

MILLION AIR
BULK FUEL STORAGE FACILITY
PARCEL A-1
LONG BEACH AIRPORT

For several years the Long Beach Airport has had considerably reduced airline activity and the demand for fuel operations has been low. Additionally, it should be noted that early airline operations, here in Long Beach, did not include the level of trans-continental flights by 200+ passenger aircraft that we are seeing today. As the airline activity increased to the mandated level of 41 flights, the demand on our company's fueling capabilities required us to re-evaluate our overall airline fueling operation.

During our evaluation we looked at the following issues:

RELIABLE SUPPLY – Airlines typically require a minimum of three days supply of fuel, in inventory and at the airport. This minimum is based on several factors. (1) Refineries routinely shut down for maintenance and occasionally for emergencies. (2) Delivery companies often have problems with maintaining schedule and occasionally have work slowdowns or even stoppage due to strikes and other employee issues. (3) At times airlines increase fuel up-lifts due to weather or traffic flow at the final destination requiring increased volumes of fuel on any given day.

INVENTORY REQUIREMENT – Currently Million Air handles approximately 80,000 gallons of airline fuel on a daily basis, this number will increase in May when four additional trans-continental flights are added and the total daily fuel flow will grow to 100,000-gallons per day. Currently this amount of flowage is handled with only 40,000 gallons of UST (underground storage tanks) located at our Spring Street location. The additional daily required storage is based on our fleet of large refuelers for a combined total of 130,000 gallons maximum. Please note that we are only able to maintain this level for a short period of time, around 5:00AM each day. As you can see this barely meets a single days requirement for the airlines.

PROXIMITY OF OPERATIONS – Over the past two years, as the airline traffic grew, our company was able to keep pace with the increased demand due to our availability of large refuelers. Each of these vehicles is capable of storing and delivering 15,000 gallons of product to the airline terminal and our company owns nine of these units, plus one 10,000-gallon refueler. As we analyzed this activity we realized that we were expending increasingly greater man-hours and equipment usage by driving from the airline terminal to our fuel storage facility on Spring Street. This was not only a drain on our own resources but there was a great deal of wear and tear on the airport infrastructure. With the new bulk fuel storage facility (see attached location maps), the company will be able to reduce the time from the fuel storage point to the airline terminal from 30 minutes down to 5 minutes.

FUEL TRANSFER TIME – Our current fuel storage facility was originally designed for FBO operations and consequently, due to low volumes of demand, only needed low flowage. Our current system moves product at 250 GPM (gallons per minute). The new bulk fuel storage facility is designed to up-lift product at 800 GPM thereby reducing the time to fill a 15,000 gallon refueler from 1 hour down to less than 20 minutes, an impressive savings in manpower, energy resources and equipment.

ENVIRONMENTAL CONCERNS – Nation wide, it has been determined that above ground storage of Jet-A is preferable to underground storage for the simple reason that any leakage could be detected and contained immediately. The system designed for our company takes into account the most modern and up-to-date environmental construction currently being used. The entire system will be capable of containing not only the product in storage but will also contain product being delivered or uplifted into our 15,000-gallon refuelers. Any time a truck, either delivery or refueler, suffering a catastrophic failure, is parked on the fueling pad, the entire contents of that truck will be contained. This is something that no other fuel storage facility on the airport can claim. The water run-off will be routed to an underground clarifier and then to the City sewer system, again meeting all requirements of both the City and the County.

SECURITY – The proposed bulk fuel storage facility meets all airport security requirements and will be manned from 5:00AM until 11:00PM daily. In addition, the storage tanks will have 6-foot fences with barbed wire around the top and locked access gates. This security is in addition to the fence around the leasehold and the controlled access to the property. High intensity lighting will be installed in order to illuminate the entire storage facility throughout the night.

OTHER AIRPORTS – Currently, there are hundreds of airports around the country where above ground storage of fuel is not only permitted but also preferred. The closest example would be the Orange County, John Wayne Airport. That facility holds nearly a million gallons of above ground fuel supply. Los Angeles International Airport also stores fuel in an above ground facility and has the capacity for several millions of gallons. This type of storage of jet fuel is typical throughout the industry; almost every major airport in the country has above ground bulk fuel storage. Another reason for the lack of concern about storing jet fuel above ground is that while it is flammable it is not explosive.

LEASEHOLD CONDITIONS – Million Air's leasehold provides for FBO operations and additionally is zoned for "Terminal Support". The installation of an above ground, bulk fuel storage facility, is an approved use for this property and will meet the airline terminal requirements for airline fueling operations. Additionally, the City Counsel has approved a lease extension partially based on an incremental investment in a new fuel storage facility. Consequently, given that approval accompanied by the conceptual approval of the Airport Operations Division conditioned on Fire and Planning/Building Department approval, Million Air signed a contract to build a bulk fuel storage facility.

In conclusion, Long Beach Airport has had difficulty in defining its mission in both the City and the industry. Through a long costly and painful litigation, the City, the residences and the aviation industry has negotiated a stable and viable solution. Included in the settlement was a desire to accommodate airline flights up to 41 per day and at that level, the proposed bulk fuel storage facility, will just meet that requirement. Million Air is willing to step up to the challenge of providing a stable, professional, modern bulk fuel storage facility that will meet the demands of the airport and our customers.