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CROWLEY MARITIME

ESTAB. 1892 124 YRS.

More than a century ago,
Thomas Crowley purchased a single
Whitehall rowboat in San Francisco
for \$80. The rest is history.

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Crowley Leads LNG Revolution

Wings Over Alaska:

Crowley Fuels Aviation Across the Great Land





Core Value: HIGH PERFORMANCE

Wings Over Alaska

Crowley Fuels Aviation Across the Great Land

Story by David DeCamp

Photos by Greg Martin

Left: With Crowley-supplied fuel on board, Palmer-based Alaska Air Fuel is able to meet the needs of its customers.

▶ **In the Lower 48, getting from place to place is simple.** Hop in a car, and the roads and highways run to virtually any destination with a myriad of helpful and convenient fuel stops along the way. Buses and trains provide an alternative without an afterthought, and in-car navigation systems remove any lingering doubts.

In Alaska, travel is a much different story.

At 663,300 square miles, Alaska is the largest and most sparsely populated U.S. state – so big, you could twice fit the state of Texas inside its boundaries. And within it, more than 80 percent of the communities find themselves without access to modern roads.

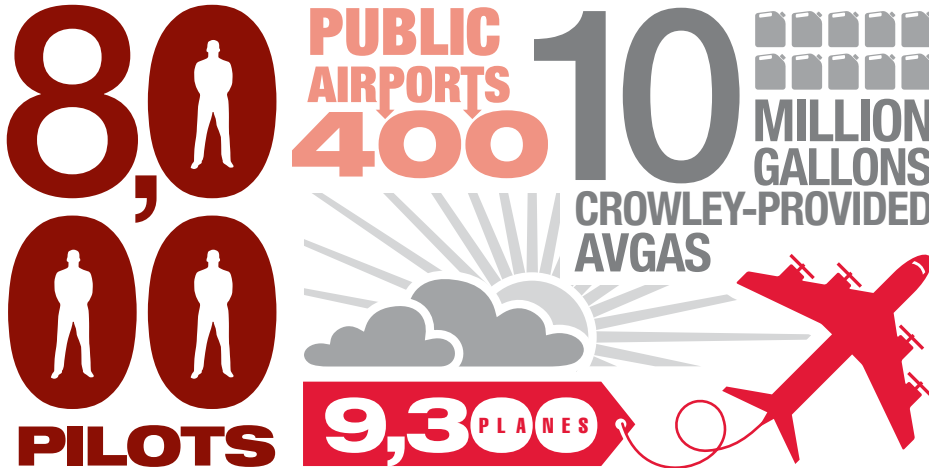
More Alaskans per capita rely on planes to travel than other Americans. In fact, the number of enplanements is 2.5 times the rate in the lower contiguous states. Alaska has more than 9,300 registered aircraft and nearly 8,000 active pilots who rely on 400 public airports, in addition to lakes and gravel bars across Alaska for landing strips.

Aviation is engrained in daily life. In most rural locations, air travel is a necessity for emergencies, family visits, work-related

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“ It’s challenging work, but also very fulfilling, because we are hauling fuel that is really important to our communities and the people who live here.”

AVGAS BY THE NUMBERS



travel, social and vacation trips, and transportation of supplies. Tourism is also dependent on aviation, and aviation operations are a staple for the U.S. military and first responders in the state.

Understanding the importance of the aviation industry in Alaska, Crowley Fuels has broadened its scope of services to include additional aviation fueling stations around the state.

Most recently, the company acquired the assets of ACE Fuels LLC, an aviation

fuels provider headquartered at Merrill Field in downtown Anchorage offering Jet A and AV 100LL (Avgas) fuels. The acquisition included the company's six, 24-hour self-service aviation fuels pump stations (card locks) and associated buildings located at the Merrill Field Strip, Merrill Field Main Airport, Willow Airport, Wasilla Airport, Lake Hood Strip and Fairbanks International Airport.

With this acquisition, Crowley now provides fueling services at 21 public aviation airports. And as the state's sole wholesale supplier of Avgas, the company provides the industry with approximately 10 million gallons of Avgas annually, reselling to all of the major aviation distributors in the state.

"Our priority is providing the best access to high quality fuels in the most efficient way possible for customers," said Rocky Smith, senior vice president and general manager. "The ACE Fuels acquisition continues our team's successful record of strategic investments that add value to the communities in which we operate."

► STORY CONTINUED ON NEXT PAGE

Left: Alaska Air Fuel depends on Crowley Fuel's strong mix of service offerings and locations to meet customer needs.

FUELING THE PROTECTION OF ALASKA

For agencies protecting national park land in Alaska, Crowley provides fuels to power aircraft responding to distress calls, participating in wildlife surveys, transporting park personnel, and more.

In Talkeetna, Chinook helicopters operated by the U.S. Army assist the park service when it stands up camps used by rangers patrolling Denali and other high peaks in the Alaska Range. The Army performs high altitude training in this same location. In addition to food and tents, the helicopters carry medical supplies, tables, shovels, solar panels and sleds to support soldiers in the Alaska Range. Crowley supports the military with aviation fuel throughout Alaska. The Alaska Army National Guard, the Air Force Rescue Coordination Center and the U.S. Coast Guard provide critical air support for emergency missions, medivacs, missing aircraft and logistical support.

When climbing season begins at Denali each spring, government agencies depend on Crowley to have ample supplies of fuel available to ensure their ability to fly aircraft and maintain public safety. ■



Our aviation fuels services are setting the standard in Alaska.”

► **Crowley Fuels Aviation**

The commercial and general aviation sectors count on Crowley’s dependable service as the company supplies jet fuel and Avgas to airports, operators, airlines and general aviation users in many communities.

The turbine aircraft market uses jet fuel, and Crowley distributes over 12 million gallons a year to keep the planes flying at peak performance. For smaller aircraft, such as Cessna planes in general aviation, and larger vintage aircraft, Crowley provides Avgas to fuel the piston engines.

Crowley provides customers with a range of airport delivery options, from fueling into the aircraft directly (“into wing”), to pumping into a tank in the cargo compartment (“into belly”) or to a storage tank at the customer’s airport location, allowing customers to choose the level of service that best meets their needs.

With a growing Crowley network of seven card lock locations, pilots can avoid delays and receive fuel along their flight plan. In 2014, the company opened McGrath Airport’s first aviation card lock station, offering pilots 24-hour refueling service at the busy airfield. The card lock system operates much like the self-serve gasoline stations people use to fuel automobiles, and allows aviators to refuel on their own schedule.

In addition to its card lock network, Crowley provides into-wing services at eight airports around the state and delivers to many on- and off-airport tanks, meeting the need for aviation fuels statewide whether routine, seasonal or temporary.

With such a complete aviation offering, Crowley is able to customize services to fit the diverse needs of customers. About three years ago, Palmer-based Alaska Air Fuel, which uses DC-4s to transport fuel around the state, started buying wholesale fuels, including jet fuel, Avgas and heating oil, from Crowley to sell to its

in-state customers. Crowley Fuels fulfills Alaska Air Fuel’s needs with a mix of service levels and location offerings.

“Crowley is very instrumental in having a process run smoothly. Otherwise, we would be patching together suppliers. It puts everything in one framework,” said John Sliwinski, vice president of Alaska Air Fuel. “Crowley meets all our needs.”

► **Crowley Fuels Tourism**

Tourism is a critical element to Alaska’s economy, and Crowley plays an important part in ensuring that visitors experience the natural beauty there.

In 2015, the state estimated tourism delivered a nearly \$4.2 billion impact from more than 2 million tourists. To get around the state and its vast wilderness, visitors rely heavily on air transportation.

K2 Aviation operates a busy flight hub at the Talkeetna airport. Crowley delivers jet fuel for the company’s turbine Otters, and Avgas to fuel its piston aircraft. K2 Aviation is well respected in the industry for its air taxi and “flightseeing” operations. From the Talkeetna airport, the company carries visitors to landings on glaciers and sight-seeing tours to Mt. Denali along with a variety of other picturesque routes at altitudes reaching up to 20,000 feet.

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“ Crowley is very instrumental in having a process run smoothly. Otherwise, we would be patching together suppliers. It puts everything in one framework.”

Below: K2 Aviation out of Talkeetna depends on Crowley to provide fuel for tourism trips to Mt. Denali and glacier landings.



Suzanne Rust, vice president, general manager and a co-owner of K2, said Crowley's service is responsive, timely and dependable. That's valuable because her business depends on quickly and safely cycling passengers on and off flights, which can sometimes total 50 or more per day during peak season.

"The service is great," Rust said from her Talkeetna office. "Crowley's staff is prompt and they are on top of their game."

Key to Crowley's service is a commitment to maintaining good relationships with clients.

"The Crowley folks here are part of the community. We're on a first name basis. I think part of that relationship enhances the service," said Rust.

► Crowley Fuels Government

Government agencies rely on Crowley-provided fuels to support national defense, public safety and other operations. This fuel keeps a variety of

◉ Story continued on right side of page 7



Above: K2's operators laud Crowley's service and strong relationships in communities.

Crowley truck drivers' dedication to safe, reliable delivery has made it Alaska's top fuel provider.



AT A GLANCE: FUEL DELIVERY IN ALASKA

For Phil Whitlatch, there's no place like Alaska to drive a tractor-trailer fuel delivery truck.

From the incredible sunlit mountain vistas to the dancing Northern Lights – and the occasional moose – the scenery and adventure keep Crowley truck drivers like Whitlatch enthused about their jobs and alert on the roads as they deliver all-important fuel to Alaskans. Their dedication to safe and reliable service has helped to build Crowley Fuels' reputation as Alaska's premier quality fuel provider.

"I get to haul an important product and work with a good group of drivers for an exceptional, safety-minded company," said Whitlatch, 37, who has driven for Crowley for just over two years. "It's challenging work, but also very fulfilling, because we are hauling fuel that is really important to our communities and the people who live here."

The 80 Crowley drivers cross 2 million miles of road a year, encountering snow and ice, steep mountain grades and wildlife. They are integral to keeping Alaskan customers supplied with fuel in some 280 communities the state.

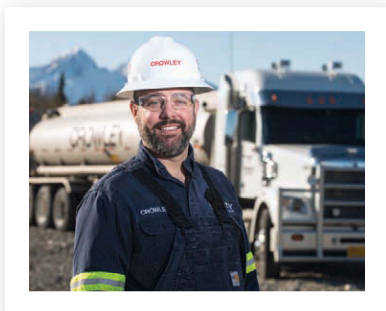
Whitlatch's day typically begins at 3 a.m., when he readies his tank truck at the Palmer yard. After performing pre-trip inspections, he drives to the port in Anchorage, where that day's fuel product is loaded for delivery to customers. His day ends by 5 p.m., so he can get the necessary rest to begin again the next day.

Crowley delivers more than 100 million gallons of petroleum products annually, including aviation fuels, home heating oil, ultra-low-sulphur diesel, gasoline and propane. The trucking division is well regarded for its safety record, having won multiple safety awards, including most recently the 2015 Alaska Trucking Association Safest Line Haul Truck Fleet Award.

"Our cornerstones are safety and dependability," said Jasper Hall, director, highway petroleum distribution. "The people of Alaska know us. They know we make safety a priority, and that leads to dependable service that our customers can rely on, whatever their petroleum needs."

Compared with much of the highway system connecting the contiguous U.S., driving the routes around Alaska is a different experience.

There, a driver is likely to experience weather extremes like nowhere else and a variety of wildlife – bears, caribou, lynx and wolves – even a moose charging



a trailer. Last January, a moose indeed ran into the side of his truck. Fortunately, Whitlatch kept his rig safely on the road, a testament to his awareness and driving skills.

"No two days are the same for me," said Whitlatch, a native of Idaho, who lived in Oregon before moving to Alaska in 2013.

Driving trucks in Alaska means fewer freeway routes and more mountain grades than in the lower 48 states, with dark winter days and nearly 24 hours of daylight in the summer. Crowley makes safety the utmost priority for its drivers. And while it's not quite the high drama of the "Ice Road Truckers" TV show, when there's snow and ice on a grade, safety is everything.

"It's very important. Whether you are hauling 13,000 gallons of diesel or 15,000 gallons of unleaded, that safety always comes first," said Whitlatch, a father of eight. "It keeps us on the road and it keeps us driving for Crowley."

aircraft, including Chinook helicopters, water bombers (firefighting tanker planes) and fighter jets, in the sky.

In Anchorage, the Defense Logistics Agency (DLA) relies on Crowley to manage its receipt of Jet fuel into the Port of Anchorage under a long-term terminal agreement in support of Joint Base Elmendorf-Richardson. Fuel is delivered via barges where it is then stored in Crowley's tank farm and pumped to the base. Crowley's Anchorage tank farm currently has capacity of 600,000 barrels (25.2 million gallons) set aside for DLA use and construction is underway to increase their storage capacity to approximately one million barrels.

Additionally, Crowley is supplying fuels in support of the Alaskan Fire Service, the National Parks Service and the U.S. Army, who often need to respond to wildfires and other emergencies throughout the state.

"We are proud to provide aviation fuels and services to the DLA and U.S.

Army, the National Park Service and the Alaska Fire Service. These are crucial programs for Alaskans and visitors, and Crowley Fuels supports their operations by offering solutions and responsive service," said Laura Yellig, vice president, highway petroleum sales.

► Focus on Safety and Quality

Crowley's retail aviation business relies on a dependable network of truck drivers who safely transport the fuel to terminals and stations in various parts of Alaska, setting the industry standard for fuel quality and service. Successful investments, such as ACE Fuels this year, have expanded storage, fuel options and other services to customers.

And in 2012, when Chevron withdrew from the Alaska Avgas market, Crowley stepped up purchasing and transporting fuel from Chevron's Richmond, Calif., refinery via barge to Alaska.

"That was a significant commitment that allowed us to expand our services in

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Above: The U.S. Army and other government agencies depend on Crowley to fuel their crucial work protecting Alaska.

support of the aviation community,” said Don King, senior account executive.

“We understand how integral the aviation industry is in Alaska for businesses and residents,” said Bob Cox, vice president, petroleum distribution. “We make safety and dependability a part of how we operate every day, and that translates into a strong relationship with customers.”

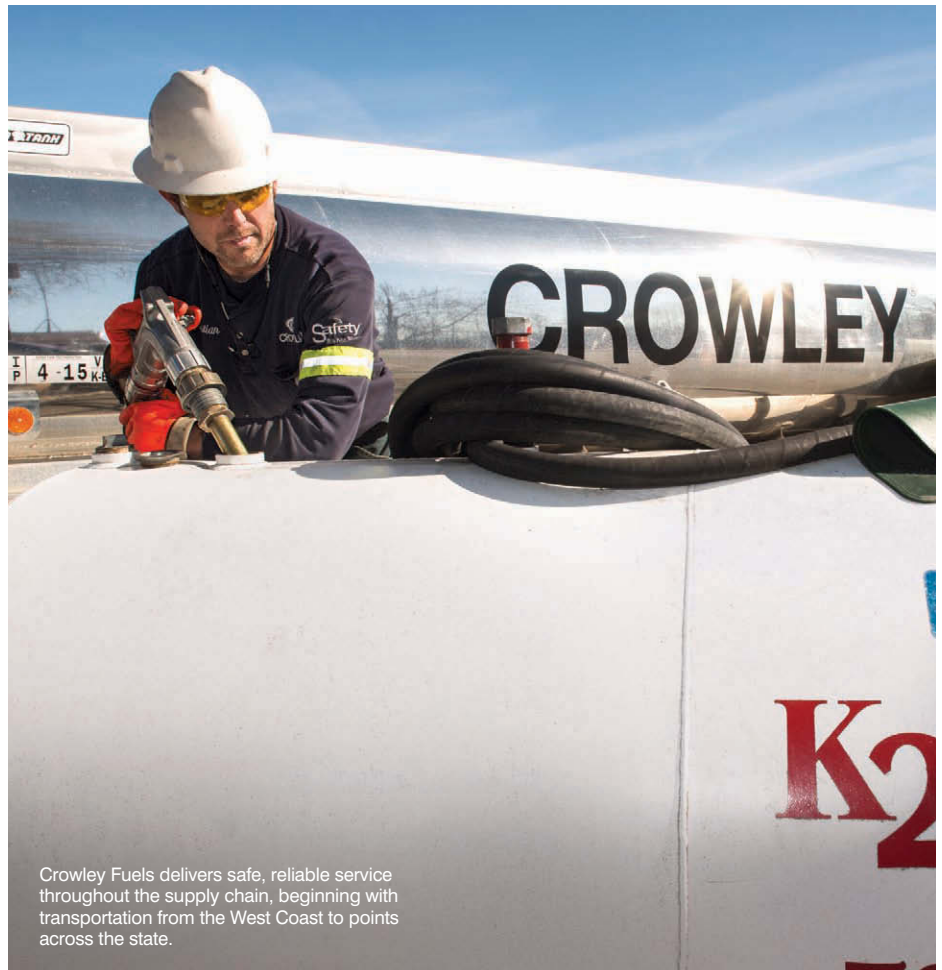
Aviation fuels are transported from local Alaska refineries, or in the case of Avgas, which is not produced in-state, from the West Coast, to Crowley’s local Alaska terminals via long haul trucks or specialized barges. From Crowley terminals, local trucks can then deliver fuels to various aircraft, airports, tanks and stations. Crowley has long emphasized safety and quality control, and it’s particularly important for aviation fuels.

Aviation fuel, which is one of the most carefully controlled petroleum products, must meet demanding quality standards for the safety of anyone who uses aircraft.

At every point in the process, Crowley maintains strict protocols backed with significant investment in employee training to ensure the fuel is transported, stored and handled correctly. Referred to as “Aviation Boot Camp,” Crowley sets the standard for fuel handling and quality training for employees to ensure the fuel and operations meet the highest regulatory and company standards.

Quality, round-the-clock service represents Crowley’s approach, now and in the future, to finding innovative, dependable solutions to meet customer needs.

“Having aviation fuel available throughout Alaska is critical for emergency medivac, routine, and recreation transportation,” said Jane Dale, executive director of the Alaska Air Carriers Association. “Crowley is key to keeping Alaskans moving.”



Crowley Fuels delivers safe, reliable service throughout the supply chain, beginning with transportation from the West Coast to points across the state.

Learn more about...
Crowley’s Alaska fuels sales and distribution at crowley.com/aviation