

SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient

Holiday letter written from Harley Franco to all of his employees.

November 14, 2008

Dear Valued Friend and Team Member,

As we approach the end of another year and the start of the holiday season, I want each of you to know that your hard work, dedication and success here at HMS does not go unnoticed. I want to express my gratitude for all that you do and let you know how proud I am to have you as part of the HMS family.

With great thanks to YOU and as is the tradition since starting our family of companies, please accept this gift certificate as a token of my appreciation for you and your family to enjoy this Thanksgiving.

Our company has grown to over 500 families the past 22 years. We feel blessed that we have been fortunate to have such a talented and dedicated work force. We know, with your continued commitment and support, we will not only survive these tough economic times, but we will continue to be a good community neighbor and supporter of worthwhile causes and charities.

Again, a BIG THANK YOU to you and your families for being a part of our HMS family of companies.

Warm Wishes,

Harley V. Franco

DECEMBER 2008

DECEMBER HOLIDAYS

22ND—HANUKKAH BEGINS

25TH—CHRISTMAS

(HMS OFFICES WILL BE CLOSED)

31ST—NEW YEAR'S EVE

THUMBS UP

- Thumbs up and thank you to all OTB crews for helping on yard projects and working through the tough schedules we have been having.
- Thumbs up and thank you to Captain Brian Bamers wife, Bobbi, for assisting the Hunter D in Port Angeles with stores and supplies.
- Thumbs up to Captain Josh Stultz, Captain Doug Anderson, Engineer Sterling Jones and Deck Hand Jonah Petrick for a job well done in prepping and delivering the John Quigg to Los Angeles.
- Thumbs up to Hal Elzroth for taking and sharing his wonderful Starlight pictures with the Harley Marine office.

Harley Marine Worse Case Spill Drill:

By: Mike Curry, HMS Director of Safety & Regulatory Affairs

On October 29th, Harley Marine Services held our triennial Worse Case Table-top Spill Drill for the Washington State Department of Ecology.

The drill brought members of the United States Coast Guard, Washington State Department of Ecology (DOE), Oregon Department of Environmental Quality, Marine Spill Response Corporation (MSRC), National Response Corporation (NRC), Pacific Terminal Services, Harley Marine Services staff, Olympic Tug and Barge and our new partner in Spill Response Management, the O'Brien Oil Pollution Services (O.O.P.S.).

Approximately 75 personnel took part in the drill.

The introduction of O.O.P.S. as our Spill Management Team came about with the expansion of HMS into the East Coast marketplace. As we continue to expand, we recognized a need for a National Spill Management Team to handle major pollution incidents where ever we operate.

The scenario of the drill involved the single skin barge NORTON, which was carrying 40,000 bbls. of IFO 380. The NORTON struck an unknown submerged object just north of Robinson Point in Southern Puget Sound and spilled over 10,000 bbls. from a number of ruptured tanks.

The drill went very smoothly, we held a day of training with DOE on the 28th to prepare for what would be expected of our team the following day.

The HMS Spill Management Team consisted of: Rod Gullickson, HMS VP Operations as HMS Responsible Person In Charge; Sven Christensen, OTB GM and Kevin Buffum, Pacific Terminals GM as Operations Section Chief and Deputy; Bryon Fletcher, OTB Portland Manager as Planning Section Chief; Michelle Moll, HMS Assistant Controller as Finance Section Chief and Gary Nelsen as Deputy Finance Section Chief; Jim Flies, HMS Purchasing as Logistics Section Chief; Stephanie Wright, HMS Marketing as Situation Unit Leader; Leah Nelson, OTB Scheduler as Documentation Unit Leader; Kirk Bonnin, OTB Portland Port Capt as Air Ops Unit Leader; Steve Politeo, HMS Spec. Operations as Liaison Officer and Cheryl Domier, HMS HR backing up the Documentation Unit and finally yours truly and Andre Nault, California Safety Manager heading up Safety.

Though we do not practice this scale of drill on a regular basis our team pulled together and put on a good show. The comments from the Federal and State Regulators present were very positive and everyone had a good time. The WA DOE officials on hand have told another company in the area that "if they performed their drill like Harley recently did they would be just fine"!

Next year we will be holding a Worse Case Drill in California on top of the regular Deployment Drills and smaller scale Table-top Drills we hold every year in each state.

Best wishes to all throughout the Holiday season and be safe out there!!!!



Education Reimbursement Policy

Harley Marine Services believes that an individual who possesses a desire to continue their education, in addition to performing their full-time job, shows a commitment to improving themselves and their position within the company. To encourage and reward these individuals, Harley Marine Services, Inc. (HMS) offers an Education Assistance benefit.

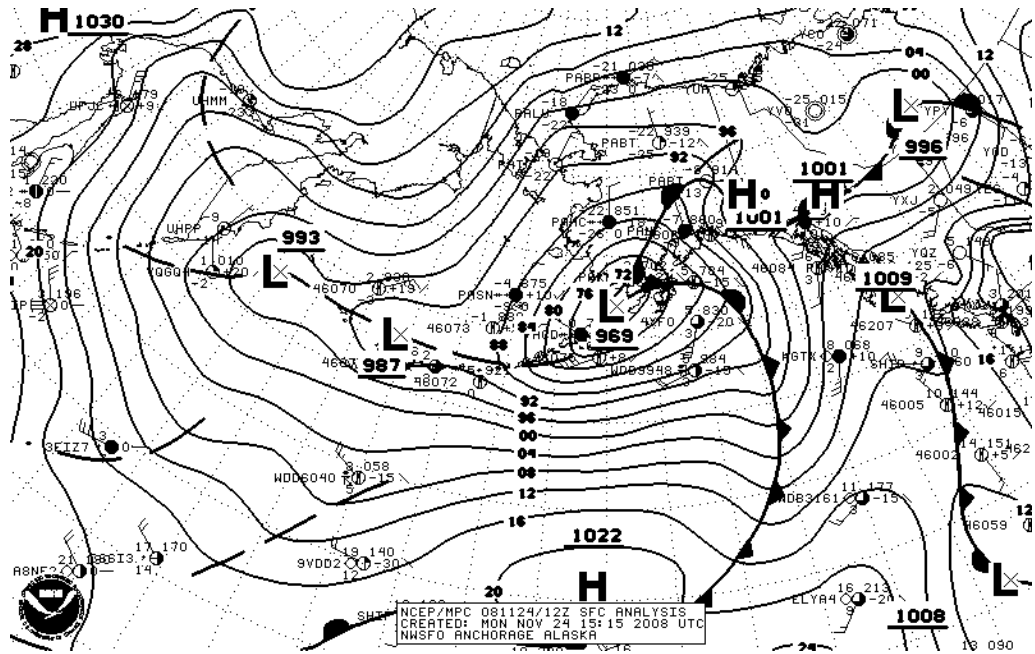
Full-time employees may continue their education in a related field and HMS may reimburse all or part of the registration and tuition costs. However, all courses must be pre-approved by a supervisor. Once the course is completed, a certified transcript of grades with receipts for expenses must be submitted. HMS will reimburse individuals as described below for the portion of the fees that were pre-approved. This may include fees for registration, tuition, books, and additional lab fees.

In order to qualify for this Education Assistance benefit an employee must:

1. Advise his/her supervisor, prior to enrolling for the class, that he/she intends to take a particular course. Supervisors will let the employee know if the course qualifies for the Education Assistance Program.
2. The course must be job-oriented and offered by an approved educational institution.
3. The amount of course reimbursement is based on the final grade of C or above. If grades are not applicable, certificate of completion will be required for reimbursement.
4. He/she must have at least one (1) year of full-time service with HMS.
5. He/she must sign a contract to remain with HMS for one (1) year following reimbursement or the full amount of the educational assistance shall be deducted from his/her final check. And, should employment terminate for any reason within two (2) years after completing the course half of the tuition and any related expenses will be deducted from his/her final check.
6. If an employee is eligible to receive educational benefits from other alternate sources HMS may not reimburse his/her educational expenses.

In addition to educational assistance for formal education, HMS may also reimburse for upgrades in licenses and certifications. All of the qualifications of formal education reimbursements apply for these types of reimbursements as well, the TWIC is the only license that HMS will reimburse the employee if they do not have the required one (1) year of employment completed. Education Reimbursements will not be issued unless a copy of the license or certification is included along with a receipt of payment.

If there are any questions regarding Education Reimbursement, please contact your local HR representative.



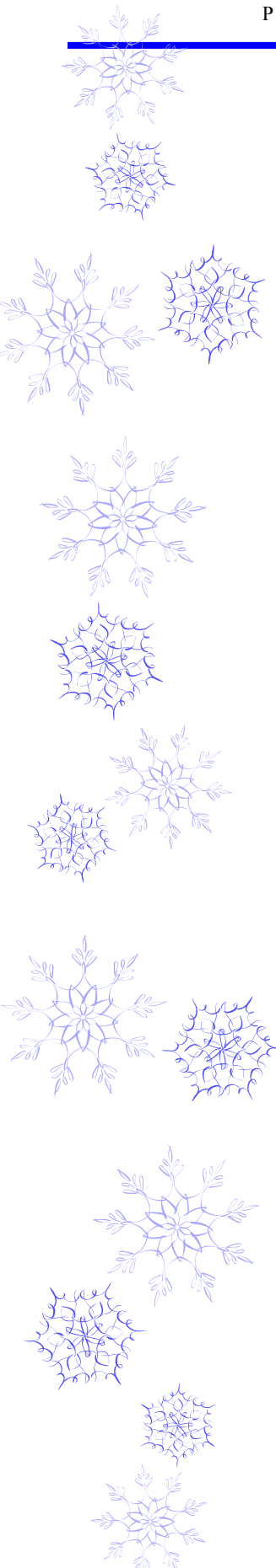
It's Winter Time in the Aleutians

The weather picture above displays an interesting forecast for the Gyrfalcon in the upcoming week. Thanksgiving Day onboard will be nasty and windy! This past weekend, they experienced 100+ MPH winds after they returned from Akutan.

Pacific Terminal Services Tank 5

Portland terminal tank 5, successfully passed the API 653 inspection this past summer. However, the inspection company recommended the removal of the old, out of service piping from the top of the tank. Since the tank was built prior to World War II, the unused pipeline and its supports had severely corroded. This presented an overhead hazard to personnel and equipment below.

Recognizing that the pipeline had out lived its useful life and the hazard to safety that it presented, the landlord, Northwest Natural Gas Company, agreed to have it removed. Stone Industrial Construction Company performed the work using a cutting torch, man lift and pickup truck. Thank you for making our terminal a safer place to work!



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

Intrinsically Safe Radios and Electronic Devices

Whenever flammable products are transferred between marine terminals and tank vessels, vapors are released into the atmosphere. Electronic equipment generates miniscule sparks in switch contacts, connectors, motor brushes and other electrical components. These sparks can ignite atmospheres within the explosive range. However, federal and state regulations require constant two way radio communication during fuel and product transfers. The USCG requires these radios to be certified as “intrinsically safe.”

What does the term intrinsically safe mean? It is a technique for electronic equipment protection in explosive atmospheres. Electrical and thermal energy is always low enough that ignition in a hazardous atmosphere cannot occur. This technique calls for low voltages and protective barriers, especially for power supplies and signal wires. Devices are also protected from overheating with the use of limiting resistors and fuses.

Portable radios are not the only consideration when transferring petroleum products. Mobile telephones, pagers and other personal electronics are not intrinsically safe and should be powered down when in the vapor circle. Mobile telephones should not be used during transfers unless you are inside vapor free spaces. Every flashlight used aboard HMS vessels must be an MSHA (or equivalent) approved intrinsically safe device.

Harley Marine Services has provided the following policies to ensure the safe use of portable electronics: MOM 02-0060 Electronic Equipment, MOM 04-210 Safety Rules, and MOM 06-050 Barge Operations.

See you on the water!

QSMS - Q & A

What are the federal requirements for intrinsically safe equipment?

According to 33 CFR 154.560 Communications:

- (a) Each facility must have a means that enables continuous two-way voice communication between the person in charge of the vessel transfer operation and the person in charge of the facility transfer operation.
- (e) Portable radio devices used to comply with paragraph (a) of this section during the transfer of flammable or combustible liquids must be marked as intrinsically safe by the manufacturer of the device and certified as intrinsically safe by a national testing laboratory or other certification organization approved by the Commandant as defined in 46 CFR 111.105-11. As an alternative to the marking requirement, facility operators may maintain documentation at the facility certifying that the portable radio devices in use at the facility are in compliance with this section.

What are the various state requirements?

The state requirements are nearly identical to the federal requirements.

WASHINGTON – WAC 317-40-140 Communications

- (2) The delivering PIC must ensure at least the following are available for use during the oil transfer operation: (a) Two portable communication devices that are intrinsically safe.

CALIFORNIA – ARTICLE 5. Marine Terminals Inspection and Monitoring 2370 - California

- (e) Portable radio devices used in compliance with this section shall be intrinsically safe, as defined in the Institute of Electrical and Electronics Engineers Standard Dictionary, 1984 edition, published by the Institute of Electrical and Electronics.

Get a Jump on Winter Storms!

Article Provided by: Snohomish County Public Utility District

Create an Emergency Kit

A simple emergency kit can help you get through outages. A kit should contain items such as:

- Flashlight
- Batteries
- Matches
- Drinking Water
- Food bars, canned food
- Blankets
- Manual can opener
- Battery-powered radio
- Battery-powered clock
- First-aid pack - band aids, antibiotic, gauze



Plan Ahead for Special Medical Needs

If you have special medical equipment such as respirators, you should consider purchasing a backup generator/power source and/or have other contingency plans in place. You may want to make arrangements with friends, relatives or a local agency to transport you to an area where electricity is available.

Stay Informed

Listen to local radio newscasts for the latest information about storm response efforts. Utilities regularly provide information updates to local radio as well as television stations and newspapers.

Who to Call

Following big storms, the utilities know that many people are without electricity. Try to keep their phone lines clear by resisting the temptation to call. If you have specific information about a tree in a power line or a power line on the ground you should call your local utility. If it's a life threatening situation or medical emergency, you should call 911.

Stay Warm

If your power goes out, choose a small room with few windows as your primary living area. Keep your window drapes closed as much as possible to keep heat from escaping. Dress warmly. Wear several layers of clothes and, if needed, wear gloves, hat and a scarf.

Protect Food

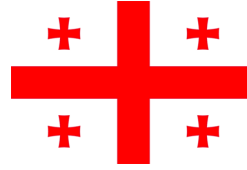
Keep your refrigerator and freezer doors closed as much as possible. The contents should be good for at least 24 hours if the door is kept closed. After that, dry ice if available will help protect your food.

Turn Switches Off

Try to remember what was turned on at the time the power went out and turn the switches to those items to the "off" position. It's especially important to turn off anything that has a heating element, such as the electric range, an iron or a toaster oven. Turning items off will prevent a fire when the power is restored and also help your utility restore power faster. It's not necessary to turn off hot water heaters.

International Traveling

Karl Kontselidze Travels to Georgia



Karl has been employed with Harley Marine NY since April 2006 and is currently the Safety and Compliance Officer / Dispatcher. Karl was born and raised in the Country of Georgia and came to the United States in late 2004 to pursue an MS degree in International Transportation Management at SUNY Maritime. After graduation, Karl decided to stay in the U.S. and was hired at HMNY.

Georgia is bordered by the Black Sea in the west, by Turkey and Armenia in the south, by Azerbaijan in the east, and Russia in the north. Georgia, about the size of West Virginia, is a land of high mountain ranges, including the Greater Caucasus range in the north and the Lesser Caucasus range in the south that runs parallel to the Turkish and Armenian borders.



Once Karl received his travel authorization from the United States Citizenship and Immigration Services (USCIS), he booked a flight to Georgia. In order to receive this authorization and to make an "adjustment of status".

During his month long vacation and return home, he was welcomed by family and friends. The trip was a great homecoming for him, as he had been away from his family for almost four years. He is happy to report that everyone is doing well and that it was great to spend time with his family.

As glad as we were for Karl to travel home, we were happy to have him back!

December Anniversaries

Harley Marine NY

Richard Benoit—2 years
Corey Harris—2 years
Raymond Keevins—2 years

Harley Marine Services

Gregg Nelsen—15 years

Millennium Maritime

Matthew Hathaway—4 years

Olympic Tug & Barge

Kurt Zaverson—21 years
Ron Winterfeld—7 years
Guy Larsen—5 years
John Munson—3 years
Koby Otterbach—3 years
Gary St. Luise—3 years
Shane Bonnin—2 years
William Ford—2 years
Eric Liedberg—2 years
Joseph Miranda—2 years
Marshall Oatman—2 years
Thomas Plucinski Jr.—2 years
Daniel Baumfalk—1 year
Stephen Berets—1 year
Eric Fisher—1 year
Matthew Jacobs—1 year
Cory Verbeck—1 year

Pacific Terminal Services

Tracy Wild—8 years

Starlight Marine Services

Hal Eltzroth II—3 years
Michael Limon—3 years
Chris Ramos—3 years

Westoil Marine Services

Brian Janson—12 years
Andre Nault—2 years

NEW HIRES – WELCOME TO THE TEAM

Daniel Morrison, Starlight Marine Services

Please welcome Daniel Morrison to the Harley Marine team. Dan previously worked for HMS and is returning to Starlight Marine Services as the new Port Captain. He has twenty-nine years of experience working on towing vessels ranging from single screw to ASD on San Francisco Bay, twenty-four of which has been as a Captain. Dan brings a wealth of knowledge in the diverse Safety and Regulatory areas we comply with in today's industry and we are confident that his expertise will be a tremendous asset to our company.

Olympic Tug & Barge

- Cory Edgil, Deckhand
- Gaylon Ford, Captain
- Brian McGinley, Deckhand
- Craig Moore, Deckhand
- Justin Pierson, Mate

Pacific Coast Maritime

- Adam Snell, Deckhand / Cook

Starlight Marine Services

- Jonah Petrick, Deckhand

T – Together

E – Everybody

A – Achieves

M – More



Westoil Marine Services

- Brian Janson—7th
- Joshua Bobic—12th
- Carlo Orlando—12th
- Jason Rittgers—19th
- Mario Amalfitano—22nd
- Johni Komisak—22nd
- Salvatore Manzella—22nd
- Randy Atwood—26th

December Birthdays

Birthstone: Blue Topaz or Turquoise
Flower: Narcissus

Harley Marine NY

- Marco Velez—7th
- Kevin Kelly—9th
- Jess Canterbury—17th
- Rexford Nunemaker—19th
- Michael Villela—25th

Harley Marine Services

- Christine Mershon—16th

Millennium Maritime

- Marco Vuoso—4th
- Mishael Romero—8th
- Scott Walker—8th
- Josiah Layfield—20th

Olympic Tug & Barge

- William White—1st
- Russell Holmes—4th
- John Kochis—5th
- David Ferguson—7th
- Travis McGrath—10th
- Scott Wurster—13th
- Todd Johnston—15th
- Brett Nelson—15th
- Steven Ybarra—16th
- Jason Hendrickson—19th
- Greg Horton—19th
- Eric Chisman—26th
- Brent Starheim—30th

Pacific Coast Maritime

- Jim Weimer—6th

Public Service Marine

- Gabriel Cleope—15th
- Carl Fessler—27th

Starlight Marine Services

- Ryan Tom—18th
- Daniel Morrison—23rd
- Michael Link—24th
- Jan Tiura—29th

Cooking with the Captain

Captain Chris Starkenburg, Gyrfalcon

“Slow Roasted Prime Rib”

Ingredients:

14-16 lbs.	Prime Rib Roast, Bone off	¼ cup	Fresh Cracked Black Pepper
12-15	Cloves of fresh garlic		Kosher Salt
1/3 cup	Olive Oil	1	Package Au Jus powder
1 cup	Red Wine	4-6	Springs of fresh rosemary
1½ tsp.	Liquid Smoke (optional)	6	12 inch bamboo skewers
1/3 cup	Magi Liquid Seasoning (liquid vegetable seasoning)	6-8 feet	Cooking twine

Directions:

1. With a sharp knife, make diagonal scores in the fat about 1/2 inch apart from one corner to the other. Repeat the process from the opposite corner. When you are done, the fat will be scored with diamonds, make sure you do not cut into the flesh.
2. In a bowl add the red wine, olive oil, liquid smoke and magi seasoning. Stir until well blended.
3. Whole Clove Garlic Option:
 1. With a sharp knife, make an incision into the fat cap and stuff one whole garlic clove into each incision. Continue this with all of the garlic cloves.
 2. Rub the entire rib roast with the liquid mixture. While you have the roast fat side down, sprinkle with cracked black pepper. Flip it back over onto a roasting rack in a roasting pan. Drizzle the remaining liquid over the top.
4. Chopped Garlic Option:
 1. Rub the chopped garlic all over the roast and sprinkle with cracked pepper and Au Jus powder. Dust the fat cap with 1/16 inch of kosher salt.
5. Rest the fresh rosemary springs on top.
6. Let the roast rest for 3 hours at room temperature before cooking.



You have two cooking options, either rotisserie or oven roasting. Below are the cooking directions for each option.

1. Rotisserie: Before you spice the meat, run the large rotisserie rod through the center of the roast, being careful to get it centered. Ensure that the meat will not touch anything as it spins on the heating element. Run 6 bamboo skewers from the narrow end up to the larger end, getting each skewer as close to the center rotisserie rod as possible. Using the kitchen twine, lace it so that it crisscrosses back and forth from the end of one skewer to the next on both sides. This helps secure the roast from flopping as it spins. Cooking time for the rotisserie will vary, so allow for extra time. Cook for 3-4 hours or until the internal temperature reaches 110 F. Then, turn off the heat source. After the prime rib has cooked for a couple hours, you can cut the kitchen twine off for the remainder of the cooking time.
2. Oven Roasting: Preheat the oven to 425 F, place roast in the oven for 30-40 minutes (this will sear the roast to keep in the moisture). Then reduce the heat to 225 F. If the garlic and spices start to get a little brown rest a piece of foil on top of the roast. Cook for 2-4 hours or until the internal temperature reaches 110 F. This will cook your meat to medium rare.

NOVEMBER EMPLOYEE OF THE MONTH

Adam Goodfellow, Olympic Tug & Barge

Employee of the month is Adam Goodfellow. Adam has been employed at Olympic since 1997 and has always been a dedicated and superior employee. Over the last month, Adam has gone above and beyond his daily duties with training and orientating new engineers. His experience and expertise have proven helpful and useful for the new generation as they become familiar with the vessels. Additionally, Adam has been very helpful in yard projects while operating the crane to pick and set gear for crews. Thank you Adam!

Joe Wilson, Westoil Marine Services

Employee of the month is Joe Wilson. Joe has been a solid contribution to Westoil since coming on the barges. He has proven to be a reliable and dedicated employee and has always had a great attitude. Everybody enjoys working with Joe and he brings his "A game" everyday he comes to work. Thanks Joe for all your hard work.

Mark Sanders, Public Service Marine

Employee of the month is Mark Sanders. He is the one of the best mates we have ever seen at PSMI. In addition to excelling at his duties as mates, he is an exceptional boat handler. We are confident that if anything would ever happen to the Captain on his watch, he could easily take over and handle the boat and barge. Mark has adapted well to working the Jovalan and knows her throughout. He follows company policy and handles paperwork with ease. We are proud to work with Mark and have him as part of our Team. Thanks Mark!

Harley Marine Services, Inc.

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Newest Addition to the HMS Family



Kai Avery Wells

Birhdate: July 28, 2008

Weight: 8 lbs. 11 oz.

Length: 21 inches

Proud Parent: Aaron Wells,
WMS Tankerman

We're on the web!
www.harleymarine.com