

## Appendix I: Sustaining Nature-based Tourism in Vacationland

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### Summary

Commercial tourism is not a distinct industry, but rather a diffuse group of thousands of businesses that derive some or all of their revenues from leisure travelers. They range from sporting camps and whale watches to gas stations and variety stores. Tourism is important to the economy of every Maine region. It directly generates nearly seven per cent of Maine's gross state product and over ten percent of our employment, although Maine's share of national overnight trips stagnated in the latter 1990s and our share of the Northeast market has declined.

All Maine tourism is dependent directly on the state's outstanding natural attractions or indirectly on the state's natural and cultural heritage. Among the five resource-based industries addressed by this Conference, tourism is uniquely dependent upon the vitality and practices of the other four. Fishing villages, open farm landscapes, and vast forests are all tourism resources.

There are two core sustainable tourism challenges. The first is summer congestion along the coast from Kittery to Mount Desert, putting stress on social and environmental carrying capacities. The second is a lack of powerful brand image or destination drivers for the economically distressed Northern Forest and Downeast Lakes/Bold Coast regions. Both coast and hinterland are adversely affected by a heavy dependence on automobile travel (92% of tourists) and the preponderance of day-trippers in the tourist mix (35 million/year, compared to 9mm. overnight visitors). Both coast and hinterland also face actual and perceived threats to recreational access to private lands and waterfronts. Finally, tourism suffers from a large proportion of marginally profitable small businesses that are unable to pay livable wages. This limits tourism's contribution to rural economic diversification, community vitality, and shared prosperity. None of these weaknesses has been researched systematically, and there is no master database covering all aspects of tourism and recreation.

We have exciting opportunities to develop tourism sustainably. They entail spreading best management practices among tourism businesses; strengthening tourism's linkages to agriculture, fisheries, and forest products; shaping a multi-modal transportation network, starting from DOT's "Explore Maine" concept; and branding the Northern Forest and Downeast regions by building and effectively promoting world-class destinations. Four components of the branding strategy are a recreational master plan for public lands and easements, ecotourism certification, integrating natural with cultural and heritage attractions, and luring first-time visitors with major summer events.

Four action steps should be initiated by the Governor's Office: planning for sustained multiple-use management and recreational access on private lands; developing a recreational master plan for public lands and easements; broadening the Maine Office of Tourism's mandate and capabilities; and articulating a commitment to livable wages and multi-modal transportation development. The Tourism Commission's Natural Resources Committee should tackle the branding challenge facing interior and downeast regions; assess the potential of ecotourism certification, develop methods for assessing environmental and social carrying capacity limits; and set a prioritized tourism research agenda. Finally, the relevant state agencies and the university and community college systems should strengthen the economic linkages between tourism and agriculture, fisheries, and forest products; facilitate tourism

businesses' purchase of more production inputs from in-state suppliers; and initiate small business management assistance and training programs based on the cooperative extension model.

### Introduction: The Lay of the Land

The challenge of sustainable nature-based tourism has become a focus for several state and public-private initiatives in recent years. This essay draws extensively from these initiatives and, it is hoped, will contribute to them. Since they will largely shape Maine's near term tourism policy agenda, it is worth acknowledging a few of them at the outset.

State agencies and the University of Maine co-sponsored a Symposium on Nature-based Tourism in April 2002. The Gulf of Maine Council's 2001-2006 *Action Plan* sets out the goal of developing "a nature-based tourism strategy that sustains the environment and the well-being of local people." The 2003 Governor's Conference on Tourism highlighted sustainability challenges and the synergies between agriculture and tourism. The Bureau of Parks and Lands (BPL) and the Maine Island Trail Association (MITA) are framing a ten-year management plan for public islands. The Department of Inland Fisheries and Wildlife (IFW) coordinates the Governor's Council on Sportsmen-Landowner Relations. The Downeast Resource and Conservation District's Vacationland Resources Committee is one of eight regional bodies working on a sustainable tourism strategy. And the Maine Tourism Commission has created a Natural Resources Committee (NRC) to investigate problems and opportunities in managing Maine's natural attractions. The NRC will report to the Legislature in 2004.

These initiatives reflect an encouraging expansion of inter-agency coordination, but also a growing concern that Maine tourism may not be on an environmentally or socially sustainable path. This worry is not new. Back in 1974, when tourists numbered fewer than one-fourth of today's level, the Vacation Travel Analysis Committee stressed that, "Although it is difficult to measure, tourists have a very real social and environmental impact." (MVTAC 1974: 19) The long history of such concerns indicates that most obstacles to sustainable tourism are chronic and gradually evolving, rather than acutely critical. Tourism, in this sense, does not face a crisis, as do some sectors addressed by this Conference.

Nonetheless, there is and should be a sense of urgency. Time is of the essence, not least because Maine's competitors for tourists, including every northeastern state and Canadian province, are pursuing their own strategies to capture market share. Maine's stagnant share of the US tourist market and its declining share of the northeast market in the latter 1990s reflect in part our lagging promotional efforts, but they also suggest the seriousness of Maine's competitive challenge. (Longwoods 2001).

The Conference agenda spans five sectors. Tourism's vitality is uniquely dependent upon conditions, practices, and policies in the other four sectors. Thus, tourism's future will be affected by the sustainability of open farm landscapes and historic fishing villages, changing recreational access to the Northern Forest, and the resolution of conflicts surrounding the siting of aquaculture pens. Sustainable multiple-use management of Maine's lands, shorelines, and waters is a key cross-cutting Conference theme. Another is the search for niche opportunities to strengthen mutually beneficial linkages between tourism and the four extractive industries.

Tourism is vitally important to Maine's economy and affects nearly every Maine citizen's quality of life. Although some may consider tourism a secondary use of the state's terrestrial and marine environments, Conference participants should keep in mind that tourism is a very big and special kind of "export" industry. Instead of taking in revenue from the "rest of the world" by shipping out lumber or potatoes, revenue is earned by inducing the rest of the world to visit us. Tourism's direct contribution to Maine's gross state product (ca. \$2.5 billion –

nearly 7% of g.s.p.) exceeds the combined contributions of agriculture, marine fisheries and aquaculture. Tourism's direct employment (over 70,000 full time equivalent jobs) is greater than those three sectors plus forest products.<sup>58</sup> (Colgan 2003) Moreover, when a state with just over one million residents plays host to 26 million visitors from away, people's lives are bound to be affected in countless ways, often for better but sometimes for worse.

Maine tourism is influenced by powerful external forces that cannot be addressed systematically here.<sup>59</sup> They include national economic conditions, exchange rates (a cheaper US dollar makes Maine cheaper to Canadian and other foreign tourists), energy prices, and international tensions. Additional unknowns include policy actions, such as federal air travel complications, expanded passenger rail service, an improved east-west highway, this fall's casino referendum, and even the success of Atlantic salmon restoration. Finally, it bears repeating that we cannot precisely forecast the effects of our competitors' tourism strategies.

## Tourism Strengths

The core strengths of Maine's nature-based tourism fall under three headings: location and markets, resources and products, organization and policy.

### **Market Strengths: Location, Tradition, and Image**

With automobile-based tourism as with real estate, three critical factors are *location, location, and location*. It has become a cliché that Maine – more accurately, the south and midcoast regions – lies within a day's drive of some 50 million affluent Americans and Canadians, more than 20 million of whom are aware of Maine as a destination but have never visited us. (Stinson) Driving time is a pertinent consideration, since 92% of out-of-state visitors come by personal vehicle. Four-of-five overnight visitors come from the New England and the Mid-Atlantic states, a figure that has changed very little in 30 years. Fourteen million day trippers/year come from greater Boston alone. (Longwoods 2001: 18, 25, MVTAC 1974: 4) Proximity to such an enormous population base is a boon, but it is also problematic, as discussed below.

Maine's tradition as a major Northeast outdoor recreation destination extends back over a century, to an era when nearly all visitors arrived by rail or steamer. The culture, commerce, and physical infrastructure of numerous host communities such as Ogunquit, Naples, Camden, Rangeley, and Bar Harbor, have long since adapted to tourism's seasonal rhythms. Others, such as Greenville, Millinocket, Friendship and Stonington, seem more ambivalent about their gradual transition from resource industry town to tourist haven.

One of Maine's unique strengths, now under stress, is a tradition of recreational access to private land, most notably the vast 10 million acre Northern Forest. Indeed, the 25,000 mile logging road network opened much of the backcountry to vehicle access in the 1970s and 1980s. A key marketing advantage is that lake and mountain landscapes in the Unorganized Territories retain the mystique of places both wild and accessible from the northeast megalopolis.

Tourist surveys conducted for the Maine Office of Tourism (MOT) indicate that, when compared to national norms, nearly all of Maine's special "product strengths," relate to our beautiful scenery and excellent resources for outdoor activities *away from the coast*.

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<sup>58</sup> A sector's direct contribution to gross state product, or value added, equals its total sales minus expenditures for inputs from outside Maine. It also excludes multiplier effects. (Estimation techniques are discussed in Vail and Heldt 2000, Vail 2003.)

<sup>59</sup> Since this Conference emphasizes natural resource-based sectors, this paper emphasizes leisure travel. Business trips, meetings and conventions -- important sources of revenue and areas of potential growth -- are omitted.

However, the powerful coastal “destination drivers” – lobster boats, lighthouses, L.L. Bean – seem to be in no danger of fading. Maine’s special assets also include its sightseeing appeal, “uniqueness” and worry-free atmosphere. (Longwoods 2001: 101-02) These qualities may prove especially important in this era of growth in the “general touring” market segment.

Leisure travel decisions by Maine residents are also shaped by these product strengths and appealing images. Since Mainers take 15% of the state’s overnight trips and fully 48% of day trips, spending \$1.6 billion (30% of the total), marketing Maine to Mainers seems an obvious component of a sustainable tourism strategy. The potential market value of Maine’s “clean, green, worry free” brand image stands to increase if world conditions remain unsettled and air travel continues to be hassle-filled.

### **Resources and Products**

Coastal Maine already enjoys a powerful brand image, with a blend of well-known natural attractions unparalleled on the US east coast: 3500 miles of rugged shoreline, clean sand beaches, broad island-dotted bays, and mountains running to the sea. The coast “sells itself” to repeat visitors and seasonal residents. The Northern Forest region also possesses outstanding natural assets in its rivers, lakes, ponds, mountains, and diverse wildlife habitats. However, it shares these generic features with other destinations in northeastern North America and, in general, our competitors can offer more extensive public and protected lands as well as easier Interstate access from large population centers.

It is problematic to think of underutilized supply capacity as a strength, yet it is pertinent for sustainable tourism planning because most of Maine’s natural attractions and rural communities have considerable potential to accommodate more visitors. With important exceptions discussed below, an effective blend of management and promotion would allow most attractions, most of the year, to accommodate substantially greater numbers – to the benefit of regional economies.

Maine’s 44 million annual tourists and their ca. \$5.5 billion spending amply confirm that Maine has what it takes to lure paying customers to our backyard. Millions are drawn specifically by world class resources for diverse active and passive outdoor activities, ranging from sea kayaking to whale watching, flatwater paddling to whitewater rafting, day hiking to mountain biking, moose hunting to bird watching, and skiing to snowmobiling. For the even larger numbers who come for general touring, Maine’s rock-bound coast, authentic fishing villages, brilliant red maples, pristine mountain lakes and rugged peaks are an ever-present backdrop for less strenuous leisure pursuits. Given nature’s centrality in attracting tourists, it may seem puzzling that just eleven cents of the tourist dollar are spent on recreational activities *per se*. Nonetheless, it is clear from surveys that without our natural attractions, we would lose much of the remaining 89 cents that tourists spend on eating, sleeping, shopping and transportation. This essay treats all Maine tourism as nature-based at some level.

### **Organization and Policy Momentum**

Most participants in tourism policy discussions accept that new institutions and policies will be needed to develop nature-based tourism *sustainably*. Competing interests must be reconciled and scarce financial, staffing, and other resources must be allocated among competing uses. The public-private initiatives listed in the introduction are a welcome sign that tourism stakeholders are becoming much better at communicating and collaborating. Our organizational model for tourism planning and development, centering on regional organizations, but with MOT technical, financial and marketing assistance, is sound. The Natural Resource Committee’s policy dialogue is also well conceived. It brings together a wide range of stakeholders, experts, and agency representatives, building on the mutual understanding and good will that have been carefully nurtured over several years. The state has facilitated, but not micro-managed, many “win-win” precedents, such as MITA’s

collaboration with island owners to set management guidelines; the Maine Snowmobile Association-landowner partnership that shaped our outstanding Interconnected Trail System; and the Sportsmens'-Forest Landowners' Alliance that sustains cooperation around recreational access.

## Weaknesses and Challenges

The following catalogue of weaknesses may seem long and daunting. It is sure to be controversial. Readers should bear in mind that two core dilemmas stand out, one centering on Maine's coast and the other on interior and downeast regions. Some of Maine tourism's weaknesses are beyond our control, for instance fickle summer weather, mud season, and long travel distances to interior regions. Others weaknesses reflect cumulative impacts, like summer coastal congestion that cannot easily be reversed. Nonetheless, weaknesses are best viewed as challenges that can be overcome through coordinated responses by state and local policy makers, tourism businesses, and public interest organizations.

### **Coastal Congestion Costs: The Cumulative Effects of Minimally Managed Growth**

It is widely recognized that much of the narrow coastal corridor from Kittery to Mount Desert suffers severe summer congestion, hosting well over 20 million tourists from July through September. This longstanding – and long neglected – weakness was emphasized as far back as 1974, when the entire state had just 10 million tourists a year:

“Congestion is the primary cause of serious social and environmental impact. Crowding of beaches, roads, and parks by non-residents creates social resentment among residents. Concentrated activities endanger the environment. Maine suffers from seasonal congestion (summer) and locational congestion (most notably the southern coast).” (MVTAC 1974: 19)

There has been little research into four costs of unmanaged coastal tourism growth. First, we lack systematic scientific and technical analysis of tourism's major environmental impacts, including its contribution to reduced air quality, stresses on water treatment systems and water quality, solid waste disposal, and land use change / habitat loss.

Second, year-round residents pay a cost via seasonal deterioration in quality of life as well as inflated retail, real estate, and property tax costs. Competitive markets create no incentive for tourism businesses to take these costs into account. A conspicuous economic impact is the loss of affordable housing, as conveyed by a Fourth of July 2003 headline: “Island's real estate prices soar.” (AP 2003) MOT's latest *Strategic Marketing Plan* underscores that, “perceived lack of support [for tourism growth] by local residents is a growing concern.” (MOT 2001: 8) It should be mentioned that tourism also confers important benefits on host community residents, ranging from richer cultural opportunities to broader dining and retail options.

Third, nearly all of tourism's estimated \$340+ million in added tax revenues accrue to the state's General Fund, while most of the associated costs for police, emergency, waste disposal, water treatment, road maintenance, etc. are borne by local taxpayers (including, of course, tourism businesses and seasonal home owners).<sup>60</sup> As a result, many fiscally strapped host communities have few tools to manage the summer crunch or funds for public infrastructure to accommodate tourists, such as restrooms, parking, boat launches, picnic areas, and signage. Underfunding for construction and maintenance of public facilities also

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<sup>60</sup> Maine towns and cities get back a large part of these state revenues in the form of school funding and general revenue sharing, but not in any proportion to their tourism density.

applies to state parks and public lots in much of the state. (Inches, Irland, Kleiner, Rowe, Reiling ed. 1992, Vail, et al. 1998)

Fourth, there is a long history of over-crowded tourist attractions becoming trapped in a perverse development cycle. As growing numbers increase the congestion costs borne by tourists themselves, through traffic gridlock, crowded beaches, long queues, and uncivil behavior, some are discouraged from returning and negative stereotyping spreads. A recent feature story about Old Orchard Beach portrays just such a deterioration process. (Walsh 2003)

During the latter 1990s, Maine's policy makers and media focused much attention on sprawl and growth management challenges. The social, economic, and political causes of sprawl in coastal Maine are complex, but unmanaged tourism growth is undoubtedly implicated. We still lack coherent state, regional, and community mechanisms to analyze tourism's peak-season social, economic and environmental costs, much less to manage tourist pressures and widen supply bottlenecks. Even though tourist congestion often spills over from town to town, by-and-large it is left to individual community measures, such as Kennebunkport's tour bus limits and Freeport's commercial zoning restrictions, to cope with the symptoms.

Another prominent political issue is the threat to working waterfronts. The coastal real estate boom, fed by increases in both permanent residents and seasonal homeowners, puts a squeeze on tourists' as well as fishers' access to the coast. This is often accompanied by NIMBY effects, as residential property owners resist shorefront tourist developments as well as the fishing fleet's odors and early morning engine noises. Tourism is implicated in fishers' loss of easy sea access and the challenges to traditional practices. Wharf and shorefront properties are converted to tourism businesses and town parking becomes monopolized by visitors. Similar constraints limit access for the state's 350,000 salt water anglers, half of whom are non-residents. Some towns have no public landings, while others limit access to residents or offer little parking space for visitors. (Inches)

Coastal Maine's seasonal hot spot problems are bound up with Maine's extreme dependence on automobile travel and day tripping in the tourist mix. Two national comparisons put our situation into perspective: 92% of Maine's pleasure trips are made by personal vehicle, compared to 78% nationally; and nearly four-fifths of Maine tourists make day trips – compared to just one-fifth nationally. To state the obvious: coastal Maine's beaches, bars, and boutiques are Boston's weekend playground. (TIA 2002a: 23)

Combining these percentages with the fact that three-fourths of all tourists visit the coast and close to 60% come in July-September, severe summer traffic snarls seem inevitable. The widening of the Maine Turnpike, motivated in large part to handle summer tourists, without accommodating all the cars pouring out of the exits, exemplifies the incoherence of our policy. Further, although emissions from upwind states are major sources of Maine's air quality problems, tourist traffic emissions also contribute significantly to the coast's numerous "bad air days."

*Core Challenges:* Develop a research program to monitor and assess peak tourist season environmental impacts as well as stresses on social carrying capacity, particularly strained local infrastructures and costs borne by residents. Support community and regional tourism planning efforts, including target setting for various types of tourism and development of incentives and regulations to manage tourist growth.

### **Interior Maine and Washington County: Lacking “Destination Drivers” and a Potent Brand Image**

Maine’s hinterland has a few renowned tourist destinations and its share of hot spots – mid-summer congestion on the Allagash and Tumbledown Mountain and Presidents’ Day snowmobile crowds in Rangeley and Presque Isle come to mind. However, serious congestion and environmental damage appear to be limited to a few situations. In general, tourism continues to be a compatible secondary land use in the Northern Forest region, where use levels do not press against social or environmental carrying capacity limits. This does not mean that there are no tensions or challenges in planning future growth or in balancing tourism with other land uses and with the culture of host communities. Tensions surrounding irresponsible all-terrain vehicle and jet ski use, for instance, remind us that motorized recreation is implicated in conflicts with property owners, other recreationists, and resource conservation. (Vail 2003)

For most of Maine, the principal tourism weakness is not too much demand on natural and community resources, but too little. Nonetheless, tourist numbers and spending are on the rise for fall foliage viewing and other general touring trips, as well as for outdoor adventures such as whitewater rafting, biking and snowmobiling. The tripling of non-resident snowmobile registrations in the 1990s, driven in significant measure by suburban sprawl and limited opportunities in nearby states, indicates the potential of tourism growth to invigorate local commerce and social life during traditional off-peak seasons. (Vail 2003)

In general, tourism growth in Maine’s more remote and less well known rural regions is limited by demand, rather than supply capacity. Natural resources, businesses, and human resources are underutilized, although the mix and quality of attractions and services we currently offer are one reason for underutilization. Growth in visitors and tourist spending appear to be limited by several factors. Among them are:

- Long driving distances (on a less than ideal road network) and the trend toward short-distance day trips, noted earlier;
- limited development and promotion of attractive event and activity “packages” to compete effectively in the growing general tourism market;
- capacity limits facing high profile destination-makers such as whitewater rafting and climbing Katahdin; and
- declining participation in traditional forms of backcountry recreation: fishing, hunting and wildlife watching.<sup>61</sup>

In sum, interior and downeast regions face an inescapable reality: they lack powerful “destination drivers” that generate widespread brand recognition and confer a marketing edge over well branded competitors, in the region (White Mountains, Champlain Valley, Adirondacks), the nation (Appalachians, Rockies), and the world (Swiss Alps, New Zealand’s South Island). But beyond this inherent limitation, tourism service providers, regional tourism planning groups, and the state’s “It must be Maine!” marketing campaign have had limited success to date in developing and promoting premium quality vacation experiences that have a special appeal to potential first time visitors in the growing general tourism and outdoor recreation market segments. Limited investment in public tourist infrastructures, such as loop trails, parking, restrooms, campsites, and signage also discourages some potential repeat visitors. To top it off, Federal funding for Maine’s National Wildlife Refuges is also being squeezed. (Irland, Johnson, Springuel, Goad 2003)

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<sup>61</sup> From 1991 to 2001, according to the US Fish and Wildlife Service, participation in Maine fishing, hunting and wildlife watching dropped 22 percent, from 1.22 million to 960,000/year. (USFWS 2003: 14)

*Core Challenges:* Augment efforts to develop high quality tourism product packages – combining nature, culture, events, food, and lodging -- that shape a powerful destination image in the major market growth segments: general touring and non-consumptive outdoor recreation. Continue to support lower profile development and marketing efforts focused on traditional forms of outdoor recreation and repeat visitors. Strengthen the “It must be Maine!” branding effort by harnessing it to top quality tourism products.

### **Changing Landownership Patterns and Vulnerable Recreational Access**

Since the era when Thoreau wandered freely in the Maine woods, we have had a special tradition of recreational access to large private ownerships. Given this extraordinary record of compatible multiple use management, it is not surprising that some user groups have come to view access as more-or-less a right, rather than a privilege subject to owners’ good will. In recent decades, some access entitlements have been effectively grounded in institutional arrangements between landowners and users. Since 1971 North Maine Woods, Inc. has managed recreational uses on several million acres in the northern forest. For nearly as long, the Maine Snowmobile Association and its ca. 280 affiliated clubs have negotiated rights-of-way for trail networks across multiple ownerships. Rafting outfitters have contractual agreements with riparian landowners and the state. And the Sportsmens’-Forest Landowners Alliance works to maintain vehicle access and recreational uses.

Participants at the March 2003, Blaine House Summit conveyed in the strongest terms their concern that these customary arrangements have become increasingly vulnerable in this period of rapid land turnover and new land management strategies. Both old and new owners are responding to economic incentives in ways that actually or potentially threaten both traditional and new multiple use patterns. New owners and growing fragmentation of ownerships add layers of complexity (and frustration) to negotiations between user groups and owners. More land is gated; day use and lease fees are raised; large kingdom lots are carved out of the wildlands; and sub-divisions have cumulative and irreversible impacts on public access to lakes and ponds.

There is a further concern about emergent conflicts between traditional consumptive recreation, such as moose hunting, and newer tourism patterns, such as moose watching. (This echoes historic tensions, for instance between canoeists and motor boaters or back packers and drive-in campers.) These problems extend beyond the Northern Forest to smaller ownerships in the southern interior, where a growing number of farm and woodlot owners react to “rogue” ATVers trespassing, by posting their land against all recreation. Continued recreational access in general will be significantly affected by the ATV taskforce’s success in addressing landowner concerns.

*Core Challenges:* A broad, state-facilitated, stakeholder dialogue is imperative. Given the large and small landowners’ legal rights, economic incentives, and personal motives, sustaining recreational access and resolving conflicts among recreationists will require a greater commitment of state funds (e.g. public land purchases and easements) and state-brokering of incentive-based measures (e.g. long term leases to organized recreational user groups).

### **Anemic Growth and Stagnant Market Share: Business Cycles, Inadequate Product Offerings, or Insufficient Promotional Effort?**

Maine’s 1989-92 tourism recession and the slowdown of the past three years are reminders that leisure travel follows macroeconomic cycles outside our control. For the past three years, the state’s tourism expenditures have grown at an anemic 1 – 2%/year in real terms, mirroring the sluggish national economy. (Longwoods 2001: 38, MOT 2002) Our share of the national overnight travel market has been stuck at ca. 0.6% since 1994 and our share of the northeastern market has actually declined from 4.5% to 3.5%. Between 1995 and 2000, our

ranking among the states deteriorated for two key nature-based activities, beach trips (from 15th to 19th) and outdoor trips (from 20th to 26th). The bright spot is general touring, where our rank has improved from 23d to 18th. (Longwoods 2001: 29) Despite sizable increases in public and private promotional expenditures in recent years, Maine's promotion budget still lags behind other Northeast states. (Stinson) This may partially explain lagging demand, but there has been no systematic research to clarify the key causes.

Since 1999, the number of overnight visitors has stagnated in the range of 8.8 to 9.0 million, while the number of day trips has grown to from 30 to 35 million. This trend, previously mentioned, adversely affects coastal traffic congestion, air pollution, and numbers visiting more remote regions. It also has troubling economic implications. Survey data show that day trippers spend an average of just \$61 per person per day, compared to overnight travelers' \$136/person/day. (TIA 2002a: 8)

*Core Challenges:* In the face of powerful forces outside our control, the Office of Tourism's *Strategic Plan* and the state's tourism regions are on the right track in their efforts to identify, develop, and promote sustainable growth opportunities. For decades, boosting our share of first-time, overnight, general tourists has been recognized as the challenge with the largest potential economic payoff. Two specific destination development and marketing challenges are also well understood: increasing off-peak visits and luring more coastal tourists inland and Downeast. All these efforts require more sophisticated analysis of demand patterns and trends.

### **High Expenditure Leakages and Reduced In-state Value Added**

In 1986, a Maine Vacation Travel Commission (MVTC 1986: 3) estimated that nearly sixty cents of every dollar tourists spent leaked out of Maine's economy when businesses purchased inputs produced out-of-state, ranging from recreational vehicles and watercraft to fuel, food, building materials, consulting services and insurance. In Maine's \$300 million/year snowmobiling sector, for example, the largest single expense (over \$90 million) is for snowmobiles – which are not produced in the state. (Vail 2003) Two recent studies drawing on multiple sources also conclude that leakages are in the 60% range. (Vail et al. 1998, Vail and Heldt 2000) These estimates are not precise, but they confirm that well over half of the direct income resulting from Maine tourist spending accrues to the businesses in other states and nations that supply our tourism businesses. As a consequence, the \$5 to \$6 billion tourists spend in Maine this year will generate roughly \$2.5 billion in direct income.<sup>62</sup> A high leakage rate is a built-in problem for comparatively undiversified economies like Maine's. But it is also partly a curable weakness, stemming from the lack of concerted effort to strengthen networks between tourism businesses and potential in-state suppliers.

*Core Challenge:* Strengthen commercial links between tourism businesses and in-state suppliers of commodities (e.g. raw and processed foods, building materials, furniture, store and restaurant equipment) and services (e.g. insurance, legal and accounting services, management consulting, repairs).

### **Limited Entrepreneurial and Managerial Capacity**

The tourism economy is not one industry but rather a diverse mix of goods and services. Thousands of businesses, from motels to gas stations, derive some or all of their revenue from tourists. Unlike the corporate-dominated tourism of Orlando or Las Vegas, Maine tourism services are overwhelmingly supplied by small independent businesses (less than 50

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<sup>62</sup> These figures omit the local and state *multiplier effects*, which result from the in-state spending of income derived from tourism. The central point to keep in mind is that multipliers should be calculated on a base of net in-state income, not total tourist spending (or farm sales, etc.). (see Vail and Heldt 2000)

employees). To my knowledge, there has been no research documenting the entrepreneurial strengths and weaknesses of Maine's tourism service providers, or identifying their critical needs in finance, product quality, production management, labor relations, or marketing. Maine's best practice tourism firms are outstanding, judging by awards they have received from the Governor, the Margaret Chase Smith Quality Centers, and Maine Businesses for Social Responsibility. However, after 30 years of "participant observation", it seems to me that average practice falls well short of best practice in every aspect of providing quality services at a competitive cost. (see Vail et al. 1998, Vail and Kavanaugh 2000 for examples) Indeed, a cross-cutting theme at the March Blaine House Summit was that small businesses need more effective assistance in all aspects of their operations.

*Core Challenge:* Limited small business entrepreneurship and management capabilities are a persistent, economy-wide problem for Maine. The challenge is to provide customized training and assistance to help hundreds more recreation and hospitality businesses move closer to the level of our best practice firms in lodging, dining, and recreational services.

### **Low Median Earnings and Skimpy Benefits**

Maine tourism offers thousands of rewarding and well-compensated careers, spanning an enormous range of occupations, such as rafting outfitters, motel managers, fishing guides, whale watch captains, executive chefs, museum curators, and self-employed craftspeople. For thousands more, tourism offers seasonal and part-time opportunities that fit lifestyle choices or help finance higher education. Unfortunately, however, the best available evidence indicates that compared to the overall Maine economy, tourism offers proportionally far fewer jobs with livable wages and benefits. The fact that this pattern holds nationally, not just in Maine, means that this is not a "blame game;" there are structural causes.

Tourism's share of Maine employment grew in the 1990s and development planners – local, regional, and state – seek continued tourism growth. If the economic goals of tourism policy are to contribute to community vitality and shared prosperity, it follows that we must find ways to create thousands more quality jobs.

A 2000 study, relying primarily on tourism industry surveys and Maine Bureau of Labor Statistics data, concluded that about three-fourths of tourism employees are hourly wage earners, and that just one-fourth of them attained the Maine Economic Growth Council's livable wage standard (then roughly \$10.00/hour) or received employer-supported health benefits.<sup>63</sup> Based on optimistic assumptions about salaried and self-employed people, the study concluded that at most 40% of all people employed in Maine tourism received a livable wage or salary in 1998-99. This compared to 68% of the state's total workforce. (Vail and Kavanaugh 2000) These patterns are deeply rooted in tourism's occupational mix, which is heavily weighted toward low-end service sector jobs and seasonal or part time employment. The June 2003 *Labor Market Digest* shows full time workers in "leisure and hospitality services" with average earnings of \$13,320 in 2002, or less than half of Maine's average private sector earnings (\$29,239). (MDOL 2003)

Low wages, poor benefits, unattractive work conditions, and lack of career prospects are certainly among the key reasons for Maine's much publicized tourism labor shortage, that extends even to high unemployment labor markets such as Millinocket and Greenville.

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<sup>63</sup> The industry survey and the BLS methodology incorporate estimates of tips received by wait staff and other categories of hourly-paid employee. Wait staff's base pay is typically below \$3.00/hour, and a large proportion of them are employed by eating establishments where the average gratuity, spread over all work hours, is less than an additional \$7.

Tourism has a large proportion of self-employed people, many of whom, as mentioned, have outstanding livelihoods and high earnings. And it is argued that official statistics, even with corrective adjustments, do not fully capture unreported and untaxed income. (Stinson) Nonetheless, it has to be discouraging that average earnings of Maine's self-employed were just \$15,765 in 2001, less than half the average received by wage and salary earners. (Lawton 2003)

Two of tourism's underlying weaknesses are low labor productivity and seasonality. However, low productivity is itself both a cause and an effect. It results in part from many employees' limited skills, experience, and motivation. (This has been one reason for the hospitality sectors' increased recruitment of foreign seasonal employees.) But it is also significantly affected by many employers' limited managerial capacity and their slim profit margins. As a result, many employers and their workers seem to be caught in a vicious circle, where:

low productivity → low pay and poor work environment →  
deficient employee morale and effort → low productivity.

*Core Challenges:* Shaping thousands more quality tourism jobs is a tough nut to crack. It really has to be part of a larger state commitment and strategy to create livable wage jobs. To start, we need a thorough, accurate assessment of wages and benefits in tourism's various sub-sectors and occupations: where is the problem most serious? Spreading *high performance work organization* to hundreds more small tourism businesses is a win-win strategy, whereby increased productivity raises both profits and workers' pay. (Vail and Hillard 1997) Part of the challenge is to shift tourists' demand toward higher-end recreational and hospitality services.

### **Shaky Knowledge Base for Public Policy and Business Decisions**

Maine benefits from increasingly sophisticated state, regional, and community efforts to plan tourism's future, including several focused specifically on sustainable nature-based tourism. However, tourism planning suffers from a lack of solid benchmark data, time series, and case studies to guide product development and assess broad market trends and niche opportunities, environmental impacts, residents' attitudes and social costs. The state and stakeholders also have limited technical capacity to analyze information that is already available and evaluate programs that are already underway. Numerous specific knowledge gaps have already been mentioned. Although useful studies have been conducted over the years, tourism research is fragmented and findings rapidly become dated. The Office of Tourism recognizes the need, but lacks in-house research capability or the funds to commission a systematic research effort. At the same time, the University of Maine's Parks, Recreation and Tourism Program and Department of Resource Economics and Policy have a cadre of talented natural and social scientists, but no mandate or funding to fill the tourism knowledge gap.

*Core Challenge:* Develop a prioritized tourism research agenda, identify appropriate research institutions, and increase state investment in tourism research.

### **Opportunities for Sustainable Tourism Development**

Maine enjoys untapped opportunities to strengthen and grow the tourism economy -- sustainably. Four opportunities are sketched here. The most important, in my view, is our chance to improve the Northern Forest and Downeast regions' position as destinations of choice for first-time visitors from across the USA and from other nations. Based on a back-of-the-envelope assessment of social and environmental carrying capacities, I believe these regions could host 300,000 to 600,000 more summer visitors (just 1.5 to 3.0 percent of the number who visit the coast each summer) in ways that enhance tourism employment and

revenues while sustaining, perhaps even improving recreational opportunities for Maine residents. Given the mixed demand trends and the competitive weaknesses these regions currently face -- and given neighboring states and provinces' tactics to lure the same customers -- this is not a simple, costless, or riskless opportunity. If it were easy, we would already have done it.

Our prime opportunity is to capture a growing share of growing markets, while retaining Maine's strong position in more traditional backcountry recreation. The indicators point to general touring, frequently coupled with non-consumptive outdoor activities such as hiking, mountain biking, whitewater rafting, and fall foliage viewing, as the biggest growth prospects. (Longwoods 2001, TIA 2002b) With an effective multiple-use management strategy for our private, public, and trust lands, this should be compatible with the goals of sustaining Maine's traditional strong position in fishing, hunting, and trapping. In the words of BPL director, David Soucy, "It's a big state and a big woods, and I believe there's room for all of us." His vision, of course, includes both commercial timber management and many forms of recreation. (Edgecomb 2003) We can draw confidence from numerous success stories about innovative guides, outfitters, and sporting camp operators who have adapted their services and marketing strategies to increase revenues by combining old clients with the "new tourists." Despite declining participation in consumptive outdoor recreation, it will remain a vital component of both the tourism economy and the rural Maine way of life; and it will continue to attract over one-half million participants and generate several hundred million dollars in gross annual revenues. (Teisl and Boyle 1998)

### **Branding the Northern Forest and Downeast Regions: Building and Promoting Destinations**

Two clusters of facts shape my thinking about a farsighted growth strategy for Maine's interior and downeast regions. First, with the "boomer" generation entering retirement, the 55-and-over age group will grow by more than 60% between 2000 and 2020. The 35-to-54 age group will grow just 3%. Older travelers have a high propensity to take overnight (i.e. longer distance) trips, travel year-round, and participate in general tourism: multi-day trips with extensive driving (or riding) and multiple attractions. As mentioned, Maine has improved its national rank for general touring; the challenge is to raise interior Maine's profile as a destination. Second, the 19-to-34 age group will grow 20% by 2020. Many in this cohort are strongly attracted to outdoor adventures, such as biking, hiking, technical climbing, camping, skiing, paddling and nature photography. (TIA 2002b, pp 3 – 26) Some North American destinations will capture these growing cohorts. Why not interior and downeast Maine?

Turning the state's brand – "It Must be Maine!" – into a potent tool for promoting interior and downeast regions is a two-part challenge. The first is to develop "packages" of activities, events, and facilities with the qualities sought by target consumer groups, particularly affluent middle-aged general tourists and younger outdoor adventure seekers. The second task is to market the packages effectively through a strategic combination of print and electronic media, running the gamut from "trails" brochures to multi-link web sites and TV spots in target markets. Needless to say, this requires effective organization, entrepreneurial dynamism, and sizable investment. Maine is making impressive progress on the organizing front, but less with entrepreneurial development and funding. Borrowing ideas from many others, my current thinking about an effective destination-building strategy centers on four complementary components.

### **Certifying Ecotourism**

Nations like Australia and Sweden are attracting growing numbers of environmentally-conscious, high-spending visitors through their certified ecotourism programs. They started by establishing core principles for sustainable, environmentally friendly tourism. They then set certification standards and procedures and created distinctive logos and marketing

campaigns. The evidence suggests that these well-designed and well-publicized certification systems are effective advertisements for the nations' natural areas as a whole, and not just for the certified service providers. (Honey 2003) If Maine were to become the first northeast state to adopt certified ecotourism, it might capitalize on its well-deserved "clean and green" image. (We might choose to give it a different name – the Swedish brand is "Nature's Best.") Maine has an extraordinary range of tourism operations – fishing guides, XC ski centers, whitewater outfitters, windjammer cruises, whale watches, organic farm B&Bs, and restaurants – that with relatively minor adaptations could earn certification, even under rigorous standards.

IFW's accreditation of Maine Guides sets a strong precedent. And the coordinated efforts of the Maine Sea Kayak Guides and Instructors ("leave no trace") and Maine Island Trail Association (campsite capacity management) might serve as a model for Maine accreditation. The Swedish and Australian examples show that maximum marketing advantage – as well as maximum environmental protection – requires industry-wide standards, audit procedures, labeling, and promotion, rather than separate initiatives for different tourism market niches. In Sweden, the impetus for national certification came from businesses and conservation organizations, with government following and playing important facilitating roles (e.g. in standard setting), but not running the show. (Vail 2003b) Given Maine's political traditions, that would seem to be the best approach here as well.

### **Shaping Destinations: Nature and Culture -- Plus High Quality Food and Lodging**

All of Maine's eight tourism regions, with financial and technical support from MOT, are engaged in developing and promoting cultural and heritage attractions. These range from museums and handicrafts to farmers' markets and folk arts festivals. This makes eminent sense, considering that 65% of US overnight tourist trips include some arts, culture, or heritage activity. (NASAA 2001) Brochures like the *Maine Guide to Crafts and Culture*, *The Maine Landscape Garden Trail*, *Farm Bed and Breakfasts of Maine*, and *Kennebec-Chaudière International Corridor*, with their associated web links, are excellent invitations to participate in those activities. These attractions presumably have four special benefits. First, tourists typically move beyond major gateway towns to visit and spend money in more out-of-the-way communities. Second, these attractions encourage Maine residents to consider vacationing here. Third, they encourage some tourists "from away" to consider Maine as a place to live. Finally, and not least, they enhance the quality of life for residents. (Hazard and Vail 2003) These effects have not been studied systematically for Maine.

Unfortunately, when regional groups like the Maine Mountain Heritage Network and the Downeast Heritage Center explore marketing strategies, they quickly learn that rural Maine lacks the handy location or the wealth of long-established cultural attractions to compete with destinations like the Champlain Valley or Lancaster County (PA) on that basis alone. The package that *could* potentially be a destination driver combines nature and culture, and includes high quality dining and lodging options. This is a central message of an influential study, *Balancing Nature and Culture in Gateway Communities*. (Howe et al. 1997) Fresh local food, purchased at the farm or enjoyed in dining establishments, is part of the rural mystique and an important way for tourism to support the farm sector. (MMHN 2003)

### **Major Summer Events to Expand the First-Time Visitor Base**

It is an inescapable reality that rural Maine is not on the radar screens of many potential tourists, including millions who visit our coast each year but do not venture inland. It is problematic, of course, to propose mass tourism events as a promotional tool for nature-based tourism which seeks to be community- and environment-friendly. But we should not ignore that this summer's National Folk Festival and the Phish concerts drew tens of thousands of first-time visitors to Bangor and Aroostook County. Other events, such as the Common Ground Fair, have also been magnets.

A marketing premise is that some event-goers spend additional days sampling the local attractions and will make repeat visits. Regional organizations such as Mountain Counties Heritage have been working to develop and promote special events, but without as yet discovering how to make a quantum leap in event visibility and attendance. Our lack of success is reflected in Maine's ranking among the bottom ten states in "special event trips." (Longwoods 2001: 29) Despite the downside effects of this strategy – short term congestion and disruption – developing major summer events should be part of the Northern Forest and Downeast portfolios. Unfortunately, we lack market research to indicate whether the key is folk arts, performance arts, sporting competitions, or some other event.

### **A Recreation Master Plan for Public and Trust Lands and Easements**

At this special moment in time, Maine has the opportunity to create an outstanding network of recreational lands in the Northern Forest and the Downeast Lakes/Bold Coast regions. With excellent infrastructure and promotion, these networks might well have the tourist drawing power and gateway community benefits of a major national forest or even a national park. This opportunity arises because of the state's and conservation organizations' farsighted acquisition of lands and easements. I hope Maine voters will have the opportunity to support another major land bond next year, sustaining the momentum well into the future.

Developing a recreational master plan for this evolving patchwork of public, trust, and easement lands is a big challenge. It requires balancing the sometimes-competing visions and interests of many stakeholder groups and implies a new level of collaboration among Land for Maine's Future (LMF), the Bureau of Parks and Lands (BPL) and land trust organizations. There is room here only to sketch a few elements that could contribute to such a plan.

- Land for Maine's Future (LMF) designs a long-term plan for further acquisitions and easements, placing a high value on recreational potential in prioritizing parcels. A goal is to create high profile recreational land clusters (e.g. Evans Notch-to-Grafton Notch, Katahdin Iron Works, Greater Baxter, Downeast Lakes). In a willing seller context, with escalating land prices, these are not simple tasks; nonetheless, it is important to reduce the share of LMF's scarce resources channeled into piecemeal and reactive deals.
- LMF, BPL, IFW and stakeholder groups should start the process of shaping a master plan for recreational uses of the growing system of state parks, Public Lots, and conservation easements, shaping land clusters will that have strong appeal to many different kinds of recreational users. Considering that such a plan would encompass well over one million acres of easements, it is a major undertaking. At a large landscape scale, high priority should be given to compatibility of consumptive and non-consumptive activities and to motorized and non-motorized recreation. An assessment should be made of the tourism development benefits from expanding the system of ecological reserves as well as shaping a Northern Forest wilderness area. (Hunter 2003)
- With its limited staffing and budget, BPL is hard pressed to manage multiple uses on existing public lands. It will need major increases to manage recreation growth on newly acquired lands, especially on easements in working forests. At many sites tourism growth will require infrastructure upgrades, ranging from family-friendly loop hiking trails to parking, restrooms, campsites, and signage. (Glidden, Knoll)
- The snowmobilers' Interconnected Trail System (ITS) has shown the tremendous marketing and rural economic development potential of expedition trails crossing multiple private and public ownerships. The state has supported the ITS effort for thirty years and should further increase its Trail Grant contribution. It should also continue to facilitate two new long distance trails now taking shape: the Mahoussocs-to-Moosehead cross country ski and lodge system, and the Northern Forest Canoe Trail. An analysis of their economic potential would be useful.
- The Office of Tourism, regional tourism organizations, and tourism business groups – collaborating with BPL and LMF – should develop promotion strategies that focus the "It

Must Be Maine!” campaign on the regions’ outstanding recreational lands and vast array of tourism services. A special angle is to highlight the stewardship of private landowners whose easements combine sustainable outdoor recreation with sustainable forest management.

- Finally, if the master plan and branding are successful, we will undoubtedly create hot spots where there are too many visitors. Monitoring visitor pressures and framing site-specific measures for visitor management, as we have done for Baxter State Parks and are now doing for the Allagash, will become more important.

### **Vision: A Multi-Modal Transportation Network for Long Term Sustainability**

For many reasons, the time is right to dust off the Department of Transportation’s visionary “Explore Maine” plan. We should re-start the process of planning and feasibility studies for an integrated multi-modal transportation network -- train, ferry, bus, taxi, moped, and bike -- that can get tourists to and around Maine quickly and conveniently (and also serve Maine residents). Recent events underscore the importance of innovative and far-sighted thinking about transportation. Just this year, the Maine Legislature made a path breaking commitment to reduce our greenhouse gas emissions and dependence on imported fuels. On the coast, summer traffic congestion was again severe and bad air days continued in 2003. (DOT is to be applauded for initiating “Gateway One”, its long run planning work with 21 communities between Brunswick and Prospect, however its focus is restricted to road traffic management.) In the absence of attractive travel options, even the selective tourism growth proposed in this paper will intensify human and environmental costs and, ultimately, erode Maine’s “clean and green” image. In contrast, transport alternatives that reduced road and parking congestion and improved air quality would enhance Maine’s attractiveness. A key link in the network, the “Downeaster” rail service from Boston, is rolling and primed for higher speed service.<sup>64</sup>

Transportation infrastructures are costly, and investing in a multi-modal system would be an expensive, long-term proposition. Even the current widening of just 40 miles of turnpike will cost \$70 million take six years from referendum to completion. Even so, a pilot project for the congested Kittery to Camden corridor could be an exciting piece of a coastal managed tourism growth strategy. Likewise a pilot transportation project linked to the suggested recreational lands master plan could be an exciting component of the Northern Forest tourism strategy.

### **Spreading Best Management Practices: A Tourism Extension Center**

We have an opportunity to help hundreds more small tourism businesses move toward the excellent service quality and high management standards that mark Maine’s best practice outfitters, guide services, restaurants, inns, etc. One approach to consider is building an institution capable of offering recreation and hospitality firms one-stop business advisory services combined with off-season management training courses.<sup>65</sup> The focus would be core competencies: finance, investment analysis, market analysis, product design, production management, labor relations, and marketing. Teaching and advising might utilize case studies drawn from the state’s best practice tourism enterprises.

In thinking about how to organize these services for the diverse, numerous, and geographically dispersed businesses that make up our tourism economy, the venerable agricultural extension model is worth exploring. It combines a land-grant university base with regional field offices. The Maine Sea Grant and UM Cooperative Extension’s collaborative

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<sup>64</sup> A recent *Maine Sunday Telegram* op ed – “So you get to North Station, and then what?” – is a reminder that train travelers from south of Boston continue to face obstacles beyond our control. (Ticker 2003)

<sup>65</sup> We might consider the top-to-bottom management evaluations that Plymouth State in Massachusetts offers tourism businesses. (Irland)

Marine Extension Team is a move in that direction. The University of Minnesota's Tourism Center offers a more firmly institutionalized example of the approach. (UMTC 1998) If Maine hopes to increase its market share of high-spending general tourists, we should also consider supplementing the community college system's culinary and hospitality programs with a first-class university degree program. Finally, we should assess the potential of "pre-season" training courses for front line employees, analogous to the quality-focused courses offered by Johnston State College as a service to the Vermont Hotel Keepers Association. (Vail and Kavanaugh 2000)

This may seem like a lot of institutional "overhead" investment. However, we should bear in mind that competing states already have such education, training, and extension programs. For that matter, so do some of Maine's other resource-based industries. Tourism, in contrast to our "mature" resource industries, has substantial untapped growth potential. But it will be realized only if many more businesses can offer the quality of service discriminating visitors demand.

### **Stronger Tourism Linkages to Agriculture, Fisheries, and Forest Products and to Maine Input Suppliers**

When Governor Baldacci presented Harris Farm with the 2003 tourism excellence award, he sent a message about the great potential complementarities between agriculture and tourism. For farmers with an entrepreneurial bent, opportunities to earn supplemental income start with producing food for tourists, marketed directly via farm stands and farmers' markets or via eating establishments (including sporting camps, windjammers, etc.). The Harris Farm and others take advantage of a host of additional niche opportunities, ranging from bed-and-breakfasts to hayrides, ski trails, and maple sugaring events. Maine's Department of Agriculture and the tourism regions have become increasingly adept at brokering these marketing connections and advertising these attractions. Similar testimonials can be cited about fishing businesses that have added profitable sidelines such as wharfside restaurants and nature cruises. (Edwards 2002) Woodcrafts and furniture have a solid niche in tourist shops and at fairs around the state. A niche-widening experiment we should study is the Vermont Wood Manufacturing Association's Wood Products Tourism Planning and Technical Assistance Project. (NFC 2003)

Regional tourism organizations complement the Department of Agriculture's marketing efforts. For instance, the strategy of Maine Mountains Heritage is to tap complementarities between tourism and resource-based industries, by packaging farm and wood products enterprises with other cultural and nature-based attractions. The tourism extension center, described above, could be a key to giving more farmers and fishers the skills and confidence to add tourist services to their product portfolios.

### **New Ways of Thinking about Maine Tourism**

The problems and potential of Maine tourism have been debated for decades, so it would be a stretch to claim that this paper presents any truly new ideas. However, it is hoped that the preceding assessment of strengths, weaknesses, challenges, and opportunities will add fresh perspectives on several issues.

First, challenges and opportunities take on a different look when tourism strategy is *not* built on the unquestioned premise of growth for growth's sake, but rather on a set of core values that include: sustaining the natural and cultural endowments that make Maine so special; strengthening complementarities between tourism and other resource-based industries; enhancing the vitality of tourism's host communities' and quality of life for their residents; generating demand by optimizing the quality of tourist products and amenities; and creating well compensated employment that spreads prosperity.

Maine is on the threshold of a new era in tourism planning, with these core values motivating initiatives like the Tourism Commission's Natural Resources Committee, the Gulf of Maine Council, the Maine Mountain Heritage Network, and other state, regional, and community efforts.

Second, getting tourism strategy right requires substantially more state investment. This is well justified, because strategically chosen and adequately funded public investments will leverage high returns, not only to particular tourism businesses and host communities, but to the economic health of Maine's distressed rural regions. Proposed investments, whose components have already been discussed under several headings, run the gamut from strengthening the MOT's planning, technical assistance, and promotional capacities, to business management assistance, frontline worker training, public lands infrastructures, BPL and IFW staffing, transportation alternatives, market research, and carrying capacity analysis. Maine already supports other industries in many ways – via TIFs, BETR, customized worker training, university research, current use taxation, etc. Greater public investment in tourism -- with its contribution of 70,000 jobs, 6% of gross state product, and \$340 million/year in state revenues -- is surely justified.

Third, the question arises how to finance the investments sketched above. There is a strong case that tourists are under-charged for the natural amenities and tax-financed infrastructures they enjoy, as well as the peak season *disamenity costs* they impose on many Maine communities and residents. Maine's meals and lodging taxes are below the New England median; we charge no sales tax on amusements and recreations; our state park fees are nominal; we do not raise turnpike tolls at peak hours. Over the years, an extensive menu of potential funding sources has been offered, including those just mentioned plus others: a share of the gasoline tax (as we currently dedicate to snowmobile and ATV trails); a small real estate transfer tax on shorefront properties, a saltwater fishing license fee, a local option sales tax, etc. (MVTAC 1974, Vail et al. 1998) We can design an equitable and cost-effective revenue package to generate substantially more revenue for the public investments Maine needs for a flourishing and sustainable tourism.

Fourth, anecdotal information is not a sound basis for tourism planning. Particularly in coastal communities and regions, the time is long past due for a thorough and unbiased assessment of summer tourism's social, economic, and environmental benefits and costs. Citizens need and deserve to understand the *incremental effects* of tourism growth, both positive and negative, so they can make informed, democratic choices about acceptable levels of change. For scores of Maine communities, *smart growth* is very much about managing tourism growth intelligently.

Fifth, for entrepreneurially-minded farm, fishing, and wood products businesses, there are untapped opportunities to develop profitable supplementary enterprises serving tourists. These range from simple direct marketing of farm and seafood products to value-added services like farm B&B's, evening boat cruises, and aquaculture tours (ideally including meals featuring super-fresh local products). For some businesses, sideline tourist activities will be a key to long-term sustainability. There are numerous low cost ways to help entrepreneurs make the transition.

Sixth, without another visitor setting foot in Maine, tourism's contribution to income and employment could be increased by linking tourism businesses more effectively with in-state suppliers of everything from hotel furniture to tax consulting, and naturally including farm, fish, and wood products.

Seventh, the largest under-exploited group of potential tourists is "us": Mainers who currently vacation out-of-state. The destination-creating, quality improving, and branding strategies described here should focus more effectively on enticing Mainers to find leisure enjoyment at home.

## Near Term Action Steps

Most of Maine's tourism challenges and opportunities require medium term, multi-year responses. Some, particularly development of a multi-modal transportation system, are long term and expensive. Others, especially strengthening small business training and assistance and increasing the number of livable wage jobs, are major challenges for the entire Maine economy. Although there are no quick fixes for most of tourism's long-evolving problems, we should address them now, decisively and optimistically. The good news is that much of what we need to do to seize promising tourism opportunities builds upon processes and investments that are already underway.

Commitments articulated by the Governor and initiatives launched by the Governor's Office are the most effective ways to respond to five of tourism's core challenges and opportunities:

### **1. Private Lands: A Plan for Sustained Multiple-use Management and Recreational Access**

Broaden and revitalize the Land and Water Resources Council, turning it into a blue ribbon taskforce of landowners, tourism and recreation interest groups, conservation organizations, and relevant state agencies. It would focus on both forest regions and the coast, and it would build on the work of the present Council, the DOC's land use "think tanks," the DMR's Waterfront Coalition, and the Governor's Council on Sportsmen's-Landowner Relations.

### **2. Public Lands and Easements: A Recreation Master Plan.**

Charge LMF, BPL, IFW and MOT to collaborate with the tourism regions, recreation user groups, and conservation organizations in framing a strategy for acquisition, management, and promotion of the public's and the land trusts' expanding Northern Forest and Downeast Lakes domain. This is critical both for tourism branding and long term resource conservation.

### **3. The Maine Office of Tourism: A Broader Mandate and Strengthened Capabilities.**

If Maine is to take advantage of the opportunities and overcome the weaknesses described in this paper, we need a tourism agency with substantially greater capacity in the areas of planning, research design, technical assistance, and financial assistance – as well as MOT's traditional strength in promotion. The strategic emphasis on regional tourism planning in recent years has been a major advance, with MOT providing financial and technical assistance. There appears to be consensus that the region-centered approach is a *key* to sustainable tourism development. MOT's enhanced capabilities would therefore be largely channeled into its work with the regions.

### **4. Municipal Growth Management and Comprehensive Planning: Better Technical Assistance**

Many tourist-dependent municipalities seek tourism growth but are wary of its downside. They need tools to assess tourism's economic, social and environmental benefits and costs systematically, to understand carrying capacity limits, and to manage tourism growth accordingly. The State Planning Office's capacity to offer technical assistance in these areas should be expanded.

### **5. Revival and Updating of the "Explore Maine" Transportation Plan and Announcement of a Commitment to Livable Wage Jobs**

These are long-term, economy-wide undertakings; nonetheless, they are vitally important for tourism. Continued tourism growth is simply not sustainable with over 90% of visitors traveling by personal vehicle. And prosperity will not be widely shared so long as fewer than

half of tourism-related jobs pay a livable wage. (Statewide, about 67% of jobs pay a livable, wage and the Maine Economic Growth Council's target is 85% livable wage jobs by 2005.)

The Natural Resources Committee of the Maine Tourism Commission is in an excellent position to address three priority challenges as it prepares its report to the Legislature in 2004:

#### **6. The Brand Development Campaign**

The NRC, with consulting assistance from experts in national and international market trends, can take great strides toward understanding the blend of tourism products, consumers, and promotional techniques that can most effectively position the interior and downeast regions for sustainable tourism growth. We need, in particular, a better understanding of how to entice more coastal tourists inland, and to make interior Maine a magnet for Mainers planning overnight leisure trips.

#### **7. Assess the Potential of State-backed Ecotourism Certification**

Genuine ecotourism (by whatever name we choose to call it) not only protects the environment and benefits certified business operators, but also has the potential to strengthen the state brand. The NRC should assess ecotourism's potential for Maine and consider alternative ways for the state to collaborate with industry groups and nonprofits in designing and administering ecotourism accreditation.

#### **8. Methods to Assess Carrying Capacity Limits and Identify Tourism Hot Spots**

Sustainable tourism development requires a much more thorough knowledge of tourism's present environmental impacts and social stresses at different sites and seasons. To manage hot spot problems, we must be able to identify them systematically and forecast the incremental impacts of further tourism growth.

#### **9. A Prioritized Tourism Research Agenda**

This paper has identified many topics, from environmental impact analysis to niche market assessment, for which current research and data bases are inadequate. Strategic planning requires such information and analysis. NRC should identify and prioritize major knowledge gaps and propose a research program (and budget) to fill the most critical gaps within a couple of years.

State agencies, the University of Maine, and the Maine Community College System are best situated to plan and carry out three economic development initiatives:

#### **10. Strengthen Tourism's Linkages with Agriculture, Fisheries, and Forest Products**

DMR, DAFRR and MOT should be funded to explore measures that would increase tourism businesses' purchases of farm, forest, and fishery products, and that would encourage more farmers and fishers to supplement their incomes by offering attractive tourism services, such as B&Bs, nature cruises, and hands-on learning experiences.

#### **11. Turn Leakages into Linkages**

DECD should develop a strategy to connect tourism businesses more effectively with prospective Maine suppliers, generating more in-state income and jobs for each dollar of tourist spending. This is in large part a marketing and information function, but it also entails helping potential suppliers adjust their product specifications to the particular needs of Maine restaurants, inns, outfitters, and other tourism businesses.

## **12. Spreading Best Practices: A Tourism Extension Center**

The University of Maine, the Community College System, and DECD should be funded to explore the feasibility and the optimum design of an extension program for small businesses that offer hospitality and recreation services. The applicability of the agricultural extension model should be assessed.

These twelve suggestions put more emphasis on making commitments and initiating explorations than on immediate action steps “on the ground.” Taken together, however, they are a foundation on which Maine can build sustainable nature-based tourism.

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