

SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient

Co-Worker Appreciation Week

October 27 – 31st 2008

During the last week of October, all HMS companies will be celebrating our second annual Co-Worker Appreciation Week. Since every job and person in the HMS, family of companies is valued, everyone will have an opportunity to show their appreciation for our fellow co-workers in various ways. Last year's event was very successful and we had an overwhelmingly positive response. It showed how HMS really is a team that works together and gave everyone a chance to express their appreciation for one another.

This year, instead of purchasing colorful leis, we will be able to purchase an appreciation card with candy for co-workers. The card and candy will be available for one dollar, and all proceeds will be given to the Red Cross or Cystic Fibrosis Foundation. It may be purchased in advance, by check (directly to the charity) or cash anytime during the week. Contact your regional HR or Office Administrative Assistant.

During the week of October 27 – 31, HMS will honor each group which makes up our family of companies:

- Monday, 10/27 – All shoreside Administrative departments – Accounting, HR, Safety, Quality, Sales/Marketing, IT, eMaint
- Tuesday, 10/28 – All shoreside Operation departments – Dispatch, Terminal (PTSI), Maintenance/Engineering, Operational Management (GM's)
- Wednesday, 10/29 – Barge Crews
- Thursday, 10/30 – Tug Crews
- Friday, 10/31 – All HMS, family of companies co-workers

Each Port will organize their celebrations for each day. More details will be forthcoming. All employees will have their individual 2008 appreciation signs in their regional offices where everyone may write their own notes of appreciation. HMS has a great Team, and I am sure everyone will once again show their appreciation for one another. If you have any particular suggestions or ideas for the week or day, please send them to cwaw@harleymarine.com.

Deborah Franco
Vice President
HR, Quality Systems, Administration
Harley Marine Services

OCTOBER HOLIDAYS

9TH—YOM KIPPUR BEGINS

13TH—COLUMBUS DAY

31ST—HALLOWEEN

THUMBS UP

- Special thanks to Brent Starheim, who immensely helped during the Summer months activities at Harley Marine WHQ's. Your "can do" attitude is greatly appreciated.
- Thumbs up to Marty Eckler and Gary Sitherwood for all of their hard work and persistence using the E-Maintenance system this month. Specifically, closing out their vessel work orders.
- Thanks to Tim Hinman for volunteering to work the entire month of October to cover vacation time for other crew members. We appreciate how you stepped up to the plate.

DUGAN PEARSALL CHRISTENING

On Friday, September 19th, 200 guests gathered at Harley Marine Services as we celebrated the Christening of the DUGAN PEARSALL. The brisk morning began as guests arrived and enjoyed coffee and donuts during the reception hour. Guests included representatives from Harley Marine, Gunderson Marine, Elliot Bay Design Group, Tesoro, Sound Refining, Laurel Crown, Commerce Bank of Washington, GE Commercial Finance, Carney Badley Spellman, Pacific Maritime Magazine, the U.S. Coast Guard, and of course family and friends of Dugan Pearsall.



Terri Pearsall and Commander Mark McCadden, Chief of Prevention Department of the USCG Sector Seattle, as Terri Christens the DUGAN PEARSALL

Harley Marine Services can continue to support local charities and communities in which they serve. The Christening concluded as Terri Pearsall cracked the champagne bottle over the DUGAN PEARSALL.

Guests stayed for lunch and musical entertainment by the Toucans, a steel drum band. Each guest went home with a personalized DUGAN PEARSALL coffee mug so that they always remember the Christening of the barge.

Ian Lawther called the guests to the ceremony location with an impressive Irish Pael on his Highland Bag Pipes. Once everyone settled into their seats, the ceremony began with an introduction and word of thanks by Keith Barnes, Director of Barge Operations. Special mention and acknowledgement was given to those that have worked long hours during the designing, construction and final outfitting of the barge. Chuck Garman, the VP of Marketing at Gunderson Marine, addressed the crowd with a sincere appreciation of the continued relationship between Gunderson and Harley Marine Services while Harley Franco expressed how honored he and everyone at Harley Marine Services is to name the barge after such a wonderful man, Dugan Pearsall.

The Christening of the barge was performed by Father Paul Magnano, the Vicar of Clergy for the Archdiocese of Seattle. He blessed the barge and asked for safe seas during voyages, safety over the crews working on the barge, and the allowance for the barge to earn a profit so that

HMS Charity Cruise brings in \$10,000 at the Juvenile Diabetes Dream Gala

On Saturday, March 8th guests at the 19th Annual Juvenile Diabetes Research Foundation (JDRF) Dream Gala had the opportunity to bid on a 2 hour pleasure cruise for twenty people onboard a working Harley Marine tug boat on Elliot Bay. The tug cruise was combined with a full catered meal from the Westin Seattle.



The lucky bidders included: Joseph and Doreen Alhadeff, Melvin and Rosalind Poll, Joel and Maureen Benoliel, Daniel and Pamela Baty, and Larry and Sherry Benaroya. Harley Marine Services is very proud of their high bid and appreciate their support of the JDRF.

On September 5th the guests boarded the CF Campbell for their Seattle waterfront cruise and four-course dinner. The food was absolutely amazing and the guests were impressed with the 5 star dining onboard a tug boat. As a special treat, Ross Andrew Mickel from Ross Andrew Winery attended the cruise and provided wine tasting for the guests.

Overall, the guests enjoyed the tug cruise, the beautiful weather and the chance to all join together in honor of the JDRF.

TEAMWORK, “Individuals play the game, but teams beat the odds.” (Navy Seals)

Over the past nine months, there have been numerous changes and transitions that have occurred throughout our company. We were able to successfully roll out many new companywide systems, a training program, and obtained our ISO 14001 certificate for the implementation of our Environmental Management System along with obtaining our ISO 9001/ ISM recertification. Without everyone’s hard work and dedication, this would not have been possible. If we cannot do it together, we cannot do it at all!



During the past 60 days, there have been numerous large projects underway at the SMS dock. This has been a challenge to coordinate dock space and share resources to continue our day to day operations while working hard to deliver these projects on time. Everyone has done an outstanding job of pitching in and working around the obstacles. Thank you all for keeping safety a priority along with working together as a team.

On September 23rd Starlight hosted a Table Top Spill Drill here at the Nor Cal office in Alameda. After extensive planning and coordination by Tim Kline, the day was a big success. Job well done Tim! We received positive feedback and information from the various regulatory bodies that we hosted. I would also like to thank Andre Nault and Trent Newlon for their assistance.

Congratulations to Captain Dan Bridgeman on his recent acceptance into the San Francisco Bar Pilot Trainee Program. Dan has been a great asset to Starlight Marine over the past four years. Although we will miss him and his contributions to this team, we wish him well and know he will succeed in his new endeavor. Best of luck Dan, and thank you for your hard work and dedication to Starlight Marine and the Harley Marine family.

Currently there are many projects in our sights, and still many improvements to be made. It is obvious that as a team, this is a realistic goal. Look how far we have come! Together we can do it. I want to thank you all for your hard work and dedication. It does not go unnoticed or unappreciated. Be safe and be well.

Jonathan Mendes
General Manager
Starlight Marine Services

Q - Factor by Captain Jim Caspers
Director of Quality Systems
Harley Marine Services, Inc.

“HMS Quality Systems”

Many people look at HMS Quality Systems as just some other program that we do. Nothing could be further from the truth. Our Quality Systems, which include quality, safety and environmental management systems, are processes in place that guide our business to ensure “we say what we do and do what we say”.

The QSE policy states how we are to conduct operations and the procedures tell us how to perform our work safely, efficiently and environmentally correct with due regard to law, rule and regulation. Our Quality Systems also contains management tools to correct nonconformities and bring about continuous improvement to our business. “Objectives and Targets” have been set, giving a focal point for gauging our progress. Internal and external audits ensure compliance with these programs.

See you on the water!

Questions and Answers:

How does our Quality Systems relate to economy and finance?

First of all, every employee of Harley Marine Services benefits when the company is healthy and prosperous. It starts with safety. When an employee is injured, they suffer pain and loss. The company has financial loss as well, and possibly short or long term loss of a valued employee. The Marine Operations Manual (MOM) has procedures which are meant to protect our people. Some key procedures are: Personal Protective Equipment and also Safety Rules.

Protecting HMS vessels and the cargo we carry are of crucial importance. Petroleum spills in the water are damaging to the environment and can carry huge fines. A major oil spill can ruin a company. The new Environmental Management System has set objectives and targets to reduce oil spills on deck and oil spills in the water.

Our business is customer driven. We must ensure the best service possible that meets and exceeds our customer’s expectations. Every one of us can influence our reputation with customers by our attitudes, performance and even our appearance. Our Quality Systems ensures customer feedback in helping us to find better ways to serve our customers.

SAFETY CORNER

NEAR MISSES

For every serious injury there are 10 minor injuries, 30 property damage incidents and 600 “near misses” where no injury or damage occurs. This is known as the “near miss pyramid”. By investigating and sharing the “near misses” which occur in our workplace, we greatly affect our ability to prevent more serious accidents, or even death, from occurring. If we reduce the number of near misses, probability tells us we will then reduce the number of injuries that happen. Investigating near misses can save you and the company a world of grief by getting to the root causes of near misses, thereby lessening the chances of injuries to workers or damage to valuable equipment and inventory.

What is a "Near Miss?"

A near-miss is defined as an unintentional unsafe occurrence that could have resulted in an injury, fatality, or property damage. Only a fortunate break in the chain of events prevented an injury, fatality or damage.

The Same Things That Cause Accidents Cause Near Misses:

- Unsafe acts, such as improper lifting; walking under an overhead load; cutting, grinding, or chipping without safety glasses; not using proper Personal Protective Equipment, etc.
- Unsafe conditions, such as poorly maintained equipment, oil or grease on decks, welding leads that have been laid in walkways, trash and boxes that have been left in hallways, etc.
- Hurrying and taking risks to get a project done faster, or to wrap up a job.

Why should you submit a near-miss report?

A near miss experienced by you or a fellow crew member can improve the knowledge, skills and abilities of everyone who is made aware of it. Reporting a near-miss may help prevent an injury or fatality. Near-miss reporting has worked effectively in other industries, especially aviation, since team members have more knowledge. Industries using near-miss reporting systems have lower injury rates and fewer worker fatalities.

What are the main goals of Near Miss Reporting?

To give crews and management the opportunity to learn from each other through real-life experiences; to help formulate strategies to reduce the frequency of injuries and fatalities; to enhance the safety culture of the company.

Who can submit a report?

Any employee is encouraged to submit a report when he/she is involved in, witnesses, or is told of a near-miss event.

- Report each and every near miss incident to your supervisor immediately in order to help prompt investigation and follow up actions that will reduce the potential for future near misses. Management must partially rely upon you and your fellow workers to report these to them as they just can't see everything.

Continued on the next page

Continuation from the Safety Corner

- Once a near miss occurs, report it immediately to the safety department. The potential for such incidents exists all over the workplace, so *all* employees—not just supervisors—must help identify them.
- If the near miss is a result of an unsafe condition, don't continue to work under that condition until the problem has been corrected and your supervisor gives the okay to proceed.

If the incident is a result of unsafe acts, be certain that everyone involved has been alerted to their actions before they continue with the job.

How do I submit a report?

Reports can be electronically submitted through the wheelhouse management system, or the report form can be emailed or printed and completed by hand and submitted to the Safety department. Near Miss Report Forms are available on the Portal, the Tugs and Barges, or through your Safety department.

How long will it take me to submit a report?

You decide how much time you want to spend on the event description and the lessons learned section. Depending on the extent of the near-miss event, it may take 5-15 minutes to complete the event description and the lessons learned sections.

What happens to the report once it is submitted?

Once submitted, reports are read and analyzed by a reviewer in the Safety department. Reviewers identify any safety hazards requiring immediate action. Once reviewed for content, the report may be distributed to others in management for further review and comment. If the near miss is of a very serious nature, a root cause analysis may be conducted. A report of the near miss and lessons learned may be generated and distributed to the fleet and posted on the Portal website for other employees to use as a learning tool. Reviewers also enter the reports into a database in order to analyze trends. If contact information was provided and the reviewer needs additional information, you may be contacted. Remember: contact information is optional and reports can be submitted anonymously without contact information.

Near Misses Are A Warning:

If you are involved with, or witness a near miss incident, remember that you or your co-worker may not get a second injury free chance to hoist that red warning flag up the pole. Do your part to help make the workplace safe for everyone involved. Letting a near miss go unreported provides an opportunity for a serious accident to occur. Correcting these actions or conditions will enhance the safety within your facility or on your vessel, and provide a better working environment for everyone involved. Don't let yourself or co-workers become statistics--report near misses to your supervisor. Remember, HMS Near Miss Reporting is a voluntary, non-punitive reporting system used by witnesses to help make our company safer.

If you do not have access to the wheelhouse management system or do not have copies of the near miss forms please contact your safety department at the numbers listed below.

Andre Nault, Safety Manager—California
Office (310) 221-9117
Cell (310) 427-2819
anault@harleymairne.com

Mike Curry, Director of Safety & Regulatory Affairs
Office (206) 447-3057
Cell (206) 423-9955
mcurry@harleymarine.com

Why I Want to be a Captain

This view of life in the Master's dayroom was written by a ten-year-old American schoolboy and published in the newsletter of the Society of Marine Port Engineers of New York, NY. Such insight from one so young...

"I want to be a Captain when I grow up because it's a funny job and easy to do. Captains don't need much school education, they just have to learn numbers so they can read the instruments. I guess they should be able to read maps so they won't get lost.

Captains have to be brave so they won't be scared if it's foggy and they can't see, or if the propeller falls off they should stay calm so they know what to do. Captains have to have eyes to see through the clouds and they can't be afraid of thunder or lightning because they are closer to them than we are. Their salary that Captains make is another thing I like. They make more money than they can spend. This is because most people think that captaining a ship is dangerous - except Captains, because they know how easy it is.

There isn't much I don't like, except girls like Captains and all the girls want to marry Captains, so they always have to chase them away so they won't bother them. I hope I don't get seasick, because I get carsick and if I get seasick I could not be a Captain and then I would have to go out to work."

October Birthdays

Birthstone:

Flower:

Harley Marine NY

Steven Madeiros—10/9

Jose Panlilio, Jr.—10/19

William Nicholson, Jr.—10/21

Corey Harris—10/31

Harley Marine Services

Don Meberg—10/4

Jim Flies—10/24

Pete Hofmann—10/28

Olympic Tug & Barge

Stephen Mickelson—10/4

John Walker—10/6

Jeff Rickard—10/7

Doug Liedberg—10/8

Tim Dougherty—10/9

Dan Corkery—10/11

Guy Larsen—10/12

Robert Sortor—10/13

Craig Strozyk—10/13

Donald Vakulich—10/14

Jim Heckathorn—10/16

Tim Hinman—10/16

Jason Ginas—10/23

Shane Bonnin—10/27

Tadeusz Prus—10/27

Jordan Seals—10/29

Pacific Terminal Services

Gary Bucknum—10/30

Starlight Marine Services

Samuel D'Aloisio—10/2

Dave Gore—10/9

Jonathan Mendes—10/17

Christopher Royeton—10/18

Sterling Jones—10/30

Westoil Marine Services

John Bearden—10/2

Marc Delgadillo—10/16

Thomas Matlock—10/17

Raul Hernandez—10/24

Bryan Thebodeau—10/27

Louis Randazzo—10/30

Anthony D'Aquanno—10/31

October Anniversaries

Harley Marine NY

Charles McCauley—1 year
Timothy Virgin—1 year

Millennium Maritime

Scott Walker—10 years
Charles Holmes—2 years

Olympic Tug & Barge

Jim Sellers—15 years
Todd Johnston—11 years
Wayne Allen—9 years
Neil Billingsley—9 years
Steve Felton—9 years
Michael Everhart—5 years
Larry McCormick—5 years
Andrew Butterfield—2 years
Stephen Johnson—1 year
Vincent Kucera—1 year

Pacific Terminal Services

Kevin Buffum—16 years
Mark Flower—10 years

Public Service Marine

Doug Montgomery—12 years

Starlight Marine Services

Charles Jennings—5 years
David Prouty—2 years
Holger Emeneth—1 year

Westoil Marine Services

Eric Distefano—3 years

*Thank you for your continued support and dedication ~
Happy Anniversary to all of you!*



Pat Lopez, a Captain at Millennium Maritime, with Cassie and their daughter Gia at four weeks.



Pictured to the right is Miss. Emily Fessler, daughter of Carl Fessler, a tankerman with Public Service Marine. Immediately upon receiving her HMS lamb she named it Elena. Dad says all of her dolls and stuffed animals have names and she remembers them all.



Pacific Terminal Services, Tracy Wild, Mark Flower and John Overly as they accept their first place trophy at the Boom Boat Rodeo

Staying Healthy Guide

Cold and flu season is fast approaching. However, there are some simple steps you can do to protect yourself and your family.

Get your shot – The influenza vaccination offers 70 to 90% protection against infection and can lessen the severity of your symptoms, if you do get sick. The best time for immunization is October or November, before the flu season is in full swing. A nasal-spray version of the vaccine is also available and approved for ages 5 to 49.

Wash your hands – Hand-to-hand contact is the primary culprit in passing around the cold and flu bugs. It's also one of the easiest to counteract. Washing your hands several times a day, especially after touching public objects such as communal pens, door knobs, shaking hands, etc. will cut your risk. If you can't get to a sink, have hand sanitizer with at least 60% alcohol at the ready. Just remember to remind children not to lick their hands.

Get your winks in – Sleep deprivation lowers your immunity system and thus, your ability to fight infections. If you are still tired upon waking in the morning, you are not getting enough sleep, or maybe not enough quality sleep. Try going to bed earlier or start a bedtime ritual, such as a 30-minute bath, to help the unwinding process and signal your body for sleep. Additionally, you may consider setting your thermostat at 68°, the optimal sleeping temperature.

Exercise and eat right – Moderate exercise increases your circulation and allows the immune system to function more efficiently. A balanced diet will provide nutritional antioxidants and vitamins, key components of optimal health.

Avoid stress – Chronic stress can lower the immunity system. When feeling overwhelmed, try techniques such as deep breathing, taking a break, a brisk walk or just re-adjusting your to-do list. You may find that you feel calmer and able to take on the world.

Desiree Otsuka

HR Department

2nd Annual Employee Fishing Derby and Barbeque

On Saturday, September 13th, Seattle based employees attended the second annual fishing derby and company barbeque. The crowd consisted of several crew that were around that morning. Everyone enjoyed the great food and numerous raffle items. The centerpieces of Beta Fish Tanks were happily taken home by the children at the derby.

See you at next year's derby!



September New Hires

Welcome to the Harley Marine Team

Harley Marine New York

Jams Mulhern, QMED

Harley Marine Services

Jennifer Heishman, Project Accountant

Stephen Politeo, Special Projects

Pacific Coast Maritime

Jason Miller, Mate

Olympic Tug & Barge

Richard Becker, Captain

Jesse Brown, Deckhand

Andrew Daymon, Deckhand / Engineer

Dean Draper, Mate

Gregory Hull, Tankerman

Greg Morris, Port Mechanic

Jeff Rickard, Training Captain

Are You Overly Stressed?

- Do fun activities no longer bring enjoyment?
- Do you get frustrated or annoyed easily?
- Are you getting too much or too little sleep and have a lack of energy?
 - Do you have trouble concentrating?
 - Are you experiencing mood changes?
- Have you turned to drugs or alcohol to relieve stress?
 - Are you eating more/less?
- Are you experiencing distraction from completing dialing tasks?

Things That May Help

- Try to make sure that you are on a regular sleep pattern every night and getting a good night sleep.
 - Alcohol can ADD to your problems, not help them
 - Exercise can relieve stress
 - Managing time efficiently is an important tool
 - Try to simplify your life
- ◆ Talking to someone that is not associated with the issue can help you see things clearly. Your EAP has access to experienced counselors and resources to help you. Call if you are interested!

Megellan Employee Assistance Program – 1(800) 523-5668

Cooking with the Captain Captain Chris Starkenburg, Gyrfalcon “Meatball Soup”

Ingredients:

3 tblsp. of olive oil	1 bay leaf
3 stocks of celery, diced	8 fresh basil leaves
1 small onion, chopped	2 cans of 14.5 oz. diced tomatoes
2 cloves of garlic, finely chopped	1 can of 30 oz. kidney beans (drained & rinsed)
2 cups of chopped carrots	12 cups of beef broth
1 cup of diced red bell pepper	1/2 cup of Sherry
2 cups of sliced mushrooms	2 zucchinis, halved and sliced
1/2 tsp. of black pepper	4 cups of penne pasta, cooked Al Dente
2 tsp. of Italian Seasoning	1 tblsp. of cornstarch, dissolved in 1/4 cup cold water
1 tsp. of Oregano	25 1/2 oz. meatballs, precooked
1/2 tsp. of fennel seed or 1 cup of chopped fresh fennel	

Directions:

1. In a large, heavy bottom soup pot add the olive oil and heat on medium-high. Once the oil is hot, add the celery, onion, garlic and carrots. Sauté until Al Dente.
2. Add the red bell peppers, mushrooms, spices and bay leaf. Continue to stir for several minutes and then add the remaining ingredients.
3. Reduce the heat and bring up to a slow simmer and continue to stir for at least 30 minutes. Reduce the heat and keep the soup warm.

Chef's Suggestions:

- ◆ If you can't find pre-cooked meatballs, you can make handmade meatballs.
- ◆ I like to serve the soup in a large bowl with a crusty crouton, fresh grated Parmesan Cheese and crushed red chili flakes.



SEPTEMBER EMPLOYEE OF THE MONTH

Tyler Visser, Olympic Tug & Barge—Deckhand / Tankerman

The Employee of the Month for September goes to Tyler Visser. Tyler came to Olympic Tug & Barge from Caleb Brett Inspections in 2007, he dove into the tankerman's position with enthusiasm and shortly earned himself a position on the Shauna Kay. Tyler has proved to be a valuable asset to the Olympic Tug & Barge team not only on the Shauna Kay but as a crew member on the Alyssa Ann as well. Thank you Tyler for all of the hard work you do for Olympic Tug & Barge!

Mario Amalfitano, Westoil Marine Services – Chief Engineer

Mario has been with Westoil Marine since 1999. He began as a deckhand and currently holds the position as Chief Engineer on the Tug Tim Quigg. He works the long hours and makes sure all is up to date with the maintenance of the Tug. He assists the barge scheduler with any mechanical issue with the barges. Mario is an exceptional employee and is Westoil's Employee of the Month.

Gary Smith, Millennium Maritime - Tug Captain

Gary has been with Millennium Maritime since August of 2000. He has been in the industry for over 30 years and currently works in the LA Harbor aboard the Tug Millennium Dawn. He has worked with the various subsidiaries and is our primary Captain for the Outside Tows. He is a very dependable and professional employee and has earned the respect from his peers. Millennium Maritime honors Captain Gary Smith, as the October Employee of the Month.

The Great American Tug Boat Race of San Pedro Bay - Millennium Dawn Wins!

The Great American Tug Boat Race of San Pedro Bay was held September 18th at the Queen Mary in Long Beach, CA. Millennium Maritime's Captain Donny Shundo and the Millennium Dawn competed and won the race along with the coveted "Elmar" award. It was Captain Shundo's third win at this race and Millennium Maritime has won the award 5 out of 8 times since the races began in 2001. The winner of the award keeps the "Elmar" Big Wheel perpetual trophy for the year it wins. The SoCal office proudly put the Wheel back on its wall. Deborah Franco, accepted the award on behalf of HMS.



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