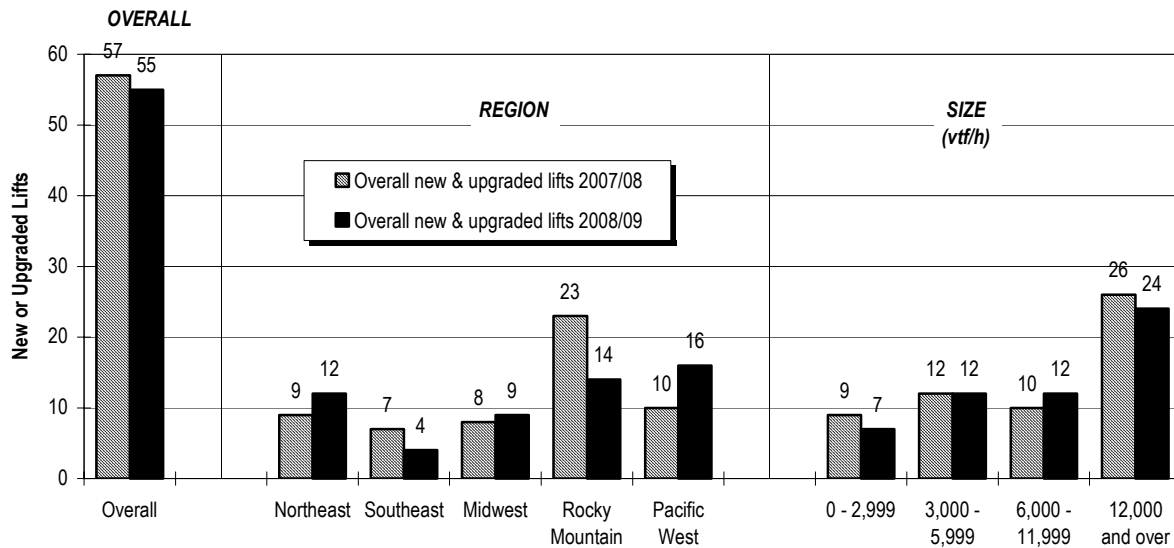
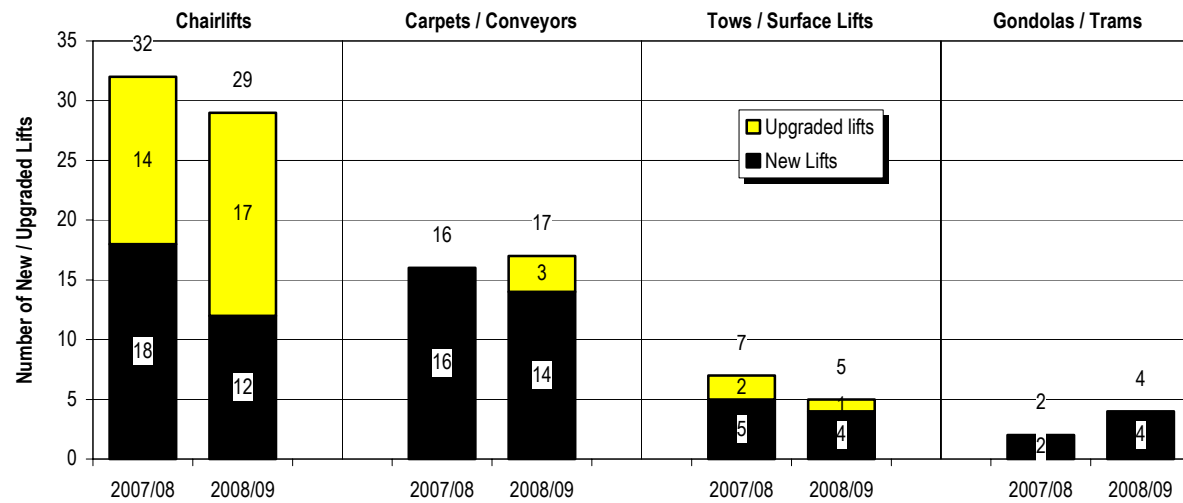


Figure 32
Sum of New or Upgraded Lifts by Region and Resort Size*
Actual 2007/08 / Proposed 2008/09



*Results based on resorts responding to question only.

Figure 33
Sum of New or Upgraded Lifts by Lift Type*
Actual 2007/08 / Proposed 2008/09



*Resorts responding to question only .

Resorts Represented by Region and State

2007/08 (215 ski areas)

NORTHEAST	CT	Ski Sundown	ME	Sugarloaf/USA	NH	Waterville Valley Resort	VT	Bolton Valley Resort
	MA	Jiminy Peak Mountain Resort	ME	Sunday River Ski Resort	NH	White Mountain Exploration at Tenney Mt.	VT	Bromley Mountain Resort
	MA	Ski Butternut	ME	Titcomb Mountain	NH	Wildcat Mountain Ski Area & Summer Gondola	VT	Burke Mountain Ski Area
	MA	Wachusett Mountain	NH	Arrowhead Recreation Area	NY	Belleayre Mountain	VT	Jay Peak Ski Resort
	ME	Big Rock Ski Area	NH	Attitash	NY	Bristol Mountain Winter Resort	VT	Killington Resort
	ME	Big Squaw Mountain Resort	NH	Bretton Woods Ski Area	NY	Four Seasons Ski Center	VT	Magic Mountain
	ME	Camden Snow Bowl	NH	Cannon Mountain	NY	Gore Mountain	VT	Mount Snow Resort
	ME	Shawnee Peak Ski Area	NH	Cranmore Mountain Resort	NY	Greek Peak Mountain Resort	VT	Okemo Mountain Resort
	ME	Eaton Mountain	NH	Crotched Mountain Ski & Ride	NY	Holiday Valley Resort	VT	Smugglers' Notch Resort
	ME	Lost Valley Ski Area	NH	Dartmouth Skiway	NY	HoliMont Ski Area	VT	Stowe Mountain Resort
	ME	Mt. Abram Family Resort	NH	Gunstock Mountain Resort	NY	Hunter Mountain	VT	Stratton
	ME	Mt. Jefferson Ski Area	NH	Loon Mountain Recreation Corp.	NY	Peek 'n Peak Resort & Conference Center	VT	Sugarbush Resort
	ME	Quoggy Jo Ski Center	NH	Mount Sunapee Resort	NY	Titus Mountain		
	ME	Saddleback Maine	NH	Pats Peak	NY	Whiteface		
	ME	Shawnee Peak Ski Area	NH	Ragged Mountain	NY	Windham Mountain		
SOUTH-EAST	MD	Wisp Resort	PA	Bear Creek Mountain Resort	PA	Liberty Mountain Resort	VA	Bryce Resort
	NC	Cataloochee Ski Area	PA	Big Boulder Ski Area	PA	Seven Springs Mountain Resort	VA	Massanutten Ski Resort
	NC	Sapphire Valley Ski Area	PA	Camelback Ski Area	PA	Shawnee Mountain Ski Area	VA	Wintergreen Resort
	NC	Sugar Mountain Ski Area	PA	Elk Mountain Ski Resort, Inc.	PA	Ski Roundtop	WV	Snowshoe
	NJ	Mountain Creek	PA	Jack Frost Mountain	PA	Whitetail Resort	WV	Winterplace Ski Resort
MIDWEST	IA	Sundown Mountain Ski and Snowboard Resort	MI	Indianhead Mountain	MN	Buck Hill	OH	Mad River Mountain
	IL	Chestnut Mountain Resort	MI	Mount Bohemia	MN	Giants Ridge Golf & Ski Resort	OH	Snow Trails
	IL	Ski Snowstar Winter Sports Park	MI	Mulligan's Hollow Ski Area	MN	Hyland Ski and Snowboard Area	WI	Cascade Mountain
	IN	Paoli Peaks, Inc.	MI	Nub's Nob Ski Area	MN	Lutsen Mountains	WI	Grand Geneva Resort
	IN	Perfect North Slopes	MI	Pine Knob Ski Resort, Inc.	MN	Spirit Mountain Recreation Area	WI	Granite Peak at Rib Mountain State Park
	MI	Caberfae Peaks Ski Resort	MI	Pine Mountain	MN	Welch Village Ski Area, Inc.	WI	Sunburst Ski Area
	MI	Cannonsburg Ski Area	MI	Shanty Creek Resorts	MO	Hidden Valley Ski Area	WI	Tyrol Basin Ski & Snowboard Area
	MI	Crystal Mountain	MN	Andes Tower Hills	OH	Boston Mills/Brandywine Ski Resort		
ROCKY MOUNTAIN	MT	Bridger Bowl Ski Area	CO	Crested Butte Mountain Resort	CO	Buttermilk	ID	Sun Valley Resort
	MT	Discovery Ski Area	CO	Eldora Mountain Resort	CO	Beaver Creek Resort	ID	Brundage Mountain Resort
	MT	Showdown Montana	CO	Keystone Resort	CO	Aspen Highlands	ID	Silver Mountain Resort
	MT	Teton Pass Ski Area	CO	Monarch Mountain	CO	SolVista Basin	ID	Lookout Pass Ski Area
	MT	Whitefish Mountain Resort on Big Mtn	CO	Powderhorn Resort	CO	Arapahoe Basin	ID	Schweitzer Mountain Resort
	MT	Red Lodge Mountain Resort	CO	Durango Mountain Resort	CO	Howelsen Hill Ski Area	UT	Alta Ski Area
	MT	Montana Snowbowl	CO	Steamboat Ski & Resort Corporation	CO	Echo Mountain	UT	Brighton Ski Resort
	MT	Big Sky Resort	CO	Sunlight Mountain Resort	NM	Sandia Peak Ski Area	UT	Park City Mountain Resort
	MT	Lost Trail Ski Area, Inc.	CO	Telluride Ski & Golf Resort	NM	Ski Santa Fe	UT	The Canyons Resort
	MT	Maverick Mountain	CO	Vail Mountain	NM	Ski Apache Resort	UT	Snowbird Ski & Summer Resort
	MT	Moonlight Basin	CO	Winter Park Resort	NM	Sipapu Ski & Summer Resort	UT	Sundance
	WY	Jackson Hole Mountain Resort	CO	Wolf Creek Ski Area	NM	Taos Ski Valley, Inc.	UT	Solitude Mountain Resort
	WY	Grand Targhee Resort	CO	Loveland Ski Area	NM	Angel Fire Resort	UT	Snowbasin Resort Co.
	WY	Snow King Resort	CO	Ski Cooper	NM	Red River Ski Area, Inc.	UT	Deer Valley Resort Company
	CO	Breckenridge Ski Resort	CO	Aspen Mountain	NM	Pajarito Mountain Ski Area	UT	Brian Head Resort
	CO	Copper	CO	Snowmass	ID	Bogus Basin Mountain Recreation Area		
PACIFIC WEST	AK	Alyeska Resort	CA	Mt. Shasta Ski Park	NV	Heavenly Mountain Resort	WA	Crystal Mountain, Inc.
	AK	Mt. Eyak Ski Area	CA	Northstar-at-Tahoe	NV	Las Vegas Ski & Snowboard Resort	WA	Hurricane Ridge Ski Area
	AZ	Arizona Snowbowl	CA	Sierra Summit Mountain Resort	NV	Mt. Rose - Ski Tahoe	WA	Loup Loup Ski Area
	CA	Alpine Meadows Ski Resort	CA	Sierra-at-Tahoe Snowsports Resort	OR	Cooper Spur Mountain Resort	WA	Mission Ridge Ski & Board Resort
	CA	Bear Valley Mountain Resort	CA	Snow Summit Mountain Resort	OR	Hoodoo Ski Area	WA	Mt. Baker
	CA	Boreal Mountain Resort	CA	Snow Valley Mountain Resort	OR	Mt. Ashland	WA	Mt. Spokane Ski & Snowboard Park
	CA	Dodge Ridge Wintersports Area	CA	Soda Springs Ski Area	OR	Mt. Bachelor, Inc.	WA	Ski Bluewood
	CA	Granlibakken Ski Area	CA	Squaw Valley USA	OR	Mt. Hood Meadows Ski Resort	WA	Stevens Pass
	CA	Kirkwood Mountain Resort	CA	Sugar Bowl Resort	OR	Timberline Lodge & Ski Area	WA	The Summit At Snoqualmie
	CA	Mammoth	CA	Tahoe Donner Ski Area	OR	Willamette Pass Resort	WA	White Pass Ski Area
	CA	Mountain High Resort	NV	Diamond Peak Ski Resort	WA	49 Degrees North Mountain Resort		