Chevron is Committed to Our Employees and Hawaii...

As a major employer in Hawaii, Chevron values its employees. The company provides extensive training that maximizes its employees' skills, and ensures efficient and safe operations 24 hours a day. Chevron offers its employees the opportunity for growth through training in a variety of subjects, and financial assistance in pursuing college degrees.

Chevron is Committed to the Community in Which it Conducts Business...

Chevron is involved in the community. Each year, it contributes both resources and hundreds of thousands of dollars to nonprofit and community organizations throughout Hawaii. Many of Chevron's employees and dealers also take leadership roles in community issues and associations.

Community organizations that have benefited from Chevron's support include...
Chevron is More Than “Just a Gas Station”...

Since 1904, Chevron has been investing in Hawaii’s economy. Although known for the state’s largest network of service stations and food marts (82 statewide), Chevron’s contribution to Hawaii is much more. Overall, Chevron contributes more than $89 million annually to Hawaii and provides more than 1,000 jobs directly and indirectly. Because most of Chevron’s facilities are independently operated, Chevron also has helped local businessmen gain the benefits of owning their own businesses under the Chevron name.

Additionally, Chevron provides for 70 percent of Hawaii’s gasoline needs, 61 percent of all fuel oil used to make electricity, and meets a significant portion of Hawaii’s growing jet fuel needs. While this contribution seems invisible to the public, its overall effect has been to consistently rank Chevron as one of Hawaii’s top 15 companies for more than a decade.

Chevron’s Investment in Hawaii is Extensive

Refinery: 1
Service stations: 82
Employees
Direct: 269
Indirect: 900*
Annual payroll: $20 million
Direct Taxes
Sales and use taxes: $12 million
Property, income, and franchise taxes: $3 million
Indirect Taxes
Motor fuel taxes: $43.4 million
Environmental protection costs (annually): $11.5 million
Percentage of Hawaii’s gasoline needs filled: 70 percent
Percentage of Hawaii’s jet fuel needs filled: 27 percent
Percentage of fuel oil supplied for electrical generation: 61 percent
* includes franchise employees, branded jobber employees, and semi-permanent contractors

Chevron is a Kama’aina Company

Chevron’s heritage in Hawaii dates back to the late 1800’s, when it first exported kerosene to the islands, then expanded operations to provide for Hawaii’s energy needs.

Chevron established roots in Hawaii in 1904 when Standard Oil Company, as it was known at the time, opened its Hawaiian sales office.

With the growth of the automobile, Chevron expanded its operations and by 1918, the company had established facilities in Hilo on the Big Island of Hawaii.

In 1904, Chevron established roots in Hawaii.

Chevron’s Proactive Approach to Safety

Chevron believes the public interest requires multiple uses of air, water, and land. This belief has created a commitment to the community, in which Chevron has pledged to conduct its business in a manner that will protect the public health, preserve Hawaii’s unique environment, prevent adverse effects on surrounding neighborhoods and is in compliance with all local or federal laws and regulations.

Chevron believes in being proactively prepared and this includes conducting extensive internal and external training. Chevron commits up to 15 percent of company time to employee training to ensure the Chevron team is at its best to rapidly handle a variety of situations.

Externally, Chevron was a founding member of the Clean Island Council and the Marine Spill Response Corp., an oil spill cooperative trained to respond rapidly to spills anywhere in Hawaii. Chevron also provides local county fire departments with specialized training in petroleum fires and spills and conducts regular training exercises with the United States Coast Guard.

In addition to these training programs, Chevron has invested more than $50 million to upgrade its facilities to protect Hawaii’s unique environment.
ENVIRONMENT

Chevron is committed to protecting the environment, and the refinery has many systems and testing procedures in place to prevent contamina tes from entering Hawaii's waters, land, and air.

Much of the water used in refinery operations is processed, treated, and recycled into refinery operations. Chevron conducts numerous tests on the water that is treated and leaves the refinery, ensuring that it meets EPA water standards and poses no threat to marine wildlife. In fact, an endangered bird species, the Ae'o (Hawaiian stilt), has established a nesting site on a pond located within the refinery. As natural wetlands in Hawaii are converted to developed lands, the Ae'o's natural habitats have disappeared, and the birds have found the refinery's pond to be an attractive alternative. Chevron and the U.S. Fish and Wildlife Service now jointly monitor a program to actively breed the Ae'o at the refinery.

Chevron believes public interest requires multiple uses of air, water, and land. This belief has created a commitment to the community, in which Chevron has pledged to conduct the refinery's business in a manner that will protect the public health, prevent adverse affects on surrounding neighborhoods, and is in compliance with all laws and regulations.

HISTORY

The Chevron Hawaii Refinery began operation in 1961. Over the past 35 years, Chevron has expanded and upgraded the refinery's processing units to meet Hawaii's diverse needs for petroleum fuels, and to incorporate additional pollution control systems and technological advancements.

Chevron opened its refinery in Hawaii for economic and safety reasons: it costs less to produce petroleum products in Hawaii than it does to produce them elsewhere in the world and ship them to Hawaii.

During the 1990s, Chevron has centralized its operations in a multi-million dollar, state-of-the-art computer and communications center, allowing operators to track and monitor refinery processes in real-time. The system has enhanced Chevron's ability to produce quality products, and has increased the efficiency and reliability of refinery operations.

The Chevron Hawaii Refinery

Keeping you on the go for more than a quarter of a century.
THE CHEVRON HAWAII REFINERY SUPPLIES:

- Fuel to produce the electricity for Hawaii's homes, hotels, and businesses.
- Gasoline for Hawaii motorists. In addition to its 67 service stations statewide, Chevron supplies gasoline to many smaller and commercial customers in Hawaii.
- Jet fuel for commercial airlines to fly visitors and residents interisland, to the Mainland, and throughout Asia and the Pacific.
- Diesel fuel for trucks, buses, and smaller power plants.
- Asphalt for Hawaii's roads and highways.

Chevron is the major supplier of fuels in the Hawaiian Islands.

THE CHEVRON HAWAII REFINERY: Where It All Begins

Chevron’s Hawaii Refinery is on a 252-acre coral rock peninsula at Barbers Point. Crude oil comes to the refinery from Alaska and the Far East, typically transported aboard a tanker that is part of Chevron’s worldwide fleet.

Tankers anchor at a mooring almost two miles off Barbers Point, and pump their oil through a pipeline buried beneath the ocean floor to storage tanks at the refinery. The tanks hold more than 1.5 million barrels of crude. Having a large storage capacity enables Chevron to keep an ample reserve on hand—an added safeguard for our island state.

Crude oil is a mixture of petroleum products that Chevron must refine to convert them into usable products. During refining, the crude passes through various processing units. These units cause the oil to separate into its various “intermediate” products. Each intermediate product is then further processed to remove impurities and maximize its quality.

The Chevron Hawaii Refinery produces these fuels from a barrel of crude oil:

<table>
<thead>
<tr>
<th>Product</th>
<th>Use</th>
<th>Used by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane</td>
<td>cooking, heating</td>
<td>hotels, restaurants, stores, businesses</td>
</tr>
<tr>
<td>Gasoline</td>
<td>motor fuels</td>
<td>cars, trucks, motorcycles</td>
</tr>
<tr>
<td>Jet fuel</td>
<td>aviation</td>
<td>airlines</td>
</tr>
<tr>
<td>Diesel</td>
<td>motor, generator fuel</td>
<td>trucks, buses, utilities</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>electrical generation</td>
<td>power plants, utilities</td>
</tr>
<tr>
<td>Asphalt</td>
<td>roads, paving</td>
<td>contractors, construction firms</td>
</tr>
</tbody>
</table>

Once products are blended and pass strict quality assurance tests, they travel through 23 miles of pipeline to Chevron’s Honolulu Harbor Marine Terminal at Pier 30 for distribution. Aviation fuels are pumped to underground fueling facilities at Honolulu Airport. Gasoline is transported by pipeline to Chevron’s Honolulu distribution center, where it is loaded into tank trucks for delivery to service stations.

The refinery operates 24 hours a day, 365 days a year. It employs approximately 200 men and women in a variety of roles. In a very real sense, the refinery is a city unto itself, with mechanics, engineers, quality inspectors, lab technicians, computer programmers, planners, trainers, managers, laborers, administrators, and secretaries.

TRAINING

To keep refinery operations humming smoothly along requires teamwork. Since employees are the backbone of the refinery, Chevron commits up to 15 percent of company time to employee training. In addition to mandatory federal training requirements, Chevron provides extensive training that maximizes its employees’ skills, and ensures efficient and safe operations 24 hours a day. Employees are offered classes on a variety of subjects, including safety training, computers, and environmental regulations. At the refinery facilities, Chevron also provides local county fire departments with specialized training in petroleum fires and spills.

LABORATORY

The refinery laboratory ensures the quality of all Chevron products, beginning with the crude oil that arrives by tanker. Chevron laboratory technicians continually test the various oil products throughout the manufacturing process to be sure they meet Chevron’s strict quality and consistency standards.
The Oil Industry in Hawaii
The Simple Truth

Left to manage its business in a free market environment, will ultimately provide the consumer with the best products and services at the best value possible well into the future.

Here are just a few more straightforward facts on this subject.

1. In the 1994 Attorney General's Interim Report on the Investigation of Gasoline Prices, "the Department concluded that if the legislature believed that the better policy was to protect consumers from high gasoline prices than to protect a relatively small number of retail dealers from vigorous price competition from company stations, the legislature should reject divorcement."

2. The Department of the Attorney General engaged a professional economist who specializes in petroleum markets to determine whether the incumbent oil companies in Hawaii are earning profits in excess of competitive levels, and reported that "the facts tend to indicate that through 1992, the refineries in Hawaii have not been earning more than a competitive return on investment."

3. As of April 1, 1994, Hawaii's State gasoline tax is 27.58 cpg versus the national average of 18.95 cpg. Total federal, state and local taxes on a gallon of gasoline in Hawaii is now well over 50 cpg. Total Hawaii state tax revenues on gasoline alone are over $1,000,000 per year.

4. Retail gasoline prices at many stations also include jobber and dealer profit margins.

Distribution of Retail Gasoline in Hawaii

Crude is brought to the islands by oil tankers, primarily from Alaska, Indonesia and Australia.

The crude is processed into gasoline and other petroleum products at the Chevron and BHP refineries on Oahu.

Gasoline is transported by pipeline and by barge from the refineries to terminals on all the populated Hawaiian islands.

The major oil companies sell the gasoline to jobbers, dealers and directly through company-operated service stations. The gasoline is delivered by the oil companies and jobbers by tanker trucks to the service stations.

Jobber-owned and/or operated service stations, dealer owned and/or operated service stations, and company-operated service stations receive the gasoline and sell it to the motoring public. Jobbers establish their own resale price and dealers establish their own retail price of gasoline.

Terms

Major: Oil companies that are typically involved in the production, refining, distribution and sales of gasoline.

Refiner: Company that processes crude oil into gasoline and other products and sells to Jobbers, Dealers and/or through company-operated stations.

Jobber: Also known as a Marketer, reseller or distributor. Buys gasoline from major and/or independent refiners and resells directly to service stations which the jobber may or may not own.

Lessee Dealer: Dealer who leases a station from a major or independent oil company, jobber or chain retailer. The Dealer leases the station, purchases gasoline, and resells gasoline and services at prices he/she establishes him/herself.

Owner Dealer: Dealer who owns and operates his/her own station (or leases it from a non-gasoline supplier). This dealer contracts for supply and then resells it at a price established by him/herself.

Company-operated Stations: Owned and operated by the same company - either a major oil company, independent oil company, jobber or a chain retailer.