White County

Sperry—Smith House, 121 Maple St., Sparta, 96001357

TEXAS

De Witt County

Municipal Power Plant, 810 Front St., Yoakum, 96001356

WISCONSIN

Grant County

Central House Hotel, 1005 Wisconsin Ave., Boscopel, 96001361

[FR Doc. 96–27750 Filed 10–29–96; 8:45 am]

BILLING CODE 4310–70–P

DEPARTMENT OF JUSTICE

Antitrust Division

Public Comments and Plaintiff's Response; United States of America v. American Skiing Company and S–K–I Limited

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16 (b)–(h), that Public Comments and Plaintiff's Response have been filed with the United States District Court for the District of Columbia in *United States* v. *American Skiing Company and S–K–I Limited,* Civ. Action No. 96–01308.

On June 11, 1996, the United States filed a Complaint seeking to enjoin a transaction in which American Skiing Company (''ASC'') agreed to acquire S–K–I Limited (''S–K–I''). ASC and S–K–I are the two largest owner/operators of ski resorts in New England, and this transaction would have combined eight of the largest ski resorts in this region. The Complaint alleged that the proposed acquisition would substantially lessen competition in providing skiing to eastern New England and Maine skiers in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, and Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1.

Public comment was invited within the statutory 60-day comment period. Such comments, and the responses thereto, are hereby published in the Federal Register and filed with the Court. Brochures, newspaper clippings and miscellaneous materials appended to the Public Comments have not been reprinted here, however they may be inspected with copies of the Complaint, Stipulation, proposed Final Judgment, Competitive Impact Statement, Public Comments and Plaintiff's Response in Room 3233 of the Antitrust Division, Department of Justice, Tenth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20530 (telephone: 202–633–2481) and at the office of the Clerk of the United States District Court for the District of Columbia, Third Street and Constitution Avenue, N.W., Washington, D.C. 20001.

Copies of any of these materials may be obtained upon request and payment of a copying fee.

Constance K. Robinson,

Director of Operations, Antitrust Division.

United States of America, Plaintiff, v. American Skiing Company, and S–K–I Limited, Defendants.

[Civil Action No.: 96–01308–TPJ]

United States' Response to Public Comments

Pursuant to the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h))(the ''Tunney Act''), the United States responds to the public comments received regarding the proposed Final Judgment in this case.

I. Background

The United States filed a civil antitrust Complaint on June 11, 1996, alleging that the proposed acquisition of the ski resorts of S–K–I Limited (''S–K–I'') by American Skiing Company (''ASC'') would violate Section 7 of the Clayton Act, 15 U.S.C. § 18. The Complaint alleged that ASC and S–K–I were the two largest owner/operators of ski resorts in New England, and that the proposed transaction would combine eight of the largest ski resorts in this region. In particular, the acquisition would substantially increase the concentration among ski resorts to which eastern New England residents (i.e., those in Maine, eastern Massachusetts and Connecticut, and Rhode Island) practicably can go for weekend ski trips, and among those to which Maine residents practicably can go for day ski trips. As a result, this acquisition threatened to raise the price of, or reduce discounts for, weekend and day skiing to consumers living in those areas in violation of Section 7 of the Clayton Act.

At the same time the Complaint was filed, the United States also filed a proposed settlement that would permit ASC to complete its acquisition of S–K–I's ski resorts, but also require certain divestitures that would preserve competition for skiers in eastern New England and Maine. This settlement consists of a Stipulation and a proposed Final Judgment.

The proposed Final Judgment orders the parties to sell all of S–K–I's rights, titles, and interests in the Waterville Valley resort in Campton, New Hampshire, and all of ASC's rights, titles, and interests in the Mt. Cranmore resort in North Conway, New Hampshire, to one or more purchasers who have the capability to compete effectively in the provision of skiing for eastern New England and Maine skiers at Waterville Valley and Mt. Cranmore. The Stipulation and proposed Final Judgment also impose a hold separate agreement that requires defendants to ensure that, until the divestiture mandated by the proposed Final Judgment has been accomplished, S–K–I's Waterville Valley and ASC's Mt. Cranmore operations will be held separate and apart from, and operated independently of, defendants' other assets and businesses, and be preserved and maintained as saleable and economically viable, ongoing concerns, with competitively sensitive business information and decision-making divorced from that defendants' other ski resorts.

A Competitive Impact Statement (''CIS''), explaining the basis for the complaint and proposed consent decree in settlement of the suit, was filed on June 18, 1996, and subsequently published for comment, along with the Stipulation and proposed Final Judgment, in the Federal Register on June 28, 1996 (61 FR 33765–33774), as required by the Tunney Act. The CIS explains in detail the provisions of the proposed Final Judgment, the nature and purpose of these proceedings, and the proposed acquisition alleged to be illegal.

The United States, ASC, and S–K–I stipulated that the proposed Final Judgment may be entered after compliance with the Tunney Act. The plaintiff and defendants have now, with the exception of publishing the comments and this response in the Federal Register, completed the procedures the Tunney Act requires before the proposed Final Judgment can be entered.[1] The sixty-day period for public comments expired on August 27, 1996. As of October 1, 1996, the United States had received 98 comments.

The comments, which are collected in the Appendix to this Response,[2] came from a variety of sources. The most comprehensive comment was submitted by the Mount Washington Valley Task Force, chaired by James B. Somerville,

[1] The United States plans to publish the comments and this response promptly in the Federal Register. It will provide the Court with a certificate of compliance with the requirements of the Tunney Act and file a motion for entry of final judgment once publication takes place.

[2] The comments have been numbered, and a log prepared. For ease of reference, the United States in this Response refers to individual comments by the log number assigned to the comment, with the exception of number 98, which is referred to as the ''Conway Report.''

manager of Town of Conway, New Hampshire (the ''Conway Report''). The other comments came primarily from individuals such as skiers, property owners, local business persons, and others. Many of the points made by individual commentors were spelled out in more detail in the Conway Report.

II. Response to Comments

A. Overview

Several comments (3, 67, 75, 76, 97) support the proposed Final Judgment. In particular they express approval of the provisions that require the divestiture of the Mt. Cranmore ski resort and related assets. These commentors note that economies of scale do not necessarily result in lower prices (76, 97) and that LBO Resort Enterprises (the predecessor to ASC) raised prices and eliminated discount voucher programs at Mt. Cranmore after acquiring it. (67, 97) ''LBO only discounts when their competition is discounting and impacting their skier visits and profit margin.'' (76) One commentor stated, ''We need more competition, not less competition, in this area.'' (97) The commentor also noted that the new owners of Mt. Cranmore would have as much or more interest as LBO in ensuring that Mr. Cranmore remains a healthy, vigorous competitor and in promoting the local economy. *Id.*

The majority of the comments submitted, however, including the Conway Report, expressed opposition, primarily to the provision of the proposed Final Judgment requiring divestiture of Mt. Cranmore. These comments can be arranged in a line of argument as follows:

—the antitrust laws should not apply to skiing;
—the Department misconceived the product markets for day and weekend skiing;
—the Department misconceived the geographic markets for eastern New England weekend skiing and for Maine day skiing;
—the proposed merger does not pose any anticompetitive problem;
—the proposed divestiture does not solve the anticompetitive problem alleged in the Complaint; and
—Mt. Cranmore is not viable except as part of the post-merger entity.

The comments in opposition to the proposed Final Judgment are addressed in the following sections of this Response and are arranged by the antitrust issues they raise.[3]

B. The Clayton Act Applies to Acquisitions in the Ski Industry

The Conway Report along with several commentors (12, 26, 32, 33, 56, 77, 82, 89) suggest that the antitrust laws should not apply to the ASC/S–K–I merger because skiing is a ''leisure activity.'' They maintain that the majority of skiers are middle- and upper-income people who pay for the activity with ''discretionary dollars.''

In general, however, the antitrust laws protect consumers in whatever markets they choose to spend their money. Specifically, Section 7 of the Clayton Act does not distinguish between leisure activities and other lines of commerce. Rather, subject to certain jurisdictional qualifications, Section 7 prohibits all acquisitions ''where in *any line of commerce or in any activity affecting commerce* in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly.'' 15 U.S.C. § 18 (emphasis added). The provision of weekend and day skiing clearly constitute lines of commerce subject to Section 7 and other antitrust laws. The business of skiing comprises all services related to providing access to downhill skiing, including but not limited to, providing lifts; ski patrol; snowmaking; design, building; and grooming of trails; skiing lessons; and ancillary services such as food service, entertainment, and lodging. *See Aspen Highlands Skiing Corp* v. *Aspen Skiing Co.*, 738 F.2d 1509, *aff'd*, 472 U.S. 585 (1984) (jury in private antitrust case found relevant product market and injury in downhill skiing). Thus, the Department's antitrust analysis of the proposed merger of ski slopes is appropriate.

C. Downhill Skiing Is a Relevant Product Market for Antitrust Purposes

The Conway report asserts that the ''ski industry is not in competition with itself,'' but rather is part of a larger leisure and sports industry. For purposes of antitrust analysis, Conway and several commentors (22, 41, and 64) would define the relevant product market as all leisure and sports activities, including gambling, cruises, warm weather resorts, adventure/experience trips, shopping, theater, music, and professional sports. Conway at 18.

The Antitrust Division's review of mergers is governed by the Clayton and Sherman Acts, Supreme Court precedent, and the ''Horizontal Merger Guidelines'' issued jointly by the Department and the Federal Trade Commission in 1992. The standard for defining a relevant product market is set forth below:

> Specifically, the Agency will begin with each product (narrowly defined) produced or sold by each merging firm and ask what would happen if a hypothetical monopolist of that product imposed at least a 'small but significant and nontransitory' increase in price, but the terms of sale of all other products remained constant. If, in response to the price increase, the reduction in sales of the product would be large enough that a hypothetical monopolist would not find it profitable to impose such an increase in price, then the Agency will add to the product group the product that is the next-best substitute for the merging firm's product.

Horizontal Merger Guidelines § 1.11. *See Brown Shoe* v. *U.S.*, 370 U.S. 294 (1962).

Applying this standard to the present case, downhill skiing is the relevant product market. For purposes of this merger, downhill skiing differs from other winter recreational activities (such as cross-country-skiing, ice skating, snowmobiling, ice climbing, and cruises to warm weather resorts) and from all-weather activities (such as shopping and gambling), because as the Department's investigation showed, if prices at ASC resorts went up a small but significant amount after the merger (for example, by five percent without inflation or any quality improvements), people might switch where they went to ski, but they would continue to ski rather than switch to these other recreational activities. Typical downhill skiers would not switch to an activity such as ice-climbing, for example, just because the price of a downhill ticket increases by a small amount. They certainly would not switch in sufficient numbers to defeat a price increase. Based on this information, downhill skiing is the appropriate relevant product market for our analysis.

D. There Are Regional Geographic Markets for Weekend Skiing in Eastern New England and for Day Skiing in Maine

The Conway Report (p. 5) and commentors 34, 41, and 64 suggest that the relevant geographic market for purposes of analyzing the proposed acquisition is increasingly global in nature. Alternatively, Conway and numerous commentors (1, 8, 13, 14, 17, 19, 21, 25, 30, 33, 44, 47–50, 53–57, 62, 70–72, 78–81, 85, 86, 89) maintain that there are many resorts in the Mt.

[3] This Response addresses all of the antitrust issues that are raised in the comments and issues related to the substance of the Complaint and proposed Final Judgment. Unrelated arguments and objections are not discussed, such as complaints about statements reported in the press (32, 60). These comments are irrelevant to the issues of this case, and not properly subject of comment to which the Antitrust Division must respond under the Tunney Act.

Washington Valley, elsewhere in New England, and even in the western U.S. that compete with Mt. Cranmore. Therefore, the commentors assert that the Department's eastern New England/weekend and Maine/day geographic markets are too narrow to be meaningful.

The standard for defining a relevant geographic market is set forth below:

> In defining the geographic market or markets affected by a merger, the Agency will begin with the location of each merging firm (or each plant of a multiplant firm) and ask what would happen if a hypothetical monopolist of the relevant product at that point imposed at least a 'small but significant and nontransitory' increase in price, but the terms of sale at all other locations remained constant. If, in response to the price increase, the reduction in sales of the product at that location would be large enough that a hypothetical monopolist producing or selling the relevant product at the merging firm's location would not find it profitable to impose such an increase in price, then the Agency will add the location from which production is the next-best substitute for production at the merging firm's location.

Horizontal Merger Guidelines § 1.21. *See Brown Shoe* v. *U.S.*, 370 U.S. 294 (1962).

Thus, the appropriate starting point for defining the relevant geographic market is the area in and around ASC's and S–K–I's resorts. If ASC could impose a ''small but significant and nontransitory'' price increase after the merger (for example, five percent) without causing a sufficient number of skiers to switch to ski slopes in other geographic areas and defeat the price increase, then the appropriate geographic market is limited to these locations. Resorts in other geographic regions of the country or abroad should not be included in the relevant geographic market.

The Department's investigation revealed that geographic markets for weekend and day skiing are indeed regional, rather than national or international. Skiers are not willing to travel an unlimited distance to ski. Traveling to distant ski resorts imposes a burden on the skier, either in the form of excessive driving time or large additional expense for airfare. The determinative factors in how far people are willing to travel for skiing are the duration of the trip (*e.g.*, single day, weekend, extended vacation), the qualitative aspects of the particular resort (*e.g.*, number of trails and lifts, variety and difficulty of trails, snowmaking, night skiing, accommodations, and other amenities), and price. Ski resorts may compete in several markets—quite local markets for day skiers, larger markets for weekend skiers, and quite large markets for extended skier vacations. Because ski resorts can offer different prices in these different markets, each one is appropriate for antitrust analysis.

Prior to the proposed acquisition, ASC and S–K–I each operated a total of four ski resorts in Maine, New Hampshire, and Vermont. They were the two largest owner/operators of ski resorts in New England, and this transaction would have combined eight of the largest ski resorts in this region. The Department's investigation revealed that ASC and S–K–I competed directly and significantly for two distinct groups of skiers—eastern New England weekend skiers (i.e., those in Maine, eastern Massachusetts and Connecticut, and Rhode Island) and Maine day skiers. Although other categories of skiers (*e.g.*, skiers from other areas and skiers on extended vacation) visit ASC's and S–K–I's resorts, those skiers were not adversely affected by the merger. The proposed acquisition substantially increased concentration only among the ski resorts to which eastern New England residents practicably could go for weekend ski trips, and to which Maine residents practicably could go for day ski trips. As a result, the acquisition threatened to raise the price of, or reduce discounts for, weekend and day skiing to consumers living in these areas.

1. Eastern New England Weekend Skiers

Eastern New England residents who wish to ski over a weekend can feasibly turn only to a limited number of resorts with adequate services (*e.g.*, accommodations, number and variety of trails, and other amenities) and that are located nearby in Maine, New Hampshire, Vermont, or western Massachusetts. These are the resorts that have the necessary qualities and are within a reasonable traveling distance for eastern New England weekend skiers.

The Department considered the ski areas identified by the Conway Report along with many others as potential choices for New England weekend skiers. Of the fourteen resorts identified by the Conway Report, four would have been owned by ASC after the acquisition as originally proposed. Smaller ski resorts among the fourteen (such as King Pine, Shawnee Peak, Black Mountain, and Gunstock) and other resorts located farther away (such as New York, the West Coast, and abroad) cannot, and after this transaction would not, constrain prices charged to weekend skiers living in eastern New England. The smaller resorts lack the qualitative aspects previously identified (number of trails and lifts, variety and difficulty of trails, snowmaking, night skiing, accommodations, and other amenities) and the more distant resorts are too far away to constrain a small but significant price increase after the merger of ASC and S–K–I resorts. Although eastern New England skiers occasionally choose to ski at these smaller or even more distant resorts, skiing at such resorts is not a practical or economic alternative for most eastern New England weekend skiers most of the time.

Ski resorts in Maine, New Hampshire, Vermont, and western Massachusetts that have the necessary qualities and services to attract weekend skiers from eastern New England can charge different effective prices to these skiers than they charge to others. Eastern New England weekend skiers can be identified easily by the ski resorts that are reasonable alternatives for these consumers. These ski resorts can charge eastern New England weekend skiers different prices than charged to day skiing customers, to customers coming from other parts of the country, or to customers who stay longer than a weekend. For example, ski resorts can offer coupons for discounted lift tickets packaged with lodging and/or airfare, either through direct mail or through advertising in local papers in the New York, Washington D.C., or Atlanta metropolitan areas, and not offer such coupons in eastern New England. A single firm controlling all the resorts in Maine, New Hampshire, and Vermont with the most attractive qualities and services for weekend skiing would be able to raise prices a small but significant amount to eastern New England weekend skiers without losing sufficient business to smaller or more distant resorts to make the price increase unprofitable.

Based on this analysis, the Department concluded, and maintains, that the provision of weekend downhill skiing to eastern New England residents is a relevant geographic market within the meaning of Section 7 of the Clayton Act.

2. Maine Day Skiers

Before the proposed acquisition, ASC provided skiing to Maine day skiers primarily at its Sunday River, Attitash/Bear Peak, and Mt. Cranmore ski resorts. S–K–I provided skiing to Maine day skiers primarily at its Sugarloaf resort. The acquisition would have brought these alternatives for Maine skiers under common ownership and control. Moreover, the ASC acquisition as proposed would have eliminated Waterville Valley as a non-ASC-owned resort that Maine day skiers could

consider. Maine residents feasibly can turn only to resorts in Maine and eastern New Hampshire for day skiing trips. These are the resorts that are within a reasonable traveling distance for Maine day skiers.

Ski resorts located farther from Maine and eastern New Hampshire cannot, and after this transaction would not, constrain prices charged to day skiers living in Maine. Although Maine skiers occasionally choose to ski at such more distant resorts, skiing at such resorts is not a practical or economic alternative for most Maine day skiers most of the time.

Ski resorts in Maine and eastern New Hampshire easily can charge different prices to Maine day skiers than they charge to other skiers. Maine day skiers, for example, can be identified by the ski resorts that are reasonable alternatives for these consumers to drive to for a day of skiing. These ski resorts can charge Maine day skiers different effective prices than those charged to out-of-state skiers or to Maine skiers who stay multiple days. A single firm controlling all the ski resorts in Maine and eastern New Hampshire would be able to raise prices a small but significant amount to Maine day skiers (mainly by reducing or eliminating discounts) without losing so much business as to make the price increase unprofitable.

Based on this analysis the Department concluded, and maintains, that the provision of day skiing to Maine residents is a relevant geographic market within the meaning of Section 7 of the Clayton Act.

The Conway Report makes the following assertions:

—within an hour and fifteen minutes of North Conway there are fourteen ski areas that create a competitive market place for Maine day skiers (Conway at 5–6);

—data from 1996 shows that Mt. Cranmore had 125,000 skier visits of which 6,500 (5.3%) were from Maine and Attitash had 201,000 skier visits of which 4,422 (2.2%) were from Maine compared with 92,846 total skier visits from Maine to the state of New Hampshire; thus, Maine skiers already have sufficient alternatives (*Id.* at 8);

—the Maine Attorney General's Office negotiated a pricing discount program for Maine residents ''which the DOJ is apparently satisfied with'' (*Id.* at 9).

As with New England weekend skiers, the Department considered all fourteen of the ski areas identified in the Conway Report along with many others in its analysis of the competitive consequences of the proposed merger on Maine day skiers. Of the fourteen ski areas identified in the Conway Report, three (Cranmore, Attitash, and Sunday River) were owned by ASC and one (Waterville Valley) was owned by S–K–I. Many of the other smaller resorts lack the qualitative aspects previously identified (number of trails and lifts, variety and difficulty of trails, snowmaking, night skiing, and other amenities) to constrain a small but significant price increase after the merger of ASC and S–K–I resorts. Moreover, although many of these resorts are within an hour and fifteen minutes of North Conway, the focus of our inquiry is on the distance for day skiers from population centers in Maine. Many skiers from Portland, Maine, for example, would not find it practical to drive an additional hour and fifteen minutes beyond North Conway, where Mt. Cranmore is located (an hour and a half or more trip for Portland residents), for a day ski trip. For these residents, the Maine resorts along with Mt. Cranmore and Attitash in eastern New Hampshire are the most feasible resorts for day skiing.

Rather than focus on the percentage of Maine skier visits to Mt. Cranmore compared to total New Hampshire skier visits from Maine, the Department believes the appropriate focus should be on the practical alternatives available to the Maine day skier after the merger that could constrain a small but significant price increase by ASC. Prior to the proposed acquisition, Sunday River (ASC) and Sugarloaf (S–K–I) in Maine and Mt. Cranmore and Attitash (ASC) in New Hampshire provided practical and viable alternatives in terms of distance, qualitative aspects, and price competition for Maine day skiers. After the acquisition ASC would own Sunday River, Sugarloaf, and Attitash. With the divestiture of Mt. Cranmore, the Department believes Maine day skiers will have a feasible and attractive competing alternative to ASC resorts in Maine and New Hampshire. According to the Conway Report statistics, Mt. Cranmore already receives almost one and one-half times more skier visits from Maine than Attitash. The divesture provides the opportunity for even more Maine day skiers to ski Mt. Cranmore as an alternative to ASC resorts in the immediate vicinity and to constrain noncompetitive price increases by ASC.

The Maine Attorney General's Office did negotiate a pricing discount program with ASC for Maine residents. However, the program is a percentage-based program. It requires ASC at its Sunday River and Sugarloaf resorts to compute a ratio of the average resident and non-resident ticket prices for the 1995–96 season and maintain that ratio in future years. The Department generally prefers not to attempt to remedy anticompetitive mergers with price regulation, but rather to ensure that there is a structurally competitive marketplace that will provide competitive pricing and high quality goods and services on its own as a result of the competition. By preserving Mt. Cranmore as a competitive alternative to ASC ski resorts, the Department believes the marketplace itself will provide lower prices, higher quality services, and attractive alternatives for Maine day skiers.

E. The Proposed Merger Is Likely To Result in Increased Prices or Reduced Discounts in the Two Markets as Alleged

The Conway Report and commentors raise several issues about pricing:

—the merger is not anticompetitive because it does not create a single-firm monopoly (Conway at 6);

—the Department has not shown that a price increase will result from the merger (*Id.* at 14);

—economies of scale may actually allow reduction in ticket prices (commentors 9, 22, 53, 84);

—the Department has not shown that price increases will be ''unacceptable to the public;'' higher prices are ''justified and acceptable to skiers when there is an increase in the level of services,'' which should be taken into account (Conway at 6); price increases would reflect improved conditions that LBO brings to the resort, not monopoly pricing (commentors 12, 25).

The purpose of the Department's review of mergers under the antitrust laws is to identify and challenge mergers that reduce competition, facilitate the creation or exercise of market power, or threaten to increase prices or reduce product quality to consumers. The Clayton Act does not require the Untied States to wait until there is an actual single-firm monopoly created by the merger, nor does it require the Department to violate the antitrust laws. It simply requires a showing that the effect of an acquisition ''*may be* substantially to lessen competition, or to *tend to* create a monopoly.'' 15 U.S.C. § 18 (emphasis added). Market power can be exercised through supracompetitive prices in market structures that are well short of an actual monopoly. The Department's analysis of the ASC transaction predicted that the new entity as originally proposed would have had sufficient market power to impose price increases.

In its analysis of post-merger market power, the Department also considers and evaluates potential efficiencies of the proposed transaction that could bring improved service or lower prices to consumers. In the present transaction the Department determined that any efficiencies resulting from the proposed merger that were obtainable by ASC in operating multiple resorts were not sufficient to offset the potential for price increases as a result of the market power acquired by ASC after the merger.

Moreover, the proposition that price increases after the acquisition might be ''acceptable'' to the public would confirm that the markets at issue are properly defined and threatened with loss of competition. It could mean not only that consumers would face higher prices, but not have adequate competitive alternatives to which they could turn. Furthermore, the policy underlying the antitrust laws as enacted by Congress and applied by the courts is that competition is the best way to achieve the optimal combination of price and quality. An antitrust analysis evaluates a merger by considering that the quality of the product or service is held constant in determining whether the merged entity would have sufficient market power to impose a small but significant price increase on consumers. Price increases that proportionally reflect improvements in quality or service are not considered anticompetitive.

The Conway Report and several commenters also state:

—skiers do not make their decision where to ski solely on price; other factors are ski conditions, ski terrain, lift facilities, snowmaking, and amenities (Conway at 14; commentors 9, 14, 15, 22, 23, 26, 54, 61, 93);

—if the merger results in an anticompetitive price increase, people will stop skiing (commentors 22, 25, 34, 58, 72, 77) or other resorts will expand output and undercut those prices (Conway at 15; commentor 43); state-owned mountains in New Hampshire (Sunapee and Cannon) provide price control (commentors 47–49, 55, 57, 62);

—the merger will hold prices down by encouraging more mid-week skiers (commentor 73).

The Department did consider factors such as ski conditions, ski terrain, lift facilities, snowmaking, and amenities in defining the product market. The determinative factors in how far people are willing to travel for skiing at a particular mountain are the duration of the trip (*e.g.*, single day, weekend, extended vacation), the qualitative aspects of the resort (such as those outlined above), and price. The lack of these qualitative factors are the very reason many of the smaller resorts identified in the Conway Report are not feasible alternatives for substantial numbers of New England weekend skiers.

In its analysis of the market power that ASC would have after its acquisition of S–K–I, the Department considered whether people would stop skiing if prices increased at ASC resorts or switch to other resorts that had lower prices. Although some New England weekend skiers and Maine day skiers may choose to stop skiing or to ski at smaller resorts with less desirable qualitative aspects in response to a small but significant price increase by ASC, they would not do so in sufficient numbers to defeat such a price increase. The typical downhill skier who goes to ASC resorts for the qualitative experience is unlikely to stop skiing or switch to smaller resorts with less amenities because ticket prices increase by a small amount, such as five percent.

Moreover, many of the smaller resorts are unlikely to be able to expand facilities within a timely fashion to defeat an anticompetitive price increase. For example, to increase the number of lifts and trails or add snowmaking or night skiing capability would take these resorts more than two years in most cases and/or require a long regulatory approval process if their resort is on national forest land.

F. The Proposed Divestiture Solves the Anticompetitive Problem Alleged in the Complaint

Commentors 11, 43, and 45 suggested that if the Department had concerns about the ASC/S–K–I acquisition, it should have required ASC to divest a larger resort, such as Killington or Sunday River, instead of smaller resorts like Waterville Valley and Cranmore.

In analyzing the proposed Final Judgment, ''the court's function is not to determine whether the resulting array of rights and liabilities is one that will *best* serve society, but only to confirm that the resulting settlement is within the *reaches* of the public interest.'' *United States* v. *Western Elec. Co.*, 993 F.2d 1572, 1576 (D.C. Cir.), *cert. denied*, 114 S.Ct. 487 (1993) (emphasis added, internal quotation and citation omitted). The relief in the proposed Final Judgment is sufficient to preserve competition for eastern New England weekend and Maine day skiers.

Before the proposed acquisition, Sunday River (ASC) and Sugarloaf (S–K–I) in Maine; Mt. Cranmore (ASC), Attitash (ASC), and Waterville Valley (S–K–I) in New Hampshire; and Sugarbush (ASC), Killington (S–K–I), and Mt. Snow (S–K–I) in Vermont all provided practical and viable alternatives in terms of distance, qualitative aspects, and price competition for New England weekend and Maine day skiers. After the acquisition ASC would own Sunday River, Sugarloaf, Attitash, Sugarbush, Killington, and Mt. Snow. By reaching an agreement to divest Mt. Cranmore and Waterville Valley, New England weekend and Maine day skiers will continue to have sufficient feasible and attractive alternatives to ASC resorts. Divesting Killington or another Vermont resort, for example, would have been of no benefit to Maine day skiers.

Moreover, the divestitures ordered in the proposed Final Judgment will resolve the substantial increase in concentration brought about by the proposed transaction. With these divestitures, the post-merger HHI[4] for the eastern New England weekend skiing market will be below 1800, and the parties' post-merger share of that market will be less than 40 percent. The post-merger HHI for the Maine day skiing market will be slightly over 1900 with these divestitures, and that parties' post-merger share of that market will be less than 35 percent. Given these post-divestiture HHI levels, the combined firm's post-divestiture market shares, and the number and size of independent ski resorts remaining in the affected markets, the proposed transaction is not likely to lead to an unilateral anticompetitive effect or to a higher probability of coordinated behavior, provided the divestitures are made.

G. Unique Aspects of Mt. Cranmore

The Conway Report and several commentors suggest that there are a

[4] ''HHI'' is an abbreviation for the Herfindahl-Hirschman Index, a commonly accepted measures of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of thirty, thirty, twenty and twenty percent, the HHI is 2600 ($30^2+30^2+20^2+20^2=2600$). The HHI takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.

Markets in which the HHI is between 1000 and 1800 are considered to be moderately concentrated and those in which the HHI is in excess of 1800 points are considered to be concentrated. Transactions that increase the HHI by more than 100 points in moderately concentrated and concentrated markets presumptively raise antitrust concerns under the Department of Justice and Federal Trade Commission 1992 *Horizontal Merger Guidelines.*

number of unique aspects of Mt. Cranmore that should be considered:

—there are various economies associated with operating and marketing Attitash/Bear Creek together with Mt. Cranmore; these economies will be lost if Mt. Cranmore is divested, making Mt. Cranmore less viable (Conway at 13; commentor 94);

—the proposed Final Judgment reduces options for consumers because it eliminates the Attitash/Cranmore joint ticket now offered through ASC (commentors 1, 16, 21, 30, 32, 50, 63, 66, 70, 72, 77, 80, 85, 86); and the Department is incapable of determining whether the prospective buyer will be a strong operator (commenter 32);

—divestiture would have a significant adverse economic impact on the area around Mt. Cranmore (Conway at 12–13; commentors 2, 5, 12, 14, 17–19, 22–25, 29, 31, 33–36, 38, 43, 47–53, 55, 57, 59–62, 64, 65, 68, 69, 74, 83, 84, 91–96);

—Mt Cranmore cannot survive on a stand alone basis (Conway at 12–13; commentors 2, 5, 15–18, 23, 28, 29, 34, 37, 38, 41, 45, 50, 59, 61, 63, 64, 66, 69, 71, 78, 85, 86, 89, 94); it needs to be part of a larger organization because of economies in marketing (Conway at 12–13; commentors 2, 9, 19, 21, 23, 26, 28–30, 54, 64, 77, 90, 96);

—Cranmore was struggling to survive before ASC purchased it; ASC has invested heavily in Mt. Cranmore—in snowmaking equipment, lifts, and marketing (Conway at 12–13; commentors 1, 2, 4–10, 12, 13, 15–18, 22, 24–29, 37–39, 40, 41, 42, 46, 50, 54, 56, 58, 60, 61, 63, 66, 69–72, 77, 79, 80–82, 87, 88, 89, 90, 93, 95).

There probably are some economies associated with operating and marketing Mt. Cranmore together with ASC's other ski resorts. But most relevant economies of scale, such as large-scale purchasing of lifts and equipment and sharing overhead and administrative staff, also can be obtained if Cranmore is purchased by another owner that operates multiple ski resorts. Economies of scale associated with being part of a larger organization are not unique to ASC, and there is no reason to think they will be lost as a result of a divestiture of Cranmore to another operator with multiple resorts.

Regarding joint tickets for both Attitash and Cranmore, nothing prohibits the new owner of Cranmore, for example, from entering into joint ticket arrangements with Attitash or other ski resorts for tickets that would be good at any of the cooperative resorts. Moreover, if Cranmore and Waterville Valley were divested to the same buyer, the new owner could offer a joint ticket to these two resorts. In the past, sales revenues from one joint Attitash/Cranmore ticket has been at most less than four percent of Cranmore ticket revenues. Only one percent of Cranmore ticket purchasers have paid the nominal upgrade fee to be able to ski Attitash. If anything, the lack of a joint ticket would seem to hurt Attitash, not Cranmore, by this measure. Given the ability to continue offering joint ticket arrangements with other resorts, the separation of ownership of Attitash and Cranmore should not be a significant factor in the decision to divest Cranmore.

It clearly advances the Department's goal that a financially strong buyer with good management skills be found to purchase Mt. Cranmore. The whole purpose behind the divestiture is to maintain Mt. Cranmore as a healthy, vigorous, independent competitor to ASC. Such competition should spur increasingly improved ski services and conditions while maintaining competitive pricing. Although the Department cannot guarantee the financial success of the new purchaser of Mt. Cranmore, the Department does have experience in evaluating the strength and potential success of prospective purchasers in consent decree cases over the years, and believes it can do so in this case.

The Department recognizes that maintaining Mt. Cranmore as a healthy, vigorous competitor not only is important to competition, but also is very important to the citizens and businesses located near Mt. Cranmore in the Mount Washington Valley. In performing a merger analysis, the Department's responsibility is to prevent violations of the antitrust laws and to preserve competition. The principle that underlines the antitrust laws enacted by Congress is that vigorous, free market competition is the best way to protect the economy. The Department is not charged, and it would be beyond its appropriate sphere if inquiry, to evaluate directly—and base its enforcement decisions on—the economic impact of the collateral spending of consumers in areas other than the product markets being investigated. Rather, this interest is considered and protected indirectly by protecting a competitive free market and, in the specific case of a divestiture, in ensuring the viability of the divested assets as a vigorous competitor. Preserving Mt. Cranmore as a vigorous competitor is the essence of the relief sought in the consent decree; by protecting competition, the proposed relief also should protect collateral spending by consumers and the resulting local economic vitality.

Whether Mt. Cranmore can survive as a strong competitor on a stand-alone basis is one of the factors the Department will evaluate in analyzing the suitability of potential purchasers. The proposed divesture would allow Cranmore and Waterville Valley to be sold to a single purchaser as one option. Moreover, the benefits that ASC brought to Mt. Cranmore by investing in snowmaking equipment, and marketing will enure to the benefit of the new purchaser and put Cranmore in that much better position to be a strong competitor to ASC.

III. The Legal Standard Governing the Court's Public Interest Determination

Once the United States moves for entry of the proposed Final Judgment, the Tunney Act directs the Court to determine whether entry of the proposed Final Judgment ''is in the public interest.'' 15 U.S.C. § 16(e). In making that determination, ''the court's function is not to determine whether the resulting array of rights and liabilities is one that will *best* serve society, but only to confirm that the resulting settlement is *within the reaches* of the public interest.'' *United States* v. *Western Elec. Co.,* 993 F.2d 1572, 1576 (D.C. Cir.) *cert. denied,* 114 S. Ct. 487 (1993) (emphasis added, internal quotation and citation omitted).[5] The Court should evaluate the relief set forth in the proposed Final Judgment and should enter the Judgment if it falls within the government's ''rather broad discretion to settle with the defendant within the reaches of the public interest.'' *U.S.* v. *Microsoft Corp.,* 56 F.3d 1448, 1461 (D.C. Cir. 1995). *Accord United States* v. *Associated Milk Producers,* 534 F.2d 113, 117–18 (8th Cir. 1976), *cert. denied,* 429 U.S. 940 (1976).

The Court is not ''to make *de novo* determination of facts and issues.'' *Western Elec.,* 993 F.2d at 1577. Rather, ''[t]he balancing of competing social and political interests affected by a proposed antitrust decree must be left, in the first instance, to the discretion of the Attorney General.'' *Id.* (internal quotation and citation omitted throughout), In particular, the Court must defer to the Department's assessment of likely competitive consequences, which it may reject ''only

[5] The *Western Electric* decision concerned a consensual modification of an existing antitrust decree. The Court of Appeals assumed that the Tunney Act was applicable.

if it has exceptional confidence that adverse antitrust consequences will result—perhaps akin to the confidence that would justify a court in overturning the predictive judgments of an administrative agency.'' *Id.*[6]

The Court may not reject a decree simply ''because a third party claims it could be better treated.'' *Microsoft,* 56 F.3d at 1461 n.9. The Tunney Act does not empower the court to reject the remedies in the proposed Final Judgment based on the belief that ''other remedies were preferable.'' *Id.* at 1460. As Judge Greene has observed:

> If courts acting under the Tunney Act disapproved proposed consent decrees merely because they did not contain the exact relief which the court would have imposed after a finding of liability, defendants would have no incentive to consent to judgment and this element of compromise would be destroyed. The consent decree would thus as a practical matter be eliminated as an antitrust enforcement tool, despite Congress' directive that it be preserved.

United States v. *American Tel. & Tel. Co.,* 552 F. Supp. 131, 151 (D.D.C. 1982), *aff'd sub nom. Maryland* v. *United States,* 460 U.S. 1001 (1983) (Mem.).

Moreover, the entry of a governmental antitrust decree forecloses no private party from seeking and obtaining appropriate antitrust remedies. Defendants will remain liable for any illegal acts, and any private party may challenge such conduct if and when appropriate. The issue before the Court in this case is limited to whether entry of *this* particular proposed Final Judgment, agreed to by the parties as settlement of *this* case, is in the public interest.

Further, the Tunney Act does not contemplate judicial reevaluation of the wisdom of the government's determination of which violations to allege in the Complaint. The government's decision not to bring a particular case on the facts and law before it at a particular time, like any other decision not to prosecute, ''involves a complicated balancing of a number of factors which are peculiarly within [the government's] expertise.'' *Heckler* v. *Chaney,* 470 U.S. 821, 831 (1985). Thus, the Court may not look beyond the Complaint ''to evaluate claims that the government did *not* make and to inquire as to why they were not made.'' *Microsoft,* 56 F.3d at 1459 (emphasis in original); *see also Associated Milk Producers,* 534 F.2d at 117–18.

Finally, the government has wide discretion within the reaches of the public interest to resolve potential litigation. *E.g., Western Elec. Co.,* 993 F.2d 1572; *AT&T,* 552 F. Supp. at 151. The Supreme Court has recognized that a government antitrust consent decree is a contract between the parties to settle their disputes and differences, *United States* v. *ITT Continental Baking Co.,* 420 U.S. 223, 235–38 (1975); *United States* v. *Armour & Co.,* 402 U.S. 673, 681–82 (1971), and ''normally embodies a compromise; in exchange for the saving of cost and elimination of risk, the parties each give up something they might have won had they proceeded with the litigation.'' *Armour,* 402 U.S. at 681. This Judgment has the virtue of bringing the public certain benefits and protection without the uncertainty and expense of protracted litigation. *Armour,* 402 U.S. at 681; *Microsoft,* 56 F.3d at 1459.

IV. Conclusion

After careful consideration of these comments, the United States concludes that entry of the proposed Final Judgment will provide an effective and appropriate remedy for the antitrust violation alleged in the Complaint and is in the public interest. The United States will therefore move the Court to enter the proposed Final Judgment after the public comments and this Response have been published in the Federal Register, as 15 U.S.C. § 16(d) requires.

Dated: October 16, 1996.

Respectfully submitted,

John W. Van Lonkhuyzen,

Barry L. Creech (D.C. Bar # 421070),

Attorneys, U.S. Department of Justice, Antitrust Division, 1401 H Street, N.W., Suite 4000, Washington, D.C. 20530, Tel: 202/307–0001.

Certificate of Service

On October 16, 1996, I caused a copy of the United States' Response to Public Comments relating to the Proposed Final Judgment (with the comments) to be served by facsimile and first-class mail upon defendants in this action. A courtesy copy (without the comments) will be mailed to each commentor as soon as practicable.

Barry L. Creech

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3. Beth Lincoln	II.A
4. Dr. Theodore Goldberg	II.G
5. Charlotte Emmel	II.G
6. Evelyn Whelton	II.G
7. Beverly Mellen	II.G
8. Lawrence Markey	II.D, II.G
9. Gary P. Farmer	II.E, II.G
10. Mr. and Mrs. Bradford L. Boynton.	II.G
11. Bill Glenn	II.F
12. Herbert H. Whittemore	II.B, II.E, II.G
13. Mr. and Mrs. Bartram W. Bumsted.	II.D, II.G
14. Mr. and Mrs. Richard Check.	II.D, II.E, II.G
15. John E. Hogan	II.E, II.G
16. Lawrence Fouraker, Ph.D..	II.G
17. Mr. and Mrs. Thomas O'Connor.	II.D, II.G
18. Mr. and Mrs. Arthur J. Brissman.	II.G
19. Harold C. Fisher	II.D, II.G
20. Professor Stephen F. Ross (withdrawn by commenter).	Not Applicable.
21. Bruce Todd	II.D, II.G
22. John D. Krebs	II.C, II.E, II.G
23. Richard J. Fraser	II.E, II.G
24. Stanley P. Wilson	II.G
25. Joseph C. Webb	II.D, II.E, II.G
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27. Peter B. Ward	II.G
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31. Mr. and Mrs. Robert McManus.	II.G
32. Harry Stead	II.B, II.G
33. Sandra W. Dahl	II.B, II.D, II.G
34. Robert C. Peterson	II.D, II.E, II.G
35. Mr. and Mrs. Richard Anthony.	II.G
36. Miriam Regan	II.G
37. John J. Reilly, Jr	II.G
38. Jennifer K. Savoie	II.G
39. Frank Murphy	II.G
40. Jean M. Lees	II.G
41. David S. Urey	II.C, II.D, II.G
42. Thomas A. Mulkern	II.G
43. Richard F. Surrete	II.E, II.F, II.G
44. Ronald K. Moore	II.D
45. Capt. David E. Bartlett	II.F
46. Mr. and Mrs. Robert M. Fisher.	II.G
47. Mr. and Mrs. Robert A. McDaniel.	II.D, II.E, II.G
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50. David A. Pope	II.D, II.G,
51. Janet Cooper	II.G
52. Jeff Barley	II.G

[6] The Tunney Act does not give a court authority to impose different terms on the parties. *See, e.g.,* United States v. American Tel. & Tel. Co., 552 F. Supp. 131, 153 n. 95 (D.D.C. 1982), *aff'd sub nom.* Maryland v. United States, 460 U.S. 1001 (1983)(Mem.); *accord* H.R. Rep. No. 1463, 93d Cong., 2d Sess. 8 (1974). A court, of course, can condition entry of a decree on the parties' agreement to a different bargain, *see, e.g., AT & T,* 552 F. Supp. at 225, but if the parties do not agree to such terms, the court's only choices are to enter the decree the parties proposed or to leave the parties to litigate.

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56. Cynthia A. Feltch	II.B, II.D, II.G
57. Harold Berk	II.D, II.E, II.G
58. Bob Kyle	II.E, II.G
59. James R. Lane	II.G
60. William J. Denning	II.G
61. T.M. Egbert, Jr	II.E, II.G,
62. Henry DiRico	II.D, II.E, II.G
63. Mr. and Mrs. Fred Pereira.	II.G
64. Richard F. Hickey	II.C, II.D, II.G
65. Miriam Regan	II.G
66. Sally Hindson	II.G
67. Dennis J. Holland	II.A
68. George J.R. Sauer	II.G
69. John C. Conniff	II.G
70. Charles Morse, Jr	II.D, II.G
71. Jack B. Middleton	II.D, II.G
72. Robert E. Adair	II.D, II.E, II.G
73. William D. Quinn	II.A
74. Calvin J. Coleman	II.G
75. David S. Urey	II.E
76. Maryellen LaRoche	II.A
77. Cynthia B. Briggs	II.B, II.E, II.G
78. James H. Hastings	II.D
79. John B. Pepper	II.D, II.G
80. Priscilla Morse	II.D, II.G
81. Peter B. Edwards	II.D, II.G
82. David Peterson	II.B, II.G
83. Miriam L. Regan	II.G
84. Mr. and Mrs. Robert Fisher.	II.E, II.G
85. Christopher J. Cote	II.D, II.G
86. Mr. and Mrs. Ronald F. Cote.	II.D, II.G
87. Douglas C. Albert	II.G
88. Conrad Briggs	II.G
89. Richard A. Ware	II.B, II.D, II.G
90. Stephen P. Camuso	II.G
91. Dr. Alfred C. Peters	II.G
92. Joan M. Moeltner	II.G
93. Fred C. Anderson	II.E, II.G
94. Ronald and Pamela Barber.	II.G
95. Honorable William E. Williams, Jr.	II.G
96. Mr. A.O. Lucy	II.G
97. Richard M. Chrenko	II.A
98. "Conway Report"	II.A, II.B, II.C, II.D, II.E, II.F, II.G

Public Comments

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95. Honorable William E. Williams, Jr., House of Representatives, State of New Hampshire, Committee on Resources, Recreation and Development, State House, Concord, New Hampshire 03301
96. Mr. A.O. Lucy, Executive Director, Mount Washington Valley Chamber of Commerce & Visitors Bureau, P.O. Box 2300, North Conway, NH 03860
97. Richard M. Chrenko, P.O. 913, West Side Road, Glen, NH 03838–0913
98. ''Conway Report'', Mt. Washington Valley/Mt. Cranmore Task Force, James B. Somerville, Chairman, Town of Conway, P.O. Box 70, Center Conway, NH 03813–0073

The Berkals

June 18, 1996.

Anne K. Bingaman,
U.S. Assistant Attorney General, Anti-Trust Division, Justice Department, Washington, DC 20530

Dear Madam: We sincerely hope that you do not force America Skiing to sell Mt. Cranmore.

We have been skiing there for well over twenty years, and no other owner has done as much to improve the skiing at this area. We were absolutely delighted with the improvements made last year. The interchangeable ticket between Attitash and Cranmore is a great draw for tourists. I trust that you are aware that Mt. Cranmore was for sale for some time before it was purchased by LBO.

This section of New Hampshire has other areas which provide competition within a reasonable driving distance, such as Black Mountain, Wildcat Mountain, Bretton Woods, Loon, King Pine and Shawnee Peak, all within a fifteen to forty-five minute drive.

We were all justifiably enthused when LBO Resort Enterprises bought Mt. Cranmore, and we trust that the decision to force the corporation to dispose of Mt. Cranmore will not be enforced, as we feel it is not in the best interest of the public or the community.

Yours very truly,

Betty Berkal, etc.

Pinkham Real Estate

June 18, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Washington, DC 20530

Dear Mr. Conrath: I was horrified to hear the news that Les Otten has been ordered to sell Cranmore Mountain Ski Area. Cranmore is the life blood of our economy here in North Conway and the keystone to Mt. Washington Valley. It is the thread by which North Conway's economic health hangs. As a ski area, it is completely incapable of standing alone in today's ski market. Past performance has already proven that. Forcing it to do so again means disaster, not just for Cranmore, but for this town.

Cranmore isn't a Fleet Bank or Bank of Boston that apparently can merge without protest. It isn't even a Stowe or a Sugarbush, or indeed a Waterville Valley among ski areas. It's a little hill with wide slopes and pleasant trails and a verticle drop that poses no competitive threat to ski areas such as these. However, it happens to be located right in North Conway village, which feels its every economic shiver. For the past seven years this village has been freezing.

After a year of LBO's management, when Cranmore and North Conway finally felt a resurgence of business, what kind of unconscionable bureaucracy is this that would shove this unassuming little business back out in the cold and imperil the lives and jobs of an entire town? If it is fear of the merged firm raising prices, don't they realize Cranmore *as an independent business* would have to raise prices to afford the kind of continuing capital investment, management and marketing dollars necessary to offer skiers a competitive product? A bit of history may serve to illustrate what this business means to the town.

Cranmore was founded in the late 1930s by Harvey Gibson, a local boy who had made good, not to show a profit, but to return something to his home town. During the three decades that followed—as with most businesses heavily dependent on the weather—it was never a big money maker, but it was able to pay its bills. However, in 1970 a snow drought forced it to its knees. Skiers left for other areas that had had the dollars for snow-making, or the size and altitude not to require it. The town responded. Over 100 people, most from this little village of 2,500, put down hard earned dollars to enable the mountain to buy snow-making equipment. The Manchester Union Leader headlined it as a town raising itself by its own bootstraps. I was owner/operator of North Conway's Eastern Slope Inn at the time, and I've never seen a community so aware of the importance of one business to the economic future of all.

Since then, ski areas have required bigger and bigger investments to stay competitive: partial snow making had to be extended to 100% cover; T Bars had to become chair lifts; chair lifts have had to become detachable quads; base stations—like the historic one at Cranmore—have had to be modernized, and louder marketing voices are needed to meet the increasing competition from inexpensive package plans to the big areas in the Rockies and the Alps. Nowhere is the major investment required by a business more obvious and open to the buying public than in a ski area, where a skier can tell within minutes whether or not its product is competitive.

During recent years, Cranmore has been owned by people who just wanted to say they owned a ski area. Like a yacht, if you had to ask how much it cost, you couldn't afford it. Today's costs have removed ski areas from the toy department. Without the assistance of a larger organization, to take advantage of economy of scale, Cranmore is doomed. And so is the village and town around it.

This past year of LBO ownership has rejuvenated our local economy. From 1990 to 1993 I was President of the Mt. Washington Valley Chamber of Commerce, which doubles as our regional marketing organization. For most of that period Cranmore existed at the pleasure of the banks, as did much of the town. Though blessed with a historically faithful clientele, skiers could no longer resist the lure of areas with bigger, faster and more modern equipment. LBO changed that. In my real estate business I have been able to observe the LBO effect perhaps more closely than most. I've seen people buying here this year with confidence again in Cranmore's future. And North Conway's. That can all end if this decision is allowed to stand.

The decision to make LBO divest of Cranmore must have been made solely by mathematics: LBO has such and such percentage of the market, therefore it must be harmful to the ski industry and/or skiers. Believe me when I say, should the ruling be enforced, a whole town will suffer.

I would ask those that made the ruling visit the elephants of the American and Canadian skiing west and then take a look at the little mouse-like knoll we call Cranmore.

Sincerely,

Charles Peter Pinkham.

cc: Congressman Bill Zeliff

Beth C. Lincoln

June 21, 1996.

Dear Mr. Conrath: I am very much in favor of the Justice Department's action to force the sale of Mt. Cranmore by Les Otten.

LBO is only interested in profit, and apparently has no concern for people or the community. He has clearly demonstrated

this, and his lack of integrity, by his actions at Athtash-Bear Peak. He attempts to manipulate the community by deceit and smooth talking. He charges premium prices and pays almost minimum wages (as well as no benefits, and hour by hour layoffs).

I am a very private person, & do not wish my name used publicly. However, I did wish to express my approval of your action.

Sincerely,

Beth C. Lincoln,

Box 119, Bartlett, NH 03812, 603–374–6033

Dr. Theodore Goldberg

June 21, 1996.

Dear Mr. Conrath: I have not seen or felt such enthusiasm either on Mt. Cranmore or in the Valley as was shown this past winter under Les Otten's ownership.

My children & grandchildren learned to ski on Cranmore & we have been dismayed at the determination over the past 15 years.

Since the Otten [mgmt] purchases the mountain a feeling of revitalization has taken hold in the entire valley. If he is not allowed to continue this progress the area will revert to lethargy.

Sincerely,

Dr. Theodore Goldberg,

Box 283, N. Conway, NH 03860

Charlotte Emmel

June 21, 1996.

Dear Mr. Conrath: This is to strongly urge that the Justice Dept. reconsider its decision to force Les Otten of LBO Enterprises to divest itself of Cranmore Mt. before SKI Limited can be acquired.

This news was devastating to this area (Mt. Washington Valley where Cranmore is located in North Conway). For years Cranmore has been steadily going down hill because the different owners simply did not have the funds to improve the mountain to make it competitive. This has cost many jobs and has had an effect on the tourist industry which the area relies on. When LBO purchased Cranmore last year, I believe *everyone,* without exception, was overjoyed—residents of the area and skier visitors alike. He pumped money into it and everyone was very excited about the plans he had to further develop the mountain. You may be delivering a death blow to the mountain if you carry through on forcing LBO to divest itself of Cranmore—and I *beg* you to reconsider.

Sincerely,

Charlotte Emmel

Evelyn Whelton

June 21, 1996.

Craig W Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H St., NW., Washington DC 20530

Re: Divesting, Cranmore Mountain, North Conway, NH

You are dealing with a ski resort in New Hampshire, that was dying and bringing the town down with it. We finally found someone that was willing to make a commitment to all of us and make this the first rate ski area it used to be.

The bottom line here is this:

The future of the New Hampshire Ski industry
The future of Mt. Washington Valley
The future of all who live here and struggle to make a living

Please look this over again and I am sure you will recognize that as a small community we can only benefit letting LBO keep Cranmore Mountain.

Thank you,

Evelyn Whelton,

PO Box 176, Madison, NH 03849.

Beverly Mellen

June 21, 1996.

Craig W Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H St., NW., Washington, DC 20530

Re: Divesting, Cranmore Mountain, North Conway, NH

You are dealing with a ski resort in New Hampshire, that was dying and bringing the town down with it. We finally found someone that was willing to make a commitment to all of us and make this the first rate ski area it used to be.

The bottom line here is this:

The future of the New Hampshire Ski industry
The future of Mt. Washington Valley
The future of all who live here and struggle to make a living

Please look this over again and I am sure you will recognize that as a small community we can only benefit by letting LBO keep Cranmore Mountain.

Thank you,

Beverly Mellen,

PO Box 484, Intervale, NH 03845.

Lawrence Markey

June 21, 1993.

Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, Washington, DC 20530

Dear Sir: I am writing regarding the Justice Department's decision to require the LOB holdings to sell the Cranmore Ski areas in North Conway, NH particularly. The past year of ownership, LOB has not only turned around the flagging ski area but has done a great deal for the Mount Washington Valley area. To require the sale of this area by a courageous true entrepreneur would be disastrous for the community. He has plans far beyond the ski area that can only benefit this area. Reading about this action I have noted that currently LOB owns a mere 25% of the Northeast ski industry and 6% of the national ski industry. This hardly constitutes a monopoly.

I desperately ask that you reconsider the demanded sale of Mount Cranmore ski area. I am a skier and resident of the Mount Washington Valley area and fully support what LBO has planned for this area.

Please Reconsider and Reverse Your Decision.

Lawrence Markey

ccs: Rep. Bill Zeliff
Sen. Judd Gregg
Sen. Robert Smith

Gary P. Farmer

June 21, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Washington, DC 20530.

Dear Mr. Conrath: I am writing to ask your assistance in reversing the senseless bureaucratic decision by the U.S. Department of Justice forcing the divestiture of Cranmore Mountain by LBO Enterprises.

As a neighbor to Cranmore and long time skier of New Hampshire mountains including others owned or to be owned by LBO, I do not believe the Antitrust Division understands the status of the ski industry in New Hampshire nor the decline of Cranmore Mountain until it was purchased by LBO this past ski season.

I do appreciate the mission of the Antitrust Division and its role in maintaining completion and protecting the consumer, but this is a case where allowing the consolidation to proceed will do just that.

I say this because economies of scale in the ski industry are necessary to reduce overall operating costs in an industry where skyrocketing ticket prices in recent years have forced many families to give up this recreational opportunity.

Cranmore is unique. It's place in history has been documented but it's importance to the local economy is less well known. As a local businessman in North Conway, I can assure you that the decline of Cranmore had a significant impact on State tax revenues and local incomes. This past year, with the substantial investments made by LBO in Cranmore, this situation has turned around. The business community showed their enthusiasm for and confidence in LBO by planning additional economic expansion. This has been destroyed by the Justice Department's proposed consent order.

I do not believe the Antitrust Division understands that New Hampshire ski areas compete regionally within the state namely the Sunapee, Franconia and Mt. Washington Valley regions. Geographic distances and natural obstructions define these regions. Therefore skiers choose a region first then a ski area within that region. If Justice understood this, then they would know that the number of areas owned by American Ski Company (LBO) only affects the economies of scale and marketability of the areas, it does not diminish competition. The exception would be owning multiple areas within the same region. This does occur since Attitash and Crandmore are within Mt Washington Valley.

However, LBO owned both there areas one season prior to the merger and all areas within the region flourished. Wildcat Mountain reported a 30% increase in skier visits, Black Mountain successfully emerged from bankruptcy and for the first time in a long time, all areas in the region were profitable. The reason is that LBO has breathed new life with the region because of their investments in, marketing of, and commitment to the Valley. These areas do not compete on price. Each has established

its own niche based on terrain, amenities, teaching techniques and size. Each has successfully marketed itself by aiming at its niche demographics.

The bottom line is that the Department of Justice does not understand the ski business in New Hampshire and I am asking that you review the Consent Order and avoid making a mistake which will have an adverse affect on the consumer and the general economy of the region.

Thank you for your consideration. If you would like to discuss this further please feel free to contact me at the above address.

Very truly yours,

Gary P. Farmer

cc: Congressman Bill Zeliff
Senator Judd Gregg
Senator Bob Smith

Mrs. Bradford Lewis Boynton

June 21, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Anti-Trust Div., US D.O.J., 1401 H St N.W., Washington DC 20530.

Dear Mr. Conrath: We were horrified to read our local papers that the Justice Dept. is forcing L.B.O. to sell Cranmore Mt., a ski resort in our village of No. Conway, so they have demanded that to our several if not many Ski Resorts or Areas is a monopoly. Ski business is not AT&T or any other large enterprize. It is a highly expensive recreational operation of making, snow trails and skiers, and getting people to use your mountain. It does not depend upon a monopoly of areas but on incredible know-how. In the case of Cranmore Mt., never has it been such excellent skiing as this year under LBO and the little town of North Conway would be a winter ghost town without Les Otten. He is a skier. He knows the ski area business. Please, please rescind this foolish order of having to sell out. We have skied at Cranmore since it opened in 1939 and we know how badly off Cranmore Mt. got before Les Otten put his know how to this area.

Sincerely,

Carol J. Boynton

Bradford L. Boynton

Bill Glenn

Craig W. Conrath,
Chief of Merger Task Force, AntiTrust Division, US DOJ, 1401 H Street, NW., Washington, DC 20530.

Re: Justice v. LBO Enterprises

Dear Mr. Conrath: It does not help competitiveness in the skiing industry to force LBO to give up their two weakest properties. Sunday River and Killington would be far better choices. LBO should be required to keep Cranmore for ten years.

There is a philosophy that says if one is going to be inspected, provide something pleasant for the inspector to find so he will not discover an unpleasant something else. Using this philosophy, LBO could have acquired Cranmore just to have something to give up to the Justice Department.

Sincerely yours,

Bill Glenn

Herbert H. Whittemore

June 21, 1996.

The Honorable Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, Northwest, Washington, D.C. 20530.

Dear Mr. Conrath: I am writing to object in the strongest possible way to your decision requiring Mr. Leslie B. Otten's LBO Enterprises to divest Cranmore Mountain Ski Area in North Conway, N.H., and Waterville Valley Ski Area in Waterville Valley, N.H., in order to merge with SKI Limited.

I disagree with your apparent premise that Mr. Otten, by owning three ski areas in New Hampshire, could monopolize ski ticket prices or packages, harming skiers or competing ski areas.

I know you and your staff are concerned with the common good of all parties: The skiers of New England, other ski areas, as well as Mr. Otten and his employees. And I thank you for that!

But I contend that allowing Mr. Otten to retain control of Cranmore and Waterville is crucial to skiers, to the economy of the Mount Washington Valley, Conway, N.H., and Waterville, N.H.

As you may know, Cranmore was in bankruptcy or losing money for the better part of a decade before Mr. Otten took over and turned the area around with a huge investment in lift, snowmaking and other equipment. Thanks to him, the mountain is recovering, skiers had a great year, and valley communities benefited greatly. I must point out that Cranmore is an economic linchpin and recreational jewel in Conway, N.H.

Mr. Otten rescued Cranmore, as he did Attitash Ski Area in neighboring Bartlett, N.H. I believe that Mr. Otten is good for skiing—no, make that great for skiing and for skiers!

That conclusion is based on 41 years of skiing; I first strapped on skis in 1954 at Cranmore and I've been going downhill ever since. I am a retired newspaper editor and wrote twice-weekly winter ski columns for the Lawrence (Mass.) Eagle-Tribune for 17 years.

I recall interviewing Mr. Otten in 1980 for a column when he bought and began developing Sunday River Ski Area in Maine. Then, it was a minuscule area. Today, it is simply the best; a jewel in the Maine economy; a wonderful playground for skiers.

In that 1980 interview, Mr. Otten laid out a projection of what he hoped to do with Sunday River. I went away from that interview trying to keep my objectivity intact, but torn between wondering whether Mr. Otten was a ski visionary or just spouting pipe dreams.

Well, let me tell you that those plans for Sunday River have all come true, and much, much more!

Quite simply, I believe Mr. Otten is the most exciting and best thing that I have witnessed in my 41 years of skiing.

It would be a sad and harmful thing, indeed, to deny Cranmore and Waterville their opportunity to be part of Mr. Otten's dynamic plans for skiing. And it will most certainly harm the economies of their communities and the many employees of the two areas because, without Mr. Otten, they are likely to slide back into bankruptcy.

It has been my observation that Mr. Otten's way of doing business is NOT financially harmful to the price of lift tickets. His way of doing business is simply better than that of other areas. He makes lots of snow, keeps making it to improve conditions, runs his areas with great care and concern.

Skiing, by its very nature, is an expensive sport. A skier's personal equipment is costly. A well-equipped skier can be wearing anywhere from $1,000 to $3,000 in gear. So, too, are lodging, meals, and transportation. The point I am trying to make is that the price of a lift ticket is a relatively small part of the individual skier's cost.

It is doubtful, in my mind, that, with three ski areas in New Hampshire, Mr. Otten could monopolize the ski industry in the Granite State. In fact, I believe that by depriving him of the right to run Cranmore and Waterville, you will be hurting the economy of New Hampshire (where tourism is the Number 2 industry). You will be hurting skiers, because, clearly, no one provides better skiing conditions than Mr. Otten.

That is one skier's view of the situation. I hope that by sharing it with you, you may reconsider your earlier action and change your position regarding divestiture. I thank you for your patience in considering these remarks.

I should say that I have no connection with LBO Enterprises or SKI Limited. I am simply a retired newsman living in the Mount Washington Valley and loving the skiing at Attitash Bear Peak Cranmore and Sunday River. And I am thankful for brilliant men like Mr. Otten and Mr. Phil Gravink, the masterful CEO of Attitash Bear Peak Cranmore. And that is why I write.

Sincerely,

Herbert H. Whittemore,

P.O. Box 204, Intervale, N.H. 03845.

The Bumsted Agency

June 21, 1996.

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Re: Mount Cranmore Ski Area, North Conway, NH 03860.

Dear Mr. Conrath: I was very upset to hear that the Justice Department was requiring LOB Enterprises to divest itself of Cranmore and Waterville Valley.

As a resident of Kearsarge (a suburb of North Conway) I am primarily concerned with Mount Cranmore. This mountain has been through a great deal since I moved here in 1973. When Les Otten purchased it and started to pour money into it, it seemed that at last its troubles were over.

It makes little sense to me to prohibit LBO from owning Cranmore because of the possibility of lack of competition. We have a number of other ski areas in the Valley should Mr. Otten elect to make his prices non-competitive. Wildcat, Black Mountain, and King Pine all offer a variety of skiing for all abilities.

Although I can see the need for monitoring corporations which supply goods to the public to keep competition alive, I feel that, in this case, which covers a recreational situation, the Justice Department has overstepped its bounds.

Sincerely yours,

Bartram W. Bumsted

Country Cabinets, etc.

June 21, 1996.

Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Mr. Conrath: The forced divestiture of LBO's ownership of Mt. Cranmore and Waterville Valley as a condition required by the DOJ for it to allow the merger of LBO Enterprises and S–K–I Ltd. has the potential of having a very negative impact on our town and its business climate.

The analysis of the situation seems to be flawed in the assumption that LBO would have a monopoly thus eliminating a competitive environment for the consumer. LBO knows, however, that it is dealing with a savvy consumer and that charges can be only what the market will bear. Although LBO currently owns Attitash/Bear Peak/Cranmore, the daily ski rates are different at each mountain. Each area has different amenities that dictate charges accordingly. There are also other mountains in the immediate area which offer alternatives of price as well as types of skiing and snowboarding experiences.

Being business owners in North Conway and members of many organizations including the Mount Washington Valley Chamber of Commerce, we can attest to the fact that LBO is very community minded and has added greatly to the marketing of our ''Valley''. We know that LBO is strong and that Cranmore will continue to thrive under its involvement. Cranmore is a ski area that had no investment for years and was deteriorating. Finally, along came LBO willing to work hard and put money into making it a first-rate ski area! To have another entity take over such an important facet in our town is risky. We know and like what we currently have!

Lastly, we are very concerned about local jobs being affected by this change. Our economy is mainly dependent upon tourism and LBO's ability to market our area as a whole will certainly be diminished with it's loss of Cranmore's income. Our Chamber has suffered over the past 8 years due to a poor economic climate. LBO's marketing efforts and support of the Chamber's marketing programs has been much appreciated.

Please reconsider and reverse your requirement that LBO must sell Mount Cranmore. Thank you for your consideration.

Sincerely,

Richard and Joy Check

Senator Bob Smith, Senator Judd Gregg, Congressman Charlie Bass, Congressman Bill Zeliff.

John E. Hogan

June 22, 1996.

Craig W. Conrath,

Chief Merger Task Force, U.S. Dept of Justice, Washington, D.C.

Dear Mr. Conrath: I am writing re the recent decision re the merger of LBO Enterprises & Ski LTD that they must sell off Cranmore Ski Area in North Conway. This decision made, I'm sure, because they also own Attitash/Bear Peak which is also in Mt. Washington Valley area.

I'm just hoping that you will give this a bit more consideration and possibly allow them to retain this property along with Attitash/Bear Peak. Just a bit of history. Cranmore was the first ski area in Mt. Washington Valley, it is located right in the center of town; it is rather historic, especially to skiers, in that it had the first & only Skimobile to get skiers to the top; it brought Hannes Schnieder over from Austria to escape the Jewish situation ad he started one of the first ski schools in U.S. introducing his new method of teaching skiing. I sort of refer to it as the Lily of the Valley when it comes to skiing.

Unfortunately in the past 10 or 12 years (or more) it was not being cared for and was running down rather badly. It finally wound up in the banks hands and they were doing nothing other than trying to run it until they found a buyer. Within a year of buying Attitash/Bear Peak Les Otten took over Cranmore and immediately started pouring money into putting in a great new lift, much work on trails, lodge building and snowmaking and making it once again a focal point in the Valley.

He now runs two great areas in the Valley and has been benefit to the Valley. There is another major ski area about 20 miles from North Conway known as Wildcat. I understand your concern re competition & pricing but this is a perfect example that he is not out to destroy anyone. Because of the extensive advertising that LBO Enterprises does Wildcat benefited, as did the Valley as a whole, so much so that Wildcats receipts were up almost 30% this past season. (It helped that because of the competition they were also forced to finally do some upgrading to their area!) Les Otten, it seems does not compete by price, but rather feels it more important to give value for what he charges.

Wildcat's prices are lower, especially weekdays & Sundays and they have 2 for 1 specials on Wednesdays. Les Otten has never tried to compete with that it seems. He just seems (I do not know the man nor have I seen him) to try to be fair. I have a lifetime pass at Attitash and when he took over, there was some concern that they would continue to be honored. It turned to be not a problem at all and we were even extended the right to also ski Cranmore on our pass, something he definitely did not have to do.

I'm just afraid that if he is forced to sell Cranmore that it will once again go into a nose-dive and may wind up closing. That would be a terrible, terrible loss to the Valley and, from my viewpoint, an historic loss.

I just don't believe that owning the two areas here puts him in an extraordinary competitive position. This is just a case where LBO Enterprises is truly good for Mt. Washington Valley and GREAT for Cranmore.

I for one hope that you will reconsider your position on this matter. Thank you for your time in reading this letter.

Sincerely,

John E. Hogan,

PO Box 488, Intervale, NH 03845.

Lawrence Fouraker

June 22, 1996.

Mr. Craig W. Conrath

Chief, Merger Task Force, Antitrust Division, US Department of Justice, 1401 H Street NW., Washington DC 20530.

Dear Mr. Conrath: We are presently full-year residents of the Mount Washington Valley, New Hampshire. (Next year we will be weekend visitors, as I will join the faculty at Wellesley College.) I am writing to protest the foolish and incomprehensible antitrust ruling against Mr. Les Otten of LBO Enterprises. Last winter we had season passes that were valid at both Mr. Cranmore and Mt. Attitash/Bear Peak. Far from being anti-competitive, it is a great boon to both areas to have interchangeable tickets.

We are also far from sanguine that another owner will prove able to continue Les Otten's *multimillion dollar investment program* that turned Cranmore from a run-down, struggling area threatened several times with bankruptcy into an exciting fairly-centered tourist draw for the businesses in the area. Wildcat is a potential buyer, but they have hardly maintained equipment and facilities there, and I don't see how they can do so at Cranmore. Thus, your decision may well push a recovering ski area right in the middle of our community back into financial trouble and possible bankruptcy. That would certainly not stimulate competition. I have studied economics at the graduate level and am well aware of the benefits of a competitive marketplace. The airline industry and the telecommunications field are two clear examples where consumers—and the U.S. economy—have benefitted from the actions of your colleagues. But alpine skiing in New England is clearly not such a case. The many happy customers of Mr. Otten—and, surprisingly enough, every single employee I have spoken with—implore you to reverse this stupid ruling.

Lawrence Fouraker, Ph.D,

P.O. Box 726, Intervale, NH 03845.

Thomas L. & Grace N. O'Connor

June 23, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, US Department of Justice, 1401 H. Street NW., Washington, DC 20530.

Dear Sir: We are asking the Department of Justice to reconsider its recent decision in the matter of the merger LBO Industries and SKI Ltd. that requires LBO Enterprises to divest from its holdings The Cranmore Mountain Ski Area. We feel this would have a negative impact on the quality of skiing available in the Mount Washington Valley as well as on the local economy.

Within an approximate 40 mile radius of North Conway, where Mount Cranmore is situated, there are seven ski areas, only two which would be owned by LBO Enterprises. This is surely a very competitive market.

In the year of ownership under LBO Enterprises, the skiing improved dramatically

and has never been better in the previous 25 years we have skied the mountain. Without the financial backing available to a large and successful operator in the ski business we feel the viability of Cranmore is in jeopardy. Further improvements planned by LBO will not be forthcoming, the business will fail and competition will be reduced.

Sincerely yours,

Thomas L. O'Connor

Grace N. O'Connor

cc: Representative William Zeliff,
Senator Robert Smith,
Senator Judd Gregg.

Arthur J. Brissman and Barbara A. Brissman

June 23, 1996.

Craig W. Contrath,
Chief, Merger Task Force, Antitrust Division, US Department of Justice, 1401 H. Street NW., Washington, DC 20530.

Dear Chief Conrath: The 1995–1996 Ski season at Cranmore Mountain, No. Conway, New Hampshire was the very best skiing we have had for a long long time.

The upkeep and economic worth of Mt. Cranmore had been on a serious decline for the past several years and now, finally, in 1995, LBO, Les Otten, purchased the mountain and put money into it. Even though he has been involved for only a year now, we, the community, have already seen the value of commitment from somebody willing to make Mt. Cranmore and the Mt. Washington Valley a first-rate ski area.

Needless to say, we are devastated to learn that Mr. Otten has been instructed to divest Mt. Cranmore in order to acquire SKI Limited. We, among many, believe this would be a serious mistake and are concerned about Cranmore's future if LBO is forced to sell the mountain.

It is our most urgent request that you reconsider and reevaluate your directive that LBO must sell Cranmore Mountain.

The merchants, innkeepers, and all of us dedicated skiers believe the future growth and return of a strong economy in this area depend on your revised decision to allow LBO to continue with his plans and improvements in the Mt. Washington Valley.

This letter is respectfully submitted and thank you for your attention to this matter.

Very truly yours,

Arthur J. Brissman

Barbara A. Brissman

Harold C. Fisher

June 23, 1996.

Re: Cranmore Mtn.—LBO Holdings

Dear Mr. Conrath: I am writing you in regard to your decision to force LBO Holdings to sell Cranmore Mtn. because of the potential for price fixing. While I can understand this possibility to some extent, I think you should consider more carefully the ''big picture''.

Cranmore has always been a good ski area because of its location near the center of town. The previous owners weren't able or willing to invest sufficient capital in the mountain to make it a profitable enterprise. Because of the limited size of the mountain, I think it requires a tie-in with another ski area in order to make it viable. LBO did this. They installed a new high speed chair lift and made the tickets interchangeable with Attitash, just 20 minutes away. As a result, business boomed last year and the valley benefited greatly. The point I want to make is that whatever risk may be involved with price fixing, I believe is overshadowed by the benefits to the town and valley by having Cranmore a successful ski area.

Wildcat Mtn. is an excellent ski area, only about 40 minutes from Cranmore. King Pine and Black Mtn. are smaller ski areas nearby. Competition from these mountains should help to keep prices in line.* LBO is doing a first class job in promoting skiing in our area and the economic benefits are widespread. Before you definitely decide to force the sale, I hope you will give full consideration to the impact on our local economy.

Sincerely,

Harold C. Fisher.

*P.S. I forgot to mention Bretton Woods and Shawnee Peak are ½ hour from Cranmore.

The letter from Professor Stephen F. Ross was withdrawn by commentor.

The letter from Bruce, Patricia and Carolyn Todd was not able to be reprinted in the Federal Register, however, it may be inspected in Suite 215, U.S. Department of Justice, Legal Procedures Unit, 325 7th St., N.W., Washington, D.C. at (202) 514–2481 and at the Office of the Clerk of the United States Court for the District of Columbia.

Town of Conway

June 24, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Anti-Trust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Re: LBO/SKI Ltd Merger; Cranmore divestiture.

Dear Craig: This letter is in reference to the forced divestiture of Cranmore from LBO/SKI Ltd, to be known as the American Ski Company, by the U.S. Justice Department. The Justice Department's requirement that LBO/SKI Ltd sell Cranmore as part of the merger of the two companies will cause a tremendous decline in the alpine ski industry and in the local and regional economies of Conway and the Mount Washington Valley.

As the Planning & Economic Development Director for the Town of Conway, I can assure you that last years' purchase of Cranmore by LBO was met with extreme enthusiasm by the Town of Conway as well as the towns surrounding Conway. Understand that Cranmore is a very small, family oriented ski resort; the likelihood of it succeeding as a stand-alone resort would be slim at best. To date, LBO has invested in excess of four million dollars into Cranmore, and had plans for further expansion of both the skiing and resort amenities. This past years' success at Cranmore was only made possible by the ownership of the resort by LBO. Simply put, LBO has the means and the experience to make Cranmore succeed.

Regarding the Justice Department's concern about the increase in ticket prices as a result of the merger, the answer to the question is very complicated. The merger of LBO/SKI may, in fact, cause a reduction in ticket prices, as there is certainly an economy of scale created by owning several mountains. Additionally, ticket prices alone may not be a true reflection of what consumers are getting for their money; for instance, LBO's vast expansion of Attitash provided a great many additional skiing opportunities while ticket prices rose only slightly. Lastly regarding unwarranted price increases; alpine skiing has been, and may always be an expensive form of winter recreation. If the merger of LBO/SKI results in a significant ticket price increase, a great number of skiers will be priced out of the market, an already small market, which will result in a decrease in company revenues. LBO has, and I believe will continue to attract new participants to the sport by providing a great product at prices which are competitive with other resorts, and which are competitive with other winter recreation opportunities.

Please reconsider your decision to force the sale of Cranmore, it will devastate Conway's economy.

Thank you in advance for your time and consideration on this very important matter.

Yours sincerely,

John D. Krebs,

Planning & Economic Development Director.

Richard J. Fraser

Craig W. Conrath,
Chief, Merger Task Force, Anti-trust Division, U.S. Dept. of Justice, 1401 H Street N.W., Washington, D.C. 20530.

Dear Mr. Conrath: With regard to the merger of S–K–I Ltd. with LBO Enterprises (American Skiing Corp.) I wish to register my objection to the Justice Dept. requirement for divestiture of the Waterville Valley and Cranmore ski areas as a condition for approval. My objection is based on the following facts:

a. Both of these areas are most needful of major facility upgrades, having recently gone through bankruptcy proceedings and ownership changes. Each will be left to fend for themselves in a market that demands large capital investments, solely the domain of such large corporations as American Skiing, Interwest, ect.

b. The above named divestitures (especially Waterville Valley) have slipped greatly in their total skier visits in the 1995–96 season, in spite of an excellent snow year, compared to other areas due to the lack of upgraded facilities. It follows therefore, that if major capital infusion is not forthcoming to improve the skiing experience for the day/weekend skier, that the intent of the ruling will be moot, with these areas not able to provide either an affordable, or more important, quality skiing which is vital to this high risk sport.

c. Beyond the affordable skiing factor involved in the ruling is the economy of the surrounding communities, still struggling with the real estate/economic downturn that has hit these two regions hard. Forcing yet another change of owners will only delay

needed improvements, further eroding their attractiveness to these very skiers that the Justice Dept. is trying to protect.

In light of these subjects, I maintain that this decision will have just the opposite intended effects of providing skiers with competitive rates. In the ski business, it is not just cost that drives, but the quality experienced is every bit as important, as most skiers would testify. A lower cost area with sub-standard facilities would be a bad trade off with the likelihood of not having the skier return, only to have the same person travel to the higher ticket price area next time seeking superior facilities.

I ask that the Justice Dept. reconsider this ruling. New England has lost numerous smaller affordable areas for the above reasons. Please do not let these areas go the way of their predecessors.

Richard J. Fraser,

3 Applewood Lane, Franklin, Ma. 02038.

Stanley P. Wilson

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Dept of Justice, 1401 H Street NW., Washington, DC, 20530.

Re: Consent Decree.

Dear sir: Please *do not* force LBO to divest Cranmore Mountain or Waterville Valley. At first, we too were doubtful of LBO's intentions, and we were unsure of our town's future. However, in one year, and with a huge investment, Cranmore showed a profit, summer use is returning, and most importantly to us, local business is booming.

The nature of the skiing business in the years ahead is about to be defined by LBO, and, quite frankly I don't know what that definition is, but it involves maximum use of our stores, our lodging, our dining facilities. In short it brings business to us and no one can do it as well as LBO.

Sincerely,

Stanley P. Wilson,

Box 328, Intervale, NH 03845.

Conway Seat Cover Company

June 25, 1996.

Mr. Craig W. Conrath,
Chief, Merger Task Force, U.S. Department of Justice.

Dear Mr. Conrath: I'm writing in response to the possible forced sale of Waterville Valley and Cranmore Mt.

The idea that the retention of these area's by LBO Enterprises would contribute to the monopolizying of the ski & snowboard markets in these two area's is a real stretch.

Firstly, I would like to point out, as I'm sure others have, that both of these areas are located quite near, by skier standards, to many other area's.

Cranmore has Blade Mt., Shawnee Peak King Pine & Wildcat all within a half hour drive.

Waterville has Gunstock, Cannon Mt., Loon (which is a huge operation) and many areas to the south which have to be passed by our southern N.E. Friends before that reach us.

Along with my full time business, which does not cater to the tourist directly, I am a part time ski instructor working at Attitash for LBO. I'm a member of the Professional Ski Instructors of America and have been skiing in this Valley for almost 40 years.

I have been around to see many changes, most not good as the skiing industry in this area has seen little growth and has been going slowly downhill for years, (no pun intended).

In the short time LBO has been involved things have turned around dramatically.

Will the cost of skiing go up? Probably but only in relations to improvements.

Can he control pricing? I doubt it. The average skier can only go so far in paying for this sport and he or she are about there. The price controls in this sense are built in.

Give the business man in this area a break and leave things alone. We need this company, he is successful and success breeds success.

As I mentioned I don't deal directly with the tourists, but my business reflects on the Success of this town.

I teach skiing because its fun and I enjoy it. With LBO I think it can only get better.

Thanks for your time.

Sincerely yours,

Joseph C. Webb

Dan Robinson

June 25, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US Dept. of Justice, 1401 H Street, NW., Washington, DC 20530.

Dear Craig: I oppose the ATD's recommendation that Cranmere Mtn. and Waterville Valley be sold off to the recent LBO purchase of Ski Ltd. The truth is Lbo Enterprises delivers a better ski package than Cranmere [of] Waterville could ever hope to do on [there] own. I know—I've skied most of my 43 years and have had numerous seasons passes. Waterville with Tommy Cochran at the helm for 29 years just plain wasn't keeping up—LBO Enterprise is the perfect outfit to run Waterville and could deliver world class skiing that we skiers deserve! Prices are basically the same at most ski areas—all things considered, besides were talking descretionary dollars. Terrain & location dictate who your customers will be in the Ski World more than ticket prices and ownership. I've skied Cranmore all my life and since LBO took over skiing there has *never* been better. Please reconsider your actions—as skiers, we would be getting an *Anti Trust Shafting* just when things *finally* were looking up. I can't tell you how [unbelievably] *frustrating* It has been to be a ski fanatic and live in New England. From bad snow years to poor or slow capital improvements—It's always been something. LOB in the past 6 years or so has raised the bar that most major ski areas have to clear to stay competitive. The length to consumers has been a *dramatic* improvement in Ski conditions at all competing areas. LBO has been very, very good to us and for New England skiing. No matter what you—Craig ultimately decide to do I'm going to invest my skiing dollar in LBO as they deliver *By far* the best skiing in New England. Let them expand this marvelous operation unhindered so others can experience LBO Skiing—skiing the way it should be.

Thank you,

Dan Robinson,

525 Ocean House Rd., Cape Elizabeth, ME 04107 and Bethlehem NH, winter.

If you wish to discuss this matter with a real skier I can be reached at 207–799–4729.

Peter B. Ward

June 25, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, NW., Washington. DC 20530.

Dear Mr. Conrath: Please don't let the brevity of this note belittle the very strong opposition I'm extending to you regarding the Department of Justice's recent divestiture ruling on LBO's forced sale of Mt. Cranmore in North Conway, New Hampshire. As you may be aware, Mt. Cranmore is the ''Mecca'' of skiing in this country, and over the years it has experienced good and bad times. With the arrival of Les Otten on the scene, this wonderful ski area finally has the opportunity to become a profitable operation, serving its community of faithful patrons in the manner originally intended by Harvey Gibson and Hannes Schneider.

Please do everything possible to reverse this absurd ruling so that Mt. Cranmore may continue to thrive under strong and knowledgeable leadership. Washington Valley needs this attraction, and people such as myself, who have skied Mt. Cranmore since the late '30s, welcome Les Otten and his expertise!!!

Please be thoughtful enough to respond to this plea.

Respectfully,

Peter B. Ward,

60 Bridge Street, Manchester, MA 01944.

Dick Smith, Photography

June 25, 1996.

Mr. Craig W. Conrath,
Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Mr. Conrath: I am sure that it was with good intent that the Department of Justice's decision to require LBO to divest itself of Waterville Valley Ski Area and Mt. Cranmore. I can only speak for Cranmore as I live in North Conway.

Cranmore Mt. has gone through at least two owners and has been on the verge of bankruptcy for 10 or more years. It was with great relief and expectation to the residents and businesses when it was announced that LBO was buying Cranmore. The ski industry is not noted as a particularly profitable business and a bad winter in one area can be devastating. Thus owning ski areas in different parts of New England can spread the profits and losses of a particular area. It is unlikely that the owner of one area has the resources to withstand two or three bad winters. A new owner of Cranmore is unlikely to have the resources to carry Cranmore through the bad years and will be back in bankruptcy again dragging the local economy down with it.

While competition is a noble principle, lowering ticket prices can only hurt the bottom line and put Cranmore on the brink of bankruptcy again.

I am afraid that your decision was too narrow and the overall view of the local economy was not taken into consideration. I urge you to reconsider your decision and allow LBO to retain Mt. Cranmore.

Thank You.

Sincerely,

Dick Smith,

P.O. Box 300, Crestwood Drive, North Conway, New Hampshire 03860.

Robert L. Johnson, CPA & Associate

June 25, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US Department of Justice, 1401 H Street NW., Washington, DC 20530.

Re: LBO Enterprises' requirement to divest itself of Cranmore & Waterville Valley

Dear Mr. Conrath: As I understand from the local papers, the Justice Department is forcing LBO to divest itself of Cranmore and Waterville Valley. I will outline several points why LBO should be allowed to retain the above areas.

Will divestiture increase competition—I doubt it.

Both Cranmore and Waterville Valley have suffered through under-capitalization and bankruptcies prior to purchase by LBO.

There is no reason to assume that future small mountain operators will be able to withstand the capital needs to run free-standing areas. Economies of scale that LBO has available include substantial buying power when negotiating for the purchase of fixed assets (i.e, lifts, supplies, electricity, etc.). LBO has an excellent track record of investing substantial sums in areas that they have purchased. LBO puts its money where its mouth is.

The consent decree assumes that Cranmore and Waterville Valley can survive on their own. I have no doubt, based on prior histories of both ski areas, that the opposite is likely to be true. Without the buying power and capital of a larger organization, both areas are likely to return to their prior bankrupt ways. If both areas return to bankruptcy, then the Justice Department has not solved their perceived competition problem, but only limited consumers' ability to choose where to ski.

Economic disruption for the communities dependent on Cranmore & Waterville Valley.

Under the assumption that Cranmore and Waterville Valley could not survive without LBO, then the local communities will suffer accordingly. The Federal Government spends hundreds of thousands of dollars a year in our rural areas to promote the economy. The divestiture decision seems short-sighted. Again, LBO has a proven track record of investing in the ski areas with a positive fallout within the local community.

Even if these small areas survive, they are likely to ''limp along'' with no competition impact to the industry.

This merger will provide substantial cost savings and allow for survival or Cranmore and Waterville Valley.

Enclosed please find an article from the Wall Street Journal entitled FTC to Weight Cost-Savings In Mergers, dated June 3, 1996. Briefly, the article says that some mergers deemed illegal today could be approved in the future with an appropriate study of the cost savings involved in ''production, distribution, promotion and other efficiencies * * *'' LBO has the ability to pool promotion, capital expenditures, etc. to provide high quality skiing that would otherwise not be available to small ski areas.

Sad to say, but Cranmore and Waterville Valley's bankrupt past are proof positive that small areas are not economical to run.

If the Justice Department can find a better ski alliance for Cranmore & Waterville Valley than LBO, I would like to see it.

Conclusion.

The industry is consolidating for the good and this consolidation will provide stability for both skiers and the surrounding communities which depend on Cranmore and Waterville Valley.

I respectfully request that the Justice Department reconsider its order for divestiture of Cranmore and Waterville Valley.

Very truly yours,

Robert L. Johnson, CPA/PFS,

Personal Financial Specialist.

enc. WST article 6/3/96—FTC Weigh Cost-Savings In Mergers.
cc: Senators Bob Smith & Judd Gregg, Congressmen Charles Bass & Bill Zeliff.

The WST article of 6/3/96 was not able to be reprinted in the Federal Register, however, it may be inspected in Suite 215, U.S. Department of Justice, Legal Procedures Unit, 325 7th St., N.W., Washington, D.C. at (202) 514–2481 and at the Office of the Clerk of the United States Court for the District of Columbia.

Crest

June 25, 1996

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington 20530.

Dear Mr. Conrath: I write this letter as a small businessman in a small resort town who was deeply disappointed in the decision that Cranmore Mountain must be divested from LBO Enterprises.

Having been in North Conway, New Hampshire for over 20 years, I've seen the gas lines, 21% interest rates, no snow, and the recession of the 90's. Through all these times, the question of whether Cranmore would continue to exist was always present on everyone's mind. For most of these years it was open, but not ready or financially capable of attracting tourists to our area. After twenty years, I thought we finally had some stability to our economic base with the purchase of Cranmore by LBO Enterprises.

With the large capital investments that need to be made to operate a successful ski area and the marketing acumen to attract customers to the resort, there are few who can make this a successful venture. You may feel that there are other buyers who can offer the same, but in fact 20 years of experience indicates otherwise. While your concern is preserving competition and making sure that prices are competitive, you may in fact be doing just the opposite. It is unlikely that anyone buying Cranmore would have the purchasing power or management available. Consequently, the cost of doing business for someone new coming in would be higher than for LBO. Higher costs of doing business mean higher prices. No interchangeability of tickets or choices means fewer visitors, after all, there are other ski resorts or areas to visit that do offer this. Furthermore, even with LBO owning two ski areas in the Mt. Washington Valley there are still three other areas with three different owners. Five ski areas with four owners does not seem to have a monopoly over five areas with five owners.

I understand that your concern is with the skiers of Massachusetts and there are still many choices for skiing available to them in other non LBO ski areas. I wish the Department of Justice was as concerned with the residents of the Conways/Mt. Washington Valley in the 70's, 80's, and 90's when we had gas shortages and bank foreclosures as they are now about the skiers from Massachusetts. The skiers will always have choices; we didn't when we faced gas lines, recessions, and bank foreclosures. We had an increase in skier visits last year because of the investment and value that skiers saw in our area due, in part, to LBO Enterprises. We have started to see some economic revival in our area. Please let the free enterprise system work.

I respectfully request that your allow LBO Enterprises to continue its ownership and operation of Cranmore Mountain for the benefit of skiers, its employees, the residents of the Mt. Washington Valley, and for the State of New Hampshire.

Sincerely,

Robert M. Weiss,

Dealer Principal.

Robert McManus

P.O. Box 516, Jackson, N.H. 03846.

June 25, 1996.

Mr. Craig W. Conrath,
Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Mr. Conrath: My comments are directed to your recent position regarding the ownership of Mt. Cranmore in North Conway, NH.

My wife and I are retired innkeepers and for many years we were involved on a daily basis with the tourist related economy of the area that we call the Mount Washington Valley. With its geographic location, Mt. Cranmore is critical to the economy of the area.

When Mt. Cranmore went bankrupt a few years ago, the effect on the area was dramatic. It was more than a loss of jobs and a drop in the number of dollars in circulation. There was a deterioration of the physical plant and the collective psyche.

The acquisition of the complex by LBO was even more dramatic. The jobs came back. The economy took a boost. The region found a sense of hope for the future. There was a

substantial capital investment and a level of management expertise beyond the grasp of the usual ski area. I must add that Cranmore is much more than a ski area. It is a delightful summer tourist attraction. There are world class clay tennis courts and the only indoor courts within 60 miles. There is a health club with constant use by all age groups in the community.

Your proposal to require LBO to divest the Cranmore complex has shaken the community to the core. I urge you to make a greater effort to examine the economic and social impact of this decision on the region.

Sincerely,

Robert McManus,

Ann McManus.

June 26, 1996.

Harry Stead

Craig W. Conrath,

Chief Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Mr. Conrath: I am writing to you to strongly protest the Justice Department's ill founded ruling that is forcing LBO to divest itself of Mt. Cranmore. I particularly found your Mr. Biggio's response to the Conway Daily Sun interview (6/25/96 issue) to be a typical Federal Gov't heavy handed response. Like; ''I don't recall a circumstance when we have withdrawn'' stated Biggio. Since when have you people become infallible?

For Mr. Biggio to state that you entered into a settlement in concert with LBO was a joke you figuratively held a gun to his head. Here's another quote from Mr. Biggio. ''All this happened before the *trigger was pulled*'' and the assistant attorney general signed on to a hostile lawsuit. Sounds like a threat to me!

As far as the Justice Dept filing a Competitive Impact Statement detailing their rational and conclusions, I submit that the Department does not have people that are knowledgeable enough in the factors that are required to make an old small ski area with a southern exposure in Mt. Washington Valley a successful venture. For Mr. Biggio to say that his staff talked to a number of operators, industry officials, as well as skiers is like taking a poll; the results can be steered by the way the questions are phrased. Anyway other operators & industry officials shouldn't count, only skiers opinions count. So why didn't your Dept hire a professional poll to [simple] ask the skiers at Mt. Cranmore during the Winter of '95–'96 as to how they rated it that season as compared to any of the past 15 seasons as to skiing conditions, amenities, cost etc etc; and whether they felt that LBO ownership was good for the skiers of Eastern New England. Not even if it was good for the economics of the Valley.

If the Department's second concern is the economic impact on Mt. Washington Valley then splitting Cranmore off from it's sister Mountain, Attitash/Bear Peak will without a doubt have a negative economic impact.

All Mr. Biggio's talk about the Justice Dept closely evaluating every prospective buyer to assure that Cranmore is put in the hands of a strong operator isn't anything more than pure rhetoric. I submit that the Dept is completely incapable of such an evaluation of prospective buyers; and secondly with a 180 day time limit on LBO to sell, you'll sell to the first buyer that comes along with the financial backing that will consummate a sale.

I know that you have received many letters that have taken a very positive approach on why Cranmore needs to stay a part of the LBO family for it to survive; and I had planned to write such a letter until I read the interview of Mr. Biggio with his cavalier attitude.

It's a sad state of affairs when the Federal Gov't spends our tax money to meddle into an industry that is fueled by discretionary spending and isn't _____ has been self regulating in a free market environment? The two ski areas in the State that have the poorest reputation are Cranmore Mt. and Mt. Sustapel both owned and operated by the State of New Hampshire. If this State can't successfully operate ski areas, what makes the Federal Gov't think that they can regulate a ski area to economic success.

The Justice Dept should seriously consider all comments that it receives before and during the 60 day public comment period. Why ever have one if it's nothing more than a formality as indicated by Mr. Biggio when he states: ''I don't recall a circumstance when we have withdrawn publics faith in their gov't,'' if you truly considered the negative impact that forcing LBO to divest itself of Mt. Cranmore would have on Eastern New England Skiers.

Very truly yours,

Harry Stead,

Roberta M. Stead,

7 Glem Ellis Road, Glem, NH 03838–1268.

cc: Senator Judd Gregg, Representative William Zeliff.

Sandra W. Dahl

June 26, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Sir: I am writing to urge you drop the government's insistence that LBO Enterprises divest itself of the Mount Cranmore ski area. LBO has revitalized this area's oldest ski resort and enabled the town to retain an important tourist attraction; to require that this ski area be put up for sale again and therefore into the hands of a corporation or person(s) with potentially less business ability and/or commitment to regional growth and development is absolutely ludicrous.

My concern about this action is more deep-rooted than the potential damage to our local economy. My concern is that your agency has seen fit to restrict the growth of vital, dynamic organization which provides the general public a place to spend purely discretionary income. Skiing, alpine slides and water-play pools are not necessities of daily living; people are free to choose where and *if* they ski and there are any number of areas in Maine. New Hampshire and Vermont where one can choose to ski that are not owned by LBO. My concern is that the anti-trust laws or restrictions or whatever that type of thinking is called is being applied to a business involved in the provision of recreational activities to people who are free to choose when, if and where they participate in those activities. As for other providers of those elective activities, if they can do it better or at least as well, they will get the business.

I am asking that the Justice Department throw out the consent decree against LBO and allow private enterprise to continue to grow unimpeded by governmental interference.

Very truly yours,

Sandra W. Dahl,

P.O. Box 789, Glen, N.H. 03838.

c.c. Rep. Zeliff, Sen. Gregg, Sen. Robert Smith, LBO Enterprises.

Robert C. Peterson

June 26, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice, 1401 H Street NW., Washington, D.C. 20530.

Dear Mr. Conrath: It was with great concern and much confusion that I recently read of your ruling against LBO Enterprises of Sunday River, Maine. My concern is over the financial impact on the town of North Conway, NH if LBO does not continue to operate the Mt. Cranmore Ski Area.

As you are probably aware, Mt. Cranmore has for some years now existed only at the pleasure of a series of private owners and a desperate bank. Under Mr. Otten's leadership last year, the facilities were improved, the staff expanded and the mountain's image considerably enhanced. For the first time in recent memory, the area ran profitably and the employees were paid on time. Mt. Cranmore is the most historic ski area in the U.S. Only as a member of a financially strong family can Cranmore continue to exist as one of the finest family ski areas in New England.

My confusion can be best expressed by: ''WHY''? This is not AT&T or Microsoft! So what if one company controls 75% of the northeastern ski market. That's only 6 to 7% of the national market. If lift ticket prices go too high, people won't come. The whole process is self correcting. LBO ticket prices are already higher than the competition and are worth every penny. These people know how to put snow down! Customer service at LBO areas is excellent. It seems the only one that's unhappy about the things that LBO is doing for skiing in New England is the Justice Department.

This whole issue just lends credence to the most feared words in the English language—''I'm from the Government and I'm here to help you!''

Sincerely,

Robert C. Peterson,

Glen, NH 03838.

Richard & Lois Anthony

June 26, 1996.

Mr. Craig W. Conrath: We have been winter residents in North Conway, N.H. for about 30 years, and avid skiers at Mt Cranmore and Attitash.

We have been pleased with Les Otten's commitment to both ski areas and to the North Conway—Bartlett areas in general.

We do *not* believe the Dept. of Justice's divestiture ruling on LBO's forced sale of Cranmore is in the best interest of the economy of the area and the skiing industry.

Richard & Lois Anthony,

3 Concannon Rd., Kingston, N.H. 03848.

M.L. Regan

June 26, 1996.

Mr. Craig W. Conrath,
Merger Task Force, Antitrust Div., US. Dept of Justice, 1401 H St. Washington D.C. 20530.

Please reverse the decision re Mt. Cranmore in North Conway. LBO has helped the economy of this tourist valley & this antitrust is a blow to all.

Miriam Regan,

Box 345, Intervale, NH 03845.

Saint Anselm College

June 27, 1996.

Craig W. Conrath, Esquire,
Chief, Merger Task Force, Antitrust Division, United States Department of Justice, 1401 H Street, NW., Washington, DC 20530.

Dear Mr. Conrath: I am writing about the forced sale of Cranmore Mountain Ski Area in connection with the acquisition by LBO Holdings of Ski Limited.

We are very appreciative of the Antitrust Division of the Justice Department's protection of consumer interests in all mergers and acquisitions. We are equally appreciative of the Division's scrutiny of the LBO-Ski Ltd. transaction. However, it appears that the Division has been misled in this regard. Cranmore Mountain, which now operates in conjunction with Attitash Mountain, represents collectively with Attitash about 220,000 skier visits per year out of the approximate 2,000,000 skier visits annually in all the New Hampshire State Areas. This is hardly a monopoly threat to the Ski Industry in New Hampshire.

For 25 years, Cranmore Mountain has struggled financially with the last two owners leading to insolvency and bankruptcy. Cranmore Mountain is vital to the economy of the North Conway, Conway and Fryeburg, Maine area. This area has struggled with the plight of Cranmore Mountain and other local ski areas. The Town is vitally involved in the mountain and the well being of the Mountain is vital to the Town. After twenty-five years of apprehension, investments and support, the purchase of Cranmore Mountain by LBO was the stability needed to rejuvenate Cranmore to viability.

Cranmore Mountain was a birthplace of skiing in Northern New England. The mountain has produced scores of Olympic skiers that have represented the United States Ski Team.

The forced sale of Cranmore Mountain will condemn this facility to mediocrity and possible extinction. Leaving Cranmore Mountain as a part of LBO Holdings or the American Ski Company will not impair the Ski Market in New Hampshire and will allow the Mount Washington Valley Area to pursue its viability in the winter ski business.

Your favorable consideration in this matter will be appreciated. Thank you for your courtesy.

Sincerely,

John J. Reilly, Jr.

cc. Senator Gregg, Senator Smith, Congressman Bass, Congressman Zeliif.

Jennifer K. Savoie

June 28, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Re: Mount Cranmore, New Hampshire.

Dear Mr. Conrath: I am saddened and concerned about your decry that LBO Holdings must divest itself of Mount Cranmore in order to purchase SKI Ltd. As a long-time resident of the Mt. Washington Valley, I have witnessed Mount Cranmore's steady decline, and then its recent resurgence under the guidance of Les Otten. It is a comforting scene in the wintertime to see the lights on at Mt. Cranmore again in the evening. The mountain has long been a focal point of our Valley.

I am concerned that your decision will do much more harm to this Valley than good. Who else could possibly afford to buy the very small, family-oriented Mount Cranmore and continue to upgrade it enough to compete in today's marketplace * * * witness the hardship and bankruptcy of nearby Black Mountain Ski Area in Jackson, as well as countless other mountains that have fallen by the wayside (Mount Whittier, King Ridge, etc.).

As a teacher of economics, I understand well the concept of competition and a free marketplace. However, Mount Cranmore is a unique situation which deserves special consideration and accolades to Mr. Otten for bringing it back from the brink of bankruptcy. In addition to the potential loss (forever!) of our beloved Mount Cranmore, consider the economic impact on the local economy of all the lost jobs at the mountain.

As the Northeast continues to struggle out of our prolonged recession, I urgently request that you reconsider your decision. I don't believe that Mount Cranmore will survive without LBO Holdings, and I do believe that many jobs will be lost along with the ski area.

Sincerely yours,

Jennifer K. Savoie,

PO Box 715, 17 Skyline Drive, Intervale, NH 03845.

Frank Murphy and Family

June 29, 1996.

Mr. Craig W. Conrath,
Chief of Merger Task Force Antitrust Division, US Department of Justice, 1401 H Street, NW, Washington, DC 20530.

Re.: Les Otten and the Forced Sale of Mount Cranmore Ski Area.

Dear Mr. Conrath: In the past ten years Mt. Cranmore has had three different owners. Prior to Mr. Otten it was always a ''leaking, leaner'' of a ski area. That's a sailors term to describe an old, rusty bucket of a ship. In one year of ownership Mr. Otten has brought sparkle to Cranmore with torch light parades and fire works. He has run it with all the flair of a Swiss ski resort.

In October, 1995 with the promise of Mr. Otten's presence in the Mount Washington Valley at both Cranmore and Attitash, I moved my family from Gloucester, Massachusetts to North Conway, New Hampshire. Are you familiar with Mr. Otten's campaign to bring people to the North Conway area? He ran a very successful marketing campaign called ''Ski the Presidentials!'' This revved up the Mount Washington Valley economy. Exactly why I moved here.

I own an eleven year old, center entry, colonial on .6 acres of land with views of North and Kearsage Mountains. If the Justice Department sticks to its decision that Mr. Otten must sell Cranmore, can you locate a buyer for my home as well?

Sincerely,

Frank, Marie-Louise, Brendan, Dylan, and Leigh Erin Murphy.

c.c. Senator Bob Smith, 50 Phillippe Cote Street, Manchester, NH 03101, Senator Judd Gregg, 28 Webster Street, Manchester, NH 03104, Congressman Charlie Bass, 142 North Main Street, Concord, NH 03301, Congressman Bill Zeliff, 340 Commercial Street, Manchester, NH 03101.

Jean M. Lees

June 30, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice.

Dear Mr. Conrath: Three generations of my family have enjoyed skiing and hiking on the slopes of Cranmore. The Cranmore Mt. complex has been the focus of many town activities—sports and festivities—since the skimobile was built in 1939. Therefore, we are deeply concerned that Cranmore will continue to survive and prosper.

We had hoped, however, that it would not become a Sunday River Type ski operation with massive expansion and rapid development. While Sunday seems a highly successful ski area, it has done little to enhance the Bethel region. The recent constructions near the Bethel railroad site look extremely shoddy. Here, we have many small interests, local inns and shops that would not necessarily benefit by one major controlling operation.

Therefore, many of us favored the Justice Department's move to curb L.B.O. Corp.'s acquisitive and pervasive tactics before Cranmore and its surrounding land become part of a huge New England monopoly.

Sincerely,

Jean M. Lees.

Tech Works

June 30, 1996.

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Washington, DC 20530.

Re: LBO–SKI Ltd Acquisition—Cranmore Ski Resort.

Dear Sir: I write you to express my strong opposition to DOJ's requirement that Cranmore Ski Resort be divested by LBO in order to gain approval for the subject acquisition. My reasons are threefold.

Since I moved to Conway, NH four (4) years ago, Cranmore has been a weak, sick ski area, recovering only since its acquisition by LBO somewhat over a year ago. Even in its former weakened condition, it was and continues to be vital to the winter time health of the Mount Washington Valley. If Cranmore is again forced to struggle for capital and marketing clout (or eventually fail for the lack of them), this Valley and its some 20,000 residents will be irreparably damaged. What assurance is DOJ giving that this will not happen? Does the DOJ even care, or is the intellectual pursuit of ''competition'' more important?

Downhill skiing, while probably the most significant, is but one of several wintertime sports that attracts people to The North Country. Downhill skiing competes with cross country skiing, snowmobiling, ice climbing, ice skating, etc. This raises the following question: What is considered to be the ''relevant market'' on which this divestiture is being required? So what if American Ski Company would own 25% of the downhill skiing in the Northeast! I believe the relevant market is must broader than downhill skiing in the Northeast. On occasions too numerous to count, I personally have decided not to downhill ski in favor of a less expensive alternative. Did DOJ take these other wintertime competitors into account? What kind of market share would American Ski Co. have if these directly competitive alternatives were taken into account? Far less than 25%, and far less than the market share of many other acquisitions that have been approved by DOJ.

Aside from the other sports that compete with downhill skiing, winter vacation destinations compete on a *worldwide basis.* Specifically, downhill skiing in the Northeast competes with skiing in the West and in Europe. Again, based on personal experience when I lived in Pennsylvania for 20 years, I used to take the family for a ski week in the Northeast (Vermont, Maine and Canada). Later, I began taking them to Colorado, Utah and the like as air travel became cheaper and more convenient. We also once went to Europe. The competition wasn't between ski areas in NH and VT; the competition was between the West/Europe/Canada and the Northeast. In fact, I believe statistics will show that the Northeast is losing this battle in a bad way. Where is money being spent for expansion? Certainly not in the Northeast.

Cranmore had become a new and wonderful place under LBO, in just one year! A new hi-speed quad chair was installed; restaurants were improved; grooming was made more exciting; and plans were underway for additional slopes and lodging. Now we are back to the old uncertainties, questionable supply of new money, only regional marketing, if that—and this is supposed to compete with the likes of Vail, Deer Valley, Telluride, Beaver Creek! Forget it. Cranmore is finished if divested from LBO; our best hope is a marginal, regional slope that may not even be able to pay the electric bill to make snow as required (like before). The worst case would be failure—would that foster competition?

Please reconsider your decision. Please give Cranmore a chance to compete with the real players on a worldwide basis. Let them remain part of an organization that can advertise nationwide, even worldwide, to attract customers from afar who want to ski a variety of slopes in the Northeast on a package basis of some sort. If their prices rise too much, people aren't dumb with their discretionary spending. They will ski the West, or Canada, or Europe. If they can't afford places like that, they will ski cross country, ice skate, or just build a snow man.

To think that LBO/American Skiing Co. would have the market power to raise prices in an anti-competitive way is about like saying they have the power to make it snow. They have neither. Let them build New England skiing so that once again this region can compete with the current powerhouses of skiing. Then we might see some real competition!

Respectfully submitted,

David S. Urey.

cc: Congressman William Zeliff, Les B. Otten, The Conway Daily Sun.

Thomas A. Mulkern

Craig W. Conrath,
Antitrust Division, Dept. Of Justice, Washington, DC 20530.

Dear Mr. Conrath: Back in the 1930's, Harvey Gibson managed to obtain the release of Hannes Schneider from a German concentration camp and to introduce him to Cranmore Mt. in No. Conway, NH. It marked the beginning of Alpine skiing in North America.

From that modest birth, skiing has become a mammoth industry spawning giant areas like Vale, Aspen, Tahoe, Sun Valley, Jackson Hole, et al. The tiny area of Cranmore Mt. remains eminent only as a historical footnote.

Yet, despite its relative obscurity, it has somehow managed to attract the attention of the Antitrust Division of U.S. Dept. of Justice. As one who has spent a lifetime as a devotee of alpine skiing and who owns property in the area involved I am writing to you to protest this action.

In the New England ski industry whose past is strewn with failures, Les Otten stands out like a beacon of light in a sea of disaster. Until he arrived on the scene, Mt. Cranmore suffered through a succession of inept performers to the point of imminent bankruptcy. Let Otten comes to the rescue with a major infusion of capital investment and operational know-how and not only breathes new life in the resort but promises to expand it to a first class ski area once again.

For this he gets not the applause he has earned for saving jobs, restoring property values and insuring the future of the village of No. Conway but instead, the attention of the Antitrust Division of the U.S. Department of Justice.

Is it any wonder recent national polls reveal an alarming portion of the American public becoming increasingly disenchanted with the federal government because of what they perceive to be intrusion in their private lives?

I see this as an example of such intrusion and I intend to use all the support I can find to oppose it.

Sincerely,

Thomas A. Mulkern,

4 Cortland Lane, Lynnfield, MA 01940.

SURRETTE TRUCK CAPS

Craig W. Conrath,
U.S. Dept. of Justice, 1401 H. Street NW, Washington, DC 20530.

Dear Mr. Conrath: I think the Antitrust Division is making a big mistake by asking LBO Enterprises to divest Mt. Cranmore for a number of reasons.

The first reason is, we in the Mt. Washington Valley live on tourism. With people not coming to Conway, it will hurt many small business people.

Mt. Cranmore is a weak link in the ski business. By taking it out you only make LBO's other holdings, Attiash, Bear Peak, and Sunday River, stronger.

Many ski areas in N.H. have closed down. If LBO' prices get too high, I am sure other areas will reopen.

Sincerely,

Richard Surrette.

Ronald K. ''JAZZID'' Moore

Craig W. Conrath,
Chief, Merger Task Force; Antitrust Division, U.S. Dept of Justice, 1401 H St NW, Washington, DC 20530.

Dear Mr. Conrath: I am writing in regard to the divesture of Cranmore Mt Ski Area in North Conway, NH from LBO. I feel this is the wrong decision, since the ski area has not done well in recent years and almost went belly up! Until this the first year under LBO when it turned a profit! Ski areas are a very iffy enterprise as it is, what with depending on mother nature, the economy and the consumer! Speaking of the consumer, we could always ski elsewhere if LBO raised the prices at Cranmore, which I don't think he will. LBO can run ski areas profitably, and provide jobs for people in the community.

So, Craig, I beg you, do the right thing, which We seldom see done in DC and let LBO continue as the ownership of Mt. Cranmore! Thanks for listening.

Sincerely yours,

Ronald K. Moore.

Capt. David E. Bartlett

Mr. Craig W. Conrath,
Chief, Merger Task Force; Antitrust Division, US Department of Justice, 1401 H. Street, NW, Washington, DC 20530.

Subj: Divestiture of Cranmore LBO/SKI Ltd merger.

Dear Sir: As a professional ski instructor at Mt. Cranmore for the past 13 years. I have worked for at least 4 different owners/managers. LBO was the first to bring stability and confidence. The current ruling does not undermine but destroys both of those issues. In the list of areas impacted by the merger, in my opinion Mt. Cranmore is [''Physically'',] the ''runt of the litter''. I fail to see how forcing the [seperation] of the smallest area breaks a monopoly. If the

concern is regionally, due to its [proxcimity] to Attitash/Bar Peak, the only entity that has openly voiced interest is another ski area 25 minutes up the road.

This divestiture is possibly the final nail in Mt. Cranmore's coffin. The potential for Cranmore's growth, and consequently, the growth of skiing in New England will only be enhanced by your review and reversal of this decision.

Resp.

David E. Bartlett.

M/M Robert M. Fisher

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice.

No doubt you have already received more than your share of letters concerning the impending divestiture of Cranmore and Waterville by LBO. And I am sure that you have heard Representative Zeliff's arguments on behalf of the whole Mt. Washington Valley whose economy depends so desperately upon the ski industry.

As a long-time resident, retired public school teacher and ski coach, all of whose children have to a certain degree achieved their academic objectives in part because of their skiing experiences here in the valley, and whose livelihood has also been enhanced by skiing opportunities here, I must argue strongly in favor of reconsideration of the divestiture decision.

Cranmore was financially shakey when LBO rescued the operation with a transfusion of capital and know-how which enabled the ski area to function competitively for the first time in a number of years of—dare I say?—modest management. Perhaps because our youngest daughter was a two-time Olympian on the U.S. Ski Team and has continued her career as a coach, as have all our other children who got their start at the Junior Program on Cranmore, I am particularly sensitive to the needs of the community. Even more so because severe school budget cutting (in the order of 10%) threatens that very junior program which has spawned so many local Olympians, teachers, and coaches.

Thank you for reading these comments.

Sincerely yours,

M/M Robert M. Fisher,

615 Potter Road, Center Conway, NH 03813.

Robert A. McDaniel and Anita McDaniel

June 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice, 1401 H Street NW, Washington, DC 20530.

Dear Mr. Conrath: I was very disappointed that the members of the justice department's merger task force decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. I emphasize the word potential for the following reasons:

LBO would own only 25 percent of the New England ski market.

Competition from Massachusetts, Vermont and Maine, which abut the small state of New Hampshire, is fierce.

The government has perfect price control mechanisms through Mt. Sunapee and Cannon Mountain, which are both state-owned ski areas.

The fact that New England does not have a single destination ski area to compete with areas such as Aspen, Breckenridge, Tahoe, Snowbird, Jackson Hole, Steamboat or Sun Valley.

Many ski industry owners, with the exception of Les Otten, have encountered a real struggle to remain solvent, much less make significant expansion investments.

Perhaps the larger issue is not competition but employment in New England ski towns. Government officials should take a look at what the real conditions are before restricting the economy.

My disappointment stems from the over-reach of Washington officials at a time when New England has fortunate to find someone with the interest and commitment to turn it into a major player in the ski industry.

Very truly yours,

Robert A. McDaniel,

Anita McDaniel.

19 Bellview Ave., Marehorn, MA 01752.

Gilbert G. Mahan

June 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW, Washington, DC 20530.

Dear Mr. Conrath: I was very disappointed that the members of the justice department's merger task force decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. I emphasize the word potential for the following reasons:

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Very truly yours,

Gilbert G. Mahan,

P.O. Box 278, Kearsarge, NH 03847.

Robert E. and Joan W. Billings

June 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, DC 20530.

Dear Mr. Conrath: I was very disappointed that the members of the justice department's merger task force decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. I emphasize the word potential for the following reasons:

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My disappointment stems from the over-reach of Washington officials at a time when New England has been fortunate to find someone with the interest and commitment to turn it into a major player in the ski industry.

Very truly yours,

Robert E. & Joan W. Billings.

David A. Pope

July 1, 1986.

U.S. Dept of Justice, 1401 H Street, NW, Washington, DC 20530.

ATT. Mr. Craig W. Conrath, *Ch. Merger Task Force, Antitrust Div.*

Subject: Forced Sale of Cranmore MT by Les Otten/The American Skiing Co.

Dear Mr. Conrath: In your effort to be fair, you are about to commit the all time miscarriage of justice by forcing the Amer. Skiing Co/Les Otten to sell Mt. Cranmore in No. Conway for the following reasons:

(1) By forcing the sale of Mt. Cranmore while it makes good ''Window Dressing'' for the Anti-Trust Div., it will be disastrous for the town of No. Conway.

(2) When Les Otten bought Cranmore, his presence stabilized the real estate market, and brought new confidence to the Mt. Washington Valley.

(3) Les Otten spent (3) three million or more dollars and rejuvenated the entire mountain and created great skiing.

(4) He started making snow in Nov 1995 and opened the earliest season in 58 years. (No one else thought it could be done.)

(5) His combined ski ticket between Cranmore and Attitash-Bear Peak gave the skier the best choice and the best value-saved money.

(6) Competition is everywhere—Wildcat, Bretton Woods, Black Mt. Pleasant, Mt.

Franconia, Sunapee, Loon, Ragged Mt. Gunstock, Stone VT Okemo and more.

(7) Les Otten (The American Skiing Co.) will always be strong competitors because he knows how to run a ski area, how to make snow, how to groom, how to feed people and how to listen to people's complaints and then respond.

(8) Small areas like Cranmore and Waterville Valley need a strong, financially sound owner who is not afraid to invest money and then want to see the results build.

(9) If you rescind your push for the sale of Mt. Cranmore, you can rest assured that it will stay viable and be expanded and the entire valley will benefit. If it is sold to someone else, the reverse will happen and skiers will be paying more and receiving less. *Please—Please* rescind the Anti-Trust Div. actions in forcing Les Otten to sell anything. The skiing industry does not need Anti-Trust protection. People can keep prices and competition in line. It costs too much, skiers go elsewhere—or not at all.

Thank you,

Very Truly Yours,

David A. Pope,

Box 120, Kearsarge, NH 03847.

PS. Thousands of people think the same way I do.

Mrs. Janet Cooper

Please vote *to reverse the D.O.J.*'s decision: Mt. Cranmore, N. Conway N.H. needs LB Otten's expertise to operate the ski area *successfully*.

It is *most* important for the economy of Mt. Washington Valley.

Thank you,

Mrs. Janet Cooper,

45 Plainfield St., Waban, MA 02168.

Jeff Barley

Dear Sir: Forcing LBO to divest itself of Cranmore ski area makes no sense. Cranmore is the life blood of North Conway and North Convey is the Keystone of the travel and tourist industry of northern N.H. We have seen one owner after another come & go because of limited capital. We finally have a stable owner and you're taking them away. Ridiculous.

Jeff Barley

StoryLand

July 2, 1996.

Mr. Craig W. Conrath,

Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, NW, Washington, D.C. 20530.

Dear Mr. Conrath: I am the founder of Story Land, a children's theme park and a museum depicting our state's 350 year history.

I grew up in this valley, and except for military service, have lived here all my 76 years. I was part of the birth and growth and investment needed to bring a winter industry into being. It is a risky business wherever it exists anywhere in the world, but it is the focal point of the economic activity in an area. Without the ski area, the peripheral businesses don't sprout.

LBO has come at a very propitious time in the evolution of this industry and his concept and monetary leverage bring this fragmented industry into the 21st century. Will LBO be able to control the skier market and pricing in this upper New England area? I don't think so. Its share will provide the economics of scale necessary for the huge capital expenditures and still leave ⅔ of the market to entrepreneurs to offer alternatives in composition and pricing. This country was built on this concept.

I write in the hope that you will reconsider the proposed action as a condition for the permanent merger with SKI.

Yours truly,

Robert S. Morrell,

Founder-Chairman.

cc: Congressman Zeliff,
Senator Judd Gregg,
Senator Bob Smith.

Roy A. Lundquist

July 2, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW, Washington, DC 20530.

Subject: Divestiture of Mount Cranmore and Waterville Valley.

Dear Mr. Conrath: I am writing this letter to express my concerns regarding the recent decision that L.B. Otten and the American Ski Company divest the Mount Cranmore and Waterville Valley ski areas. I believe this decision to be contrary to the best interests of the skiing public and the communities in which these ski areas do business.

I have been an ardent skier for over 50 years. In my career I was employed in the defense electronics business as an engineer, program manager and marketing manager. Now retired, I still ski over 100 days a year. I have seen the ski industry grow from a fledgling sport in the '40's and '50's through the growth years of the '60's and '70's to the stagnation that began in the '80's and continues to exist. It has been well documented by the industry publications that the skiing population has remained constant for the last decade. It is not, by any measurement, considered to be a growth industry. To the contrary, it is an industry that is desperately trying to survive. In New England alone, the number of ski areas that operate today is only about one-half the number that were in existence 20 years ago.

The ski area business today is unique. It has become a business that is extremely capital and energy intensive. Todays skier demands much more of the ski areas than was the case several years ago. They demand high speed lifts, both fixed and detachable, which cost anywhere from $1 million to $2 million to install. They demand extensive snowmaking to avoid the vagaries of normal winters, which come at a very high cost to install and have a very high energy cost to operate. And then they demand that all this snow be meticulously groomed by a fleet of machines that cost around $200,000 each. In addition, skiers want to have fine amenities in the lodges and restaurants.

It is interesting to note that the ski areas that are the most successful are those that have invested considerable capital in providing what the skiers want: namely high speed lifts, good snow making and good grooming, as well as good amenities. It is also interesting to note that the successful ski areas not only draw the greatest number of skiers by far, but they also charge the highest lift ticket prices. One must conclude from this that the skier of today is willing to pay the market price for a good product. Certainly lower priced ski areas exist. But they do not provide the quality ski experience that the major areas provide, and therefore do not attract the number of skiers. Without the skier visits these lower priced areas cannot generate enough revenue to make the capital improvements necessary to attract more skiers. It is a classic ''Catch 22'' situation. In the long run the lower priced areas either continue on in a marginal profit situation catering to a small niche of skiers, or, as has happened to so many small ski areas, they go out of business. It appears that, because of the capital intensive nature of today's ski business, that size and economies of scale are essential not only to provide a quality product, but to generate the necessary volume of skier traffic to make a profit.

I would like to discuss the Mount Cranmore situation, as I live in North Conway where Mount Cranmore is located. Cranmore is the birthplace of American skiing. It is here that the legendary Hannes Schneider came to from Austria in 1939 and began teaching skiing to the ski hungry public. Cranmore grew as the sport developed in the '40's and '50's. However, it did not follow the boom of the '60's and '70's as newer ski areas came into existence. Cranmore did not continue to reinvest in capital improvements. For years the popularity of Cranmore declined, and even though it priced its tickets lower than the newer areas, specifically Attitash, its skier visits decreased. It went through a series of ownership changes, but capital improvements were minimal or ill-conceived. Cranmore was on the verge of bankruptcy and facing possible closure when it was purchased (from the bank) by Les Otten. Otten did several things. He marketed it in conjunction with Attitash and sold a combined facility lift ticket. He made major capital improvements: addition of a high-speed detachable chair lift, expansion and upgrading of the snow making system, increasing the fleet of groomers, improving the restaurants and amenities. He made snow earlier than ever before, and not only opened for the season earlier than ever, but extended the closing date to its latest ever. He announced plans for a major expansion to an adjacent mountain. And yes, he increased the price of lift tickets to the same as Attitash. And what happened? Skier visits increased by 50% over the previous year. And this in spite of the fact that lower priced ski areas continued to operate within a 30 mile radius, namely Black Mountain, King Pine, Wildcat, Shawnee Peak and Bretton Woods.

The Department of Justice ruling on the divestiture stated that the primary reason was to prevent the American Ski Company from creating a monopoly that would eliminate lower priced alternatives from the skiing public. I find this reasoning to be flawed, particularly with respect to Mount Cranmore, for the following reasons:

There are five other ski areas within a 30 mile radius that provide lower ticket pricing

than the Attitash/Bear Peak/Cranmore complex. These are Black Mountain, King Pine, Wildcat, Shawnee Peak and Bretton Woods.

The quality of the product demanded by today's skier requires large capital expenditures by the ski areas. The skier is willing to pay the market price in order to get the ski experience that results from the capital expenditures. The most successful ski areas, as measured by skier visits, universally charge the highest prices for lift tickets.

The skiers from the metropolitan areas of Boston, Hartford, Portland and New York comprise the majority of the skiing population in New England. They have many alternatives other than those owned by the American Ski Company. They will be attracted to those areas that provide a quality product at a reasonable market price. This competition will provide stability to the price of lift tickets.

The size of the skiing population is constant, and is not predicted to increase. In order to maintain or increase market share, ski areas will have to continue to invest in capital equipment. This requires that the areas increase the number of skier visits, and/or expand their operations so as to provide efficiency and cost improvements through economies of scale.

Small ski areas will continue to provide lower cost alternatives, but at the expense of the quality of the ski experience, i.e. slower lifts, less snowmaking, less grooming and poorer amenities. If these smaller ski areas can not attract sufficient skiers, they too, like so many have already, will go out of business. It is very possible that Mount Cranmore will return to this status as a marginal ski area with an uncertain future if the divestiture is carried out.

I request that the Department of Justice reconsider its position on the divestiture of Mount Cranmore and Waterville Valley. As I have pointed out, this action will be detrimental to the skiing public, and to the individual areas, and ultimately to the local community. The capital needs of the two areas in question will best be served by continuing their relationship as part of the American Ski Company. Sufficient lower priced ski areas exist in the immediate surrounding area to satisfy the Department of Justice concerns.

Very truly yours,

Roy A. Lundquist.

cc: Rep. William Zeliff,
Sen. Judd Gregg,
Sen. Robert Smith.

Richard O. and Gloria Pinkham

July 3, 1996.

Craig W. Conrath, Chief,
Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW, Washington, DC 20530.

Dear Mr. Conrath: We are very disappointed that the members of the justice department's merger task force decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. We emphasize the word potential for the following reasons:

—LBO would own only 25 percent of the New England ski market.
—Competition from Massachusetts, Vermont and Maine, which abut the small state of New Hamphire, is fierce.
—The government has perfect price control mechanisms through Mt. Sunapee and Cannon Mountain, which are both state-owned ski areas.
—The fact that New England does not have a single destination ski area to compete with areas such as Aspen, Breckenridge, Tahoe, Snowbird, Jackson Hole, Steamboat or Sun Valley.
—Many ski industry owners, with the exception of Ies Otten, have encountered a real struggle to remain solvent, much less make significant expansion investments.

Perhaps the larger issue is not competition but employment in New England ski towns. Government officials should take a look at what the real conditions are before restricting the economy.

Our disappointment stems from the over-reach of Washington officials at a time when New England has been fortunate to find someone with the interest and commitment to turn it into a major player in the ski industry.

Very truly yours,

Richard O. and Gloria Pinkham,

44 Powers Road, Concord, MA 01742 and Westside Road (P.O. Box 361, Glen, NH 03838

cc. Rep. Bill Zellif.

Cynthia A. Feltch

July 3, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H. Street, N.W., Washington, DC 20530.

Dear Mr. Conrath: This is regarding the forced divestment of Mount Cranmore and Waterville Valley by LBO Enterprises and S–K–I Ltd. prior to their merger forming The American Skiing Company. Being a business person who resides in the Mount Washington Valley of New Hampshire and an avid ski enthusiast, I feel compelled to communicate my dismay with the decision which has been made.

Frankly, the logic of this decision by the Dept. of Justice alludes me. This determination looks and feels an awful lot like bureaucratic involvement in an area much less understood than bits, bytes and proprietary software. This is a business of recreation. It is not a life sustaining activity required for long term human existence. Moreover, it involves a rather small segment of the U.S. population which can afford the expenditure of discretionary dollars. Skiing is not part of our daily allowance of vitamins.

I do not believe that the DOJ is looking at the true demographics of the ski industry in the Northeast when it says that Waterville, Cranmore and Attitash/Bear Peak garner a 90%+ ratio of skier visits from Massachusetts and Rhode Island. The simple fact is, you are not comparing apples to apples. Each of these area has different terrain, amenities and accommodations to offer their visitors. What one mountain may do well, another does not offer at all. Cranmore is known as a family mountain. This means the terrain is easier to ski and the area caters to small children. Attitash on the other hand offers significantly more difficult terrain and attracts skiers who do not want to ski with small children. Waterville is so far removed from both of these areas in the winter months due to access across the mountains that it does not share skiers with either Cranmore or Attitash. Typically, visitors who are skiing on the western slope (I–93 side of the mountains) do not venture over to the eastern slope (Rt. 16/Mt. Washington Valley). While visiting Waterville, they will avail themselves of the skiing at Loon Mountain, Cannon Mountain or Gunstock, all of which are owned and operated by other companies. Likewise, the same can be said for skiers on the eastern slope who may choose from King Pine, Black Mountain or Wildcat if they want a change from Cranmore or Attitash.

To point to two specific mountains and contend that they create an unfair trade advantage is ludicrous. With all the aforementioned choices, skiers and their families are not being held hostage by one company. This is a market driven industry. If the consumer does not like what is being offered, they can go elsewhere and be satisfied. No one is holding a gun to skier's heads and making them spend their discretionary income on this sport. No one at LBO or S–K–I Ltd. has given those of us who operate businesses within their geographic areas reason to believe that they are anything less than savvy entrepreneurs. Why should we assume the worst now that these two companies are joining forces to bring the industry better skiing experiences?

In closing, I believe that the forced divestment of Waterville and Cranmore bodes very badly for the Camden, NH and North Conway, NH areas. The capital investments made by LBO and S–K–I in the preceding years marked an economic turning point for these two towns. Prior owners and operators did not have the capital or the vision to improve these two areas to any great extent. What LBO and S–K–I did in their short tenures was remarkable and encouraging to those of us who witnessed the improvements. To cut this metamorphosis short is to blindly sever the opportunities of two communities who were just beginning to make a comeback in the ski industry.

Respectfully,

Cynthia A. Feltch,

PO Box 40, Bartlett, NH 03812.

Signature Breads

July 5, 1996.

Craig W. Conrath,
Merger Task Force, Antitrust Division, U.S. Department of Justice, 1404 H Street, Washington, D.C. 20530.

Dear Mr. Conrath: It is unfortunate that the members of the justice department's merger task force have decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. Please note emphasize on the word ''potential'' for the following reasons:

LBO would own only 25% of the New England ski market.
Competition from Massachusetts, Vermont and Maine which abut the small state of New Hampshire is fierce.

The government has in place price control mechanisms through state owned ski areas—Mt. Sunapee and Cannon Mountains.

The fact that there are no single destination ski areas in New England to compete with areas such as Aspen, Breckenridge, Tahoe, Jackson Hole, Snow Bird, Steamboat, SunValley, etc.

Many New England ski owners, Les Otten is an exception, have had a very real struggle just to remain solvent and do not have the resources to make significant investments.

Perhaps the larger issue is not competition but employment in New England ski towns. Government officials should look at what the real conditions are before taking actions which will restrict the economy.

It is very disturbing to note the over reach of Washington officials at a time when New England has been fortunate to find someone with the interest and commitment to turn it into a major player in the ski industry.

Sincerely,

Harold Berk,

300 Middlesex Avenue, Medford, MA 02155.

Boy Kyle

Dear Mr. Conrath: As an avid skier (not a rich one) I think the decision on Cranmore in N.H. is not a very good one.

Les Otten bought Cranmore when it was down and out and brought it back where it should be. To force him out makes no sense at all.

You must realize there are not to many people who can afford to buy a ski area, much less someone who even wants one.

We'll take care of the price of lift tickets. When they get to high we just won't buy any. Let the market dictate the price, not the government. I'm sure you have bigger fish to fry!

Boy Kyle,

Bartlett, N.H.

James Lane

July 8, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice, 1404 H Street NW, Washington, D.C. 20530.

Dear Sir: Your efforts to prevent LBO Holdings from maintaining ownership of Cranmore Ski area in No. Conway, N.H. are representative of ignorant government intervention in a business and ultimately in the everyday lives of residents in this area. You need a vision—a vision we all have up here in the Mt. Washington Valley that what LBO Holdings has initiated is of benefit to *EVERYONE.*

The Antitrust Division decree is a disgraceful authoritarian governmental punishment to a business venture that has been successful. LBO Holdings' businesses have been a god-send for the people here in the Valley and for all those who come here because of LBO's business acumen. There is something radically awry in your Merger Task Force activities. You need to be advised by people who intuitively know that your directives in this matter are ill-advised, ill-informed, ill-judged, and ill-willed toward anyone who could possibly benefit from the business foresight of LBO Holdings.

If it is true that what is good for business, is good for the Nation as a whole, then you are on the wrong track by depriving this area of the benefits that have accrued from LBO Holdings' presence in this Valley. You need to keep in the forefront of your mind, that if LBO Holdings had not bought and nurtured Cranmore, there would have been no Cranmore for you to squack about. Indeed, the competition is not smashed by LBO's wizardry, there just isn't any competition without his presence at Cranmore. Therefore, you need to recind your interference now and we all look forward to your doing so. Thank you.

Yours truly,

James Lane,

P.O. Box 485, Jackson, N.H. 03846.

William J. Denning

Mr. Craig Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice, 1401 H Street NW, Washington, D.C. 20530.

Dear Mr. Conrath: A period of time has passed since the news of forced divestiture of Mt. Cranmore was made public, with that in mind, I have had adequate time to put together my thoughts on the subject.

I have little knowledge on term ''monopoly.'' Certainly, I do not qualify as an expert. Understanding says that the reasoning behind the forced divestiture of Cranmore and Waterville, is to keep one organization—LBO—from controlling too much of one business in one area so prices remain competitive.

I would hope that the economic well-being of the people in a small area of New Hampshire could be factored into the process.

If we look at Mt. Cranmore in particular, their recent and not so recent past, it becomes quite obvious that they have had troubles, which include bank take-over. These troubles may have been due to a real misunderstanding of the ski industry; they may have been due to economic times; they may have been due to a lack of capital. I am unable to say with any degree of certainty. What I am able to say with a degree of certainty is that since the LBO organization has taken over, capital improvements have been made, management with an understanding of the ski industry (and it is unique) has been put in place, and the mountain is a viable area once again.

This small N.H. valley needs this area in order to retain its economic health. This ski area needs a strong, willing and capable management in order to survive. The LBO organization has a track record which proves it is the right one, in the right place at the right time.

It has always been the prerogative of people to write to persons in charge, voicing opinions which may or may not be contrary. We would hope these letters are read and even considered in final decisions. In this particular vein, the local media have published remarks allegedly attributed to Mr. Charles Biggio. These concern the statement or remarks about the Justice Department never has been reversed on the subject of divestiture. If this is true, I think the word infallible might apply to this person. If this is true, I think the person in question should be working two or three planes above where he/she now is.

It is quite obvious that Mt. Cranmore has been turned around. It is also quite obvious that I cannot understand a forced divestiture which would be so harmful to the people in a small area of New Hampshire.

Very truly yours,

William J. Denning.

T.M. Egbert, Jr.

July 9, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington 20530.

Dear Mr. Conrath: Les Otten, with his American Skiing Company, is trying to revitalize a large part of the U.S. ski industry which has been flat for a number of years.

If there ever was a case that called for ''benign neglect'' on the part of the Justice Department, this is it.

The agreement requiring divestiture of Cranmore Mountain in North Conway, N.H. should be rethought. Cranmore is a small ski area. For the past 15 years or so, small, independent ski areas have either 1) grown bigger or 2) linked up with larger companies or 3) gone out of business. There are no other alternatives.

Cranmore, as you certainly know, had been struggling for years and was in the hands of its bankers. Otten bought it last year, revived it with substantial new investment and would have been able to keep it going as part of the Attitash Bear Peak complex.

Your divestiture decision takes Cranmore backwards.

If anyone can be found to buy it from Otten, Cranmore will be faced with the same insurmountable problems that it had previously—trying to compete with the larger ski operations in the North Conway—Western Maine market. Cranmore is unable to stand alone. This is an established fact.

Consequently, your well-intended efforts to preserve competition will have exactly the opposite effect. Moreover, the demise of Cranmore will cause serious economic hardship to dozens of businesses in the area and to property-owners whose condominiums next to a defunct ski hill will be next to worthless.

Moreover, your spokeswoman who laid great emphasis on the need to preserve skier discounts, displayed a severe lack of expertise. Discounts do not drive the ski business. Terrain, snowmaking, grooming, skier services and amenities are what count with skiers and what they are willing to pay for. Small ski areas are simply unable to provide these at competitive levels.

It appears that the decision calling for divestiture is based on outdated and unrealistic assumptions. I urge you to reconsider the decision and to put it on ''hold''; then to dig deeply into the facts of the ski industry. If you do, you will find that it makes sense to rescind the divestiture agreement.

That would enable you to observe what happens in the next few years. Then, if you find that the American Skiing Co. is, in fact, hindering competition, you can take corrective action.

The action you have taken this year is, at best, premature. At worst, it will kill Cranmore, not preserve it. It will lessen competition, not promote it.

Sincerely,

T.M. Egbert, Jr.,

Former member, Board of Directors, Attitash Ski Lift Co.

Henry DiRico

July 10, 1996.

Craig W. Conrath,

Merger Task Force, Antitrust Division, U.S. Department of Justice, 1404 H Street, Washington, D.C. 20530.

Dear Mr. Conrath: It is unfortunate that the members of the Justice Department's merger task force have decided to exercise their authority to limit the potential for monopolistic practices in the New Hampshire ski industry. Please note emphasis on the word ''potential'' for the following reasons:

LBO would own only 25% of the New England ski market.

Competition from Massachusetts, Vermont and Maine, which abut the small state of New Hampshire, is fierce.

The government has in place price control mechanisms through state-owned ski areas—Mt. Sunapee and Cannon Mountain.

The fact that there are no single destination ski areas in New England to compete with areas such as Aspen, Breckenridge, Tahoe, Jackson Hole, Snow Bird, Steamboat, Sun Valley, etc.

Many New England ski owners, Les Otten is an exception, have had a very real struggle just to remain solvent and do not have the resources to make significant investments.

Perhaps the larger issue is not competition but employment in New England ski towns. Government officials should look at what the real conditions are before taking actions which will restrict the economy.

It is very disturbing to note the overreach of Washington officials at a time when New England has been fortunate to find someone with the interest and commitment to turn it into a major player in the ski industry.

Sincerely,

Henry DiRico.

Fred and Milly Pereira

July 11, 1996.

Craig W. Conrath,

Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, N.W., Washington, D.C. 20530.

Dear Mr. Conrath: It is with deep concern that we write this letter regarding the Department of Justice's recent divestiture ruling on LBO's forced sale of Mt. Cranmore in North Conway, New Hampshire. Hopefully, you are aware of the history of Mt. Cranmore in the Mount Washington Valley. Not only is it of historic value, but the financial history in recent years has not been the best. We have skied the area for years and feel its impact in the Valley. This mountain cannot stand on its own. The comparison of Mt. Cranmore to the other areas is not an equal comparison. This mountain is a small intermediate mountain, that until Les Otten, was about to close. The package of including it with Attitash and Sunday River as a combo ticket and as an advertising program during the past year, has brought new life to the mountain and the valley.

We would greatly appreciate if you would reconsider your decision regarding this mountain. It needs the strong and knowledgeable leadership of LBO. Many of us who live in the Mass. and Rhode Island area would rather have the opportunities to ski a progressive area with a future than a discounted, old and perhaps closed mountain.

For the communities of the area and the skiers of New England please take a second look at this decision!!!

Thank you,

Fred and Milly Pereira,

392 Brenda Lane, Franklin, MA 02038 and Box 1054 Eidelweiss, NH 03849.s

Richard F. Hickey

July 11, 1996.

Mr. Craig Conrath, Chief,

Merger Task Force, Antitrust Division, U.S. Departments of Justice, 1401 H Street N.W., Washington, D.C. 20530.

Dear Mr. Conrath, I own a home in Bartlett, New Hampshire and ski in the Mount Washington Valley nearly every winter weekend and have done so for the past six years. I am concerned over the Department's decision to permit the merger of Leslie Otten's operations with those of Ski Ltd. only if the Mt. Cranmore and Waterville Valley ski areas are divested. I don't see how this will improve competition, such as it might exist in the ski industry. My concern is that divestiture will be soon followed by the collapse of both divestees resulting in fewer job opportunities in the region and fewer reasons why people would come here to spend their dollars and improve the economy.

I have no interest, financial or otherwise in Mr. Otten's operations or in Ski, Ltd. I regularly ski at Wildcat Mountain and ski at Cranmore and Attitash/Bear Peak infrequently. My observations and opinions are only those of a part-time resident of the area and as a citizen concerned with the financial well-being of the area's residents who do not have a wealth of job opportunities.

It seems to me that ski areas in Northern New England compete not only with each other but also with resorts closer to Massachusetts and Connecticut and with ski areas in New York. Most avid New England skiers also ski in the Rockies, many on an annual basis. New England areas surely lose some local business to the Western ski areas and get very little business from foreign skiers. (If you have ever skied in Colorado, you surely noticed the large numbers of skiers from all over the world who regularly take their ski vacations in the Rockies).

Ski areas not only compete with one another but with other attractions for the leisure dollar. Ski areas visits are declining, not growing. Within the Mount Washington Valley area, the downhill ski areas must compete with far less expensive cross-country skiing, ice climbing, trekking, snowmobiling, etc. It seems to me that the department may be overlooking these claims on the tourist dollar when it tries to define competition. Downhill skiing is just one winter activity in search of the available leisure expenditure.

Most New England areas, certainly Cranmore and Waterville Valley, are small and find it difficult to invest in the essentials of modern skiing—high speed lifts and technologically advanced snow making equipment. Likewise they are unable to mount significant advertising campaigns to attract patrons from near and far. Also, these small areas do not have the lodging and restaurant facilities that would add to their economic strength and which are expected by tourists today.

It seems to me that Les Otten was trying to create that economic mass necessary to lure tourists to the area and to expose the attractiveness of this region to non-skiers. He was offering his customers options to ski several different mountains on a convenient ticket system. He has been willing to support his own marketing concepts with his own money. An interesting by-product of his effort has been developing an awareness of the necessity of changing the way the ski business markets itself if it is going to continue to compete for the consumer's leisure dollar.

The ski business brings business to this region which needs employment opportunities for its residents. Needless to say, more visitors to the Valley improve the economy for all the local enterprises. Les Otten purchased Cranmore when, I believe, it was all but bankrupt. He invested a lot of money in improving its equipment and facilities. I can't imagine that in this day and age there is someone who can run that mountain profitably as a stand-alone facility.

The Mount Washington Valley has already lost some of its appeal to families with the bankruptcy of Black Mountain. If Cranmore also fails, it will take with it thousands of annual skier visits. Its passing would be another reason why people don't have to come here in the wintertime. This areas is not a casual drive from Boston or Hartford. Maintaining the area's economic base requires convincing people that there's lots of great activities awaiting them at the end of a three, four, five or six hour drive.

I don't think the Department's decision really improves the consumer's competitive options in as much as it takes a very narrow view of the position of downhill skiing in the universe of competitors for the consumer dollar. It seems to me that the ski industry in this area and the economy of the Mount Washington Valley needs operations with financial muscle and creativity. I don't think they work in todays economy and I don't think the Department should continue to support an antiquated concept of competition within the industry.

Sincerely,

Richard F. Hickey,

9 Metacomment Road, Scituate, MA 02066.

cc: Hon. William Zeliff.

Miriam Regan

July 11, 1996.

Dear Ms. Bingaman: Please seriously consider the views of local residents of Mt. Cranmore re the divestiture order against L.B.O.

We see no threat to competition in the N.H. ski industry. Mt. Cranmore is a particularly historical mountain and employs hundreds of local residents, offers school children free skiing and is geographically convenient to the local town. SAVE Mt. Cranmore.

Miriam Regan,

Box 345, Intervale, NY 03845.

June 26, 1996.

Please reverse the decision re Mt. Cranmore in Kortle Conway. LBO has helped the economy of this tourist valley and this antitrust is a blow to all.

Miriam Regan.

Sally Hindson

July 11, 1996.

Craig W. Conrath,

Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, N.W., Washington, D.C. 20530.

Dear Mr. Conrath: It is with deep concern that we write this letter regarding the Department of Justice's recent divestiture ruling on LBO's forced sale of Mt. Cranmore in North Conway, New Hampshire. Hopefully, you are aware of the history or Mt. Cranmore in Mount Washington Valley. Not only is it of historic value, but the financial history in recent years has not been the best. We have skied the area for years and feel its impact in the Valley. This mountain cannot stand on its own. The comparison of Mt. Cranmore to the other areas is not an equal comparison. This mountain is a small intermediate mountain, that until Les Otten, was about to close. The package of including it with Attitash and Sunday River as a combo ticket and as an advertising program during the past year, has brought new life to the mountain and the valley.

We would greatly appreciate if you would reconsider your decision regarding this mountain. It needs the strong and knowledgeable leadership of LBO. Many of us who live in the Mass. and Rhode Island area would rather have the opportunities to ski a progressive area with a future than a discounted old and perhaps closed mountain.

For the communities of the area and the skiers of New England please take a second look at this decision!!!

Thank you,

Sally Hindson.

Dennis J. Holland and Marcia A. Burchstead

July 12, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Washington, D.C. 20530.

Dear Mr. Conrath: Unlike many other letters you will be receiving on the matter of the divestiture of Mt. Cranmore by LBO, I am in *full support* of the action taken by you and other members of the Merger Task Force.

I am the past president of the Innitou Ski Club located in Glen, NH and since January 1993 a homeowner, property taxpayer and voter in the town of Bartlett, NH. I along with the other members of the ski club was opposed to Les Otten's purchase of Mt. Cranmore last year.

Mt. Cranmore is a ski area full of history and heritage to the area. It is a *family* ski area and has served the needs of the Mount Washington Valley residents and school children since it opened in 1938. Hannes Schneider, Carroll Reed, Harvey Dow Gibson and others made this ski area a landmark among ski areas in the United States. I am afraid they would not be so proud of their mountain if they could see what has happened all in the name of progress.

Prior to LBO purchasing the mountain, previous owners had dismantled the Skimobile, a unique lift and a part of skiing history. A modern base lodge was erected in place of the log structure.

Last year LBO saw fit to take down the mid-station double chair and replace it with a high-speed detachable quad. *He also hiked the price of lift tickets to $10, for both weekday and weekend tickets!* Quite a jump for families to absorb. Discount vouchers for ski club members were eliminated His public relations flack said and I quote, *''Discount lift tickets are not in our vocabulary!''* What arrogance! The long standing, tradition of the ''Mountain Meisters,'' racing program for adults in the valley was also to be eliminated but this caused such an uproar that it was quickly restored. The cost of the ski program for area school children was also increased depriving some of the experience of learning a new sport and getting exercise. The children's ski school eliminated its practice of photo id tags and security cards for parents to pick-up children at the end of the day.

The previous year while under bank ownership, Mr. Ken Lydecker, managed the area and brought renewed goodwill to the valley. He donated and installed beautiful holiday wreath decorations to downtown North Conway, hosted the NCAA national cross country races at the mountain when nearby Jackson Ski Touring was flooded out and the races almost had to be canceled, and provided artificial snow for the snowmobilers ride-in in the valley which would have been a bust due to a lack of natural snow.

This is the kind of ski area Mt. Washington Valley needs and deserves, not a cookie cutter, mass produced, clone of Sunday River.

I know that several individuals have stepped forward and expressed an interest in operating Mt. Cranmore. I hope that your agency will give them the opportunity to restore Mt. Cranmore to the adults and children of the valley and the skiers who come from throughout New England to experience affordable family skiing.

Sincerely,

Dennis J. Holland and Marcia A. Burchstead,

35 Skyline Drive, P.O. Box 826, Intervale, NH, 03845.

July 13, 1996.

George J.R. Sauer

Dear Mr. Conrath: I am a property owner at #17 Old Bartlett Road directly across from Mt. Cranmore Ski Area.

I am very upset by your divestiture order which forces Les Otten to sell Mt. Cranmore. He is welcomed and needed by the community.

Please reconsider your decision.

Sincerely yours,

George J.R. Sauer,

45 Fuller St., Dedham, MA 02026.

John C. Conniff

July 13, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, N.W., Suite 4000, Washington, DC 20530

Re: Ski Resort Merger

Dear Mr. Conrath: I am a retired businessman and an active skier for sixty years. I skied at Mt. Cranmore, NH in the early days of American skiing, and I still ski there today.

Please, I urge you to allow the American Skiing Company to retain ownership of Mt. Cranmore. This would be in the best interest of the Town of North Conway, the many commercial establishments that depend on a *successful* ski area, and most important we the skiing public in New England. This will not, in any way, lessen competition. Mt. Cranmore needs The American Skiing Company if it is to survive.

A few years ago the Mt. Cranmore Ski Area went into bankruptcy. The ski company struggled for a long time and the facilities on the mountain were run-down and obsolete. The management was in no position to borrow the large amount of money it would take to modernize the mountain. When LBO Enterprises purchased Mt. Cranmore everyone cheered. Here was a company with skilled management and the financial strength to put this modest size ski area back on its feet. In just two or three years they invested in new equipment, offered the public attractive programs, and started to turn things around.

I am asking that you reconsider your decision about Mt. Cranmore and allow the American Skiing Company to retain ownership. This will in fact be good for competition, everyone in the Town of North Conway, and we skiers.

You may call me anytime if you think I can be of assistance in helping you with your final decision.

Sincerely,

John C. Conniff,

(413) 567–8767.

Charles Morse, Jr.

July 16, 1996

Mr. Craig W. Conrath,

Chief of Merger Task Force

Subject: D.O.J. divestiture order relative to LBO Cranmore Ski Area

Gentlemen: I respectfully request that you reconsider your actions in ordering LBO Enterprises to divest of the Cranmore Ski Area. As a senior citizen pass holder, my pass allowed me to ski at either Attitash Bear Peak or Cranmore, since both are owned by LBO.

The opportunity to choose makes it possible for me to enjoy the best conditions of the day. North facing Attitash may be uncomfortable on a cold windy day, but the alternative, Cranmore with its southern exposure can be a better choice. Conversely, on a warm sunny day Attitash becomes the mountain of choice. Should these two areas become owned by separate entities, I would no longer have the luxury of choice and thus, my skiing pleasure would be damaged.

It should also be noted that LBO has done an outstanding job of upgrading Cranmore's facilities and has consistently produced outstanding snow conditions.

Apparently, the D.O.J. is concerned that LBO holdings will lessen competition resulting in higher ski ticket pricing. In the Mt. Washington Valley Area, there are six ski areas, Wild Cat, Black Mtn, Shawnee Peak, Bretton Woods, Attitash and Cranmore. It would seem that the existence of four independent competitors, within a few miles of the subject areas, would exert pricing pressure which would keep LBO area prices competitive.

I respectfully ask your reconsideration of your position and allow Cranmore to remain a part of LBO Enterprises subject to your review another year.

Sincerely,

Charles Morse, Jr.,

19 Green St., Newbury, Mass. 01951.

McLane, Graf, Raulerson & Middleton, Professional Association

July 16, 1996.

Anne K. Bingaman,

Asst. Atty. General, Antitrust Division, U.S. Department of Justice, Constitution Avenue, NW., Washington, DC 20530

Dear Ms. Bingaman: I am writing to you with respect to the recent newspaper articles that the Justice Department has required, as a condition for acquisition of SKI Limited, that LBO sell its interests in Mt. Cranmore in North Conway and Waterville Valley in Campton, New Hampshire.

As a matter of introduction, please understand that for over thirty (30) years, I served as General Counsel and as a Director of Mt. Attitash Lift Corporation in Bartlett, New Hampshire. In July, 1994, LBO acquired the stock of Mt. Attitash. Since that time, the acquirer has constructed two lifts and constructed several new trails at Attitash. This represents the first substantial capital investment in Attitash, and in any Mount Washington ski area, in many years.

As someone who was vitally involved on a daily basis in the ski industry over years, I understand that industry far better than anyone from Washington, DC, no matter how well intentioned or well-educated that person may be. I can tell you that as a Director and officer of Attitash, it was a challenging task to keep that operation out of the hands of the Bankruptcy Courts. We struggled, and struggled, and struggled for years to survive. From time to time, we made capital improvements and through good management, we were able to survive. At the time that we sold our operation to LBO, there was no other buyer on the horizon. We sold the property for what we believed was a fair consideration for our shareholders.

As a purchaser, Mr. Otten and his corporation were under no obligation to make any improvements at any particular time. We were extremely pleased to see that in the first six months of his ownership, he installed a quad-chairlift and constructed three new trails. During the second twelve months of his ownership, Mr. Otten installed a high-speed quad, three additional chairs, and a 10,000 sq. foot base building, parking area, etc. All of this was done in a first-class manner.

The beneficiaries of these investments are not just the people who ski in that area, but the entire population of that area. Suddenly, people began to spruce up their motels and restaurants, invest funds in those facilities, all in anticipation of the additional passenger traffic that these investments would undoubtedly generate. I don't think anyone has been disappointed in these investments, at least until now. In the summer of 1995, Mr. Otten acquired Mt. Cranmore in North Conway. This was a facility which was one of the very first major ski areas in the United States. Unfortunately, the ski area had long since lost its attractiveness to the skiing public and had fallen on very bad times. For the past several years, the ski area has been operated by Bay Bank, which received a deed in lieu of foreclosure from its last owners.

Similar to the experience at Attitash, Mr. Otten and his corporation not only acquired the area, but immediately installed a high-speed quad, made other improvements in the area, and began to breathe life into what many believed to be a fatally ill ski area. I can tell you as someone who lives in the Mount Washington Valley and knows many individuals in that area, that this effort by Mr. Otten was the most significant step in many, many years. New Hampshire was extremely hard-hit by the recession of the late '80s. The area most hard-hit was the real estate market and I believe the most hard-hit geographical area was northern New Hampshire. Suddenly, Les Otten came to town and started to invest in an area that everyone else thought was fatally ill, if not dead. This was an extremely important move psychologically.

As an attorney, I do not understand the position of the Justice Department, but I am not well enough acquainted with the intricacies of these issues to begin to comprehend the problems anticipated. All I can tell you is that there are four major areas in the Mount Washington Valley of New Hampshire, namely, Attitash, Black Mountain, Cranmore and Wildcat. In addition, there is King Pine Ski Area some 15 miles south. For a single operator to operate both Cranmore and Attitash makes a lot of sense and provides an economy of scale which makes this operation profitable. Standing alone, Cranmore has not been able to make a profit or even survive.

The decision to require Mr. Otten and his corporation to jettison Cranmore is simply a very bad decision, both from the point of view of ski area operations and the point of view of the community. The community desperately needs Les Otten to own and operate Cranmore. Anything that could be done in this regard to assure that that will continue to happen will be of great benefit to this portion of the State of New Hampshire.

I would be more than pleased to answer any questions or supply any specific information that you require.

Thank you very much for your kind cooperation.

Sincerely yours,

Jack B. Middleton.

cc: The Honorable Charles F. Bass, M.C., The Honorable William H. Zeliff, Jr., Senator Judd Gregg, Senator Robert C. Smith

Robert & Kim Adair

July 16, 1996.

Craig W. Conrath,

Chief, Merger Task Force, U.S. Department of Justice—Anti-Trust Division, 1401 H Street NW., Washington, D.C. 20530

Re: Ski Area Merger

Dear Mr. Conrath: I am writing in strong opposition to the Justice Department's recent decision to require The American Skiing Company (merger of LBO Holdings and SKI Limited) to divest two of its ski areas.

Cranmore has been a vital part of the Mt. Washington Valley's economic picture since the 1930s. In recent years, its financial status, and to some degree, that of the Valley, has been strained. Since LBO's acquisition of Cranmore in the summer of 1995, significant improvements have been made to the resort, including installation of a badly-needed high speed quad chairlift. As a result, the Mt. Washington Valley as a whole has benefited from these improvements.

LBO operated both Cranmore and Attitash/Bear Peak last winter and offered fairly priced tickets that were interchangeable at both mountains. The flexibility of being able to ski at two characteristically different ski areas offered skiers an excellent choice given the variable weather and snow conditions typical of New England. The joining of these two mountains created a stronger, better ski environment for locals and visitors alike. Many people, including myself, bought tickets which were valid for a two year period. The value of unused tickets has been diminished by your decision.

The Department of Justice's claim that the LBO/SKI merger would diminish competition is absurd, and hints of a decision made by bureaucrats unfamiliar with our local area and the ski industry in general. Ski area competition in the Mt. Washington Valley is very healthy and currently consists of King Pine, Shawnee Peak, and Black Mountain, all comparable in size to Cranmore; and Loon, Cannon, Wildcat, and Bretton Woods, which are comparable to Attitash/Bear Peak. The potential of higher prices as a result of this merger is clouded by one simple fact—if prices are too high, people will ski elsewhere. The quality and commitment LBO has made to producing the

best ski conditions is the reason no one wants them forced out.

Please reverse your decision regarding this merger. The community has a much better handle on the value of LBO's ownership of Cranmore—we live here and can understand and appreciate what this organization has contributed to our area. Please don't ruin this for us.

Sincerely,

Robert E. Adair.

William D. Quinn

July 18, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Dept. of Justice, 1401 H Street NW., Washington, D.C. 20530

Re: Consent Decree Les Otten/LBO

Dear Sir: Your actions with regard to the above noted decree is without a doubt the single best option in this case. Les Otten is no less a preditor than Bill Gates, with concerns only for profit, not for the quality of life. Your action will help maintain the quality of life here, in particular, the blocking of the continuing downward trend of wages brought on when one company controls the region. Stick by your decision and do not let political parasites like Zeliff, Gregg and Smith turn a great decision from good to bad.

Very truly yours,

William D. Quinn,

P.O. Box 21, Madison, N.H. 03849.

Alvin J. Coleman & Son, Inc.

July 18, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H St., N.W., Washington, D.C. 20530

Dear Mr. Conrath: As a businessman located in the Mount Washington Valley, I want to express my disappointment in the Department of Justice' ruling concerning the divestiture of Mount Cranmore from the American Skiing Company (formerly LBO Enterprises).

The economy in the Valley has been very sluggish, to say the least, in the past several years. We were all very excited about LBO's plans for Mount Cranmore and were anticipating renewed growth in the region. The decision by the Department of Justice is a hard blow to an area which depends so heavily on year round tourism.

I urge you to reconsider the recent ruling and take into consideration the impact on our local economy on the sale of an entity which up until very recently has been struggling financially for years.

Please feel free to call, if you would like to discuss this matter.

Sincerely,

Calvin J. Coleman,

President.

cc: William H. Zeliff.

Tech Works

July 16, 1996.

John W. Van Lonkhuyzen,
Attorney, U.S. Dept. of Justice, City Center Bldg.—Room 4000, 1401 H Street NW, Washington, DC 20530

Re: U.S. v. American Skiing Co. & S–K–I, Ltd. (C.A. No. 96–1308)

Dear Mr. Van Lonkhuyzen: Thanks for all your time in our phone conversation last week, and thanks for your letter of July 12, 1996, including the enclosures on HHI and DOJ's 4/2/92 ''Horizontal Merger Guidelines''. They should be very helpful in understanding Justice's position on this matter.

For your information, I have enclosed my letter dated June 30, 1996 to Mr. Conrath. I imagine you would have seen this eventually, but I wanted you to have a copy now in case we have further conversations.

My letter was written before I had fully thought through the *pro*-competitive aspects of this merger. As we discussed on Friday, ASC's ability to draw from a much wider area by reason of offerings including Cranmore along with its sister slopes, holds the possibility of huge savings for the company. More skiers during mid-week could do a lot to hold down prices for skiers of all types (day, weekend and week long) from all locations. It is a potential that may be *unique* to ASC (LBO) due to its ownership of other nearby slopes. I'm not sure Justice properly focused on this aspect.

As you know, the Town of Conway has formed a committee to respond to what has transpired. I believe that committee will expand upon this and other matters of concern.

Yours truly,

David S. Urey,

cc: D.M. Laws.

Maryellen Maguire LaRoche

July 23, 1996.

Craig Conrath,
Chief, Merger Task Force: Anti-Trust Division, US Department of Justice, 1401 H Street, NW., Washington, DC 20530.

Dear Mr. Conrath: I am a resident of Conway, NH and this letter is in response to the US Department of Justice recent decision regarding the American Skiing Company's acquisition of SKI Limited. I am also an avid skier for over 30 years and a condominium owner at Sunday River Ski Resort in Newry, Maine, a property built and managed by LBO (nka American Skiing Company).

I am in full agreement with the Justice Department decision regarding the American Skiing Company acquisition. It is my understanding that the decision regarding the sale of Waterville Valley and Cranmore Mountain was developed by LBO to meet Justice Department concerns regarding antitrust. Cranmore is essentially LBO's weak resort, purchased a year ago at a bargain basement price, and was not a great sacrifice in terms of market share control and the profit potential of the larger deal which was completed as scheduled. The American Skiing Company could have chosen another ski area, it was their option to offer the sale of Cranmore. Antitrust issues continue to be an area of great concern, as well as the tremendous debt ratio absorbed by the American Skiing Company to acquire these other large ski areas in a volatile, weather dependent, and often low profit margin industry. Ski areas drive the winter economy of Northern New England and many of the acquired ski areas have demonstrated major commitments to their communities economic health and have also developed year round operations. It remains to be seen if the American Skiing Company will be as committed to the economic development of these communities as their previous owners demonstrated. Their short attention span regarding Cranmore is not a good example of a commitment to the Conway community.

The amazing piece of this puzzle is the local press campaign slamming the Justice Department for doing its job. It is well known by skiers and owners at Sunday River Resort that LBO's major goal is to control the New England market share, control ticket prices and eliminate discounting. All other claims, such as potential lower ticket prices due to economies of scale, are typical LBO marketing hype. Just listen to their ski reports: LBO resorts always have 6 more inches of snow than your house at the base of the mountain; its amazing how brazen a company they are in terms of marketing hype. LBO only discounts when their competition is discounting and impacting their skier visits and profit margin. Thank you for preventing an LBO takeover of New Hampshire ski resorts. You were right on target. I sincerely hope you will continue to monitor the development of the American Skiing Company.

Sincerely,

Maryellen LaRoche.

Locust Hill

July 25, 1996

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US Dept. of Justice, 1401 H Street NW., Washington, DC 20530

Dear Mr. Conrath: I am writing in support of the continued ownership of Mount Cranmore by Less Otten and LOB. Cranmore is an important part of Conway's economic mix. It is the center point of our winter business. As a tourist attraction it can be, as it has been in past years, a major destination for our *summer* and winter visitors.

Cranmore is, in the scheme of ski areas, a small area. It has a limited base of skiers; families and beginning skiers. But along with Attitash, it becomes part of a very attractive package. The economics of a small area these days is not a rosy picture. With high insurance costs, demands for bigger and better snowmaking, and the costs of adverting, economics of scale can make an area a viable business.

Cranmore has not had responsible management for many years and has twice been on the brink of bankruptcy. Now, with an owner who is a solid business man *and* understands skiing and the skier, Cranmore finally has a chance to thrive.

The pricing of tickets, according to the papers, seems to be your main concern. The money spent on tickets is discretionary money. If people feel that the cost of tickets is too high they will not buy them. A business needs purchasers of it's services in order to survive. If people stop buying tickets LOB would have to lower the ticket costs to lure the skier back.

Please leave along what appears to many in the town to be a situation which benefits not only Conway but the entire Mount Washington Valley.

Sincerely,

Cynthia B. Briggs,

Selectman, Town of Conway 1989–1995, Planning Board, Town of Conway, 1995–1999, School Board, Town of Conway 1975–1981, Budget Committee, Town of Conway.

copies: Phil Gravink, Pres. Attitash, William Zeliff, U.S. Rep., Judd Greg, U.S. Senator, Robert Smith, U.S. Senator.

James H. Hastings

July 31, 1996.

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H. Street NW, Washington, D.C. 20530

Re: Mt. Cranmore, Conway N.H.

Dear Mr. Conrath: As a resident of Massachusetts and one who skies frequently in the North Conway area, I am submitting my coments regarding the proposed divestiture of Mt. Cranmore. Unlike other areas in the Country, North Conway has many ski areas in the vicinity, all with ownership other than the one currently owning Mt. Cranmore and Attitash. Within a one hour drive the following independent ski areas are located: Bretton Woods, Cannon. Black, Wildcat and King Pine. Additionally, skiers from eastern Massachusetts have the option of travelling to the Route 93 side of New Hampshire, eastern Maine or Vermont. This type of competition does not, in my mind create a monopoly. What is clear however, is that operating a ski area takes management expertise and capital, both of which have been evident since the current ownership purchased Mt. Cranmore.

During the winter of 1995–1996, I skied at Mt. Cranmore and was very pleased with the changes incorporated. These changes made Mt. Cranmore a pleasant place to ski, and more importantly contributed to the economy of North Conway.

My concern is that if Mt. Cranmore is forced to be sold to less experienced or less capitalized ownership, the mountain and the town, would suffer. I ask that you seriously consider alternatives to forcing divesture of Mt. Cranmore.

Very truly your,

James H. Hastings,

55 Stetson Street, Bradford, Massachusetts 01835.

John B. Pepper

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, Washington, DC 20530

Re: Cranmore Mountain Ski Area, North Conway, NH

Dear Sir: Our family learned with great concern of the consent decree to which LBO Enterprises was forced to agree in order to accomplish the merger with S.K.I. Ltd. requiring the divestiture of Cranmore and Waterville Valley.

We are not as familiar with the Waterville situation as to whether it is possible for this area to be successful on its own or under some other ownership.

We are very familiar with the Cranmore situation and have very serious doubts that it can be successful without continuing the enlightened management of LBO.

This area was on the verge of being unable to continue in business and might well have gone the way of other small ski areas in our area had not Les Otten come to the rescue with new management and capital to rescue it from the brink.

It is not only capital that is required for a successful operation of a ski area but also enlightened management and that type of management is exactly what LBO brought to this area that had been slowly dying over the last several years.

LBO also brought leadership in the important vacation industry which is so important to New Hampshire but also financial strength and marketing skills that are so much more successful when combined with several other regional ski businesses.

The whole thrust of LBO marketing has been to bring more vacationers to New England not only from the U.S. but also from Europe.

There is no lack of other competition in Northern New England so that any concern about the public suffering from multiple ownership of areas is unfounded. Even in Mount Washington Valley this competition exists but all local business is convinced that LBO will benefit all business in the valley—even other ski areas not under LBO ownership.

We emplore that you reexamine this unfair conclusion of the Justice Department. We ask that every consideration be given to reversing this decision involving Cranmore Mountain.

Sincerely,

John B. Pepper,

Alice W. Pepper.

Prescilla A. Morse

July 16, 1996.

Subject: D.O.J. divestiture order relative to LBO Cranmore Ski Area

Gentleman: I respectfully request that you reconsider your actions in ordering LBO Enterprises to divest of the Cranmore Ski Area. As a senior citizen pass holder, my pass allowed me to ski at either Attitash Bear Peak or Cranmore, since both are owned by LBO.

The opportunity to choose makes it possible for me to enjoy the best conditions of the day. North facing Attitash may be uncomfortable on a cold windy day, but the alternative, Cranmore with its southern exposure can be a better choice. Conversely, on a warm sunny day Attitash becomes the mountain of choice. Should these two areas become owned by separate entities, I would no longer have the luxury of choice and thus, my skiing pleasure would be damaged.

It should also be noted that LBO has done an outstanding job of upgrading Cranmore's facilities and has consistently produced outstanding snow conditions.

Apparently, the D.O.J. is concerned that LBO holdings will lessen competition resulting in higher ski ticket pricing. In the Mt. Washington Valley Area, there are six ski areas, Wild Cat, Black Mtn, Shawnee Peak, Bretton Woods, Attitiash and Cranmore. It would seem that the existence of four independent competitors, within a few miles of the subject areas, would exert pricing pressure which would keep LBO area prices competitive.

I respectfully ask your reconsideration of your position and allow Cranmore to remain a part of LBO Enterprises subject to your review another year.

Sincerely,

Priscilla A. Morse,

19 Green St., Newbury, MA 01951.

Mr. Peter B. Edwards

August 1, 1996.

Mr. Craig W. Conrath,
Chief—Merger Task Force, Anti-Trust Division, US Dept. of Justice, 1401 H St. NW., Washington, D.C. 20530

Re: LBO Holdings, Inc./Ski, Ltd.

Dear Mr. Conrath: I am writing in regards to the requirement by the Justice Dept. that LBO Holdings divest itself of Mt. Cranmore. As a skier and consumer of the skier services that LBO provides in the Mt. Washington Valley. I am firmly in opposition to the divestiture requirement. I believe this opinion is shared by many other skiers both in the valley, and outside.

LBO Holdings has been a skier's friend. They invest in the mountains they run and provide a quality skiing experience. One need only to observe what has happened at Mt. Cranmore in the year since LBO has owned the business. They improved the mountain tremendously and lift prices have not increased out of line with other areas.

It is my understanding that the anti-trust activities of the Justice Department are to protect the consumer or other parties from unfair competition. There is still plenty of competition in the Mt. Washington Valley. There are 6 ski areas within a 20 mile radius of North Conway. LBO owns only 2 of these. Additionally, LBO has not exhibited any kind of predatory pricing practices. What is good for one ski area in terms of traffic has benefits for other neighboring ski areas.

I would be pleased to testify in this matter in support of the effort to drop the Mt. Cranmore divestiture. Thank you for your consideration.

Yours truly,

Peter B. Edwards

Glass Graphics, Inc.

August 1, 1996.

Mr. Craig W. Conrath,
Chief—Merger Task Force, Anti-Trust Division, US Dept. of Justice, 1401 H St. NW, Washington, D.C. 20530

Dear Mr. Conrath: Please add my name to the list of those businesses in the Mt. Washington Valley who strongly oppose the requirement that LBO Holdings sell Mt. Cranmore in order to complete the merger with Ski, Ltd.

This makes absolutely no sense to me. LBO is hardly the kind of business which the Anti-Trust regulations were meant to deal with. Les Otten and his company have been a friend of consumers and competitors alike.

He has invested heavily in Mt. Cranmore and this has benefitted all the ski areas by bringing in more skiers to the Mt. Washington Valley. Just ask them.

I would urge you to hold local hearings on this matter to hear from consumers and competitors. The overwhelming opinion will be in favor of allowing LBO to retain Mt. Cranmore.

Yours truly,

David Peterson,

Pres.

Miriam L. Regan

Craig W. Conrath,
Merger Task Force, Antitrust Div.

Dear Sir: Please use your influence to reverse the decision on the divestiture of Cranmore in No. Conway, N.H.

The accessible location of the ski area to the town is exceptional and all important to our local economy.

Sincerely,

Miriam L. Regan

Pam and Bob Fisher

3 August, 96.

Dear Craig Conrath: Grateful for your prompt reply to my earlier letter and sympathetic with the flood of mail you are doubtless receiving, I shall be brief. It is the economy of scale which enables Les Otten to continue to provide quality skiing at the lowest possible price. This we well know as 70+ skiers who can afford to ski the Cranmore-Attitash-Bear P complex economically. Having skied-raced-coached in this valley since the '40s, both my wife and I, our children, and our grandchildren are intensely aware of the roller-coaster character of ski area finances and how they impact consumer quality experience. It is our non-expert opinion that ''keeping Cranmore under the American Skiing Company's umbrella (will best) protect and bolster the Valley's tourism dependent economy.'' Again, thank you for attending.

Sincerely,

Pam & Bob Fisher,

615 Potter Road, Center Conway, NH 03813.

Christopher J. Cote

July 29, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, NW., Washington, DC 20530

Dear Mr. Conrath: It is with deep concern that we write this letter regarding the Department of Justice's recent divestiture ruling on LBO's forced sale of Mt. Cranmore in North Conway, New Hampshire. Hopefully, you are aware of the history of Mt. Cranmore in the Mount Washington Valley. Not only is it of historic value, but the financial history in recent years has not been the best. We have skied the area for years and feel its impact in the Valley. This mountain cannot stand on its own. The comparison of Mt. Cranmore to the other areas is not an equal comparison. This mountain is a small intermediate mountain that, until Les Otten, was about to close. The package of including it with Attitash and Sunday River as a combo ticket and as an advertising program during the past year, has brought new life to the mountain and the valley.

We would greatly appreciate it if you would reconsider your decision regarding this mountain. It needs the strong and knowledgeable leadership of LBO. Many of us who live in the Massachusetts and Rhode Island area would rather have the opportunities to ski a progressive area with a future than a discounted, old and perhaps closed mountain.

For the communities of the area and the skiers of New England, please take a second look at this decision!!!

Thank you,

Christopher J. Cote,

29 Essex Street, Lowell, MA 01850.

Ronald F. Cote

July 29, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division, US DOJ, 1401 H Street, N.W., Washington, DC 20530

Dear Mr. Conrath: It is with deep concern that we write this letter regarding the Department of Justice's recent divestiture ruling on LBO's forced sale of Mt. Cranmore in North Conway, New Hampshire. Hopefully, you are aware of the history of Mt. Cranmore in the Mount Washington Valley. Not only is it of historic value, but the financial history in recent years has not been the best. We have skied the area for years and feel its impact in the Valley. This mountain cannot stand on its own. The comparison of Mt. Cranmore to the other areas is not an equal comparison. This mountain is a small intermediate mountain that, until Les Otten, was about to close. The package of including it with Attitash and Sunday River as a combo ticket and as an advertising program during the past year, has brought new life to the mountain and the valley.

We would greatly appreciate it if you would reconsider your decision regarding this mountain. It needs the strong and knowledgeable leadership of LBO. Many of us who live in the Massachusetts and Rhode Island area would rather have the opportunities to ski a progressive area with a future than a discounted, old and perhaps closed mountain.

For the communities of the area and the skiers of New England, please take a second look at this decision!!!

Thank you,

Ronald F. Cote,

Joyce A. Cote, 29 Essex Street, Lowell, MA 01850 & 31 Conway Road, Madison, NH.

Maine Turf Co.

August 6, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, US. Department of Justice, 1401 H Street NW., Washington, DC 20530

Dear Mr. Conrath: I am writing to express my disbelief and concern over the ruling from the Justice Department forcing Mr. Otten to sell-off Cranmore. I thought the Anti-Trust laws were no longer in effect. It is difficult to understand why Otten's small portion of the ski market is a threat to our free market economy when so many companies control much larger portions in the market place. I speak from experience; I raise potatoes for the potato chip market. One of my past customers is the Frito-Lay Corporation; a subsidiary of PepsiCo. In the mid eighties the Frito buyer communicated the company's market strategy. He said Frito-Lay will *stabilize* the chip industry. I asked what that meant. The buyer divulged a plan to control the potato chip market. First large plants were being built to reduce unit cost. Second, the better growers (farmers) will be instructed to sell potatoes exclusively to Frito-Lay. Finally, any amount of money would be spent to buy store space and run promotions to apply financial pressure against smaller manufacturers. Frito wanted my operation to be a part of their *team*. That meant I would no longer sell to other manufacturers.

That's wrong and I stopped doing business with Frito-Lay. Today, Frito-Lay controls at least 60% of the national market. Most of their competition is no longer in business. A visit to our local Shop & Save is proof; the chip isle is dominated by Frito products and they still pay extra for end displays even though they have little competition. Their plan worked.

This is why I find it absurd that the Justice Department is going after Mr. Otten while looking the other way as large corporations forage at will. Otten invested in vital improvements and upgraded management at Cranmore. These improvements are a great benefit to the whole community. I don't understand the logic of this order to divest.

Respectfully,

Douglas C. Albert,

President, Albert Farms/Maine Turf Company.

Locust Hill

August 5, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Div., U.S. Dept. of Justice, 1401 H Street NW., Washington, D.C. 20530

Re: Mt. Cranmore and LBO merger

Dear Mr. Conrath: I strongly support the continued ownership of Mt. Cranmore by LBO Inc.

I have owned and operated two tourist businesses in North Conway over the past 40 years, owning each for 20 years. Until 1975, about 50% of our business was ski oriented. Since 1975, our winter tourist business has steadily eroded—as the fiscal stability of Mt. Cranmore has weakened.

With the purchase of Mt. Cranmore by LBO last year, North Conway has been given new hope for its winter season in the future.

Many (most?) ski areas are marginal business enterprises at best. Please leave us with one of the few successful operators—Les Otten.

Sincerely,

Conrad Briggs,

Past President; North Conway Chamber of Commerce, Past President; Eastern Slope Ski Club.

c. Phil Gravink

Hurricane Mtn. Farmhouse

5 August 1996

Mr. Craig W. Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street NW., Washington, D.C. 20530

Dear Mr. Conrath: I applaud the willingness of the Division to gather additional information on the Mount Cranmore divestiture order and have some hope that this will lead to a reconsideration. My interest is that of a citizen who has lived summers and now permanently within a mile of these slopes more than a decade before they were purchased by Harvey Gibson. Cranmore is woven into the history and present life of this Valley.

To date I have not seen a statement from your office that explains why the action was required prior to approving the merger sought by Mr. Otten. Do the data collected and analyzed support a conclusion that Otten's share of the skiing market will produce higher ticket prices? Does the analysis include the discretionary nature of consumer spending for a recreational activity carried forward under highly unpredictable and perishable conditions? Does the Division consider skiing as an activity high enough in the order of consumer importance (i.e., compared to food, fuel, telephone, etc.) to make antitrust action necessary?

If Otten or American Skiing uses its 25% market share of New England downhill skiing to boost prices beyond consumer willingness to pay, there are many other slopes available in New England and even further distant. Cranmore will immediately show a reduction in ski runs. There can be no time for ''wait and see''; the snow must be sold before it melts. Not only that but downhill skiing already has lost its growth potential as other less expensive winter sports have developed.

Has the Division examined the financial statements of Cranmore for the last 10 years to determine its profitability? In how many years were its property taxes in arrears? Were the electric power bills paid on time? Was new and improved lift equipment installed? How ''good'' was the snowmaking? Can Cranmore stand alone as a ski operation or is it ''assisted'' by being tied to another operation such as Attitash thus achieving economies? Isn't there an advantage in one company marketing a Valley ski experience? Have the other Otten ski operations in Maine and Vermont been checked for the kind of conspiracy in restraint of ski recreation that the Division seems to anticipate?

I suggest the Division take a ''second look'' and give greater attention to the fragility of downhill ski resorts and of their impact on the economic and social life of a mountain area not especially known for its great wealth. The capital and business that Otten has brought and will bring here can be felt by all residing in the Valley.

Faithfully

Richard A. Ware

Stephen P. Camuso

July 5, 1996.

Craig W. Conrath,
Chief of Merger Task Force, Antitrust Division—US DOJ, 1401 H Street NW., Washington, DC 20530

Dear Mr. Conrath: I am writing concerning the recent action taken on the acquisition of Cranmore Mountain in No. Conway, New Hampshire by LBO. As a visitor to the Mt. Washington Valley area since 1959 and a landowner since 1981, I am very much concerned about LBO having to divest themselves of the Mt. Cranmore property.

Since 1959, we have found skiing to be a great family sport and one that is generally carried on by the next generation with their families, Such is the case of both my wife and I and now our children. We invested in a vacation home in the Valley because of its proximity to our Boston area home and the ''family theme'' and layout of Mt. Cranmore. In the years that we have skied exclusively at Mt. Cranmore there have been three owners before LBO purchased the property in 1995. Initially, each owner enthusiastically moved forward with new projects to better the area only to run out of money after a few years and allow the property to decline over time until a new owner could be found.

It's apparent that the area will only survive with an owner who can afford the ups and downs of such a seasonable business. Many of us who have supported Mt. Cranmore through these ups and downs realize this and were excited with the LBO takeover. They immediately went back to basics and invested in such needed things as a new septic system for the top of the mountain which allowed for the reopening of the restaurant and bathroom facilities—something the previous three owners had failed to do. They immediately installed a new detachable quad chair which made the mountain accessible for evening meals and use in the summer. What we saw was a real commitment to bring Mt. Cranmore up to the standards of the other LBO properties.

We find that each ski property has it's own attraction. For example, in the 37 years that our family has been skiing in the Mt. Washington Valley, we have only visited the other mountains a handful of time. One mountain is no threat to another and the strength of the whole valley is based on the success of all the mountains. We are all aware of the risk involved in the ski business. A firm the size of LBO is able to minimize this risk which can only be a benefit to those living and working in the Valley as well as the property values of second home owners who have invested in the area. We look forward with enthusiasm to LBO's continued investment in Mt. Cranmore.

Sincerely,

Stephen P. Camuso,

14 Cranmore Circle, No. Conway, NH 03818.

Alfred C. Peters, D.M.D., M.S.W., C.A.C

Dear Mr. Conrath: I have skied, climbed, and lived in the Mt. Washington Valley for over ½ century. The environmental and economic integrity of this area is dependent on the viability of Mt. Cranmore, Mt. Attitash and Sunday River in Maine.

Mr. Otten is the one person who is capable of enchancing the well-being of our community by uniting these three areas for out common well-being.

Please ''Reverse the Decision.''

Sincerely,

Alfred C. Peters

National Federation of Independent Business

August 14, 1996

Mr. Craig Conrath
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Washington, DC 20530

Dear Mr. Conrath: NFIB is the largest small business advocacy organization in the nation representing over 600,000 small and independent business owners.

One of our members, Brain Hill of Intervale New Hampshire, has sent us information regarding the divestiture order pending against Les Otten of LBO Enterprises, Inc. If this order is carried out, many NFIB members in New Hampshire will be adversely affected. The profitability of their small businesses depend on the dollars spent by Les Otten to advertise and draw tourists to Cranmore and Waterville Valley.

On behalf of our members, we urge you to reverse your decision and cancel the order to divest.

Thank you for your attention to our comments.

Sincerely,

Joan M. Moeltner,

Membership Liaison.

cc: Brian Hill.

New Hampshire Electric Cooperative, Inc.

August 26, 1996.

Craig W. Conrath,
Chief, Merger Task Force, Anti Trust Division, US Dept. of Justice, 1401 H Street, N.W. Washington, D.C. 20530

Re: United States v. American Skiing Co. and S–K–I Limited, Civil Action No. 96–1308 TJP

Dear Mr. Conrath: I am writing you to express my strong concern over your required divestiture of Mt. Cranmore by LBO. I believe that your action will be detrimental to the citizens of the Mount Washington Valley, the members of New Hampshire Electric Cooperative, and the future of Mt. Cranmore.

New Hampshire Electric Cooperative is a member owned electric distribution utility serving about half the towns in the State of NH. We serve a number of ski areas including Mt. Cranmore, Waterville Valley, Loon Mt., Attitash, Tenney Mt., Highland Ski area, and Black Mountain. We have extensive experience dealing with troubled or bankrupt ski areas. We have served on the creditors committee for Tenney Mt. We have been chair of the creditors committees for Waterville Valley and Black Mountain. We also have followed closely the issues related to Mt. Cranmore's bankruptcy.

We were delighted when LBO (Now ASC) acquired Mt. Cranmore. They injected life into a small market Mountain. Their investments created jobs and opportunities to a ski area that was struggling. Our concern is that your divestiture requirement sets Cranmore floundering once again. Going back to the way things were just a few short years

ago would be detrimental to business in the Valley, the employees of Cranmore, this Cooperative and the skiers of New Hampshire, Maine and New England.

Having been involved in the Black Mountain and Waterville bankruptcies I know that there are limited serious buyers for ski areas. There are fewer if any serious buyers with the financial means to be successful with a mountain the size of Cranmore. The fact is Cranmore was on the market for a long period of time before being purchased by LBO. I believe your action amounts to a death sentence for Cranmore. I question if a quality buyer will be found who will continue with the plans that have already been laid out for the mountain. In the long run this will have the opposite impact on competition from what you are trying to achieve. One less mountain to choose from.

I take exception with your justifications for this divestiture. You focus on the impact on skiers from the states of Maine, Massachusetts, Connecticut, and Rhode Island and ignore the impact on New Hampshire's skiers. You taut the specter of higher prices, but do not recognize that improved services and expanded facilities are the important aspects of the merger. You fail to understand that skiers do not make their decision on where to ski based on price alone. Ski area conditions, terrain, lift capacity, and amenities such as food, lodging, and shopping are all important factors.

In general, I question the need to divest at all, and especially the need to divest of two *New Hampshire* ski areas. There has to be another solution that satisfies your needs. I hope you will try to find that solution and I ask you to reconsider your actions and not require the divestiture of Mt. Cranmore.

Sincerely,

Fred C. Anderson,

General Manager/CEO.

cc: James Somerville, Conway Town Manager, PO Box 70, Center Conway, NH 03813.

Ronald Barber

August 28, 1996.

Mr. Craig W. Conrath,
US. Dept. of Justice, Washington, DC 20503

Dear Sir: I am taking advantage of the extension of the Public comment period to write the D.O.J. in opposition to its divestiture order for American Skiing to sell Mt. Cranmore, of N Conway, NH.

I have been a resident of N Conway for 13 years, and have at time worked part-time at Mt. Cranmore, but not within the past 3 years.

Mt. Cranmore is viewed almost as a public trust in our area and provides employment and recreational opportunities at the core of this community.

Membership in a marketing group such as Attitash-Bear Peak-Cranmore can insure that Mt. Cranmore can maintain a competitive position, and acquire capital and assets with economy of scale.

Standing alone, Mt. Cranmore doesn't have the size or terrain to stack-up favorable against other ski mountain complexes in NH or Western Maine, further, Mt. Cranmore's opportunities to expand its facilities is fairly limited.

The overall Mt. Washington Valley region economy stands to gain more if our tourism guest's entertainment options are viewed as economically healthy enterprises.

Mt. Cranmore has always suffered boom and bust cycles coinciding with ownership changes injecting fresh funds.

Membership in a corporation such as American Skiing seems to be a more positive step towards steadier improvements, growth, and financial outlook.

We oppose D.O.J.'s divestiture order.

Sincerely yours,

Ronald Barber,

Pamela A. Barber,

364 Thompson Rd, N Conway, NH 03860.

State of New Hampshire

August 30, 1996.

Mr. Craig Conrath,
Chief, Merger Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Washington, D.C. 20530

Dear Mr. Conrath: We are writing you to strongly request a reversal of the order to LBO Enterprises, Inc., to divest itself of ownership of Cranmore Mountain and Waterville Valley ski areas. As we understand the intent of anti-trust laws, they are to protect small business and the population in general. Your divestiture order in fact creates a situation which the law intends to abate. Let us explain in greater detail.

Both ski areas have been through bankruptcy proceedings within the past 5 years and during this period of time have been a detriment, not an asset, to their surrounding communities. Until Les Otten and LBO Enterprises, Inc., obtained ownership, neither ski area was operating in the black side of the ledger. Under his guidance, both areas have returned again to their once profitable position; and more importantly, the adjacent communities have seen a tremendous increase in tourist dollars for their small businesses. We believe that, based upon past experience, any new owner(s) would not have the capital nor expertise to maintain Mr. Otten's marketing programs, and the ultimate loss will be to the citizens of the north country of New Hampshire. We cannot sit passively by and allow this to happen.

We truly hope that you will re-consider your position, and at the very least, advise us to the reasoning behind any decision to continue the divestiture order.

Very truly yours,

William E. Williams, Jr.,

State Representative, Grafton District 3.

For: Howard C. Dickinson, Jr., Carroll District 2, Gene G. Chandler, Carroll District 1, Henry P. Mock, Carroll District 3, Kipp A. Cooper, Carroll District 2, Paul K. Chase, Jr., Grafton District 6, Sid Lovett, Grafton District 6.

Mt. Washington Valley

September 5, 1996.

Craig W. Conrath,
Antitrust Division, U.S. Dept. of Justice, 1401 H. Street NW, Washington, DC 205530

Dear Mr. Conrath: The Board of Directors of the Mt. Washington Valley Chamber of Commerce with offices in North Conway, New Hampshire, are in support of the Task Force set up in our region to speak to the issue before you on the divestiture of Mt. Cranmore by the American Ski Company.

We feel that the efforts of the Task Force will show that the Ski Industry in general needs to be better understood and that this is an industry which has reached a plateau in regards to pricing. It has become unaffordable to the greater populace and therefore the threat of over pricing is of greatest concern to the industry itself. One of the best ways to control costs is to have companies which can utilize economies of scale within their own design which will solidify their own future. The American Ski Company is trying to do just that.

The health of the Ski Industry is of critical importance to our region. The ability for the owner of Cranmore to not only have the financial resources for the long haul, but to have the experience in the management, growth, and development of Skiing on a large scale is also vital.

Because the Board of Directors of The Mt. Washington Valley Chamber of Commerce represent a number of Ski Areas within our membership ranks, it makes it difficult politically to promote one area over the other, we can, however, wholeheartedly support this local Task Force and their efforts to help the Justice Department better understand the complexities of the Ski Industry and its impact on this economic region.

Sincerely,

A.O. Lucy,

Executive Director, Mt. Washington Valley Chamber of Commerce.

cc: Board of Directors, Jim Sommerville.

September 7, 1996.

Mr. Craig Conrath,
Anti-Trust Division, U.S. Dept. of Justice, Washington, DC

Dear Mr. Conrath, I am writing about the DOJ order to have OTTEN sell Cranmore and Waterville Valley. I have just read that other probably will sell these ski areas to Gillett. However, in case that sale does not materialize, I want to write you.

I *fully support* your decision to order Otten to sell Cranmore and Waterville Valley. I live in Glen, halfway between Attitash and Cranmore and thus am most familiar with the Cranmore situation. I am not a businessman; I have no financial interest in Cranmore or Attitash; I do not work for Cranmore or Otten, I am a PLAIN SKIER. I believe that making Otten sell Cranmore will BENEFIT me, a plain skier. With competition I believe I will get better and more skiing for my money. I thank you for thinking of me.

The local businessmen, local officials, and Congressman _____ give arguments stating why Otten should keep Cranmore. When carefully examined, the argument fall apart.

1. The pro-Otten business forces say that ''economies of scale'' will reduce or keep down ski prices. That's a bunch of baloney. Perhaps they forget how Otten RAISED Cranmore prices after he took over. Also the

business people seem to forget the NEAR-REVOLT of local people when Otten charged more and restricted the skiing of the local Masters skiing program.

2. The pro-Otten forces predict a possible disaster to our area if Otten is forced to sell Cranmore. That is over-speculation and pure nonsense. They mean PERHAPS not as many dollars in their pockets. They DO NOT care about the individual skier. If Mr. Gillett is typical of the possible ski area owners, than other ski area owners have as much or more interest than Otten in running a good ski area and in being a good neighbor with those of us who live in the area.

We need more competition, not less competition, in this area.

On another matter, please be careful with the words that Otten uses.

1. Otten builds Grand Summit Hotels but they are at the BASES of mountains, not on the summits.

2. Otten advertises Cranmore-Attitash as ''Ski the Presidentials.'' In reality the Presidentials are a series of magnificent mountains some 15 miles from Cranmore-Attitash, in ANOTHER COUNTY, and some 1000 feet higher than Cranmore-Attitash. Moreover, it would be dangerous for a normal skier to ski these above-tree-line peaks.

3. Otten and his people, when planning to build a huge new hotel in our area, called local residents who expressed concern ''enemies.''

This is the kind of man you are dealing with. Again, I applaud you for making Otten sell Cranmore. Do not bow to the many letters that Otten supporters and local businessmen write.

As an individual skier I am glad that someone in our federal government is trying to look after the interest of the skier.

Yours truly,

Richard M. Chrenko,

P.O. Box 913, West Side Road, Glen, NH 03838–0913.

United States of America v. American Skiing Company and S–K–I Limited

Civil Action No. 1:96CV01308; Filed: June 11, 1996; Comment Period: September 10, 1996

Mt. Washington Valley Task Force Report: Divestiture of Mt. Cranmore; Dated: September 5, 1996

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Town of Conway

September 5, 1996.

Mr. Craig W. Conrath,

Chief, Merger Task Force, Anti-Trust Division, U.S. Department of Justice, 1401 H Street, N.W., Washington, DC 20530

Dear Mr. Conrath: Enclosed herewith is the response report to the Department of Justice's judgment order No. 1:96CV01308 requiring the divestiture of Mt. Cranmore as a condition of the merger of American Skiing Company and S-K-I Ltd. This report is the result of many hours, involving meetings, collection of data, research, interviewing, and discussions by a special Task Force that is representative of the entire Mt. Washington Valley.

We urge you to read carefully and digest the report's contents. You will find a considerable amount of current data not used in your prior deliberations, unbiased professional opinion, feelings from lay people who are the core and heart of the economic region, and what we feel is a convincing collaboration of information which clearly and overwhelmingly justifies a modification of the consent decree not to require the divesting of Mt. Cranmore.

In the interest of thousands of individuals and families who reside in Mt. Washington Valley, the hundreds of businesses established in the Valley, the millions of U.S. and foreign visitors who vacation-tour-recreate in the valley, we urge you to be open and fair. If you are, your conclusion should be the same as ours in recognizing that the divesting of Mt. Cranmore is not in the public's best interest, there is strong and potentially devastating adverse economic impact, the Maine day/weekend skier issue is a myth not a reality, the market has been misunderstood and when properly defined creates a favorable Herfindahl-Hirschman Index ''HHI'', competitive pricing is market driven-self policing and not an issue, the merger does not create a monopoly, and the merger creates a natural geographic and economic marriage of two ski areas (Attitash and Mt. Cranmore) assuring the viability and economic growth of Mt. Cranmore and the region.

The U.S. Department of Justice's cooperation and patience over the past few months is greatly appreciated.

Any questions you may have should be directed to James B. Somerville, Town Manager, Conway, NH (603–447–3811), Task Force Chairman and spokesperson.

With confidence and anticipation we look forward to the Department of Justice's consent decree modification.

Respectfully submitted,

James B. Somerville,

Chairman, Mt. Washington Valley/Mt. Cranmore Task Force.

TASK FORCE

Name	Position/Business
William Bartlett, PO Box 1856, Concord, NH 03302–1856, 603–271–2411.	Commissioner—Dept. of Resources & Economic Development, State of New Hampshire.
Taylor Caswell, 1210 Longworth House Office Bldg., Washington, DC 20515, 202–225–5456.	Representative—Congressman Zeliff.
John Cavanaugh, 99 Pease Blvd., Portsmouth, NH 03801, 603–431–2171.	Representative—Senator Gregg.
Mark Aldrich, 50 Phillipe Cote Street, Manchester, NH 03101, 603–634–5000.	Representative—Senator Smith.
James B. Somerville, PO Box 70, Center Conway, NH 03813, 603–447–3811.	Conway Town Manager, Chairman, Mt. Cranmore Task Force.
William D. Paine, Esq., PO Box 40, Intervale, NH 03845, 603–345–5562.	Judge/Attorney.
William Cuccio, PO Box 372, North Conway, NH 03860, 603–356–6041/5578.	Restaurant Owner/Selectman.

TASK FORCE—Continued

Name	Position/Business
Dewey Mark, Red Parka Pub, PO Box 173, Glen, NH 03838, 603–383–4344.	Restaurant Owner, President of Mt. Washington Valley Chamber of Commerce.
John A. Cuddy, PO Box 235B, North Conway, NH 03860, 603–447–3700.	Banker, Mt. Cranmore Ski Instructor 17 years.
Tyler Palmer, Palmer Insurance, PO Box 400, Intervale, NH 03845, 603–356–6926.	Insurance Agency Owner, Former Olympic Skier.
Arnold Blethen, PO Box 142, North Conway, NH 03860	Retired Business Owner/Mt. Cranmore Ambassador.
David Urey, PO Box 337, Conway, NH 03818, 603–447–6331	Retired Corporate Lawyer.
Judy McGinty, PO Box 339, Intervale, NH 03845, 603–356–5762	New Hampshire Electric Coop., Public Relations.
Gene Chandler, Rte. 302, Bartlett, NH 03812, 603–356–2950	NH State Representative, Bartlett Selectman, Real Estate Sales.

Opening Statement

1. This report concentrates on Mt. Cranmore with a position from the outset that it should not be included for divestiture as a condition of merger. Using the Department of Justice's (DOJ) documents of decision as a base reference, the report is specific in addressing what the Task Force considers to be ''flawed'' conclusions/philosophies/assumptions and facts.

In each area of concentration, based on collected and researched data, new facts, and professional opinion, the report substantiates why the DOJ's premises are flawed and, in so doing, new conclusions and opinions are drawn. The report does not attempt to definitively look at every minute detail or issue.

Primary subject areas are fully covered as follows:

MARKET
COMPETITION/PRICING
MONOPOLY
ADVERSE ECONOMIC IMPACT
INFRASTRUCTURE/SKI INDUSTRY SURVIVAL
''HHI''

2. Because of developments as of August 31 with the announcement by American Ski Co. of a potential buyer, a more universal comment section which zeros in on the principal of DOJ's involvement in a leisure industry which markets to the consumer's discretionary available dollar has been added to this report, entitled ''Have They Gone Out-Of-Bounds?''

3. All statistics and professional opinions are verifiable and contained in the referenced resource documents or through contacting the professional references used in preparing this report.

Overview of Dept. of Justice Positions

1. Selling of Mount Cranmore will preserve competition, the merger will lessen competition substantially.

2. American Skiing Co. would have control of eight of the largest ski resorts in eastern New England.

3. Merger would raise prices.

4. Merger would eliminate discounts to Maine residents for day skiing trips and to residents of Maine, eastern Massachusetts, eastern Connecticut and Rhode Island for weekend excursions.

5. About $400 million was spent last year on skiing in New England.

6. Weekend and day ski market is Maine, eastern Massachusetts and Connecticut, and Rhode Island.

7. Eastern New England and Maine constitute a relevant geographic market.

8. Provision of Skiing comprises all services related to providing access to downhill and snowboarding, including ancillary services such as food service, entertainment, and lodging.

9. Most skiers travel some distance to ski.

10. Pricing, discounts, ski packages vary and can be market targeted.

11. Downhill skiing differs from other winter recreational activities.

12. A small increase in prices for skiing would not cause a significant number of downhill skiers to substitute other winter recreational activities for skiing.

13. Skiers are not willing to travel an unlimited distance to ski.

14. ASC and S–K–I compete and both provide skiing to eastern New England weekend skiers at each of their ski resorts.

15. There are a limited number of resorts with adequate services in Maine, New Hampshire and Vermont for weekend skiers.

16. Smaller ski resorts located farther away cannot and, after transaction, would not constrain prices charged to weekend skiers living in eastern New England.

17. Skiing at smaller or more distant resorts is not a practical or economic alternative for most eastern New England weekend skiers most of the time.

18. ASC and S–K–I control the only resorts Maine residents can go to for day skiing trips.

19. Mt. Cranmore can charge prices to Maine day skiers different from prices they charge to other skiers.

20. Competition between ASC and S–K–I providing skiing to eastern New England weekend skiers would be eliminated.

21. Discounting to eastern New England skiers by ASC and S–K–I resorts would likely be reduced or eliminated.

22. Prices for skiing to eastern New England weekend skiers would be likely to increase.

23. Competition, generally, in providing skiing to Maine day skiers would be lessened substantially.

24. Actual competition between ASC and S–K–I in providing skiing to Maine day skiers would be eliminated.

25. Discounting to Maine day skiers by ASC and S–K–I resorts would likely be reduced or eliminated.

26. Prices for skiing to Maine day skiers would be likely to increase.

27. The merger would substantially increase concentration in the eastern New England weekend skier market and Maine day skier market using the ''HHI'' as a measure of market concentration.

28. Post merger would increase the ''HHI'' to 2100 with a change of 900 pts. for eastern New England with a 43% market share. It would be 2900—up 1200 for Maine and eastern New Hampshire, with a 50% market share.

29. Successful entry or expansion in skiing business would be difficult, time consuming, costly and extremely unlikely, and not sufficient to prevent any harm to competition.

30. The post merger, after divestitures, would show an ''HHI'' of under 1800 and a market share less than 40% in eastern New England. For Maine day skiers the ''HHI'' would be over 1900 and a market share of less than 35.

Task Force Rebuttal

Market

Analysis of the relevant MARKET is imperative to the credibility of DOJ's findings. We strongly feel and are convinced that what DOJ has determined to be the relevant MARKET is seriously flawed. There are three (3)

markets which affect Mount Washington Valley and the subject Mountain of Cranmore.

The first is an ever growing global market. Since DOJ's judgment places a strong emphasis on day trippers and weekend skiers, one only needs to be aware that it exists and that it will cause a future decline in the percent of day and weekend skiers as that number is relatively stagnant, yet the total numbers will grow as successful global marketing takes hold in New England.

The second market has unjustly been narrowed to Maine and eastern New England (actually north eastern New England). The number of skiers visiting NH from Rhode Island at 4.3% exceeds Maine's 3%, and Connecticut at 2.8% isn't far behind. New England represents 82.8% plus whatever visits occur from Vermont and even New York read in at 2.2%. Mt. Washington Valley is definitely a New England market destination and should be openly accepted as such by DOJ. The number for the HHI should accordingly be reworked and we challenge the DOJ to seek a second outside opinion and study to verify or refute the HHI. This will be discussed in more detail later in the report.

The third market is the COMPETITIVE MARKET PLACE once the skier arrives in Mt. Washington Valley. Within an hour and fifteen minutes there are no less than fourteen (14) ski areas to meet the desires and needs of every individual, family, skill level, diversity, weather condition and consumer cost level. DOJ has made no recognition or mention of this unique market place whose intensity probably cannot be found anywhere else in the world. A day skier traveling from New England's four (4) hour drive from market can, and does go to any one of the ski areas, and the weekend or five day and longer skier will set down in the Valley or another resort area with accommodations and likely consider skiing more than one area during the visit. With this type of market place, it is difficult to conceive how the DOJ cannot understand and believe in the free enterprise system, the supply and demand market place, the discretionary recreational dollar and that competitive pricing and consumer services will be self monitoring.

Monopoly

There simply is no likelihood of monopoly. Leaving Mt. Cranmore in the merged entity will have no significant impact on concepts of monopoly. Mt. Cranmore represents only 3.7% of the merged entity skier day volume (1996 data) and is by far the smallest entity. With divestiture of Waterville, Mt. Cranmore is still only 4% of the merged entity volume. Combining the skier visit volumes of Attitash/Bear Peak and Mt. Cranmore, the volume is till only 10.5% of the merged entity (without Waterville). They further represent a combined penetration of only 14% of the New Hampshire skier visit volume. Figures have not been obtainable to date which would show the percentage ratio of Sunday River, Attitash and Mt. Cranmore to the 14 ski areas in the skier destination market place which are:

Cranmore	Sunday River
Attitash	Balsams
Loon	Shawnee
Waterville	King Pine
Cannon	Gunstock
Black	Mt. Abram
Wildcat	Bretton Woods

Common sense says that the numbers would be favorable and not reflective of a monopoly positioning.

The Task Force feels it is important that the DOJ consider Attitash/Bear Peak and Mt. Cranmore as a marriage and *as one* in the market place. (See Appendix E) The DOJ should carefully weigh the efficiencies and costs of operations that the prior merger created in order to be competitive, creative and sustainable. The two areas offer all the positive incentives for operational cost effective efficiencies. The proposed order would undo the efficiencies already achieved by the operational combination of Attitash/Bear Peak/Cranmore. The two mountains are within 10 miles of each other, they offer a wide diversity of skier skills, snow making, length of season, on site non ski recreational and entertainment facilities, share the same off slope amenities, and are closely connected by rail train (snow skier, tourist run scheduling are being negotiated and highly probable). They are not in competition with each other and the demographics make them a perfect marriage. The efficiencies are self evident . . . marketing, staff, planned diversity, economy of scale in such areas as electric rates, equipment purchases, food purchases, etc. An example of the effect and advantage of combined marketing is provided in Appendix E. The brochures also highlight the Task Force's position that the two areas are a natural marriage.

The inclusion of Mt. Cranmore in the merged entity is clearly not the development of a monopoly. It is, instead, an example of leadership, running a business with an innovative management style and in a manner which will enhance the community, the sport, and the current and future success and sustainability of Mt. Cranmore. There is no other marriage that can come close and offer as much value. The need is there, and the ''at risk'' financial history of Mt. Cranmore speaks for itself. Based on Cranmore's pre LBO history over the past 10+ years of being unable to pay its operating bills, foreclosure, lack of credible buyers, etc., it may well qualify as a ''failing firm'' under DOJ's Horizontal Merger Guidelines.

Competitive Pricing

The DOJ placed a lot of emphasis on pricing with a weighted concern to the Maine day skier and eastern New England weekender. Packages of lodging, food and skiing, discounts, season tickets, smart cards, etc. are a way of life, part of marketing, supply and demand, and the free enterprise system. However, several issues need to be made very clear as the entire DOJ discussion reflects a possible lack of understanding of the ski industry.

1. The sport of skiing is discretionary, absorbing available discretionary dollars from persons earning an income where such dollars exist. In the 1995–96 season 37% of New Hampshire skiers had a principal income of $75,000 and 31% $50,000 to $75,000. That means 68% of those skiing in New Hampshire had a principal income of over $50,000. In 1994–95 37.3% had a household income in excess of $75,000.

2. Because there are 14 ski areas within the immediate area, if any one or two or even five areas raised their prices too high, the existing competitive market would seriously erode their consumer base.

3. Within the Valley's market area prices vary significantly, but they also undoubtedly reflect conditions, skill levels, and infrastructure aspects from which people in our society freely select. Skiers, as in the case of most consumers, are very dollar/value oriented.

4. No one on the Task Force is aware of any ski area which markets to the day skiers with different rates dependent on the State in which they reside.

5. The day skier to Mt. Cranmore, for example, who is normally a frequent skier, has the option of a seasonal ticket. If they work for a company in the Valley that is a member of the Chamber of Commerce (many do from the Fryeburg, Maine area) they can purchase a discounted employee ticket.

6. Because a combined Attitash/Bear Peak/Cranmore has and will continue to cause cost effective operational efficiencies, it is more probable that pricing will go down—not up—subject to labor and other indexes or inflation. This will make enhanced qualitative

skiing more affordable to those with less discretionary dollars. The combined efficiencies of Attitash/Bear Peak/Cranmore make these savings and lower relative pricing a reality as evidenced at Attitash/Bear Peak/Cranmore. The result satisfies the primary purpose stated in the Horizontal Merger Guidelines which is ''the primary benefit. * * * lower prices to consumers.''

7. Ski areas outside the merger will enjoy the benefits of the more global marketing of the merged entity. Because the area can absorb and entertain all levels, they will get a significant consumer spin off. One must understand skiers are not going to visit and ski just one mountain. The draw and excitement is to try others. Therefore, the more people that come to the Valley, the more skiers all areas have, pricing stays competitive and the remaining independent resorts have improved opportunity to self sustain. Without Mt. Cranmore in the merger family, fewer global marketing dollars will flow out to benefit the valley and ski market area. It will be more selfishly oriented, the other ski areas will not be the benefactors, fourteen (14) ski areas will decline and Attitash, along with Sunday River, will be the big winners with a greater share of the skier visit volume than if Mt. Cranmore remained in the merged entity.

The Task Force unquestionably feels the DOJ's pricing theory and approach are seriously flawed and are not a justifiable concern.

Maine Day/Eastern New England Weekend Skiers

(DOJ has not delineated geographical boundaries.)

The issue has already been partially discussed, however, facts and figures require a close look.

1. In 1995–96 New Hampshire had 2,321,158 skier visits.

2. Of those visits only 4% (92,846) were from Maine. The data available does not reflect how many of those skiers were day visits, and it is not reliable to assume that the mass majority were. For example, from December 1995 through April 15, 1996, the Mt. Washington Valley Chamber of Commerce reported that 5.6% of lodging reservations they made were from Maine, and that 5.7% of all inquiries were also from Maine.

3. Available 1996 data further shows that Mt. Cranmore had 125,000 skier visits of which 6,500 (5.2%) were from Maine and Attitash had 201,000 skier visits of which 4,422 (2.2%) were from Maine.

4. This means that 93% of the 92,000± Maine skiers of all categories did not ski Mt. Cranmore and 88.2% did not ski either Attitash or Mt. Cranmore.

5. By DOJ's own admission, Waterville Valley would see an insignificant number of Maine day skier visits.

6. The above, beyond a reasonable doubt, refutes the DOJ's theory and assumptions that the merger would monopolize and cause prices to increase for the Maine day skiers. 88.2% of the Maine skiers that come to New Hampshire ski at other locations which are not part of the merger makeup. No doubt most of them ski at one of the other eight ski areas in NH located in the Mt. Washington Valley's market area. Further, the monopoly and price issue at the Maine locations is moot as the DOJ's findings reveal that the Maine's Attorney General negotiated a pricing discount program for Maine residents which the DOJ is apparently satisfied with. In the reverse, NH skiers going to Maine are not concerned about price discounts as they are more apt to ski for the experience. Also they recognize the cost relationship of qualitative infrastructure, services and product. NH's local market with its many ski areas and free enterprise competitive market place, offers significant alternative pricing opportunities for those who desire it. The state of Maine, by trying to discriminate, will be the loser as NH residents will stay home. Remember that others will have to pay more to offset discount tickets, especially if the prices are below the cost of doing business.

According to the statistics compiled by the Institute for NH Studies for the 1994–95 season, only 3% of NH's skiers were from Maine for the entire season. Of those skiers surveyed, 68% were on a ''multi-day trip,'' thus less than 1.5% of NH's skiers were on a ''day trip'' from Maine. This is even smaller than the 2.5% of NH skiers from Florida, all of whom would have to have been on a multi-day trip. The segment of the population which the DOJ purports to protect by the proposed divestiture of Cranmore is nearly *deminimus,* and is a smaller segment of the market than even the skiers from Florida. This indicates to the Task Force Committee that the DOJ has chosen an inappropriate ''relevant market'' on which to base its order of divestiture.

7. Eastern New England Weekenders: With Maine out of the picture, even though we do not agree with the DOJ's definition of market area, the skier who comes to NH is narrowed down to eastern Massachusetts and Rhode Island.

While statistics are confusing with so many variables, it is difficult to create any meaningful data. What is known is:

- An average travel group is 5.06.
- Approximately 26% own property in the Valley.
- Cranmore had 65% of its skiers from Massachusetts (not known how many are eastern Mass).
- 78.2% stayed one night or more each visit—how many visits unknown.
- Available identified data on Rhode Island skiers is limited.

Due to the density of population in Eastern Mass. and the financial affluency of the market area, it is difficult to envision the DOJ's concern. There are so many choices from great day skiing at Nashoba, Wachusett and Temple to weekend alternatives from the Berkshires and throughout northern New England. Many of the 2nd homeowners in the Valley take advantage of seasonal tickets or enjoy the flexibility of a 14 ski area market for their growing families. Throughout the ski season they are prone to try many of the different areas. If they, as consumers, were surveyed or interviewed the DOJ would know how thrilled they are with the merger, and the confidence they have that it is in the public's best interest. There is little to no concern with the weekender market about monopoly and prices.

Economic Impact

The DOJ's decision to require divestiture of Mt. Cranmore has caused an alarm of concern to go off throughout the valley. Mt. Cranmore has struggled too long and the Task Force does not believe it can survive as a status quo stand alone operation. Economists we have communicated with concur. We finally got the wheel fixed, why try to tell us it has to be broken again?

The required action will have an immediate adverse economic impact in Conway. Concerns are already being seen with properties adjacent to Cranmore and confidence levels are depleting within the business community.

1996 saw $80 per skier visit spent in New Hampshire which equates to $10,000,000 being spent at Mt. Cranmore, plus an additional $110 or $13,750,000 of secondary sales. Since Mt. Cranmore is not a self contained resort, the actual secondary sales could be higher in Conway and Mt. Washington Valley.

Mt. Cranmore is the center of Conway's economy. The mountain is rapidly moving into year round recreate and entertainment which will increase the economic stature, need and value in the Valley. As a major destination resort

the well being of Mt. Cranmore is essential to our resort/tourism economy.

The DOJ, prior to its decision, did not evaluate adverse economic impact to Conway and the Valley. Placing it on the block and taking it away from its positive management/ownership and direction puts the mountain in jeopardy. Should history repeat itself, and the DOJ cannot guarantee the end result of its decision, it would cause chaos and a devastating economic blow which would seriously cause loss of jobs, closure of businesses and negatively affect the Valley's reputation as a quality family resort. Not enough can be said as to the importance of Mt. Cranmore. The potential harm if DOJ is wrong, which we believe they are, far outweighs the issues of monopoly and pricing. You are talking about livelihoods, jobs, families, business investments, not $2–$4 on a ski ticket. You are talking about the necessities of life not the expenditure of discretionary income.

The struggles of Mount Cranmore to survive over the years have slowly caused the ski area to be what it is today. Through time, the separate entities of the ski area and tennis/recreation club merged together and the ski development easement rights were created, and a hotel site was approved. Regardless of the owner, these segments need to remain bound together as the Mount Cranmore Recreation area. To segregate them now or in the future endangers the probable well being of the area and certainly its future expansion opportunities. The DOJ expressed during its visit and meeting with the local Task Force that it appeared the decision documents should have been more specific as concerns what would be divested at Cranmore and that it should all stay intact.

Overview of Ski Industry Survival

A. Infrastructure: The 1994/95 Kottke National End of Season Survey and the National Ski Areas Association and Ski Industries of America professional viewpoints strongly reflect that the industry is going through a major change in order to survive. With a stagnant U.S. skier consumer group, the only national upswing has been the market development of snowboarding.

The costs to operate and maintain the state-of-the-art infrastructure are increasing at a rate that far exceeds the ability for the U.S. skier population to afford to sustain and are grossly disproportionate. One result has been that over the past ten years ski resorts have declined from 750 to 52 (30%)—ALMOST COMPARABLE TO THE BANKING INDUSTRY.

To survive—ski resorts—are becoming a leading force in efficiency of operations, cost effective management and creative operations. To do this, mergers and special unique marketing and partnership deals have rapidly become a way of life. Operating ski resorts acting alone without sufficient leveraged capital are not surviving, and will not if the DOJ is to position itself to disallow cost effective efficient operational mergers. As clearly pointed out in the National Ski Areas Association's letter to the DOJ, Mr. Otten has risen as an exemplary leader in the industry from which all who want to survive are looking to his methodology and example. The DOJ's decision on the subject merger, if not modified, will be self destructive and lead toward the potential decline and demise of a national industry which is extremely important to the national resort and tourism economy. It is difficult enough to have positive economic development. The industry certainly does not need the DOJ's help in motivating failure.

Mt. Cranmore, as a stand alone ski area, does not have the skier capacity to generate the revenues to maintain and enhance its infrastructure, provide a qualitative experience, and market its existence. Because of American Ski Co. holdings and capital leverage abilities, the operational and infrastructure efficiencies took hold immediately and, to a degree never before experienced at Mt. Cranmore, such as pass through snowmaking equipment from Sunday River (light years ahead of what Cranmore had), new detachable high speed quad lifts affordable due to multiple site purchase needs, cost effective joint location marketing, and the story goes on. This simply expands the area of market draw, brings people for weekday skiing, pays overhead during the week so they don't have to raise prices for day and weekend skiers. Mt. Cranmore, after many years, literally leaped into the modern world. The DOJ's decision will stagnate the ski area and it will rapidly recede behind the times as a stand alone ski mountain and will not survive in the future market. Reference is once again made to the Horizontal Merger Guidelines of the DOJ.

B. Global Market: The need to develop a global market has been touched upon throughout this report. One reason so many ski areas have failed in the northeast has been an attitudinal problem that we do not offer comparable quality and that we are DRIVE-TO resort destinations. The ability to make ample snow, hold it on the slopes, properly groom the snow, extend the season, are examples of change and quality. The new challenge is to attract the more distant traveler to try the experience and reach out into a market place which is foreign to New England ski areas. To keep user costs down and maintain an affordable sport, an expanded market is required both to those in the U.S. in warm weather geographic regions and international markets. Foreign tourists are the only import trade which is actually on the export side of the trade deficit as they spend their money here. Mergers free up dollars for global marketing which help many enjoy increased skier use they would not ordinarily have.

C. Mergers: In the ski industry mergers are the current and future wave. If they are disallowed, the industry will continue its decline. The concerns of monopoly and pricing fly in the face of reality in a recreational, non necessity, discretionary industry. The DOJ should not jump to anti-trust assumptions. The Task Force is confident that by letting Mt. Cranmore remain with the merged entity, the assumptions made by DOJ will prove to be wrong. Instead, the DOJ should put TRUST in the American Way. Whether right or wrong, Mt. Cranmore is so small in the big picture that little harm will come of it and the DOJ will have a documented experience to base future decisions on.

Mt. Washington Valley—It is More Than Skiing

The area is as close as a resort destination can be to being year round. Surveys show an extremely high level of use (and growing) at both Attitash and Cranmore. The mountains themselves are used for year round recreation (biking, hiking, sledding, horseback riding, water slide, dining, bird watching, foliage looking, X country skiing, snow shoeing, snowmobiling, tennis, swimming, etc.). In addition, they are a part of the whole which makes Mt. Cranmore and Mt. Washington Valley a major New England destination family resort. If Mt. Cranmore is not part of the merged entity, it will have a major negative impact on the whole with its inability to maintain what it now offers and to grow into the future as it responds to society's changes and demands.

Herfindahl Hirschman Index (HHI)

New Hampshire as a state and Mt. Cranmore as part of Mt. Washington Valley, is the core in the New England market place. Sixty percent of all NH vacationers and tourists come to the White Mountains. It is estimated that over 8,000,000 come to or through Conway, NH. Based on previous market

discussions, the DOJ's HHI is probably seriously flawed. It is unknown which ski areas were used for the Index. However, it is obvious from the data we have that all of the 14 ski areas identified should be used. In addition the following should be used as a minimum: Ragged, Temple, Whaleback, Sunapee, Saddleback in ME; all but Burke and Jay Peak in VT, Wachusett, Blue Hills and Nashoba Valley in MA, with possible consideration of the Berkshire ski areas as they are eastern New England weekend accessible. If DOJ is determined to hold to its vision of what Cranmore's market is, then they must also acknowledge that the skiers from that same market place don't just come to Mt. Washington Valley.

It is the opinion of the Task Force that the DOJ's methodology in calculating the HHI is significantly flawed if the true market has not been recognized and all ski areas were not used in making the calculations. Day skiers in eastern Massachusetts can just as easily frequent Nashoba, Wachusett and Temple, for example. Weekenders can seek diversity and just as readily go to the Berkshires. The Task Force recommends Prof. Bill Fischel, Economist, Dartmouth College, NH, who is well versed in New England economy and the ski industry, be used as a source by the DOJ for recalculating and developing the ''HHI'' to a properly identified market area with specific concentration in relation to Mt. Cranmore.

Recapitulation of Economists Input

1. The impact on New Hampshire's skiers was not addressed by DOJ. Was the justification based at all on real skier data? What is the number of Maine skiers that skied in NH versus the total number of Maine skiers? What were the NH ski areas that were visited?

2. The government has not demonstrated that higher prices will occur or that higher prices will be unacceptable to the skiing public. What is the price elasticity of lift prices? At what price will skiers choose another ski area? ASC & S–K–I will not control the whole market. Higher prices are justified and acceptable to skiers when there is an increase in the level of services, improvement/expansion of the ski area or added amenities. Such improvements were being pursued at Cranmore.

3. Skiers do not make their decision on where to ski based on lift ticket price alone. Arguably, ski conditions at an area is the primary decision factor. Other factors are ski area terrain, exposure to weather conditions, lift facilities, lift lines, and proximity to the skier. Ski area amenities such as food, lodging, shopping, etc., are some additional factors.

4. As part of a Mt. Washington Valley resort complex, Cranmore helps bring in tourists to the area.

5. The economies of scale that ASC/S–K–I merger brings, access to capital and marketing synergy would benefit Cranmore, Cranmore will find it much more difficult to ''compete'' as a stand alone ski area.

6. DOJ is not correct when it states that expansion of an existing area by other parties is difficult to undertake and is not an option as a response to the merger.

7. DOJ states that ASC and S–K–I together had 43% of the skier days in northern New England. Correct current data shows that it was actually 37% at all ski areas in the three states. Concentration without divestiture would result with Maine at 47%, Vermont at 39%, and New Hampshire at 25%.

8. Day trip skiers (on average) have lower average skill levels and are more likely to ski at smaller (non resort) areas. These smaller areas do not appear to have been included in DOJ's ''HHI'' calculations. It is not clear what ski areas in NH were used when the index for Maine day skiers was calculated.

9. The DOJ assumes that Cranmore will be attractive to another buyer at a fair market price. Ski areas of Mt. Cranmore's size have a mixed record of viability as stand-alone areas. Successful marketing of the ski area to day trippers is imperative if this area is to survive. It would not be in the interest of the operator to raise prices to the level that it would not attract a significant volume of day trip skiers. There are many other ski areas competing with Mt. Cranmore for this day trip skier market.

10. The nature of the skier market nationally and internationally is changing. Ski areas in the region are increasingly attracting skiers from the middle Atlantic states, eastern Canada, western Europe, Florida and even Latin America. *Only* large marketing organizations can compete with Rocky Mountain, Canadian and European ski areas to attract skiers from these markets. The growth of the industry in New England can occur only by attracting new skiers from outside the region. The larger ski areas and organizations are a form of economic development as they bring additional tourists into the region which would not otherwise take place.

11. The list of ski areas used in measuring the HHI should be the subject of further research. Massachusetts ski areas should be included in the analysis of serving day trip skiers (and weekenders) in southern New England, called eastern New England in the court filing. The viability of small ski areas which do not have a nearby, related larger area in today's economy is not evaluated by the DOJ. The economic development component of the ability of a larger organization to attract skiers from new, more distant markets is not considered at all by the DOJ.

The Maine Comparison

The enclosed reference document, entitled ''Research Memorandum—Profile of Visitors to Maine's Ski Resorts, Winter Ski Season 1994–95,'' is worthy of the DOJ's review.

In all probability, the habits of skiers should be fairly consistent regardless of the state they visit to ski. The greatest differences between the skiers visiting New Hampshire versus Maine, appear to be in dollars spent per ski visit and size of travel group. This can be readily understood as the Maine report reflects that they *come to ski,* while they seek a more broad based winter vacation experience when they visit the likes of Mount Washington Valley. Visitors simply do more crossover activities such as cross country skiing, shopping, and dining, and the ski areas are more community resort oriented.

The most significant aspect of the study is the confirmation that the market is New England and not the Main day skier/eastern New England weekender. This is documented by both the NH and Maine data showing where the skiers come from, and providing interesting statistics on *where else* those same skiers ski throughout the winter season.

Skier visitors to Main ski often. 16.6 times in Maine, 6.7 times in New Hampshire, 4.9 times in Vermont, and 8.4 times elsewhere. They are very diverse and mobile. If similar data was collected on skier visitors to New Hampshire, comparable figures would no doubt hold true.

- 29% (93–94) of visitors to Maine also skied in NH, and 21% in VT.
- 78% of Maine's market is New England based.
- 5% of Maine's skier visitors come from NH versus 3% of New Hampshire's skier visitors coming from Maine.

Conclusion/Recommendation

The Task Force, representing Mt. Washington Valley, concludes that the Department of Justice has erred in its decision. Replacing dated data, assumptions, and ski industry conceptions with current data, reality, facts of life and a more informed

understanding of the ski industry should allow the Department of Justice to modify, with clear conscience, its order. This report provides the DOJ with concise, factual information which, if known or available to DOJ during its evaluation and decision making process, would have naturally led to a different order.

Mt. Cranmore, irrefutably, should remain in the merged entity. There is absolutely *no* reason, logic, statistical data, economic philosophy, formula of monopoly, or price control methodology that supports the divestiture of Mt. Cranmore. To the contrary, what truly serves the public's best interest and assures the success, viability and future sustainability of Mt. Cranmore, and the entire well being of the area's economy, is to modify your order and allow Mt. Cranmore to stay under the ownership and management of American Skiing Co.

Have They (DOJ) Gone Out of Bounds?

Is the American public wrong? The Task Force has not found an iota of public opinion which supports DOJ's decision. Whether lay persons, consumers, ski resort operators, or professionals and associations why live by the existence, success of the industry, it is evident the DOJ is not welcome in the leisure industry. No one can understand why the DOJ feels it is within the DOJ's purview to interfere in a market place which attracts the consumer with available discretionary dollars.

The skier market, for example, is going through major ''survival'' transition as has been strongly touched upon in this report, and it is the unanimous feeling of the Task Force that the DOJ is dead wrong in considering that the ski resort market place is a self-contained market place. The DOJ is acting like a trotter race horse wearing blinders—they see the finish line, but move in a disciplined manner with no peripheral vision—they simply don't see the whole field, the big picture. The ski industry is not in competition with itself—through mergers, it is learning to survive against a much bigger market place commonly known as the Leisure & Sports Industry. The DOJ cannot close its eyes to gambling resorts, the Disney Worlds, the massive growth of cruise ships, the ever growing smaller world and access to warm weather resorts, adventure/experience trips, shopping (the #1 leisure activity in America), theater trips, arts-music, or simply paying equal to lift ticket ski prices to go to an L.A. Lakers basketball game in the upcoming season because they paid equal to the subject merger for one player's salary and percs.

Because of the general economic condition of the ski industry, the DOT must carefully reinvestigate its Horizontal Merger Guidelines and, with open eyes and minds, recognize that the American Ski Co. decision has universal impact and could be the first step in devastating an American pastime, causing an adverse impact on an industry in a manner opposite from the proposed purpose of its actions.

Should the consent decree not be reversed, the DOJ should seriously consider a careful review of the anti-trust act in relation to today's world.

Speaking not only for Conway, Mt. Washington Valley, and the State of New Hampshire, but also for the entire ski industry and the discretionary dollar leisure-sports market place, the DOJ has gone out of bounds!

Research References and New Statistics and Information

1. Committee members
2. Dr. Larry Goss, Economist, Institute for NH Studies
3. National Ski Areas Associates, Colorado
4. Northern Economic Planners—Ski-NH, Inc. Skier Survey 1994–95 Season
5. The NH Ski Industry 1992–93—its contribution to the State's economy
6. Kottke National End-Of-Season Survey 1994–95 *and* Data from 95/96 Survey
7. American Skiing Company—Confidential—Offering Memorandum
8. Department of Justice from Discussions to releasable information and base decision documents
9. Ski Area Management Magazine—July 1993 Articles by Jim Spring and David Rowan
10. Sno engineering: Market Research results for 1995/96 Ski Season
11. Mt. Washington Valley Chamber of Commerce
12. National Skier Opinion Survey—1992–1996—Leisure Trends Group
13. Roland Vononlsen, Economist, NH Electric Cooperative, Inc.
14. Wall Street Journal
15. State of New Hampshire Dept. of Resources & Economic Development
16. Ski Industries of America
17. Davidson-Peterson Associations, Inc., Research Memorandum for Ski Maine
18. US Department of Justice Horizontal Merger Guidelines

Kottke National End of Season Survey

It is the Task Force's understanding that the DOJ used the 1993/94 Kottke National End of Season Survey as a base professional reference.

We strongly urge the DOJ to carefully review both the 1994/95 and the ''just off the press'' 1995/96 Kottke final reports prepared through the National Ski Areas Association.

Significant changes and new areas of data and information have been integrated into the reports as compared to the 1993/94 version.

Coping with infrastructure demands, capital needs, market trends, rapid industry movement toward partnerships/mergers to avoid becoming a historical statistic, and creative management are now all reflected in the report. DOJ will find the material educational and informational toward better understanding the ski industry of today. DOJ will find that the consumer experts are very supportive of Mount Washington Valley's Task Force position on Mount Cranmore and today's necessity that Cranmore remain part of the merged entity to serve the public's and the industry's best interest.

Industry Overview

The U.S. ski market is a fragmented industry, with 516 ski areas in operation during the 1995–96 season. Over the past 15 years, participation in the sport of skiing has remained relatively stable, averaging approximately 50 million skier visits nationally. No single ski area accounted for more than approximately 3% of 1994–95 skier visits. The market is characterized by both regional and national competition.

NATIONAL SKI AREAS ASSOCIATION REGIONS AND SKIER VISITS

[In thousands]

Season	Northeast	Southeast	Midwest	Rocky mtn	Pacific West	Total
1991/92	12,252	4,425	6,535	17,687	9,936	50,835
1992/93	13,217	4,660	6,978	18,602	10,575	54,032

NATIONAL SKI AREAS ASSOCIATION REGIONS AND SKIER VISITS—Continued

[In thousands]

Season	Northeast	Southeast	Midwest	Rocky mtn	Pacific West	Total
1993/94	13,718	5,808	7,364	17,503	10,244	54,637
1994/95	11,265	4,746	6,907	18,412	11,346	52,676
1995/96*	13,830	5,274	7,144	18,007	8,861	53,116
Northeast: CT, MA, ME, NH, NY, VT, RI						
Midwest: IA, IL, IN, MI, MN, MO, ND, NE, OH, SD, WI						
Pacific West: AK, AZ, CA, NV, OR, WA						
Southeast: AL, GA, KY, MD, NC, NJ, PA, TN, TN, VA, WV						
Rocky Mountain: CO, ID, MT, NM, UT, WY						

Source: 1994/95 KOTTKE NATIONAL END OF SEASON SURVEY.
*Preliminarily reported by Kottke National End of Season Survey 1995/96.

The ski industry is presently experiencing a period of consolidation and attrition, which is reflected in a significant decline in the total number of areas over the last ten years. Management believes that the driving forces behind both consolidation and attrition are the need to gain access to capital to maintain state-of-the-art facilities and the need to retain professional management, and the inability of numerous resorts to keep pace with the competition with respect to one or both of these market forces. The trend among leading resorts is toward investing in improving technology and infrastructure so as to deliver a more consistent, high quality product.

The NSAA defines the Northeast ski resort market as encompassing the New England states and New York, although the Company believes its market extends as far as the Mid-Atlantic states and southeastern Canada. The Northeast market has averaged approximately 12 million annual skier visits over the last fifteen years. Within the Northeast region, skiers can choose from among over 50 major resorts. The region's major resorts are concentrated in the mountainous areas of New England and eastern New York, with the bulk of skiers coming from the population centers located in eastern Massachusetts, southern New Hampshire, Connecticut, eastern New York, New Jersey and the Philadelphia area. Data collected at Sunday River indicate that approximately 43% of its weekend skiers reside in Massachusetts. Similar data collected at Killington and Mt. Snow indicate that approximately 23% and 35% of their weekend skiers, respectively, reside in New York, with high concentrations from Massachusetts, Connecticut, New Jersey and Vermont.

The Northeast ski market consists of essentially two segments: day skiing and vacationers. The day skiing market is comprised of skiers who live within a four hour driving radius of a particular resort. Day skiers may stay for one to two days in a single trip. Approximately 35 million people lie within the Company's day skiing market, which includes the New York and Boston metropolitan areas. The vacation market is a national market for destination resorts. While the Northeast does not draw significant numbers of vacationing skiers from the Western regions of the country, it competes with the Rocky Mountain and Pacific Northwest areas for Eastern vacationing skiers. Over the last several years, the Company has begun to compete in certain international markets, with the U.K. market historically producing the highest levels of international skier visits.

Management believes that certain demographic trends and trends in the U.S. ski industry will be favorable for the Company's business outlook. The ''echo boom'' generation is of prime age for introduction to skiing and snowboarding. The trend toward consolidation is expected to permit larger, multiple resort companies to concentrate more of their marketing efforts on attracting new participants to the sport. Improved snowmaking technology and grooming techniques assure visitors better quality and more consistent conditions. High speed chair lifts also increase the quality of the experience by permitting more skiing during a resort visit. As an active family sport, skiing benefits from the special trends toward family vacationing and health consciousness. Finally, management believes its success with the first Summit Hotel program is directly related to the desire for affordable vacation property ownership among a growing population of skiers.

AMERICAN SKIING COMPANY RESORT OVERVIEW

Resort	Skiable terrain (acres)	Vertical drop	Trails	Lifts	Snowmaking coverage (percent)	Groomers	Lodges	1994–95 skier visits (000s)	1995–96 skier visits (000s)
Killington, Sherburne, Vermont	918	3,150	165	1 Gondola 2 Detachable 15 Fixed Grip 2 Surface	60	29	7	826	905
Sunday River, Newry, Maine	640	2,300	120	3 Detachable 12 Fixed Grip 1 Surface	92	11	4	535	589
Mount Snow, Haystack, Dover, Vermont	751	1,700	130	1 Detachable 20 Fixed Grip 3 Surface	84	13	6	461	553

AMERICAN SKIING COMPANY RESORT OVERVIEW—Continued

Resort	Skiable terrain (acres)	Vertical drop	Trails	Lifts	Snowmaking coverage (percent)	Groomers	Lodges	1994–95 skier visits (000s)	1995–96 skier visits (000s)
Sugarloaf Carrabassett, Valley, Maine	515	2,820	116	1 Gondola ..... 1 Detachable 11 Fixed Grip ... 1 Surface	92	11	1	312	349
Sugarbush, Warren, Vermont	413	2,600	111	4 Detachable 4 Surface ..... 10 Fixed Grip ...	74	9	5	331	373
Attitash, Bear Peak, Bartlett, New Hampshire.	214	1,750	45	1 Detachable 7 Fixed Grip ... 2 Surface	100	5	2	182	201
Subtotal—Retained resorts	3,451	.....	687	2 Gondola ..... 12 Detachable 75 Fixed Grip ... 13 Surface	80	78	25	2,647	2,970
Waterville Valley, Waterville Valley, New Hampshire.	255	2,020	54	1 Detachable 8 Fixed Grip ... 4 Surface	96	6	3	207	257
Mt. Cranmore, North Conway, New Hampshire.	190	1,167	36	1 Detachable 4 Fixed Grip ... 1 Surface	100	3	2	95	125
Subtotal—Resorts to be divested	445	.....	90	2 Detachable 12 Fixed Grip ... 5 Surface	98	9	5	302	382
Total	 3,896	....	 777	2 Gondola ..... 14 Detachable 87 Fixed Grip ... 18 Surface	 82	 87	 30	 2,949	 3,352

Strategy

Invest in Ski Experience. Management believes that the most efficient way to increase resort visitation is to provide the highest quality skiing available. The Company intends to continuously improve the infrastructure at each resort, emphasizing modernization and introducing at the SKI resorts the snowmaking and grooming successfully implemented at the Company's other ski areas. Management expects to invest approximately $50 million in improvements in lifts, snowmaking, grooming and trail design over the next three years, of which approximately 70% is designated for SKI resorts.

Alpine Experience

The guests at Attitash/Bear Peak and Cranmore are very similar in relation to alpine experience. At Attitash/Bear Peak 92.5% ski, with 40.1% intermediate, and 6.1% snowboard, with 33.3% advanced. At Cranmore 94.3% ski, with 41.9% intermediate, and only 5.2% snowboard, with 40% being intermediate (Refer to Tables 1 (sports) and 3 (ability level) for comparison).

The average number of guests in a party at Attitash/Bear Peak and Cranmore is 6 and 5, respectively. Cranmore's lower guest count can be attributed to the higher percentage of their guests coming with their family as compared to Attitash/Bear Peak. At Cranmore 37.2% come with their family as compared to 30.1% at Attitash/Bear Peak. The guests at both mountains are more likely to come with friends than with family, groups or alone. A total of 39.0% of Attitash/Bear Peak and 34.0% of Cranmore guests come with their friends (Refer to Tables 2 (guest's party) and 4 (party size) for comparison).

More than half of the guests at both mountains are return customers, with 65% at Attitash/Bear Peak and 61% at Cranmore (Refer to Table 5 for comparison of return guests). Overall, the guests are using the traditional lift ticket rather than the smart ticket or season pass. The traditional lift ticket is being used more at Cranmore (72.0%) than at Attitash/Bear Peak (64.3%) by the guests. Of the guests that have been to Attitash/Bear Peak, the traditional lift ticket is the choice by 62.6% of the guests as compared to only 24.8% choosing the smart ticket. Of the guests that have never been to Attitash/Bear Peak, 67.5% use the traditional ticket and 27.8% use the smart ticket. Cranmore guests, whether return skiers/riders or not, are using the traditional lift ticket more often than Attitash/Bear Peak guests.

A higher percentage of Cranmore guests decides on which ski area to visit because of a positive past experience than did the Attitash/Bear Peak guests, with 44% and 35%, respectively. The second important reason was the convenience to where the guests lived, which represented about a quarter of the guests at both mountains (Refer to Table 16).

The average number of times skied/rode last year was about thirteen times for both Attitash/Bear Peak and Cranmore guests. Attitash/Bear Peak guests skied/rode at Attitash a total of 280 times, followed by Sunday River (159 times), Wildcat (109 times), Cranmore (94 times) and Loon (83 times). On average, the guests skied/rode at Attitash/Bear Peak 9 times, followed by Maine areas 6 times and Out West 5 times. The guests at Cranmore skied/rode 86 times at Cranmore and 80 times at Attitash/Bear Peak. Sunday River was skied/rode 62 times by the guests and Wildcat 45 times. On average, Cranmore guests skied/rode 8 times in Maine, 7 times at Cranmore and 6 times Attitash/Bear

Peak (Refer to Tables 6 (number of visits) and 7 (areas skied last year) for comparison.

The guests at both mountains have similar music taste. Soft Rock was the favorite format for guests at Attitash/Bear Peak (48.4%) and Cranmore (46.3%). This was followed by Hard Rock, which represented 18.0% at Attitash/Bear Peak and 13.2% at Cranmore (Refer to Table 9 for radio format comparison).

A total of 74.1% of Attitash/Bear Peak guests did not go night skiing last year and only 12.8% went once. A total of 65.8% of Cranmore guests did not go night skiing and even fewer, 9.8%, went only once (Refer to Table 8 for comparison).

The Bear Peak experience for both Attitash/Bear Peak and Cranmore guests was not satisfying. The guests were only satisfied with the ease of riding the lift and all other respective categories received satisfaction ratings less than 8 (Refer to Table 10 for comparison of Bear Peak experience).

Guest Experience

In comparing the guests' experience at Attitash/Bear Peak with Cranmore, many similarities occur. However, a number of differences also appear. The percentage of guests staying overnight is higher at Attitash/Bear Peak than at Cranmore, 86.1% compared to 78.2%, respectively (Refer to Table 11). The guests that are staying overnight are primarily staying at a friend's home/condominium or either at a home/condominium they rent. A total of 32% of Attitash/Bear Peak guests stay at a friends and 29% stay in a home/condominium they rent. A total of 29% of Cranmore guests stay with friends and 27% stay in a home/condominium they rent (Refer to Table 12 for where visitors are staying). A higher percentage of Attitash/Bear Peak guests (55%) stay over for two nights than Cranmore guests (47%) (Refer to Tables 13 for length of stay and 14 for days skied/rode during trip).

The best way to reach the Attitash/Bear Peak and Cranmore guest is through direct mail, followed by the radio. A total of 44.5% of the Attitash/Bear Peak guests and 50.8% of Cranmore guests believed that direct mail was the best way to reach them. This compares to radio, which represents 30.9% of Attitash/Bear Peak guests and 25.4% of Cranmore guests (Refer to Table 15). *Ski* magazine was the most frequently read magazines for guests at both mountains, but it was only rarely read (Refer to Table 17).

Program Participation

A high percentage of Attitash/Bear Peak and Cranmore guests do not have an Edge Card (68.5% and 69.8%, respectively). In addition, a high percentage of the guests at both mountains are not familiar with the Edge Care (Refer to Table 18 and Table 19).

The primary reason why Attitash/Bear Peak and Cranmore guests did not shop at CriSports was because they did not need anything (Refer to Tables 20 and 21).

The traditional lift ticket is used more at Cranmore (72.4%) than at Attitash/Bear Peak (64.3%). As would be expected, the smart ticket is used more at Attitash/Bear Peak (26.1%) than at Cranmore (19.8%). Over half (52.6%) of the Attitash/Bear Peak guests and 43.6% of Cranmore guests selected their ticket because of the better perceived value (Refer to Tables 22, 23a and 23b for comparison of lift ticket and explanation for lift ticket).

Only 37.3% and 31.8% of Attitash/Bear Peak and Cranmore guests, respectively, visit Attitash/Bear Peak during the summer (Refer to Table 24). Cranmore guests use the Alpine Slide and Water Slide 86% and 80% of the time, respectively. Attitash/Bear Peak guests use the Alpine Slide and Water Slide only 56% and 45% of the time, respectively (Refer to Table 25 for a comparison of activities participated in).

A high percentage (85%) of the guests at both mountains have not taken more than 1 or 2 lessons in the past five years. This might be attributed to the high percentage of intermediate and advanced skiers/riders at both mountains. Roughly 40% of the guests at both mountains would take a lesson if special rates were offered (Refer to Tables 26 and 27 for comparison of lessons and motivations for taking lessons).

Guest Information

The gender distribution at Attitash/Bear Peak is 60.7% male. This compares to Cranmore, where 53.6% of the guests are males. Approximately half of the guests at Cranmore are married with children and 31.9% are single with no children. Of the Cranmore guests that have children, 47.8% have two children and 33.7% have only one child. A lower percentage (42.1%) of guests at Attitash/Bear Peak are married with children than at Cranmore, but a higher percentage (39%) are single with no children. Of the Attitash/Bear Peak guests that have children, 53.5% of guests have two children and 24.1% have one child. The average age for children at both mountains is ten years old. The average age of guests at Attitash/Bear Peak is 36 years old as compared to 38 at Cranmore (Refer to Tables 30 and 31 for comparison of children's age and visitor's age).

The average household income for Cranmore guests is higher than Attitash/Bear Peak guests. A total of 26.5% of Cranmore guests have an income of $50,000 to $75,000 as compared to 21.6% of Attitash/Bear Peak guests. A total of 27.0% of Attitash/Bear Peak guests have an income of $20,000 to $50,000 as compared to 24.7% of Cranmore guests (Refer to Table 32 for comparison of household income).

There is a higher percentage of Attitash/Bear Peak guests that own vacation property than Cranmore guests (30.8% and 25.8%, respectively) (Refer to Table 33). A total of 31.8% of the Attitash/Bear Peak guests that own vacation property have a household income of $125,000 and more. Approximately a third of Cranmore guests have a household income of $75,000 to $100,000. A higher percentage (56.9%) of Cranmore guests owns a single family home than Attitash/Bear Peak guests (45%). Thirty-three percent of Attitash/Bear Peak guests own a condominium compared to only fifteen percent of Cranmore guests (Refer to Tables 34 for comparison of type vacation property owned and 35 for where vacation property is located and 36 represents the interest of obtaining information pertaining to vacation ownership). Approximately a quarter of the guests at both mountains are interested in information about vacation ownership.

Guests that are skiing/riding at Attitash/Bear Peak and Cranmore are primarily traveling from Massachusetts, with 69% and 65%, respectively. Cranmore attracts more guests from New Hampshire (16%) than Attitash/Bear Peak (7%). Also, more guests are going to Cranmore from Maine (5%) than to Attitash/Bear Peak (2%) (Refer to Table 37 for comparison of the states where guests are coming from).

Table 38 and Table 39 represent the likelihood of returning and the potential of recommending the ski area to a friend. Over half of the guests are likely to return next year and most every guest will recommend the ski area to a friend.

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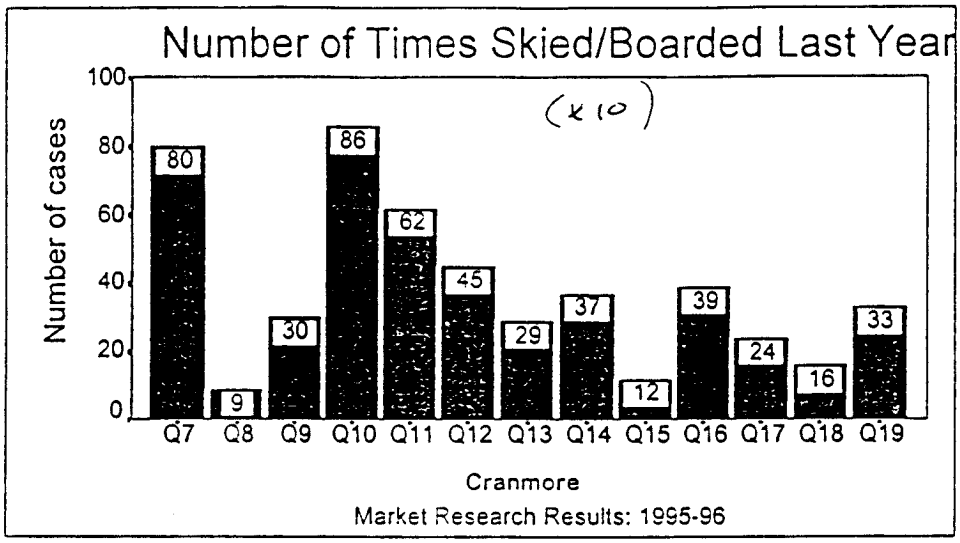
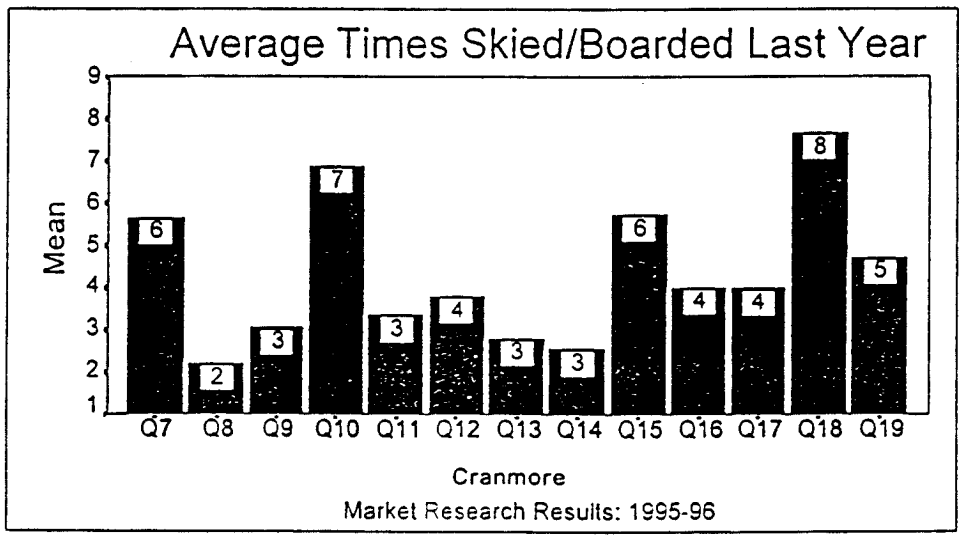
In total, Cranmore guests skied/rode at Cranmore a total of 86 times last year. Attitash was the next most frequented area for Cranmore guests to ski/ride at last year (80 times). Sunday River, Wildcat and Other NH areas followed with 62, 45 and 39 times, respectively.



Q7: Attitash
Q8: Sugarbush
Q9: Loon
Q10: Cranmore
Q11: Sunday River
Q12: Wildcat
Q13: Waterville
Q14: Bretton Woods
Q15: Out West
Q16: Other NH
Q17: VT
Q18: ME
Q19: MA

The average number of times Cranmore guests skied/rode at Cranmore was 7 times last year. Ski areas in Maine had an average of 8, while Attitash, as well as areas out West, averaged 6.



Q7: Attitash
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Q11: Sunday River
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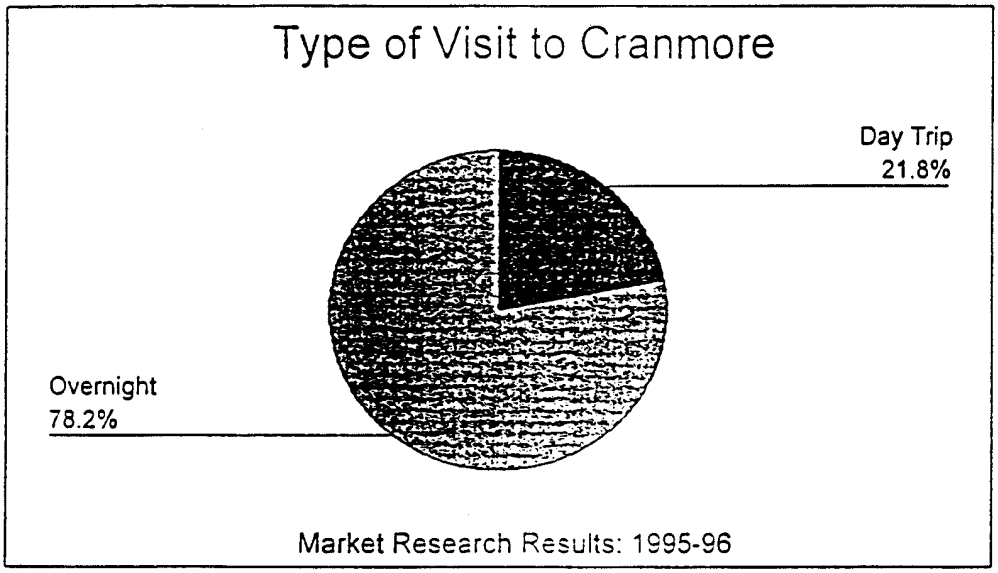
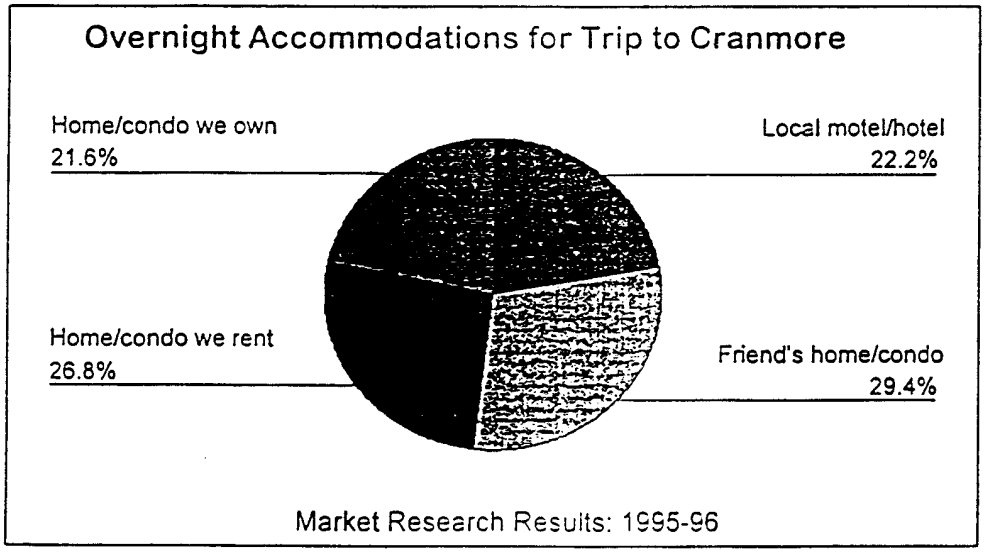
Q13: Waterville
Q14: Bretton Woods
Q15: Out West
Q16: Other NH
Q17: VT
Q18: ME
Q19: MA

Cranmore Guest Experience

78.2% of Cranmore guests are staying overnight.

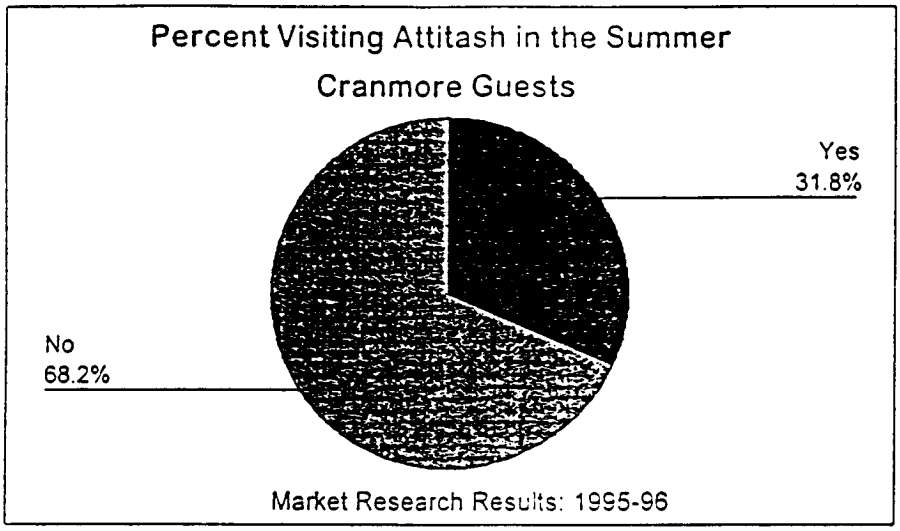


29.4% of the Cranmore guests that are staying overnight are staying at a friend's home or condominium. 26.8% are staying at a home or condominium they rent.

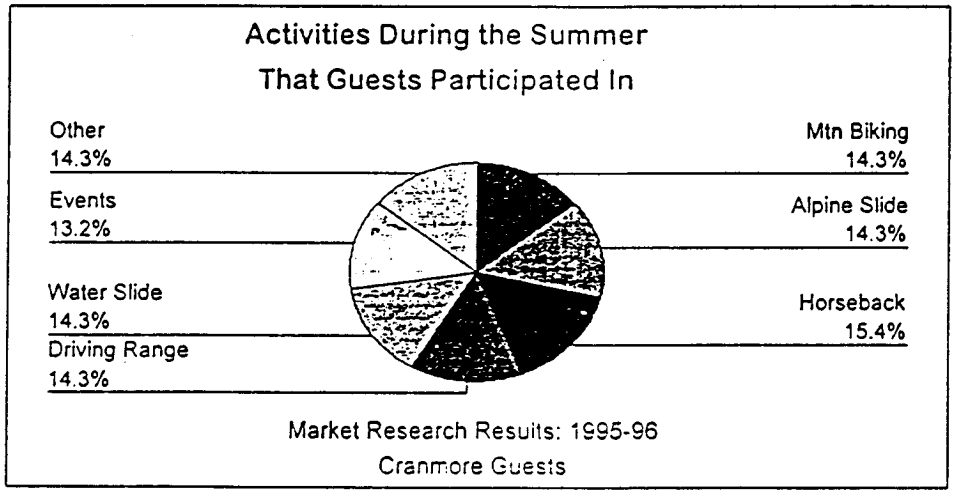


About half of the Cranmore guests that are staying overnight are only staying over for two nights. 39.7% of those staying overnight for 2 nights are staying at a friend's home and 25.0% are staying at home they rent (Refer to Crosstab 6: Where the guests are staying overnight and How many nights).

31.8% of the Cranmore winter guests visit Attitash during the summer.

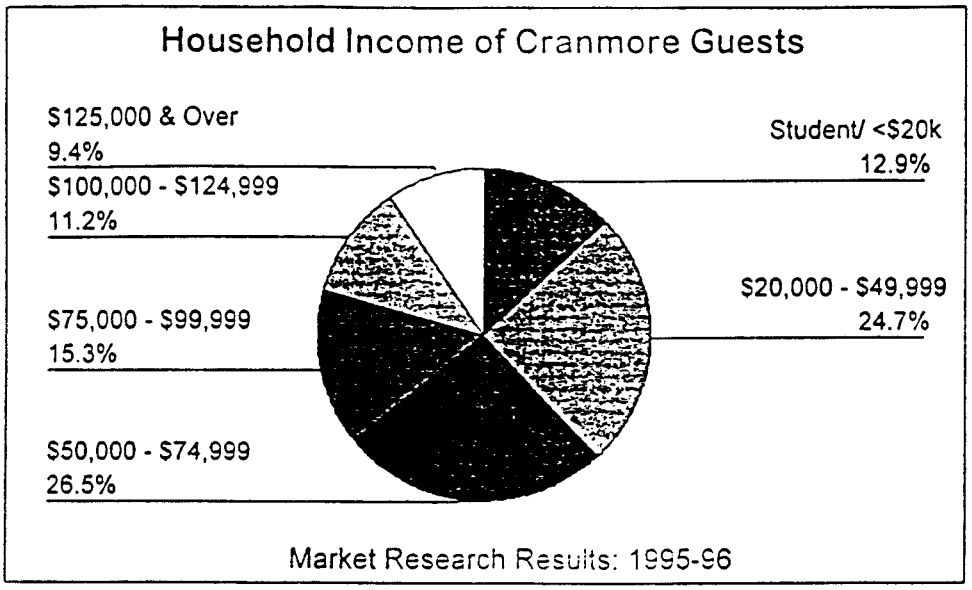


Overall, the guests that visit Attitash during the summer are participating almost equally in all of the following activities: Events, Water Slide, Mountain Biking, Alpine Slide, Horseback Riding and the Driving Range. Horseback Riding has the highest percent, 15.4%, and Events represent the lowest percent, 13.2%.

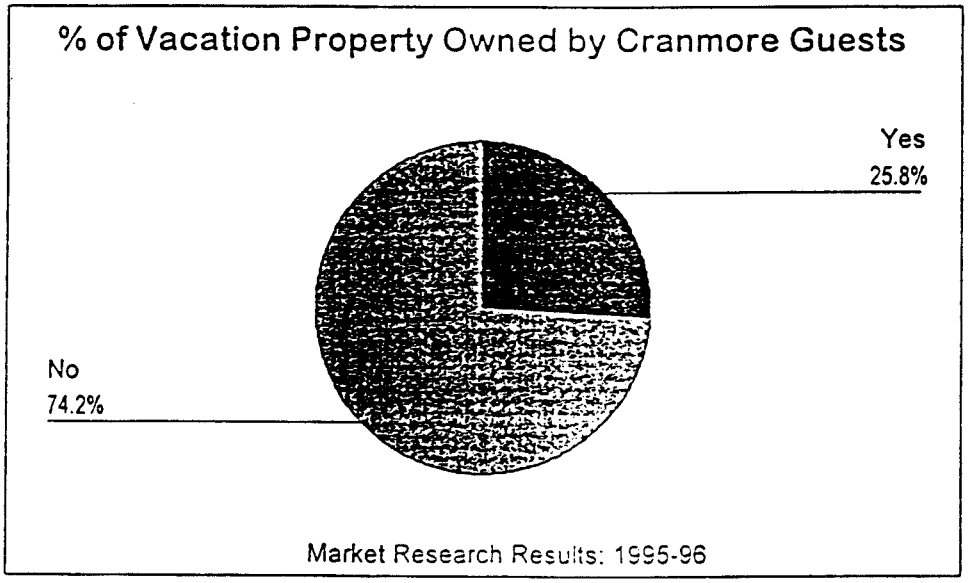


Approximately 88.0% of the Cranmore guests rate their ability level at least intermediate. A high percentage (83.9%) of the guests at Cranmore have not taken more than 1 or 2 lessons in the past 5 years (Refer to Crosstab 11: Ability level and Participation in lesson).

26.5% of the guests make $20,000 - $50,000 and 24.7% make $20,000 - $49,999.

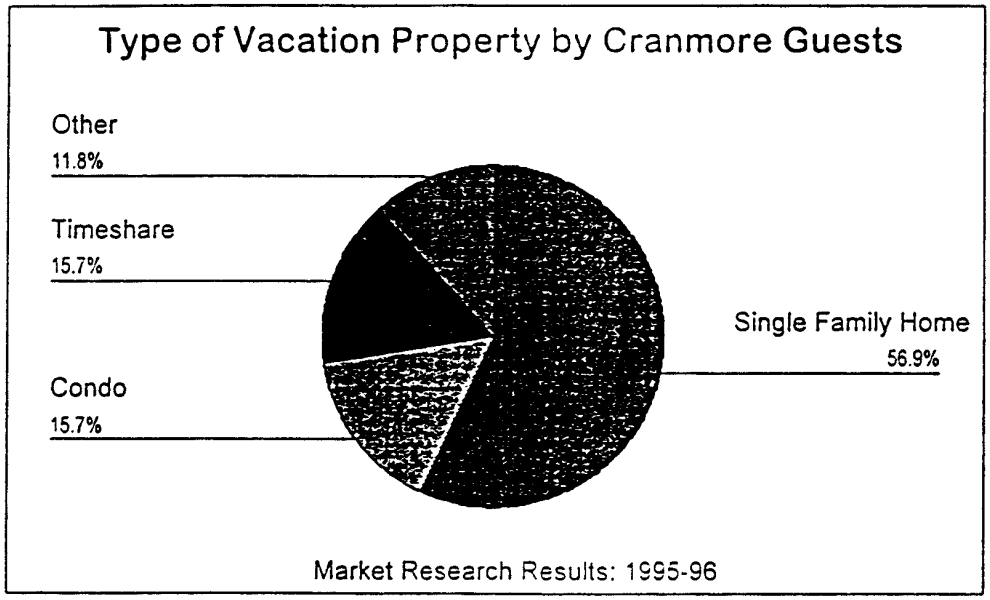


A quarter of the guests own vacation property.

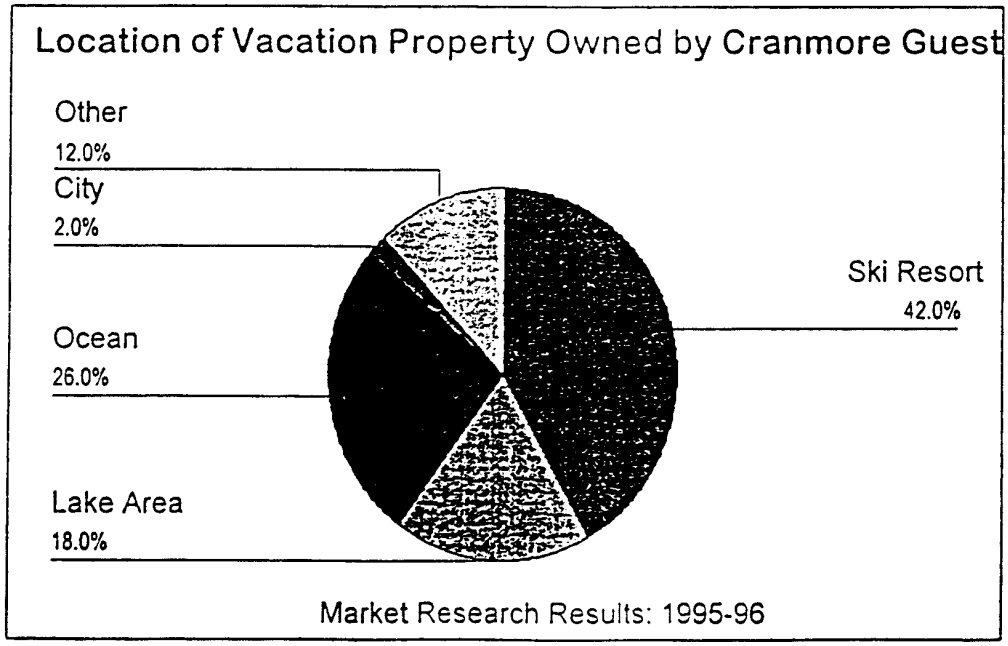


Of the 26% that own vacation homes, 31.8% have a household income of $75,000 to $99,999 and 29.5% have a household income of $50,000 to $74,999 (Refer to Crosstab 14: Household income and Vacation property owners).

Of the guests that own vacation property, 56.9% own single family homes and 15.7% own a condominiums/townhouse and 15.7% own a timeshare.



Of the guests that own vacation property, 42% are located at a ski resort.



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A total of 71.1% are not interested in learning more about vacation ownership at Attitash/Bear Peak. Of the percent of guests that do not want information,

70.1% currently do not own vacation property (Refer to Crosstab 15:Interested in learning more about vacation ownership and Own vacation property).

The majority of Cranmore guests are traveling from Massachusetts followed by New Hampshire (15.6%), Rhode Island (8.3%) and Maine (5.2%).

FREQUENCY OF WHERE GUESTS ARE COMING FROM

Value label	Value	Frequency	Percent	Valid percent	Cum. percent
	MA	117	60.9	60.9	60.9
	NH	30	15.6	15.6	76.6
	RI	16	8.3	8.3	84.9
	Missing	12	6.3	6.3	91.1
	ME	10	5.2	5.2	96.4
	CT	2	1.0	1.0	97.4
	NJ	2	1.0	1.0	98.4
	NY	2	1.0	1.0	99.5
	OH	1	.5	.5	100.0
Total		192	100.0	100.0	

16.7% of the guests come from the Boston area and 12.5% come from Northern Massachusetts

FREQUENCY OF 3-DIGIT ZIP CODES OF WHERE GUESTS ARE COMING FROM

Value label	Value	Frequency	Percent	Valid percent	Cum. percent
Boston Mass	021	32	16.7	16.7	16.7
NE Mass	019	24	12.5	12.5	29.2
SE N.H	038	19	9.9	9.9	39.1
	Missing	13	6.8	6.8	45.8
Providence R.I	028	13	6.8	6.8	52.6
SE Mass	020	9	4.7	4.7	57.3
NE R.I	027	9	4.7	4.7	62.0
NE Mass	018	8	4.2	4.2	66.1
SE Mass	023	8	4.2	4.2	70.3
South N.H	030	7	3.6	3.6	74.0
Cape Mass	026	6	3.1	3.1	77.1
Worcester Mass	015	5	2.6	2.6	79.7
Central Mass	017	5	2.6	2.6	82.3
South M.E	039	5	2.6	2.6	84.9
	040	4	2.1	2.1	87.0
	014	3	1.6	1.6	88.5
	029	3	1.6	1.6	90.1
	010	2	1.0	1.0	91.1
	016	2	1.0	1.0	92.2
	025	2	1.0	1.0	93.2
	031	2	1.0	1.0	94.3
	022	1	.5	.5	94.8
	032	1	.5	.5	95.3
	033	1	.5	.5	95.8
	041	1	.5	.5	96.4
	064	1	.5	.5	96.9
	069	1	.5	.5	97.4
	086	1	.5	.5	97.9
	088	1	.5	.5	98.4
	148	1	.5	.5	99.0
	380	1	.5	.5	99.5
	451	1	.5	.5	100.0
Total		192	100.0	100.0	

Refer to Appendix B for the location of Cranmore guests by 3-digit zip codes.

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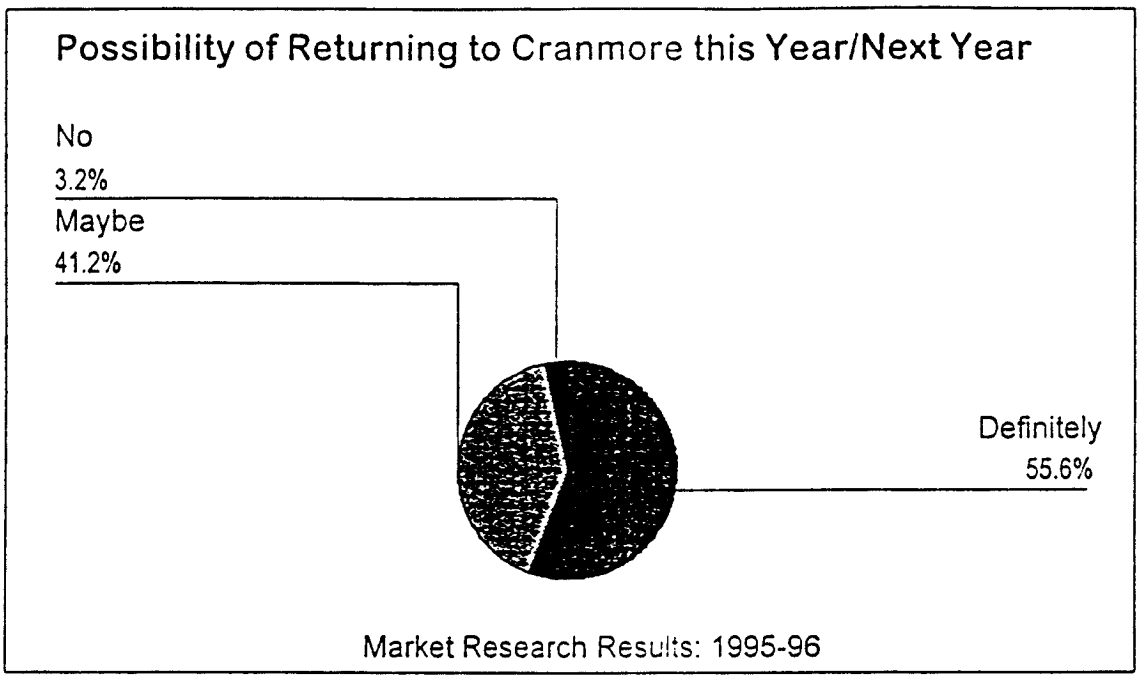
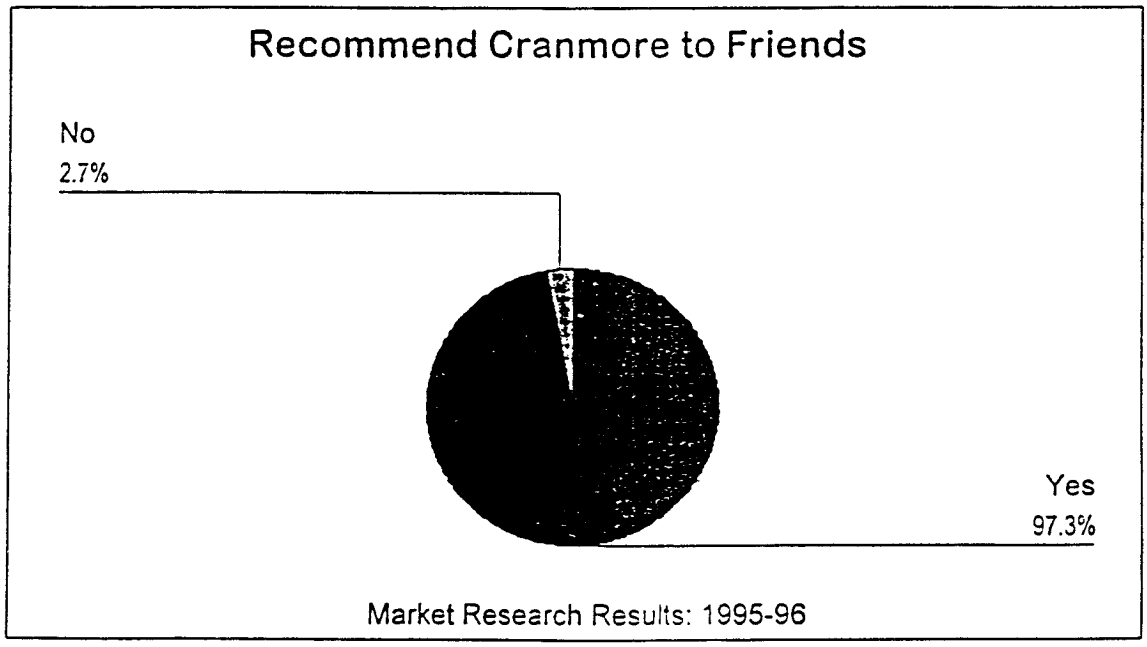
55.6% will definitely return next year to Cranmore.



97.3% will recommend Cranmore to friends.



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The NSAA ECS 1995/96 chart was not able to be reprinted in the Federal Register, however, it may be inspected in Suite 215, U.S. Department of Justice, Legal Procedures Unit, 325 7th St., N.W., Washington, D.C. at (202) 514–2481 and at the Office of the Clerk of the United States Court for the District of Columbia.

95–96 Ski Season Study is not complete per Larry Goss. 7/17/96.

Items with an asterisk are from 95–96 study, all other information is from 94–95 study.

* 2,310,000 Skier Days

State of Origin:
86% residents of New England
55% residents of Massachusetts
21% residents of New Hampshire
4% residents of Rhode Island
3% residents of Maine/Connecticut
* Decision Maker:
1. Male age 35–45
2. Joint decision male/female
3. Female
Principal Income:
37% $75,000 & above
31% $50–75,000
Skill level:
42% considered themselves Intermediate
33% considered themselves Advanced
9% considered themselves Expert
Travel Party Characteristics:
41% Families
40% Families/Friends
Most Popular Activities:
85% Alpine skiing
31% Shopping
* Spending:
Total spending on ski trips to the State, $185,000,000
Key Words Used to Describe New Hampshire Skiing:
1. Beautiful
2. Scenic
3. Friendly

The chart on page 38 of the National Skier Opinion Survey was not able to be reprinted in the Federal Register, however, it may be inspected in Suite 215, U.S. Department of Justice, Legal Procedures Unit, 325 7th St., N.W., Washington, D.C. at (202) 514–2481 and at the Office of the Clerk of the United States Court for the District of Columbia.

SKI–NH, Inc., Skier Survey Results, 1994–5 Season

October 1995

The Institute for New Hampshire Studies, Plymouth State College, Plymouth, NH 03264

Northern Economic Planners, Concord, NH 03301

Introduction

SKI–NH, Inc. retained The Institute for New Hampshire Studies at Plymouth State College to undertake a study of the impact of the ski areas in New Hampshire on the state's economy. This economic impact study included two surveys: a survey of the skiers and a survey of the ski areas. This report evaluates the compilations of the returned skier survey forms and is intended to help SKI–NH with its marketing program. There also will be a separate economic impact report that will make use of both surveys and additional information.

During the 1994–5 skiing season, seven alpine ski areas agreed to provide attendance information on a monthly basis. This information is the basis for the estimate that 72 percent of all skier days during the 1994–5 season occurred between November 1994 and February 1995 and 28 percent were during the months of March and April 1995. When this monthly attendance data is compared with the compilation of the returned survey forms, it became obvious that Gunstock Ski Area was over represented among the returned forms.

The information which follows in this report is based on the assignment of smaller weights to Gunstock returned forms versus those for other ski areas and larger weights for the winter season forms versus the spring season forms. As a result, the information which follows will be somewhat different from the compilation of all the returned survey forms which has been provided to SKI–NH.

Plymouth State College provided SKI–NH with 3,000 survey forms to distribute to skiers by the ski areas during the months of December through April. There were 461 useable forms returned, for a 15.4 percent return rate. This overall return rate was lower than anticipated. Almost 40 percent of the returned forms were from skiers who visited the state during the months of March and April. Over 44 percent of the forms were from skiers who had visited Gunstock, far higher than that ski area's share of the state's market. The skiers who visited Gunstock had somewhat different characteristics than those who skied at areas farther north. The spring season skiers also have slightly different characteristics than the winter season skiers. It was for these reasons that the returned forms were weighted, as outlined above, so that the reported results are more representative of the skiers who did visit the state's ski areas. Also, the U.S. Travel Data Center winter 1995 survey of travelers to New Hampshire has been used to adjust the ratio of day trip to overnight skiers and to increase average spending per day and per trip in both this report and in the impact study.

Attendance at Ski Areas

The information provided monthly by the seven ski areas as the season progressed, plus additional information on the entire season from other ski areas, currently indicates that there were 1.88 million alpine and cross-country skier days during the 1994–5 season. This is about 16 percent below the record setting 1993–4 season which had 2.24 million skier days. Month to month comparisons between these two seasons show that there was great variation in the rate of decrease among these months, with the greatest percentage declines for the months of January and April. Overall, the winter months were down about 14 percent from the previous year, but the spring months (March and April) were down by 20 percent from the previous year, due to the relatively warm and rainy spring weather.

The skier survey forms, state traffic count data and rooms and meals tax information indicate that skiers who own second homes and condominiums near ski areas had only a very small decline in visits to ski areas. Other skiers on overnight trips appear to have declined by about eight percent in number during the winter, with a larger decrease during the spring. The largest decrease appears to have been for day trip skiers when the 1993–4 and 1994–5 skiing seasons are compared. The U.S. Travel Data Center survey of winter 1995 visitors to New Hampshire indicates a 6.8 percent increase in visitors to New Hampshire during winter 1995 in comparison with winter 1994, but with a 21 percent decrease in visitors on one day trips. New Hampshire DOT traffic counters show a 1.8 percent decrease for the those counters near ski areas, but a 4.1 percent increase for all counters state-wide.

State of Origin

Skiing in New Hampshire is primarily an activity for residents of New England. About 86 percent of all skiers are residents of the six New England states. An additional five percent came from the three Mid-Atlantic states and three percent came from Canada. Almost six percent of the ski parties came from the other 41 states and just over one percent came from outside North America. Canadian skiers are far more likely to come during the spring than the winter. It was a surprise that as many Canadians came this year, due to the unfavorable currency exchange rate. The second surprise was the relatively large number of ski parties from Florida

in both the winter and the spring. As in other years, spring skiers are more likely to be from outside the Northeastern United States than winter skiers.

Table 1 shows the states and provinces which provide at least one percent of all skiers visiting New Hampshire. The other states from which skiers returned forms during the winter months included: Alabama, Arizona, Maryland, Michigan, Ohio, Pennsylvania and Virginia. The other states from which skiers returned forms during the spring months were: Michigan, North Carolina, Ohio, Virginia and Vermont. Each of these states had less than one percent each of the returned forms. The U.S. Travel Data Center survey of winter 1995 visitors to New Hampshire found 82 percent were from New England and 11 percent from the three Middle Atlantic States. Canadians and other foreigners were not surveyed.

TABLE 1.—PERCENT OF SKIERS BY STATE OF ORIGIN

State/province	Winter months (percent)	Spring months (percent)	Entire season (percent)
Connecticut	3.1	2.2	2.8
Florida	2.7	2.1	2.5
Maine	3.8	1.0	3.0
Massachusetts	51.7	63.2	54.9
New Hampshire	22.2	16.4	20.6
New Jersey	1.3	3.1	1.8
New York	2.7	1.0	2.2
Rhode Island	5.4	1.4	4.3
Nova Scotia	0.4	2.1	0.9
Ontario	0.5	5.2	1.8
Other states	4.6	2.3	4.0
Outside N Am	1.6	0.0	1.2
Total	100.0	100.0	100.0

The Trip Decision-Maker

The decision-maker for the skiing trip was most often male and between the ages of 35 and 45. Table 2 shows the age break-out for the trip decision-maker and Table 3 shows the sex of the decision-maker. Table 4 shows the household income of the trip decision-maker. The trip decision-maker during the winter months was slightly younger in average age, in comparison with the spring months' decision-maker. This may reflect the fact that younger skiers appear to be more likely to take day trips at the more southerly ski areas, which are not open as long during the spring months as the more northerly ski areas. A joint decision regarding the ski trip appears to be more common for the spring months than for the winter months, but mostly due to a reduction in the proportion of females who make the trip decision in the spring.

TABLE 2.—AGE OF TRIP DECISION-MAKER

Age group	Winter (percent	Spring (percent)	Season (percent)
18–24	7.5	6.5	7.2
25–34	14.5	17.5	15.3
35–44	43.3	43.5	43.4
45–54	27.1	23.6	26.1
55–64	5.7	5.7	5.7
65+	1.9	3.2	2.3

TABLE 3.—SEX OF TRIP DECISION-MAKER

Sex	Winter (percent)	Spring (percent)	Season (percent)
Male	40.3	38.7	39.9
Female	28.2	21.4	26.3
Joint	31.5	39.9	33.9

The share of all skiers in the income groups over $75,000 was higher for the spring skier than for the winter skier. Household income for skiers are higher (on-average) than visitors to New Hampshire during the other seasons of the year and are significantly higher than the average household income for the state's residents.

TABLE 4.—HOUSEHOLD INCOME

Income group	Winter (percent)	Spring (percent)	Season (percent)
<$20,000	4.7	2.8	4.2
$20–35,000	9.7	9.9	9.8
35–50,000	15.9	22.9	17.9

TABLE 4.—HOUSEHOLD INCOME—Continued

Income group	Winter (percent)	Spring (percent)	Season (percent)
50–75,000	34.0	23.9	30.8
75–100,000	16.5	20.1	17.5
100,000+	19.2	21.2	19.8

The level of capability for skiers appears to be different for the winter and the spring. The spring months skier is more likely to be an expert and less likely to be a novice or beginning skier in comparison with the winter months skier. Table 5 shows the level of capability of the trip decision-maker.

TABLE 5.—SKIING CAPABILITY LEVEL

Level	Winter (percent)	Spring (percent)	Season (percent)
Novice	19.3	9.2	16.5
Intermediate	40.7	44.1	41.6
Advanced	33.5	32.4	33.2
Expert	6.5	14.3	8.7

The trip decision-maker takes an average of 7.0 skiing trips to New Hampshire if they returned a survey form during the winter and 7.3 skiing trips to New Hampshire if they returned the form during the spring. Those skiers who returned the forms indicated that 65 percent of them plan to visit the state on vacation during the summer and 53 percent of them plan to visit during the fall. These relatively high percentages may reflect the fact that a significant share of those who returned the forms have a second home, condominium or time-share unit or friends or relatives in New Hampshire, as will be discussed later in this report.

Travel Party Characteristics

Most people usually ski with their family members and/or friends. Only a small share of skiers in New Hampshire are part of a group party (such as a ski club), probably about four percent of all skiers. Very few people are on a skiing trip by themselves—less than two percent. Table 6 shows the make-up of ski parties based on the returned survey forms. The average size of the travel party in 1994–5 is 14 percent larger than was reported in the 1992–3 season survey. As noted above, a large share of those parties which returned forms were on overnight trips than is estimated for all ski trips. Overnight ski parties have larger sized travel parties (on average) than do those on day trips.

When U.S. Travel Data Center information is considered, the average travel party size is estimated to be 4.79 for the winter, and 4.62 for the spring and 4.74 for the season. This is because day trip parties are usually smaller in size and are less likely to be clubs and organizational trips.

TABLE 6.—TRAVEL PARTY CHARACTERISTICS

Party make-up	Winter (percent)	Spring (percent)	Season (percent)
Family only	42.2	37.6	40.9
Friends only	12.4	15.4	13.2
Family & Friends	40.1	41.0	40.4
Clubs & Groups	3.5	4.2	3.7
Alone	1.3	1.4	1.3
Other	0.5	0.4	0.5
Average size	5.14	4.87	5.06

Activities While on This Trip

The forms for this skier survey were handed out at both alpine and cross country ski areas. Alpine skiing was both the most important activity and the most common activity undertaken while on this trip. Table 7 shows the most important activity which was undertaken on the trip, while Table 8 shows the second most important activity. It appears that alpine skiers engaged in a variety of other outdoor activities, shopping and entertainment while on their trip, with shopping ranked highest of the second most important activities (see Table 8). Those who indicated that visiting friends and relatives or attending business meetings or a conference as the most important activity were very likely to have alpine skiing as their second most important activity.

TABLE 7.—MOST IMPORTANT ACTIVITY

Activity	Winter (percent)	Spring (percent)	Season (percent)
Alpine ski	82.0	92.8	85.0
Snowboard	1.5	1.1	1.4
X-country ski	4.0	0.5	3.0
Snowmobiling	0.0	0.0	0.0
Other Outdoor	1.1	1.1	1.1

TABLE 7.—MOST IMPORTANT ACTIVITY—Continued

Activity	Winter (percent)	Spring (percent)	Season (percent)
Shopping	1.1	0.0	0.8
Indoor Rec/Ent	0.9	0.0	0.6
Visit Frnd/Rel	7.9	4.0	6.8
Business trip	1.5	0.5	1.2

TABLE 8.—SECOND MOST IMPORTANT ACTIVITY

Activity	Winter (percent)	Spring (percent)	Season (percent)
Alpine ski	17.1	11.0	15.4
Snowboard	8.0	19.2	11.1
X-country ski	9.3	4.1	7.8
Snowmobiling	2.9	0.3	2.2
Other Outdoor	8.6	5.4	7.7
Shopping	27.2	40.5	30.9
Indoor Rec/Ent	12.1	9.5	11.4
Visit Frnd/Rel	14.2	10.1	13.1
Business trip	0.7	0.0	0.5

Table 9 shows the activities which those completing the survey forms indicated that they participated in while they were on this trip. Alpine skiing, cross country skiing, snowboarding and other outdoor recreation (hiking, skating, snowmobiling, ice fishing, etc.) were all important outdoor activities. Shopping, indoor entertainment and visiting friends and relatives were other important trip activities. Cross country skiing and other outdoor activities were more common as important activities during the winter months than for the spring, most likely due to the lack of snow at cross country ski areas and a lack of safe ice on lakes during the spring months of 1995.

TABLE 9.—PARTICIPATED IN THIS ACTIVITY

Activity	Winter (percent)	Spring (percent)	Season (percent)
Alpine ski	92.6	98.6	94.3
Snowboard	8.8	11.1	9.2
X-country ski	17.5	9.5	15.3
Snowmobiling	4.4	6.4	5.0
Other Outdoor	22.5	14.3	20.2
Shopping	53.6	52.8	53.3
Indoor Rec/Ent	28.2	21.2	26.2
Visit Frnd/Rel	24.9	21.0	23.8
Business trip	2.9	3.1	3.0

Accommodations for Multi-Day Trips

Ski parties which responded to the skier survey were very likely to be on a multi-day trip. It appears that 67 percent of all winter ski trip parties responding were on a multi-day trip and that 71 percent of the spring season parties responding were on such a trip. This averages out to 68 percent for the season, for those parties that responded. These percentages are estimated as this section of the survey form was not completely filled out by all respondents.

For those parties which did stay overnight, the average stay was relatively lengthy. Winter month overnight ski parties stayed an average of 5.24 nights, compared to an average of 3.72 nights in the 1992–3 season and spring overnight ski parties stayed an average of 6.24 nights, compared to an average of 3.03 nights in the 1992–3 season. The average for the entire season was 5.52 nights for overnight ski parties, compared to an average of 3.49 nights in the 1992–3 season. While the largest number of parties on overnight trips stayed for only two nights, a significant share of ski groups stayed for seven nights or longer. The average stay for all ski parties (including day trips) for those responding to the survey was 3.53 nights during the winter months and 4.43 nights for the spring months. This produced an average of 3.78 nights for all trips for the season.

The U.S. Travel Data Center information for New Hampshire indicates that skiers on overnight trips were far more likely to complete the INHS survey form than skiers on day trips. As a result, it is estimated that overnight trip skiers were 58 percent of all skiers days, up from 47 percent during the 1992–3 season, but below the 68 percent figure for those parties which returned the forms. When this assumption of 58 percent of all skiers days by overnight visitors is used, then the average stay increases to 3.63 nights for the winter, 5.59 nights for the spring and 4.18 nights for the season. These averages for 1994–5 compare with 1.72 nights for winter 1992–3; 1.90 nights for spring 1993 and 1.78 nights for the 1992–3 season—when a larger share of all skiers were on day trips.

Table 10 shows the percentage of overnight ski parties staying at each different type of accommodation. In contrast, Table 11 shows the share of length of stay spent at each type of accommodation. A comparison of Tables 10 and 11 shows that the shortest visits were by those who stayed at motels, hotels and resorts and at inns and bed and breakfast establishments. This is the case as the percentage share

of length of stay in Table 11 is less than the percentage staying at this type of accommodation as shown in Table 10. Those parties which stayed the most nights were in second homes or camping in RV's. Parties staying in a condominium (owned or rented) or staying at a place owned by a friend or relative were near the average in terms of length of stay. Spring season skiers were more likely to be attracted to stay at a hotel, motel, resort, inn and bed and breakfast and less likely to be camped in an RV than the winter season skier. Spring skiers were more likely to stay longer than winter skiers.

TABLE 10.—STAYED AT THIS TYPE OF ACCOMMODATION

Type	Winter (percent)	Spring (percent)	Season (percent)
Motel/resort	25.2	33.8	27.6
B&B/Inn	5.6	8.8	6.5
Second home	14.9	11.8	14.0
Condominium	22.4	17.8	21.1
Friend/Rel	26.8	24.6	26.2
Other*	5.1	3.2	4.6

*Most in the ''Other'' category were camping.

TABLE 11.—SHARE OF LENGTH OF STAY AT THIS TYPE OF ACCOMMODATION

Type	Winter (percent)	Spring (percent)	Season (percent)
Motel/resort	15.4	27.4	18.5
B&B/Inn	2.8	3.2	2.9
Second home	20.2	25.5	21.7
Condominium	23.8	18.3	22.6
Friend/Rel	25.2	23.3	24.5
Other*	12.6	2.3	9.8

*Most in the ''Other'' category were camping.

Compared with the 1992–3 season, those on overnight trips in 1994–5 were far more likely to be staying in a second home, property of a friend or relative or to be camping. Stays at motels, resorts and rented condominums were fewer during the 1994–5 season than for the 1992–3 season. The U.S. Travel Data Center information for winter 1995 on type of accommodations used was consistent with the information provided by the skiers. As those who stay at hotels, motels and resorts stay for a shorter period of time than other overnight visitors, their decrease in number is a second reason (after the reduction in day trips) for the increase in the average length of stay by skiing parties during the 1994–5 season in comparison with the 1992–3 season.

Travel Party Spending

The average spending per travel party from those parties which responded is shown in Table 12, but has been adjusted upward to reflect travel spending reported for all winter 1995 visitors to New Hampshire by the U.S. Travel Data Center. Even with this adjustment, average spending per visitor day may appear to be low. The reason for this is that 54.3% fewer visitor days by ski parties were spent in paid overnight accommodations than was the case in 1992–3. This was because 49.3% of overnight visitors stayed in second homes, condominium or time share units and/or accommodations owned by friends and relatives. Spending at the ski area (Recreation in Table 12) was a relatively large share (31%) of all spending. Spending at grocery stores is also relatively high (5%) and reflects the relatively large share of overnight visitors who stayed in accommodations with kitchens.

TABLE 12.—AVERAGE TRAVEL PARTY SPENDING

Category	Winter	Spring	Season
Lodging	$384.34	$517.58	$421.65
Restaurants	406.50	529.76	441.01
Groceries	82.39	103.52	88.31
State Liquor	19.25	27.40	21.53
Transportation	82.05	121.78	93.17
Recreation	545.18	707.26	590.56
Shopping	203.94	299.89	230.81
Services & Other	33.27	24.36	30.78
Total	1756.92	2331.55	1917.82
Per person trip	366.79	504.66	404.60
Per visitor day	79.22	76.58	78.48

As noted previously, the average length of the spring skiing trip was longer than the winter trip. Thus, spending per party trip and per visitor trip was higher for the spring season, even though spending per visitor day is

lower during the spring months than for the winter months.

Obtaining and Using Travel Information

The skiers were asked several questions to determine how they obtained and used information in order to plan and undertake the ski trip. Table 13 shows the single most important source of information used to plan and undertake the ski trip. Previous trips and advice from friends and relatives were the two most important sources. Snow phone information, ticket promotions and ski area brochures were also very important.

TABLE 13.—MOST IMPORTANT INFORMATION SOURCE USED

Source	Winter (percent)	Spring (percent)	Season (percent)
Prior trips	36.1	31.2	34.7
Friends/Rel	20.8	9.6	17.7
Snow phone	13.3	7.6	11.7
Ticket promotion	3.9	17.5	7.7
Ski area brochures	3.8	6.9	4.7
Newspaper story	3.8	3.5	3.7
NH Winter Vis. G.	3.2	2.7	3.1
Weather report	2.5	4.4	3.0
Magazine story	3.3	0.5	2.5
TV ad	2.5	1.7	2.3
Regional Guides	2.5	1.7	2.3
Newspaper ad	0.6	4.2	1.6
TV story	0.7	2.7	1.3
Radio ad	1.2	0.7	1.1
Radio story	1.3	0.4	1.0
SKI–NH Mag	0.6	1.5	0.9
Ski Show	0.0	1.7	0.5
Travel Agents	0.0	1.3	0.4
Magazine ad	0.0	0.2	0.1
Billboard ad	0.0	0.0	0.0

Table 14 shows the second most important source of information used in planning and undertaking the skiing trip. Previous trips and advice from friends and relatives are still the two most important sources of information used, but are relatively less important proportionally among the second most important sources. Those who selected one of these two as the most important source of information were very likely to name snow phones, weather reports, ski area brochures and ticket promotions as their second leading source of information.

TABLE 14.—SECOND MOST IMPORTANT INFORMATION SOURCE USED

Source	Winter (percent)	Spring (percent)	Season (percent)
Prior trips	12.1	20.8	14.5
Friends/Rel	11.8	14.6	12.6
Snow phone	10.9	9.2	10.4
Weather report	12.5	4.6	10.3
Ski area brochures	12.5	4.2	10.2
Ticket promotion	10.4	7.0	9.4
Newspaper story	6.0	7.1	6.3
Radio ad	6.1	6.2	6.1
NH Winter VIS.G.	2.9	2.1	2.7
TV ad	2.3	3.2	2.6
Radio story	2.3	3.2	2.6
Magazine story	1.4	4.2	2.3
Ski Show	1.6	2.6	1.9
SKI–NH Mag	1.6	1.9	1.7
Regional Guides	0.8	2.8	1.4
TV story	1.5	1.3	1.4
Magazine ad	1.4	1.5	1.4
Newspaper ad	0.8	3.0	1.4
Travel Agents	1.5	0.2	1.1
Billboard ad	0.8	0.0	0.6

Table 15 shows the percentage of responding parties which said that they made use of each of the various sources of information. Previous trips remained the most important source of information used. However, a much wider range of sources of information were used which may not have been the most important or second most important sources of information as listed in Tables 13 and 14. There were also differences between the winter and spring months in the importance of some of the types of information used, as in the previous tables. The largest differences between the winter and spring months in Table 15 for ticket promotions and SKI–NH Magazine, both

of which were used more frequently during the spring months.

TABLE 15.—USED THIS INFORMATION SOURCE

Source	Winter (percent)	Spring (percent)	Season (percent)
Prior trips	69.6	77.4	71.8
Ski area brochures	36.6	36.6	36.6
Friends/Rel	38.0	30.4	35.9
Snow phone	34.8	34.3	34.7
Ticket promotion	19.2	31.5	22.6
Weather report	22.8	21.9	22.5
Newspaper story	19.1	22.4	20.0
NH Winter Vis. G.	20.3	16.9	19.3
Newspaper ad	18.2	20.2	18.8
SKI–NH Mag	14.1	27.9	18.0
Magazine story	16.5	18.7	17.1
Radio ad	13.5	18.9	15.0
Regional Guides	12.9	19.7	14.8
Magazine ad	14.9	13.5	14.5
TV ad	13.9	15.2	14.3
TV story	12.3	16.3	13.4
Radio story	10.4	13.5	11.3
Billboard ad	5.8	6.7	6.1
Ski Show	3.0	5.6	3.7
Travel Agents	2.1	3.2	2.4

The ''information source use index'' score in Table 16 is obtained by multiplying the most used source percentage by three, the second most used source percentage multiplied by two and the information source used percentage by one; then adding these scores and dividing by six. This provides a weighted score for each of the information sources used by winter and spring months and for the season.

The results of this process indicate that prior trips remain the most important/used source of information. During the winter months the second most important/used source is advice from friends and relatives, followed by snow phones. However, during the spring months the second most important/used source is ticket promotions, followed by advice from friends and relatives. There are other differences between winter and spring in the importance and use of the various information sources, although weather reports and ski area brochures tend to rank high for both winter and spring. SKI–NH Magazine, regional guides and radio advertisements were more frequently used during the spring months than during the winter months. The three lowest ranking sources for *both* winter and spring were: *ski shows, billboard advertising* and *travel agents*.

TABLE 16.—INFORMATION SOURCE USE INDEX

Source	Winter index	Spring index	Season index
Prior trips	33.7	35.4	34.2
Friends/Rel	20.7	14.7	19.0
Snow phone	16.1	12.6	15.1
Ski area brochures	12.2	11.0	11.9
Ticket promotion	8.6	16.3	10.8
Weather report	9.2	7.4	8.9
TV ad	9.2	4.5	7.9
Newspaper story	7.1	7.9	7.3
NH Winter Vis.G.	6.0	4.9	5.7
Radio ad	4.9	5.6	5.1
Magazine story	4.9	4.8	4.9
Newspaper ad	3.6	6.5	4.4
Regional Guides	3.7	5.1	4.1
SKI–NH Mag	3.2	6.0	4.0
Radio story	3.2	3.5	3.3
TV story	2.9	4.5	3.3
Magazine ad	3.0	2.9	3.0
Ski Show	1.0	2.7	1.5
Billboard ad	1.2	1.1	1.2
Travel Agents	0.9	1.3	1.0

The following table (Table 17) reorganizes the information shown in Table 16 by grouping the information sources by the level of control that the ski areas have over the design and use made of this information and its distribution. The average index score for the entire season is used to rank the information sources within these categories. For most of the information categories the ski areas either provide or produce the information directly or have other organizations provide it or distribute it on their behalf. This includes various types of media in which advertising occurs.

Skiers do make significant use of information which is produced directly by the ski areas in making trip decisions. Most day trip skiers also want up-to-date information as part of the trip decision process, as indicated by the importance of snow phones, weather reports and TV and radio advertising. Advice from friends and relatives and regional guides were also more likely to be sued by those on day trips. The information sources more likely to be used by skiers on overnight trips than those on day trips were: prior trips, ticket promotions, NH Winter Visitors Guide, SKI–NH Magazine and travel agents.

TABLE 17.—CONTROL OF INFORMATION SOURCE AND IMPORTANCE/USE BY SKI AREA

Source	Season use index
No Control Over Information Source:	
Prior trips	34.2
Friends/Relatives	19.0
Weather report	8.9
Indirect/Limited Control Over Information Source:	
Snow phone	15.1
Newspaper story	7.3
Magazine story	4.9
TV story	3.3
Radio story	3.3
Travel Agent	1.0
Direct/Significant Control Over Information Source:	

TABLE 17.—CONTROL OF INFORMATION SOURCE AND IMPORTANCE/USE BY SKI AREA—Continued

Source	Season use index
Ski area brochures	11.9
Ticket promotion	10.8
TV ad	7.9
NH Winter Visitors Guide	5.7
Radio ad	5.1
Newspaper ad	4.4

TABLE 17.—CONTROL OF INFORMATION SOURCE AND IMPORTANCE/USE BY SKI AREA—Continued

Source	Season use index
Regional Guides	4.1
SKI–NH Magazine	4.0
Magazine ad	3.0
Ski Show	1.5
Billboard ad	1.2

The skiers were asked how they used the above sources of information to make trip decisions. Table 18 summarizes how this information was used. Almost one-third noted that they did not make any use of the information sources listed, although it is very likely that this group did make use of their knowledge from previous trips. Selecting the ski area(s) was the major use made of this information.

TABLE 18.—INFORMATION WERE SOURCES USED TO SELECT

Activity	Winter (percent)	Spring (percent)	Season (percent)
Ski Areas	47.3	39.5	45.1
Lodging	14.7	19.1	15.9
Dining	16.7	18.5	17.2
Itinerary	9.2	10.0	9.4
Shopping Areas	13.6	8.7	12.2
Did not use information	25.9	37.1	29.0

The skiers were asked to provide three key words that best described New Hampshire. In Table 19 the top ten words mentioned are ranked with the most weight if the word was listed first, less weight if second and no weight if listed third. There was some variation among the winter and spring months in the ranking of these words, but only 13 different words appeared on the top ten lists for the winter and spring months. The three words which made either the winter or spring top ten list, but did not make the top ten list for the season (shown in Table 19) are: ''rural,'' ''natural'' and ''safe.'' ''Beautiful'' was listed three times as often as the second place word: ''scenic.'' These two words plus ''friendly'' and ''clean'' are very often used to describe other seasons of the year. ''Relaxing'' and ''peaceful'' are very common words which appear in other spring season surveys. ''Great,'' ''fun,'' ''mountains'' and ''cold'' are words which must be associated with skiing as they have not been found to be highly ranked in other surveys of New Hampshire visitors.

TABLE 19.—KEY WORDS

Word	Winter rank	Spring rank	Season rank
Beautiful	1	1	1
Scenic	2	2	2
Friendly	3	5	3
Relaxing	4	2	4
Great	5	7	5
Fun	7	4	6
Clean	6	8	7
Mountains	8	9	8
Cold	9	9	9
Peaceful	10	6	10

Conclusion

The returned survey forms skiers during the 1994–5 season indicate that the core group of skiers were those who stay at their own (or a friend's) second home, condominium or time share unit. There was little change in the numbers of this group who skied in comparison with the 1992–3 season. Those skiers who pay to stay overnight at a resort, motel, inn or bed and breakfast were less likely to visit a ski area during the 1994–5 season. The day trip skier also appeared to be smaller in number than in recent seasons.

The survey results show that skiers do use information in deciding whether or not to go skiing, what ski areas to visit, where to stay and dine and where to shop during their ski trip. The winter and spring skiers have slightly different demographic and trip characteristics. The winter skier is more likely to be a beginner and to be from New England. The Canadian skier is more likely to visit during the springs, as has been found in other surveys. Skiers who come to New Hampshire make very little use of ski shows, bill board advertising and travel agents in making ski trip decisions. Snow phones, ski area brochures, special ticket promotions, weather reports and television advertising are important advertising and information sources for skiers.

Davidson-Peterson Associates, Inc.

Research Memorandum

Profile of Visitors to Maine's Ski Resorts, Winter Ski Season 1994–95

Presented to: Ski Maine

Presented by: Davidson-Peterson Associates, Inc., P.O. Box 350/18 Brickyard Court, York, Maine 03909–0350

A. Introduction

Davidson-Peterson Associates, Inc. was commissioned by Ski Maine to conduct a visitor profile and expenditure study for the State's ski destinations during the 1994–95 ski season.

In order to complete this task, Ski Maine acquired the cooperation of the Ski Industries Department at the University of Maine at Farmington. Between December 17, 1994 and February 26, 1995, a team of students visited all 13 Ski Maine members and collected and coded a total of 896 completed questionnaires. These questionnaires were then processed by Davidson-Peterson Associates, Inc. staff.

Using confidential industry information, the data were weighted to represent the total universe of visitors to Maine's ski areas during the past ski season.

Now let's take a look at who skis in the state of Maine.

B. Who Visits Maine's Ski Areas?

1. Region of Residence

Maine's skiers live nearby. Most of Maine's skiers are residents of the United States (96%). Nearly eight in 10 reside within New England (78%), and fully two in five are Mainers (40%). One quarter are residents of Massachusetts (25%), and one in 20 resides in New Hampshire (5%). Fewer are residents of

Connecticut (4%) or Rhode Island (3%). Less than one half of one percent are from Vermont.

One Maine skier in 20 is a resident of the Middle Atlantic states (6%).

One in eight reports that he/she is a resident of the United States but chose not to specify.

Of the few international skiers, half are Canadian residents (2%).

2. How Old Are They?

Visitors to Maine's ski areas are all ages. Not surprisingly, Maine's skiers tend to be middle-aged or younger, with an average of 37.1. More than half are between the ages of 35 and 54 (54%). Nearly one quarter are 25–34 (23%). One in six is a young adult 18–24 (16%). Very few of Maine's skiers are 55 or older (5%). Of course, respondents had to be at least 18 years old to complete the survey.

3. Gender

More than half of the visitors to Maine's ski areas are male (54%). While fewer than two in five are female (39%), one in 12 chose not to respond (7%).

4. How Much Do They Make?

Maine's skiers tend to be affluent. More than two in five report their annual pretax household income to be more than $60,000 (41%). Fewer report earning less than $30,000 (15%), while one in ten chose not to answer (9%).

The average reported annual pretax household income is $57,600.

Now let's examine the detailed findings of this study.

C. Detailed Findings

1. Reason For This Ski Trip

Visitors to Maine's ski areas are there for one main reason—to ski. Fully seven responders in 10 report that the one main reason for their trip was to visit that particular ski resort (70%). One in 10 reports taking the trip for rest and relaxation—a change of pace (11%).

Slightly more than one in ten reports the main reason for the trip being either to visit several ski areas or to visit friends and relatives (6% each). One in 20 is either seeing an area not yet seen or attending a special event (3% and 2%, respectively).

2. Number of Nights Spent In Maine

Visitors to Maine's ski areas spend an average of 4.1 nights away from home in Maine during a ski trip. One in five spends 1–2 nights away from home in Maine (19%). Slightly fewer spend 3–4 nights away from home in Maine (15%). However, fully one in five spend at least five nights away from home in Maine (20%).

Two Maine skiers in five spend no nights away from home during their ski trip (41%).

Residents of Maine staying overnight away from home stay an average of 3.6 nights, while non-residents stay an average of 4.2 nights.

3. Type of Overnight Accommodations

Maine's skiers are equally likely to stay in paid accommodations or accommodations with no fee. One half of those visitors who stayed overnight in Maine stayed in paid accommodations (49%). Nearly one quarter stayed in a rented home/condominium/cabin (23%). One in five stayed in a hotel/motel/resort (19%). Many fewer stayed in either a historic inn (4%) or a bed and breakfast (3%).

Therefore, one half of those visitors staying overnight in Maine also stayed in accommodations with no fee (51%). One quarter stayed in an owned or borrowed home/condominium/cabin (23%). One in seven stayed at the home of friends or family (14%). One in seven also chose not to specify (15%).

4. Travel Party Size

Visitors to Maine's ski areas do not travel alone. The average travel party size of visitors to Maine's ski resorts is 3.5 persons.

The average party size for non-residents is 3.8, compared to an average of 3.0 for residents.

5. Presence of Children in Party

Perhaps surprisingly, there do not tend to be children in Maine's ski travel parties. Fully three visitors to Maine's ski areas in five report that there are no children younger than 13 in their travel party (60%).

Of those who are traveling with children younger than 13, the average number of children per travel party is 1.9.

6. Type of Skiing Participated In By Party

Maine's skiers do just that—downhill ski. Nearly all of the respondents reported that someone in their travel party was going to participate in downhill skiing (95%). One in seven reported that someone would cross-country ski or snowboard (15% and 14%, respectively). Very few reported that someone would telemark ski (3%).

Not surprisingly, due to its increasing popularity with young adults, those visitors 18–24 are less likely to participate in downhill skiing (89% vs. 97%) and far more likely to participate in snowboarding (27% vs. 11%).

7. Reason For Skiing In Maine

Not surprisingly due to the region of residence of Maine's skiers, they are skiing in Maine because of its location and reputation. Nearly two visitors in five to Maine's ski resorts say they are skiing in Maine because they live either in Maine or nearby (38%). Slightly fewer are skiing in Maine because of the reputation of the area and the facilities (34%). One in eight is visiting family or friends (12%). One in 20 is taking advantage of a special package (6%).

Interestingly, one half of the non-residents are visiting Maine due to the reputation of the facilities (52%), and nearly one in five is visiting family and friends (17%).

8. Type of Transportation Used

Another unsurprising characteristic due to Maine's skiers' region of residence, they drive their own vehicles to the ski areas. More than nine Maine skiers in 10 used their own vehicles to get to the ski area (92%). One in 20 either rented a vehicle or took a bus (3% each). Fewer still flew (2%—1% to Boston and 1% to Portland).

1% reported taking a train—more than likely the Silver Bullet Express to Sunday River.

9. Experience on Maine's Roadways

Overall, visitors to Maine's ski areas rate the State's roadways above average. On the Maine Turnpike, more than three visitors in five rated the road conditions either very good or good (65%), and another one in 10 rated them average (11%). Traffic was reported to be very good or good by fully three in five visitors (60%). Slightly fewer ranked signage and traffic at toll booths the same (58% and 57%, respectively).

Aside from the Turnpike, traffic on the other roadways within the State was rated very good or good by more than three visitors in five (63%). Fully three in five also rated the road conditions and signage the same (60% each).

Maine residents tended to give the State's roadways a lower grade than non-residents.

10. Most Important Factor in Timing of Trip Home

When deciding what time to head home, the majority of Maine's skiers cite the distance they have to travel as the most important factor. More than three visitors to Maine's ski areas in five reported that the single most important factor used in determining the time they head home is the distance that they have to travel (64%). Another one in six report the reason to be fatigue (16%). One in 10 say he/she decides when to leave depending upon the weather

(11%). One in 20 either make this decision depending on traffic or did not respond (5% each).

11. How Downhill Ski Trips Are Planned

Maine's skiers like to ski whenever they have the opportunity to do so. One half of the Maine skiers plan their ski trips whenever time and finances allow them to do so (50%). One third say they try to plan a ski vacation with at least one overnight each ski season (36%). Three in 10 report taking day ski trips several times each ski season (28%). One in 10 says that they do not plan their downhill ski trips (9%).

Non-residents are more than twice as likely as residents are to plan a ski vacation with at least one overnight each ski season (46% vs. 21%).

12. Pattern of Overnight Ski Vacations

Not surprising due to the response found in the previous section, visitors' trips to Maine's ski areas tend not to follow a pattern. More than one third of the visitors to Maine's ski areas report that their overnight ski vacations do not follow a pattern (35%). One visitor in five says he/she plans overnight trips for President's Week—February 18 through February 26 during 1995—each year (22%). One in six says he/she takes a ski vacation between January 2 and February 17 (16%). Slightly fewer take a ski vacation between February 27 and the end of the ski season (12%) or during Christmas Week—December 25 through January 1 (11%). Very few Maine skiers take a ski vacation prior to Christmas each year (7%).

One in five visitors chose not to respond to this question (19%).

13. Activities Participated in During Ski Trip

Besides skiing, visitors to Maine's ski areas are there to relax. Nearly three visitors in five say they are going to participate in relaxing ''quiet time'' during their trip (58%). Two in five say they are going to enjoy fine dining (38%). One quarter report seeking nightclub entertainment (26%) or fitness activities (23%). One in six reports sightseeing (16%). Very few say they will go snowmobiling (7%), snowshoeing (3%), skating or cross-country skiing (2% each), or shopping (1%).

Non-residents are far more likely to participate in relaxing ''quiet time'' (64% vs. 47%), as well as sightseeing (18% vs. 12%).

14. Bring Lunch or Purchase Lunch

The cost of food at Maine's ski areas causes visitors to bring their own lunches with them to the mountain. Slightly more than half of Maine skiers bring their lunches with them (52%). One third bring their lunches from home (34%). Many fewer bring their lunches from non-paid overnight accommodations or a retail establishment (6% each), or from paid overnight accommodations (4%).

Of course, residents are more likely to bring their lunches with them (58% vs. 48%).

Of those who brought their lunches with them, nearly two-thirds report doing so because the price of food at the ski areas is too high (64%). Other reasons given were the quality of food available at the ski areas (17%), the selection/variety available (14%), and the fact that they did not want to wait in line (11%). Only slightly more than two in five purchase lunch at the ski area (44%).

15. Where Do Maine's Skiers Ski?

Visitors to Maine's ski areas also visit ski destinations in other states. Nearly three quarters of those who skied in Maine during this past ski season also skied in Maine during the previous ski season—1993–1994 (72%). More than two in five skied at Sunday River (43%), while slightly fewer skied at Sugarloaf (37%).

Three visitors in 10 visited a New Hampshire ski area during 1993–'94 (29%). One in five skied in Vermont (21%).

Of course during this past ski season—1994–1995—all of those visitors responding skied in Maine (100%). Two-thirds skied at Sunday River at least once during the past ski season (64%), while one half skied at Sugarload (49%). One in five visited Shawnee Peak (20%).

Three Maine skiers in 10 also skied at least once at a New Hampshire area this past season (28%). Slightly fewer visited a Vermont ski area (22%).

16. Average Number of Days Skied

Visitors to Maine's ski areas ski often. Maine's skiers skied an average of 16.6 times in Maine during the past ski season—up slightly from an average of 16.3 in 1993–'94.

They skied an average of 6.7 times in New Hampshire (vs. 6.0 the previous season), and 4.9 times in Vermont (down slightly from 5.2 the previous season). They also skied 8.4 times at other destinations (down from 9.3 the previous season).

D. How Much Do They Spend?

1. Hotel/Motel/Resort/Bed & Breakfast/Historic Inn

Visitors to Maine's ski areas who stay overnight in a hotel, motel, resort, bed & breakfast or historic inn have the highest daily expenditures. These visitors spend an average of $111.82 per person per day.

One third is spent on lodging (35%, or $39.13). Slightly less is spent on sports fees such as lift tickets and equipment rental (27%, or $30.75). One fifth of the daily expenditure is for food (19%, or $20.84). Less than one tenth is spent on shopping (7%, or $7.89). Other expenditures total $13.21.

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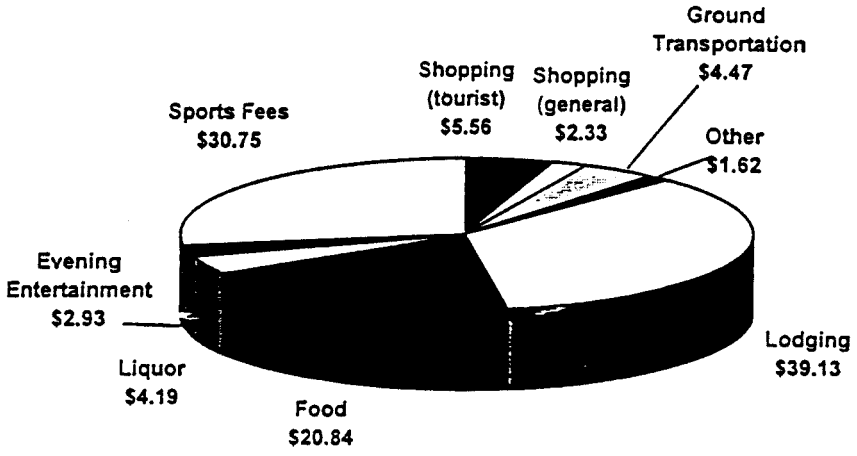

Total: $111.82

2. Rented Condominium/Cabin

Slightly less is spent by Maine skiers who rent a condominium or cabin during their stay in the state. These visitors spend $110.57 per person per day.

More than two-fifths of this expenditure is for lodging (42%, or $46.70). Nearly one third is spent on sports fees (30%, or $33.37). One eighth is spent on food (14%, or $15.19). Very little is spent on shopping (6%, or $6.93). Other expenditures total $8.38.

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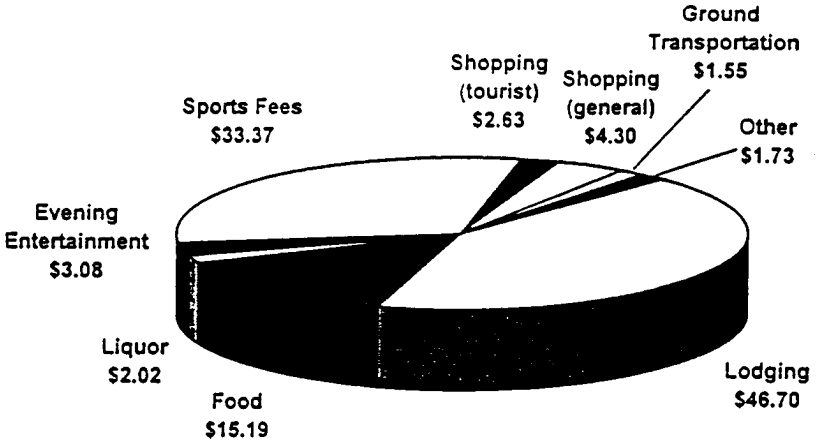

Total: $110.57

3. Daytrippers

Not surprisingly, visitors to Maine's ski areas who do not spend any nights away from home spend far less than those who do. These visitors spend an average of $56.44 per person per day.

Two thirds of their expenditures are for sports fees (67%, or $38.08). They spend one sixth on food (15%, or $8.64). They also spend very little on shopping (6%, or $3.22). Other expenditures total $6.52.

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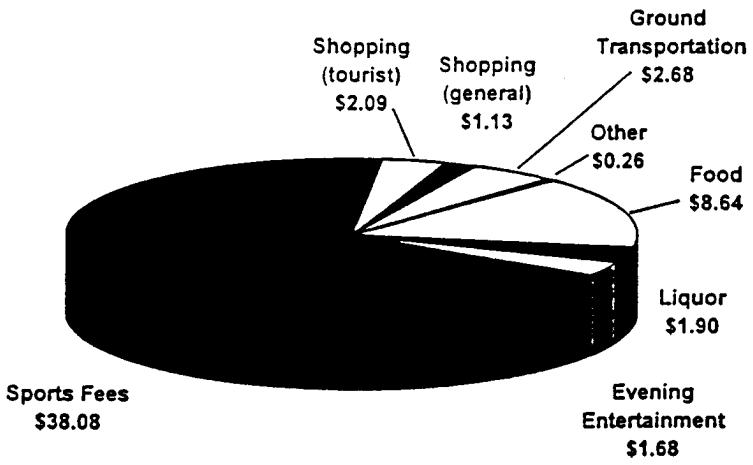

Total: $56.46

4. Visiting Friends and Relatives

Those visitors who are staying at the home of friends or relatives spend nearly the equivalent of daytrippers. These visitors spend an average of $56.15 per person per day.

More than two fifths of their expenditures are for sports fees such as lift tickets and rental equipment (43%, or $24.05). One quarter is for food (24%, or $13.34). They spend more on shopping than others do (15%, or $8.60). Other expenditures total $10.15.

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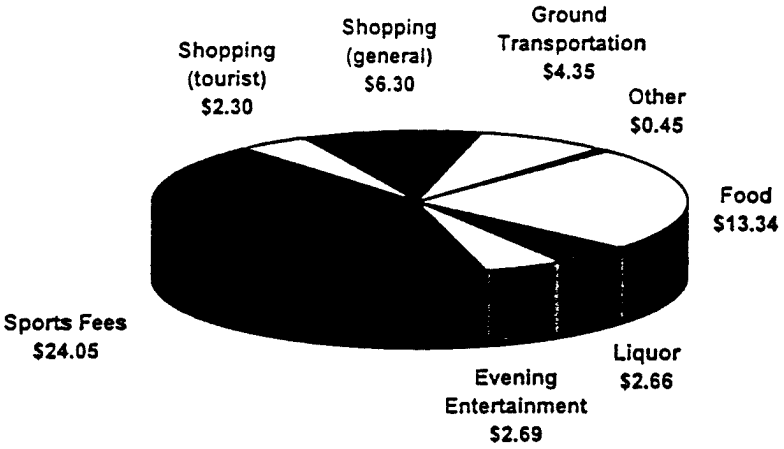

Total: $56.14

5. Condominium/Cabin Owned or Borrowed

Visitors to Maine's ski areas who stay overnight in a condominium or cabin that they either own or borrowed have spent the least during their trip. Those visitors on average spend $46.63 per person per day.

Two thirds of this expenditure is for sports fees (41%, or $18.99). Much like those visitors staying with friends or relatives, those staying in an owned or borrowed condo/cabin spend one quarter of their expenditures on food (26%, or $12.04). One eighth is spent on shopping (13%, or $6.11). Other expenditures total $9.49.

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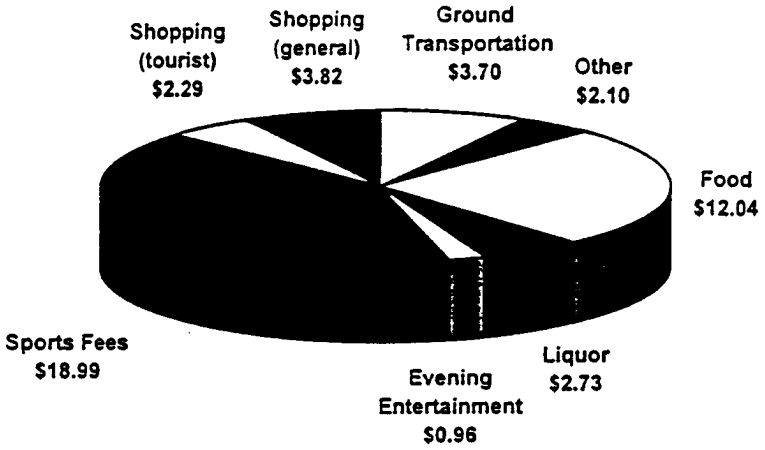

Total: $46.63

1. Reason For This Ski Trip

	Total	Resident	Non-resident
Base	(888)	(357)	(523)
	percent	percent	percent
Visiting this ski resort	70	72	68
Rest and relaxation—a change of pace	11	16	7
Visiting several ski resorts	6	2	9
Visiting friends and relatives	6	3	9
Seeing an area I have not seen	3	1	4
Attending a special event	2	1	2
Other	2	4	1

2. Total Number of Nights Spent in Maine

	Total	Resident	Non-resident
Base	(888)	(357)	(523)
	percent	percent	percent
None	9	2	13
One	5	6	4
Two	14	6	20
Three	9	2	14
Four	6	2	8
Five or more	20	7	28
Resident	32	73	.....
Second home	2	.....	7
No answer	4	2	5
Mean	4.1	3.6	4.2

Note: Columns of figures may not add to totals shown due to rounding.

3. Type of Overnight Accommodations

	Total	Resident	Non-resident
Base: those who stayed overnight	(632)	(216)	(409)
	percent	percent	percent
Paid Accommodations	*49*	*23*	*62*
Hotel/motel/resort	19	9	24
Bed and breakfast	3	1	4
Historic inn	4	1	5
Rented home/condominium/cabin	23	11	29
Accommodations/No Fee	*51*	*77*	*38*
Owned or borrowed home/condominium/cabin	23	30	19
Home of family or friends	14	12	15
No answer	15	36	4

Note: Columns of figures may not add to totals shown due to rounding.

4. Travel Party Size

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
One	10	12	8
Two	29	35	25
Three	18	21	16
Four–five	28	23	32
Six–eight	12	8	15
Nine or more	3	(*)	4
Mean	3.5	3.0	3.8

Note: Columns of figures may not add to totals shown due to rounding.
*Less than 0.5%.

5. Presence of Children in the Party

	Total	Resident	Non-resident
Base: those who answered	(798)	(313)	(479)
	percent	percent	percent
None	60	59	60
One	16	18	16
Two	16	14	17
Three	5	6	3
Four or more	3	2	3
Mean (excluding none)	1.9	1.9	1.9

6. Type of Skiing Participated In by Party

	Total	Resident	Non-resident
Base	(888)	(357)	(523)
	percent	percent	percent
Downhill ski	95	94	96
Cross-country ski	15	20	11
Snowboard	14	14	14
Telemark ski	3	5	1

Note: Multiple responses allowed.

7. Reason For Skiing in Maine

	Total	Resident	Non-resident
Base	(888)	(357)	523)
Nearby/live in Maine (percent)	38	81	8
Reputation of area/facilities (percent)	34	8	52
Visit family/friends (percent)	12	4	17

7. Reason For Skiing in Maine—Continued

	Total	Resident	Non-resident
Special package offered (percent)	6	5	8
Recommendation (percent)	3	1	5
Location of vacation home/condo (percent)	3	1	4
No answer (percent)	3	(*)	5

Note: Columns of figures may not add to totals shown due to rounding.
*Less than 0.5%.

8. Type of Transportation Used

	Total	Resident	Non-resident
Base	(888) percent	(357) percent	(523) percent
Own vehicle	92	94	90
Rented vehicle	3	1	4
Bus	3	3	3
Fly	2	1	3
Into Portland	1	(*)	2
Into Boston	1	(*)	1
Train	1	2	1

Note: Columns of figures may not add to totals shown due to rounding.
*Less than 0.5%.

9. Experience on Maine Roadways

	Total	Resident	Non-resident
Base	(888) percent	(357) percent	(523) percent
Maine Turnpike			
Road Conditions:			
Good*	65	54	72
Average	11	13	10
Traffic:			
Good*	60	48	69
Average	13	16	10
Signage:			
Good*	58	49	64
Average	15	17	13
Traffic at Toll Booths:			
Good*	57	47	64
Average	12	12	12
Maine's Other Roadways			
Road Conditions:			
Good*	60	53	64
Average	26	26	26
Traffic:			
Good*	63	54	69
Average	25	30	21
Signage:			
Good*	60	55	63
Average	26	32	23

*Those responding to ''very good'' or ''good'' on a five-choice scale.

10. Most Important Factor in Timing of Trip Home

	Total	Resident	Non-Resident
Base:	(888) percent	(357) percent	(523) percent
Distance to travel	64	51	73
Fatigue	16	25	9
Weather	11	13	10
Traffic	5	4	5

10. Most Important Factor in Timing of Trip Home—Continued

	Total	Resident	Non-Resident
Other	(*)	.....	(*)
No answer	5	7	3

Note: Columns of figures may not add to totals shown due to rounding.
* Less than 0.5%.

11.—How Downhill Ski Trips Are Planned

	Total	Resident	Non-resident
Base	(888)	(357)	(523)
	percent	percent	percent
Whenever time and finances allow	50	55	46
I try to plan a ski vacation each ski season	36	21	46
I plan day trips several times each ski season	28	32	25
I do not plan my downhill ski trips	9	11	8
No answer	4	6	2

Note: Multiple responses possible.

12. Pattern of Overnight Ski Trips

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
Start of season–December 24	7	8	6
December 25–January 1	11	8	13
January 2–February 17	16	10	20
February 18–February 26	22	12	29
February 27–end of season	12	11	12
Every weekend	(*)	.....	1
My overnight ski trips do not follow a pattern	35	39	33
No answer	19	28	13

Note: Multiple responses possible.
* Less than 0.5%.

13.—Activities Participated In During Trip

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
Relaxing/''quiet time''	58	47	64
Fine dining	38	34	41
Nightclub entertainment	26	30	23
Fitness activities	23	26	22
Sightseeing	16	12	18
Snowmobiling	7	10	5
Snowshoeing	3	4	2
Skating	2	1	3
Cross-country skiing	2	2	1
Shopping	1	1	1
Other	1	1	1
No answer	16	24	10

Note: Multiple responses possible.

14.—Type of Lunch

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
Purchase lunch at ski area	44	37	48
Brought a lunch—	52	58	48
From home	34	43	28

14.—Type of Lunch—Continued

	Total	Resident	Non-Resident
From paid overnight accommodations	4	1	6
From non-paid overnight accommodations	6	3	8
From retail establishment	6	9	5
Unspecified	1	2	1
No answer	5	5	4

Note: Columns of figures may not add to totals shown due to rounding.

15. Reason For Bringing Lunch

	Total	Resident	Non-Resident
Base: those who brought lunch	(461)	(237)	(225)
	percent	percent	percent
Price	64	60	68
Quality of food	17	16	18
Selection/variety	14	14	12
Didn't want to wait in line	11	12	10
No answer	28	31	26

Note: Multiple responses possible.

16. Where Maine's Skiers Did Ski During 1993–94

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
Maine	72	88	61
Sunday River	43	48	40
Sugarloaf	37	55	25
Shawnee Peak	15	24	9
Mt. Abrams	15	27	6
Saddleback	11	20	4
Lost Valley	8	14	3
Other Maine areas	15	29	5
New Hampshire	29	18	36
Vermont	21	12	27
Other New England	6	1	10
Other U.S. destinations	10	4	14
.			
Canada destinations	1	(*)	2
Other international destinations	1	1	1

Note: Multiple responses possible. Columns of figures may not add to totals shown due to rounding.
*Less than 0.5%

17. Where Maine's Skiers Did Ski During 1994–1995

	Total	Resident	Non-Resident
Base	(888)	(357)	(523)
	percent	percent	percent
Maine	100	100	100
Sunday River	64	55	71
Sugarloaf	49	63	40
Shawnee Peak	20	27	15
Mt. Abrams	14	25	6
Saddleback	13	24	5
Lost Valley	8	16	3
Camden Snowbowl	6	10	2
Other Maine areas	14	26	5
New Hampshire	28	16	36
Vermont	22	15	27
Other New England	7	1	12
Other U.S. destinations	10	5	13
Canada destinations	3	2	4

17. Where Maine's Skiers Did Ski During 1994–1995—Continued

	Total	Resident	Non-Resident
Other international destinations	1	1	(*)

Note: Multiple responses possible.
Columns of figures may not add to totals shown due to rounding.
*Less than 0.5%

18. Average Number of Days Skied During 1993–1994

	Total	Resident	Non-Resident
Base:*	.....	.....	.....
Maine	16.3	21.5	11.2
Sunday River	9.8	11.6	8.5
Sugarloaf	9.1	10.7	6.9
Shawnee Peak	6.1	5.4	7.4
Saddleback	5.5	6.2	3.4
New Hampshire	6.0	4.9	6.4
Vermont	5.2	4.7	4.9
Other	9.3	15.8	8.2

*Bases vary.

19. Average Number of Days Skied During 1994–1995

	Total	Resident	Non-Resident
Base:*	#	#	#
Maine	16.6	25.5	10.6
Sugarloaf	12.1	15.3	8.7
Sunday River	9.0	13.8	6.5
Shawnee Park	6.6	6.0	7.4
Saddleback	5.9	6.4	4.6
New Hampshire	6.7	3.4	7.6
Vermont	4.9	4.5	5.1
Other	8.4	6.7	8.8

*Bases vary.

20.—Region of Residence

	Total
Base	(888)
	percent
United States	96
New England	78
Maine	40
Massachusetts	25
New Hampshire	5
Connecticut	4
Rhode Island	3
Vermont	*
Middle Atlantic	6
Other U.S./unspecified	13
Canada	2
Other international	1
No answer	1

21.—Demographic Profile

	Total percent
Base	(888)
Age:	
18–24	16
25–34	23
35–44	36
45–54	18

21.—DEMOGRAPHIC PROFILE—Continued

	Total percent
55–64	3
65 and older	2
No answer	2
Mean	37.1
Gender:	
Male	54
Female	39
No answer	7
Annual Household Income:	
Less than $30,000	15
$30,000–$44,999	17
$45,000–$60,000	17
More than $60,000	41
No answer	9
Mean	$57,600

Appendixes A–E of the Mt. Washington Valley Task Force Report could not be reprinted in the Federal Register, however, they may be inspected in Suite 25, U.S. Department of Justice, Legal Procedures Unit, 325 7th St., N.W., Washington, D.C. at (202) 514–2481 and at the Office of the Clerk of the United States Court for the District of Columbia.

[FR Doc. 96–26995 Filed 10–29–96; 8:45 am]
BILLING CODE 4410–01–C

Immigration and Naturalization Service

[INS No. 1734–95]

Extension of Direct Mail Program to Applications for Adjustment of Status by Beneficiaries of Employment-Based Petitions; Filing of Employment-Based Petitions With the Texas Service Center

AGENCY: Immigration and Naturalization Service, Justice.

ACTION: Notice.

SUMMARY: The Immigration and Naturalization Service (INS) is expanding and adjusting its Direct Mail Program, under which applicants and petitioners for certain immigration benefits mail their applications directly to an INS service center for processing. This expansion of the Program is intended to improve INS service to the public by reducing the time required to process applications and petitions. In certain instances this notice affects the following applications or visa petitions: (1) Form I–129, Petition for a Nonimmigrant Worker; (2) Form I–131, Application for Travel Document; (3) Form I–140, Immigrant Petition for Alien Worker; (4) Form I–485, Application to Register Permanent Residence or Adjust Status; (5) Form I–526, Immigrant Petition by Alien Entrepreneur; (6) Form I–765, Application for an Employment Authorization Document; and (7) Form I–829, Petition by Entrepreneur to Remove Conditions.

EFFECTIVE DATE: November 29, 1996.

FOR FURTHER INFORMATION CONTACT: Gerard Casale, Senior Adjudications Officer, Immigration and Naturalization Service, Adjudications Division, 425 I Street, NW., Room 3214, Washington, DC 20536. Telephone: (202) 514–5014.

SUPPLEMENTARY INFORMATION:

Background

Under the INS Direct Mail Program, certain applicants and petitioners mail their applications or petitions for immigration benefits directly to an INS service center for processing instead of submitting them to a local INS office. Direct Mail improves the efficiency of service and the quality of case processing, by reducing the processing times for applications and petitions. The ultimate goal of the Direct Mail Program is to convert the filing location of applications and petitions for immigration benefits from local INS offices to the service centers in circumstances where it is practicable to do so. The purposes and strategy of the Direct Mail Program have been discussed in detail in previous rulemaking and notices, most recently on July 1, 1994, when the INS published an interim rule introducing Phase 3 of the Program (see 59 FR 33903–06) and a notice announcing the extension of Direct Mail to the Baltimore District Office as a pilot program (see 59 FR 33985–86).

The need to expand the Direct Mail Program is particularly urgent at this time. Applications and petitions for immigration benefits, particularly those for adjustment of status under section 245 of the Immigration and Nationality Act (Act) and for naturalization, are being filed in record numbers. As a result, processing time for these applications has lengthened significantly. Expanding Direct Mail is a key element in the INS strategy to reduce that processing time.

Expansion of Direct Mail

The INS is expanding the Direct Mail Program to include all Form I–485 applications for adjustment of status under section 245 of the Act which are filed on the basis of an approved employment-based immigrant petition, including those for eligible dependents of the principal applicant. Since the supporting visa petitions are already being adjudicated at the service centers, this expansion of Direct Mail will improve consistency in the adjudication of related applications for adjustment of status.

As of November 29, 1996, the following applications and petitions must be mailed to the appropriate INS service center (see section entitled ''Modification of filing instructions on relating forms'') instead of being filed with a local INS district office:

(1) Form I–485, Application to Register Permanent Residence or Adjust Status, (including adjustment applications by eligible dependents of the principal applicant), if it is being filed on the basis of any of the following approved employment based visa petitions:

—Form I–140, Immigrant Petition for Alien Worker;

—Form I–526, Immigrant Petition by Alien Entrepreneur; and

—Any Form I–360, Petition for Amerasian, Widow(er) or Special Immigrant, which classifies the