

ALASKA: THE CALL OF THE WILD

The 49th state comes in first in logistics and transportation resilience. Alaska is a state where logistics providers are up to the challenge, offering solutions as vast as the land mass.

At the time the United States purchased Alaska from Russia in 1867, the future 49th U.S. state was still largely unexplored. Logistics, however, already had come into play. Two years before U.S. Secretary of State William Henry Seward negotiated the \$7-million purchase, Western Union laid a telegraph line across the vast territory that would become a state in 1959.





Covering even the most remote areas of Alaska, Lynden counts on its fleet of Hercules cargo planes—basically flying trucks—and an arsenal that includes commercial-size hovercraft, which can carry up to 12,500 pounds of freight.

The Western Union line linked underwater with an Asian line. Even then it was clear that navigating Alaska was all about logistics—the art and science of connectivity.

Although the intrinsic challenges of moving products and supplies across a land mass twice the size of Texas will forever be a fact of life in Alaska, modern innovations in technology, equipment, and strategies developed by logistics service providers have resulted in a logistics infrastructure that serves the state extraordinarily well.

Bear in mind Alaska has fewer than 5,000 miles of paved roads (in contrast to Texas with 79,000 paved road miles). This fact alone means the effectiveness of the state's logistics infrastructure is essential, relying on the connectivity of ocean, land, and air transportation.

Moreover, logistics providers in Alaska must handle shipments much differently from the way they handle them elsewhere. Cargo in Alaska—food, construction materials, healthcare supplies, and virtually all retail products—are dependent on an intricate network of assets in order to successfully make it to the final mile. Distribution



There's no taming the Last Frontier. We are caretakers. Only by our ability to employ smart analytics, strong logistics, and a relentless effort by dedicated professionals to keep corridors open can Alaskans move freely across this rugged, wild country.

*John MacKinnon
Commissioner
Alaska Department of
Transportation and Public Facilities*

centers and warehouse operations in Alaska are fewer and farther between than those found in the lower 48 states.

The challenges of geography and weather notwithstanding, logistics providers and other business leaders have marshaled their resources over the years

and have led the way to Alaska's present-day leadership in industries ranging from crude oil to fishing.

RESILIENT & RESOURCEFUL

While the pandemic brought about economic stresses across the country and throughout the world in 2020, causing Alaska to experience its first-ever year of deflation, the state is expected to reflect the economic improvements predicted for other locales that present less daunting logistics obstacles.

Alaska will record approximately 18,000 new jobs from 2018 to 2028, for total growth over that period of 5.5%, according to projections by the Alaska Department of Labor and Workforce Development. The labor department creates 10-year industry and occupational projections for Alaska every other year.

The logistics sector figures prominently among the factors contributing to the projected job growth. The Alaska Department of Transportation and Public Facilities oversees 237 airports, 10 ferries serving 35 communities, more than 5,600 miles of highway, and 776 public facilities throughout the state.

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In addition to shipments from the lower 48 to south central Alaska, Span Alaska—a subsidiary of Matson Logistics—offers overnight service from Anchorage to Fairbanks and the Kenai Peninsula, and provides LTL service via barge from Seattle to Southeast Alaska.

The transportation department's central region expects a busy construction year through 2021, awarding up to \$420 million in construction contracts, including airport, trail, and highway improvements.

SURGING VOLUMES

More than 3.48 million tons of air cargo landed at Ted Stevens Anchorage International Airport (ANC) in 2020, representing a 16% increase over its record-setting volumes in 2019.

"The tremendous surge in cargo volumes through ANC has been fueled by an increase in e-commerce, personal protective equipment (PPE), and displaced belly cargo," Airport Director Jim Szczesniak said in a written release in February 2021.

"The pandemic has left an indelible mark on the e-commerce landscape, accelerating market growth—reaching numbers not forecast to be seen in the United States for another two years," he added. "We expect our cargo numbers to remain strong into 2021; as the air cargo industry continues to recognize the benefits and efficiencies of ANC; as e-commerce shopping becomes routine; and as international travel restrictions continue to displace belly cargo."

None of this optimism should come as any surprise given the state's "top of the world" geographical identity. Because it extends into the eastern hemisphere, Alaska is technically the westernmost, easternmost, and northernmost state in the United States. The Ted Stevens airport is less than 10 hours from 90% of the industrialized world. Meanwhile, Alaska has more ocean coastline than all of the other U.S. states combined.

OVERCOMING OBSTACLES

With this geographical advantage comes a distinct challenge: Alaska is one of only two states (the other being Hawaii) whose capital city is accessible only by ship or air, because no roads connect Juneau to the rest of the continent. Likewise, Alaska and Hawaii are the only states not bordered by another state.

Surrounded by the Yukon wilderness as well as the Pacific and Arctic oceans, Alaska has always presented formidable hurdles for those charged with the responsibility of traversing it. And then came the pandemic.

While the challenges posed by COVID-19 have been unprecedented, for logistics providers in Alaska overcoming immense hurdles is nothing

new. Those who navigate the state's rugged terrain and weather-related obstacles are familiar with overcoming whatever nature sends their way.

MULTIMODAL SOLUTIONS

A case in point is Span Alaska, which ships more than 400 million pounds of freight to Alaska every year.

"Span Alaska's operations throughout the state continued uninterrupted from the start of the pandemic," says Tom Souply, president, Span Alaska Transportation. "We had contingency plans in place and pre-tested for scenarios that included logistics slowdowns and government restrictions."

Span Alaska, a subsidiary of Matson Logistics, immediately enhanced its safety processes to manage the challenges of COVID, Souply says. The company fully implemented protocols advised by the Centers for Disease Control and Prevention, including contact tracing, facility deep-cleaning, PPE provisioning, and testing requirements.

While the company's senior leadership team continues to meet daily to discuss COVID-related issues, their agenda also includes tactics and approaches to make shipping seamless regardless of temporary matters. "The size and scope of Alaska's geography present challenges every day," Souply says, adding that Span Alaska keeps freight moving by having its eyes on shipments at all times.

"Span Alaska has developed an exceptional, responsive, and highly functional multimodal network, using our own assets, containers, trucks, and facilities," he explains. "When we do go out of our network we have excellent relationships with long-term partners that share our values and passion for serving our customers."

Headquartered in Auburn, Washington, Span Alaska operates service centers in Anchorage, Fairbanks, Kenai, Kodiak, and Wasilla. In addition to shipments from the lower 48 to south central Alaska, the company offers overnight service from Anchorage to Fairbanks and the Kenai Peninsula, and



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provides LTL service via barge from Seattle to Southeast Alaska.

All LCL/LTL shipments from the lower 48 are loaded into containers at Span Alaska's operations center in Auburn, Washington—an operation the company calls its "Direct Loading" service. The containers then travel by vessel or barge to Anchorage or Kodiak and then directly to the final Span Alaska service center for last-mile delivery.

"By keeping the container intact, the risk of damage or delay is minimized, and it also speeds transit times," Souply explains.

KEEPING IT COOL

The company recently introduced a new Chill and Freeze service to Alaska, moving temperature-controlled items such as perishable foods—meats, ice cream, and other frozen items—from the lower 48 to Alaska grocery stores. With its new service center in Anchorage and its investment in dual temperature-controlled delivery trucks, Span Alaska provides cold chain service throughout Central Alaska and Kodiak.

The company's array of multimodal assets are key to its success in overcoming

the intrinsic logistics challenges of Alaska. "It's the combination of multimodal assets that have to sync up to deliver goods from central Anchorage to the farthest reaches of the state," Souply says.

Span Alaska moves more LTL freight than any other carrier between the lower 48 and Alaska. That heavy volume translates into supplies equal to the needs of the Alaska market.

"Retailers are adamant about preventing in-store stock-outs," Souply says. "Residents increasingly want expedited delivery for their e-commerce orders.

"And while same-day or next-day delivery is still sometime in the future for most of Alaska, Span has worked to expedite the transit and last-mile speed and reliability," he adds. "Transit times from our Tacoma area facility to our Alaska terminals are consistently just five calendar days, helping to meet retailer and consumer just-in-time demands."

Souply is enthusiastic about Alaska's post-pandemic future. "We are here to support Alaska's growth with more direct services to more locations," he says. "We talk to our customers about their expansion plans in the next five years so

we can be prepared to support them. We are also eagerly awaiting the return of tourism and the summer cruise season."

SUMMONING ADVENTURERS

The unique challenges and promise that define Alaska draw those with the most adventurous spirit to its shores. That is true of all who answer the call to blaze trails in the ice, but no more so than those in the field of logistics.

"This is probably the most interesting place in the world and this is the most interesting company," says Alex McKallor, executive vice president and COO of Lynden Inc. The Lynden family of companies provides transportation and logistics solutions in Alaska, Canada, the Pacific Northwest, Hawaii, and around the world.

Lynden has been providing transportation and logistics solutions to customers since 1906, and pioneered the first scheduled over-the-road truck service to and from Alaska in 1954. At the time there were those who considered the challenge of regularly reaching remote locales in Alaska insurmountable.

"We took what was impossible and made it possible," McKallor says. "That set the tone for what we still do today."

In Alaska, the route from here to there to Market Square may not be immediately obvious. Logistics providers need to be prepared to take whatever means are necessary to make the trip effectively.

"We had a long-term goal to have a statewide marine service," says McKallor. That goal, among many others, has been achieved, with barge services now extending from locations like Ketchikan and Juneau in Southeast Alaska all the way to the North Slope villages on the Arctic coast.

"No matter where you need to move freight, we have it covered, from Ketchikan to Kotzebue to Kaktovik," he adds. "And if any of these locations are unfamiliar, our Alaska logistics experts are happy to explain the unique challenges in Alaska that you'll need to plan for."



The Lynden family of companies provides transportation and logistics solutions in Alaska, Canada, the Pacific Northwest, Hawaii, and around the world.



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Lynden's fleet of Hercules cargo planes—basically flying trucks—completes the trifecta of primary transportation modes in Alaska.

More unique modes of transportation are also in the Lynden arsenal. These include commercial-size hovercraft, floating giants that can glide over land, water, ice, or sand while carrying up to 12,500 pounds of freight. It also includes PistenBully snowcats, mighty vehicles that can pull sleds and other equipment through the roughest of rough snow- and ice-encrusted terrain.

UNIQUE ASSETS

“Our ability to combine our various modes of transportation helps to erase a lot of the challenges,” McKallor says, by providing last-mile solutions connecting Alaskans to the rest of the world. “These are pretty amazing solutions.”

For all its challenges, the state has undeniable assets as well. “The most important asset is its coastline,” McKallor says. “There is no question about it.”

At 6,640 miles, Alaska has the longest coastline of all 50 states, nearly five times the length of the coastline of Florida, the state in the second spot.

McKallor also cites Alaska's resource-based economy, particularly the fishing industry, as an asset that distinguishes the state from others. And then there is Alaska's location halfway between Europe and Asia.

“Those are two assets that won't change,” McKallor says, regardless of how the logistics landscape shifts amid competitive, political, and technological changes.

“Going forward, mining, fisheries, and energy will be mainstays,” he adds. “We continue to focus on being able to support those industries. We are heavily investing in technology to improve the customer experience and operations.”

Lynden prides itself on customized solutions fitting the needs of individual companies navigating commerce in Alaska.

“We are driven by a desire to make it

simple for the customer by demystifying the complexities,” McKallor says. “That's what people want. They want some choices in their solutions to really remote places.”

THE RIGHT STUFF

“To be successful in Alaska, you need two key assets—the right equipment and the right people,” says Grace Greene, president, TOTE Alaska (“TOTE”). TOTE, a leading owner/operator of domestic shipping in the United States, specializes in moving cargo between North America and both Puerto Rico and Alaska.

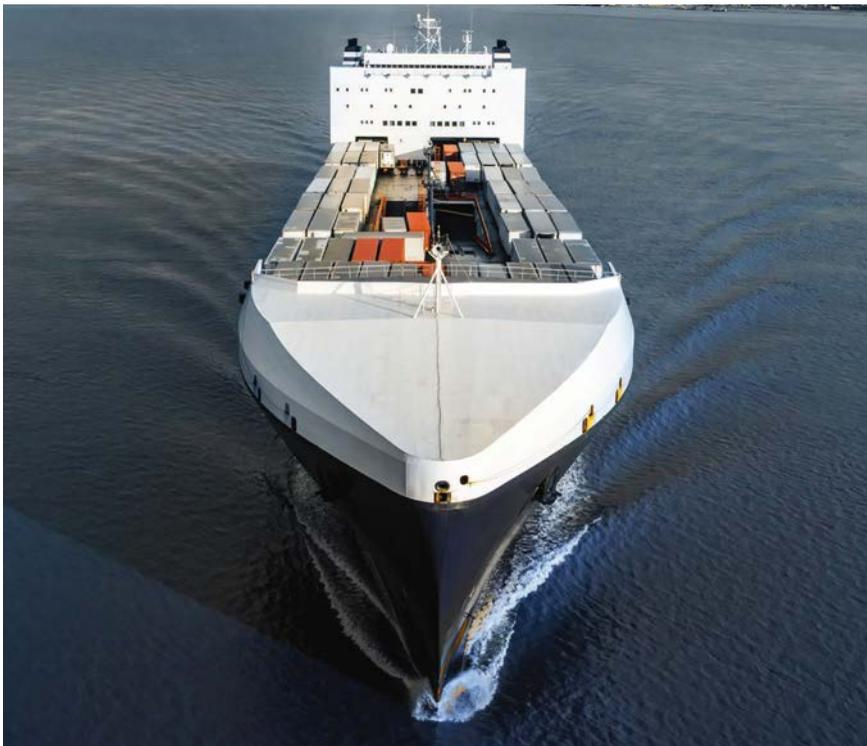
“TOTE is proud of our custom, built-for-Alaska, ORCA-class vessels, which feature specialized design and redundancies to help navigate Alaska's challenging waters,” Greene says. “Our ORCA-class ships were specially built for Alaska and provide state-of-the-art protection from the elements.”

Braving the elements is a way of life in Alaska, and logistics providers must continually be prepared. “We have roll-on/roll-off (Ro-Ro) operations, ‘Keep from Freezing’ service, below-deck stowage, and specialized refrigerated trailers, to help protect our customers' cargo,” Greene says.

“We also have a great team and amazing partners,” she adds. “If someone is looking to get cargo to a remote village off the road system, they know to call us to get it over the water, and then our network of logistic partners will get it the rest of the way, whether that's by water, air, or a sled team.”

To put it mildly but succinctly: Resilience is required. “As a critical maritime highway to the state, the supply chain must be resilient to keep food on grocery store shelves and to deliver other products that are vital to Alaska's consumers and businesses,” Greene says.

When supply chain pressures occurred in the early months of the pandemic, she says, TOTE worked closely with state and local authorities to ensure there were no disruptions to the shipping or delivery of essential goods.



TOTE specializes in moving cargo between North America and both Puerto Rico and Alaska. Its custom, ORCA-class vessels feature redundancies that make them well suited for Alaska's challenging waters, providing specialized protection from the elements.

RELIABLE

TOTE has proudly served as a critical shipping link to the Last Frontier for over 45 years. From our “Built for Alaska” vessels to the fastest turn-times and best-in-class cold-chain process, TOTE is the premiere choice for shipping fresh food and produce to and from Alaska.

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Handling a wide variety of time-sensitive customer cargo in retail, medical, and dry/temperature-controlled foods and products, Odyssey's services are available in all modes of transport.

Beyond regular health and safety protocols, TOTE implemented special provisions to minimize the ship-to-shore interface in order to mitigate the risk of exposure to the coronavirus on vessels. The company also updated policies regarding crew changes through stricter pre-boarding quarantines and testing requirements.

CONTINUOUS IMPROVEMENT

TOTE prides itself on having a “continuous improvement” mindset. “As a carrier, we’re always looking at how we can improve our customers’ experience so they can better serve the Alaska community,” Greene says. “From our online portal that allows customers to track and release shipments, to our extended gate hours and equipment options, we ensure that we can provide unique solutions for the unique challenges that come with shipping to Alaska.”

Greene believes the Frontier State’s logistics infrastructure will continue to cover yet newer frontiers. “Alaska is well positioned to continue to grow in the logistics marketplace,” she says. “The state’s rich natural resources and central location between Europe, Asia, and North America make it primed for a continued strong, strategic presence.”

She adds that TOTE will continue to

help lead the journey. “TOTE is excited to continue our investments in our assets and in Alaska,” Greene says. “In 2021 we will be continuing our terminal enhancements with Gate Vision in Anchorage and Tacoma that will improve our inbound partners’ experience and efficiency at our gates, which already have the fastest turn-times in the market.

“We are also in the final stages of our historical LNG engine conversion,” she adds. “Once converted, TOTE’s ORCA-class vessels will emit fewer air emissions and be among the most environmentally friendly vessels in the world.”

A GLOBAL PERSPECTIVE

By geographical mandate, logistics leadership in Alaska demands an acute understanding of the logistics land- and seascape around the world.

“Pre-pandemic, logistics was becoming more and more global,” says Kevin Kelly, president at American Fast Freight, a subsidiary of Odyssey Logistics & Technology Corporation. Headquartered in Danbury, Connecticut, Odyssey has operations throughout North America and key cities in Europe, the Middle East, Africa, and the Asia-Pacific region.

In Alaska, Odyssey has facilities in Anchorage, Fairbanks, and Kenai/Soldotna, handling a wide variety of time-sensitive customer cargo in retail,

medical, and dry/temperature-controlled foods or products. Kelly says Odyssey’s expertise in servicing and handling the unique demands of Alaska has carried over into the other markets the company serves.

Odyssey acquired American Fast Freight in 2018, and Kelly says the acquisition enabled the company to leverage its long-established transportation network in Alaska, as well as domestically in the lower 48 states, Hawaii, and internationally. “We now present multiple solutions to our customers and tailor services to best fit their needs,” he says.

“Our staff has the expertise to handle any business vertical or mode of transportation and Odyssey is positioned better than ever to provide targeted, comprehensive logistics solutions that address our customers’ needs and visions,” he adds.

Odyssey’s services are available in all modes of transport—intermodal, trucking (LTL/TL, bulk, flatbed, and warehousing), managed services, international transportation, and a web-based transportation management system called WIN (Web Integrated Network), which provides access to a multi-billion-dollar carrier network. Through this service, clients can generate spot quotes and route guides, execute and track

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Alaska Airlines transports e-commerce goods and other critical supplies such as medicine, medical supplies, and perishables into and around the state. Its Alaska Air Cargo network includes more than 100 destinations in the United States, Canada, and Mexico.

shipments, and complete necessary paperwork such as bills of lading.

For all those technology advantages, Kelly says he believes the most important logistics asset in Alaska is its people.

“You have to have the local knowledge and people to move shipped goods,” he says. “There must be drivers, warehouse and administrative staff, and management.”

Resilience tempered with innovation, he says, is required at each and every level. “Throughout this challenging year, Odyssey has adapted and consistently delivered support and solutions to our customers while adjusting to new ways to work in order to keep each other healthy and safe,” he notes.

“From enhanced technologies to working to ensure our customers’ networks are optimized, our local history paired with our understanding of global markets was especially helpful as the supply chain demanded flexibility for Alaska businesses and residents,” Kelly adds.

“As with Odyssey, Alaska and the people that live and serve the state are innovative and resilient, which has shown in both robust and challenging economic times as well as during the global pandemic,” he says.

ALASKA TAKES FLIGHT

Challenges on the ground and on the water—pandemic-related and otherwise—did nothing to deter Alaska Airlines from soaring over the past year.

“Our commitment to cargo hasn’t changed during the pandemic,” says Adam Drouhard, director, cargo revenue, planning and postal affairs.

Headquartered in SeaTac, Washington, just outside Seattle, Alaska Airlines connects with large international and integrated carriers to carry e-commerce goods and other critical supplies such as medicine, medical supplies, and perishables into and around the state. It is the fifth-largest airline in the United States when measured by fleet size, scheduled passengers carried, and number of destinations served.

The airlines’ Alaska Air Cargo network includes more than 100 destinations in the United States, Canada, and Mexico.

“Demand remains strong across our network, including the state of Alaska, where the majority of our destinations are not accessible by road,” Drouhard says. “We are excited for 2021 as we increase flying to meet demand across our network, adding new direct non-stop

routes to the state of Alaska, such as Anchorage to San Francisco, Denver, Las Vegas, and Phoenix.”

Drouhard says freighter aircraft destinations will be expanded to 20, including expanded service into Dillingham and King Salmon, locales that are inaccessible by roads.

“We’re evaluating other new routes to ensure we are supporting local industry as the economy rebounds,” Drouhard adds. “Our goal is to expand our reach by creating more same-day shipping options between Alaska and the rest of the United States.”

STRENGTHENING NETWORKS

Alaska’s air carrier infrastructure is vital so that both passengers and essential cargo can be transported into remote communities.

“In recent months, Alaska Air Cargo has assisted with the transportation of the COVID-19 vaccine to more than 30 communities both within and beyond our network in partnership with regional carriers,” Drouhard says. “Our scheduled service is the most reliable in the state and is crucial for shipping critical items, as well as everyday goods, across the state.”

Alaska Air Cargo enjoys the strengths of Alaska Airlines while also having the benefits of its own management.

“Alaska Airlines has invested in Alaska Air Cargo’s infrastructure in many of the locations in the state,” he explains. “Owning our own facilities and hiring our own employees allow us to remain focused on the safety and efficiency of our operation.”

This combination of strengths bodes well for the future. “Logistics is more important than ever and air cargo is essential, especially in the state of Alaska,” Drouhard says. “We have seen the marketplace grow across a number of the communities we serve and expect that trend to continue.”

Clearly, then, Alaska will be exploring yet more frontiers—and overcoming their logistics challenges—for many years to come. ■



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Alaska Air Cargo provides reliable air cargo services to meet your shipping needs. Whether it be small packages, full ULD shipments, or chartered freighter service, Alaska Air Cargo offers a variety of options, including GoldStreak® Package Express, a next-available-flight service for items up to 100 pounds; Priority Air Freight for time-sensitive shipments that are larger than GoldStreak and need to be at a destination by a specific time; and Animal Express, a priority express service that ensures animals a safe and comfortable journey.

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Odyssey Logistics & Technology Corporation (Odyssey) combines deep industry expertise with leading technology to provide multimodal logistics management services to the chemical industry and other process manufacturers. Odyssey enables clients to outsource any part of their logistics processes to achieve savings through reduced transportation and infrastructure costs, measurable customer service and process improvements, and improved data quality and management. Odyssey is a leader in intermodal with expertise in liquid food, chemicals, and metals transport.

SPAN ALASKA • www.spanalaska.com

Span Alaska understands Alaska and has everything it takes to transport your shipments to, from, and around the state. Span Alaska moves more LTL freight than any other carrier to Alaska—for several good reasons. It has the equipment, the people, and the clout with ocean carriers necessary to transport your freight quickly and efficiently. These kinds of connections enable Span Alaska to give you the best value and to get things done that others simply cannot.



TOTE MARITIME ALASKA • www.totemaritime.com

TOTE Maritime Alaska delivers the supplies for life in the Last Frontier with twice-weekly sailings between Tacoma, Washington and Anchorage, Alaska. Our ORCA vessels—custom built for Alaska—provide safe, reliable service with efficient roll-on/roll-off (RO/RO) loading and unloading. With our network of sister companies and experienced partners, we are committed to solving the toughest transportation and logistics challenges.