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NEWS RELEASE

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**Alaska Attorney General Weighs in to Resolve Antitrust Concerns
Over the Sale of Fuel in Western Alaska**

(Juneau) – Alaska Attorney General Gregg Renkes announced today that the Department of Law has filed a consent decree in Nome asking the court to approve a plan that would resolve antitrust concerns related to the proposed acquisition of Yukon Fuel Company by Crowley Maritime. Both companies compete for the delivery of fuel in Western Alaska.

On November 19, 2003 the Alaska Village Electric Cooperative, Inc. ("AVEC") and members of the Western Alaska Fuel Group ("WAFG") filed a lawsuit in Nome alleging that the proposed acquisition would give Crowley a monopoly over fuel prices in Western Alaska. Crowley and Yukon Fuel are the two primary competing firms that have the shipping and storage capacity to provide barge delivered fuel to communities in Western Alaska, including Bethel.

"The Department of Law initiated an investigation to ensure the transaction between Crowley and Yukon would not run afoul of Alaska's antitrust laws," said Alaska Attorney General Gregg Renkes. "The investigation was extensive. We met with, listened to and worked closely with all the parties and we attempted to mediate a resolution to this dispute."

While mediation efforts were unsuccessful, the state continued to investigate Crowley's efforts to acquire Yukon Fuel's assets to ensure that Alaska antitrust laws were not violated. The results of the investigation are contained in the consent decree filed by the state.

"This agreement protects rural fuel users in Western Alaska by divesting assets and fuel storage capacity to a company experienced in providing fuel services - Delta Western. This agreement also protects Crowley's legitimate business expectation to purchase Yukon Fuel's assets within the framework of state law."

The consent decree filed by the state preserves competition in the region by requiring Crowley to divest assets to Delta Western, one of the largest and most experienced barge companies on the West Coast. The main features of the decree are:

- Crowley will sell Delta Western two sets of tugs and barges capable of navigating coastal and up-river waters in Western Alaska
- Crowley will divest four-million gallons of fuel storage capacity to Delta Western in Bethel

More

(Crowley press release, con't.)

- Crowley must offer Delta Western 29 percent of any additional storage capacity Crowley adds to its existing facilities in Bethel, and
- Crowley must allow Delta Western and other competitors access to fuel storage facilities in Nome, Kotzebue and St. Michael.

“Access to fuel is a matter of survival not merely convenience for most rural Alaskan communities,” said Renkes. “Fuel costs will remain a sensitive issue throughout Alaska but it is my firm belief that this decree, if approved by the court, will benefit consumers in Western Alaska, preserve competition and complies with state law and federal antitrust merger guidelines.”

The Attorney General’s office has prepared a report outlining its investigation of the background and antitrust concerns regarding Crowley’s efforts to purchased Yukon Fuel’s assets. This report is available on line at: www.law.state.ak.us.

For additional information please contact Assistant Attorney General Ed Sniffen at (907) 269-5200.

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