

SOUNDINGS

August 2009

Safe ♦ Responsible ♦ Reliable ♦ Efficient

A Treasure Found at Sea

While transiting the Columbia River to return the new double hull barge, NATHAN SCHMIDT to Seattle, the CF CAMPBELL snagged a true treasure from sea. It is assumed that as the tug laid out the tow wire in preparation for the long trip home, it snagged the anchor pictured to the right. The anchor was then carried all the way up to Seattle and not discovered until the tow wire was shortened up to make up to the barge for docking at Pier 23.

When crew and shoreside maintenance pulled the anchor back to shore, it was like something from a movie as the anchor was wrapped in a fish net.



The anchor appears to be between 80-120 years old and was likely used on an old ship that transited the Columbia River. At this point we can only guess and imagine the possibilities of where the anchor came from.

Our new treasure now sits at the end of the Harley Marine dock in Seattle. We have also taken a piece of the anchor to a lab to be carbon dated. More details, if any received, will be provided in a later edition.

Giving Back to the Community

On Monday, June 22nd, Harley Marine Services helped sponsor and participated in the Cystic Fibrosis Mariners Care Golf Tournament. The Foundation has announced that together with everyone's effort the event raised approximately \$180,000 net. This monetarily donation brings the foundation closer to finding a cure for the devastating disease. Harley Marine Services will continue to support this and other charities within our community to better the lives of our employees, shareholders and members of the community. We will maintain our fleet wide mantra of "Cruisin' for a Cure".



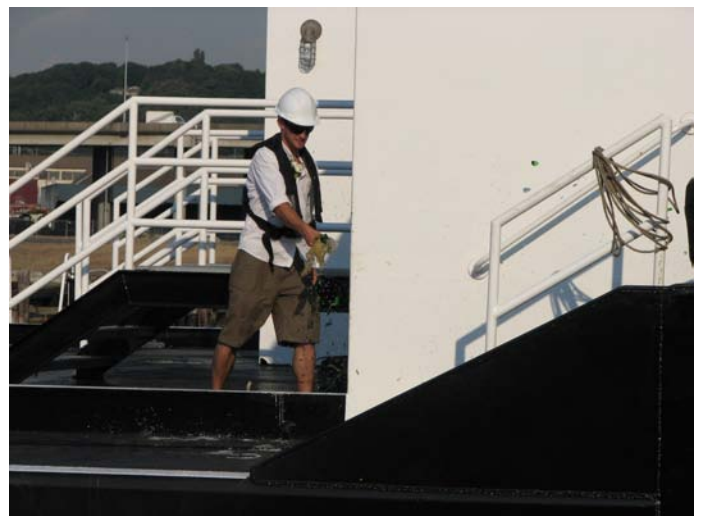
NATHAN SCHMIDT CHRISTENING

On Tuesday, July 28th Harley Marine Services celebrated the Christening of the NATHAN SCHMIDT. Elliot Bay Design Group designed the barge to meet the specific needs and requirements of a Harley Marine customer. U.S. Barge then took the design and turned it into a reality with construction lasting only 6 months. U.S. Barge launched the NATHAN SCHMIDT on July 17th in Portland, Oregon. She then transited to Seattle for final outfitting by our shoreside engineers and maintenance team. NATHAN SCHMIDT has since been working in the Puget Sound, including a job the night before and morning of her Christening.



Guests gathered at Harley Marine's dock as NATHAN SCHMIDT entered the waterway and greeted the guests with a true grand entrance. Although the weather was remarkably warm for Seattle, guests joined together under shade from umbrellas and listened in as the Christening took place. The ceremony was opened by the presentation of colors by Boy Scouts Troop #325. Keith Barnes, Director of Barge Operations, then took over by greeting and welcoming our guests, including the builders, designers, customers, lenders, vendors, and the family of Nathan Schmidt. Harley Franco, Chairman and CEO, also had a chance to thank the guests and share his personal and professional relationship with Nathan Schmidt and the Cystic Fibrosis Foundation. Corey Yraguen, CEO of U.S. Barge, addressed the guests and thanked Harley Marine Services for the continued relationship and opportunity to work together in the Harley Marine double hull expansion plan.

Mr. Nathan Schmidt along with his father, Bill, spoke as well, thanking Harley Marine Services for the great honor of naming a barge after him. Nathan has overcome many challenges, including living with cystic fibrosis. Nathan was first diagnosed with cystic fibrosis when he was only 3 days old. Throughout his life, he has maintained a thorough therapy regimen and an active lifestyle to keep his lungs in optimum health. He has been fortunate to have had great doctors and supportive family to help keep him on track with the most current medications so that he can continue to be healthy and can physically do all the things he loves.



Bill Schmidt, Nathan's father, informed the attendees that one of his most memorable experiences is summiting Mount Rainier with his son, a truly remarkable accomplishment for someone with cystic fibrosis.

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Father Vern Hunt of the Catholic Seaman's Club went on to bless the vessel as well as its crew while operating for Harley Marine Services. Father Vern asked for safety, integrity, and prosperity for the vessel and crew while at sea. The ceremony was concluded with a sprinkle of holy water and Nathan breaking the champagne over the hull of the vessel.

Guests were then welcomed to the reception by a live five piece Mariachi band, Mariachi Fiesta Mexicana. Their music was not only festive but entertaining as they were dressed in the traditional charro suits. Veraci Pizza was also on site with one of their wood burning ovens offering fresh, hot pizza to the guests. The Boy Scouts passed out the pizza to the guests on serving trays, and I believe even got a whole pizza to share for all of their hard work. Dinner was served by A Very Taki Tiki Bar and included ribs, chicken and salmon. To say the least, no one left hungry.

The barge meets and exceeds all regulatory and internal quality, safety and environmental standards as well as being compliant with OPA 90 standards. The NATHAN SCHMIDT joins the Harley Marine fleet as the 19th double hull barge.

Harley Marine Services is pleased to name and dedicate our newest vessel in honor of Nathan Schmidt. This barge will be a symbol of Harley Marine's continued fight against cystic fibrosis in hopes of finding a cure.

We are pleased to report that Nathan will soon be leaving for South Africa to begin an internship to research great white sharks. He is a true fighter and has never let cystic fibrosis slow him down. We are very proud of him!



NATHAN SCHMIDT

Double Hull Petroleum Barge

ABS X A1 Oil Tank Barge

LOA: 241'

Beam: 64' 6"

Depth: 23' 6"

Capacity: 31,500 barrels

TOWBOAT INVITATIONAL

Harley Marine Services along with Foss Maritime and Sause Bros. sponsored the 10th Annual Towboat Invitational on Monday, July 27th at Newcastle Golf Club. The tournament brings together almost 300 people in the towboat industry all raising money for two deserving organizations, The Heart Institute at Virginia Mason Medical Center and the Boys and Girls Club of Southwestern Oregon.

Fortunately, even during these troubling economic times, the tournament was completely sold out. The combined money raised on the course and in the silent and live auctions, the tournament managed to raise more money than last year, with a whopping \$304,658. The money raised will directly benefit the two charities and their cause. Pictured above is the Towboat Invitational Committee presenting the check to the guests, from left to right, Denise Gould, Dick Lauer, Stephanie Wright, Harley Franco, Julie Woodman, Laurie Zuvich, Dave Hill and Michael VanDerhoef.



To signify the 10th Anniversary, this year each guest received a "Tin Cup" and a special helicopter ball drop was added to the program. The helicopter dropped 200 golf balls purchased by guests throughout the day over one of the fairways. The guest who purchased the ball that was closest to the hole, since none went in the hole, received \$2,500. The remaining \$7,500 was included in the final check for the charities.

Although the weather was a scorcher, guests enjoyed a day full of golf, food, friends and fun. Thank you to everyone who participated to make this event such a success. Congratulations to both The Heart Institute at Virginia Mason Medical Center and the Boys and Girls Club of Southwestern Oregon—we hope this contribution will benefit your worthy cause.

Pacific Terminal Services

John Wild—6 years

Starlight Marine Services

Frank Dignon—2 years

Josh Stultz—3 years

Albert Hendricks—4 years

Michael Price—4 years

Westoil Marine Services

Justin Jabuka—1 year

Marvin Munoz—3 years

Michael Traughber—3 years

John Skow—18 years

August Anniversaries

Harley Marine NY

James Rogers—2 years

Jack Sica—2 years

Harley Marine Services

Michelle Belben—2 years

Jim Flies—3 years

Scott Manley—3 years

Desiree Otsuka—4 years

Todd Prophet—12 years

Millennium Maritime

Charles Martin—1 year

Anthony Lobro—5 years

Stephen Higgins—8 years

Doug Houghton—9 years

Olympic Tug & Barge

David Hanshaw—1 year

John Jordan—1 year

Joseph LaPoint—1 year

Alexander Marts—1 year

Leo Noel—1 year

Robert Sortor—1 year

Craig Strozyk—1 year

Joe Elton—2 years

Richard Middleton, Jr.—2 years

Craig Smith—2 years

Mark Sanders—3 years

Jack Forsyth—4 years

Ron Kallinen—4 years

James Berge—5 years

Chris Diecks—5 years

Tim Olson—5 years

Brandon Chafe—9 years

Scott Coleman—9 years

Ron Starheim—14 years

Andrew O'Donnell—15 years

Ken Olson - 15 years

Pacific Coast Maritime

Mark Hurst—11 years

Public Service Marine

James Bellino—1 year

Near Miss

By: Andre Nault, Safety Manager - California

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 job 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.

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.

August Birthdays

Birthstone: Jade & Peridot
Flower: Gladiolus

Harley Marine NY

Christopher Tranos—8/27

Harley Marine Services

Scott Manley—8/6
Rod Gullickson—8/11
Courtney Wickens—8/23

Millennium Maritime

Mark Fuelle—8/8

Olympic Tug & Barge

Aaron Jones—8/2
Jim Sellers—8/4
Kurt Zaverson—8/4
Stephen Warren—8/5
Brian Healy—8/7
Joel Gerstenberger—8/8
Chad Boulay—8/9
Dominic Castner—8/9
Ritchie Vogel—8/10
Larry Holland—8/16
Hugh Maffett—8/17
Ron Kallinen—8/20
Marek Kaszewicz—8/24
Sven Christensen—8/26
Kris Laakso—8/26
Alexander Marts—8/26

Pacific Coast Maritime

Michael Collie—8/17

Public Service Marine

James Bellino—8/4
Nels Gorne—8/5

Pacific Terminal Services

Burton Nye—8/16
John Wild—8/17
Kevin Buffum—8/22

Starlight Marine Services

Frank Dignon—8/1
Lydia Zink—8/1
Matthew Fike—8/6
Josh Stultz—8/9
Michael Limon—8/10
Bob Mather—8/15

Westoil Marine Services

Jonathan Stanley—8/3
Aaron Wells—8/9
Adam Dalton—8/24

Q Factor

Recently, there has been some confusion between the DPA and QI (Qualified Individual). The following definitions will help to clarify these two important roles.

What is the DPA's role?

DPA (Designated Person Ashore) - Provides a direct link between personnel on board and highest level of management to ensure quality, safe and environmental responsible operations. Responsibilities and authority include monitoring the quality, safety and pollution prevention aspects of the operation of each vessel and to ensure that adequate resources and shore based support are applied, as required.

The Harley Marine DPA's are:

Scott Manley, Director of Marine Operations

Mobile: (206) 375-8810

E-mail: SManley@HarleyMarine.com


Andre Nault, Safety Manager - California

Mobile: (310) 427-2819

E-Mail: ANault@HarleyMarine.com

What is the QI's role?

QI (Qualified Individual) - The person authorized by HMS to act on their behalf, authorize expenditures, and obligate organization's resources *in the event of an oil spill*.

 HARLEY MARINE SERVICES	
<p><u>KNOW WHO YOUR D.P.A.s ARE!!!!</u></p> <p>Management Representatives and Designated Persons Ashore (DPAs) are the <i>Director of Marine Operations</i> and the <i>California Safety Manager</i>.</p> <p>In addition to their other responsibilities and authorities, as Management Representatives and Designated Persons Ashore (DPAs), they have the following specified responsibilities and authorities related to our Quality Systems:</p> <ul style="list-style-type: none"> • Acting as liaison between the vessels and the highest level of management for safety and environmental protection • Ensuring that sufficient resources and shore-based support are available for the effective functioning of our Quality Systems • Ensuring that processes needed for our Quality Systems are established, implemented, and maintained • Ensuring both vessel and shore-based audits and management reviews of our Quality Systems are carried out • Ensuring that incident investigations and non-conformities are addressed and, when applicable, lessons learned and corrective actions are implemented • Reporting on the performance of our Quality Systems to other Management personnel, including any need for improvement • Ensuring the promotion and awareness of customer requirements throughout our organization • Ensuring qualified personnel are assigned to support our Quality Systems 	
<p>Andre Nault California Safety Manager Office Line: (310) 221-9117 Mobile #: (310) 427-2819 e-mail: anault@harleymarine.com</p>	<p>Scott Manley Director of Marine Operations Mobile #: (206) 375-8810 e-mail: smanley@harleymarine.com</p>



Welcome to the Family

Jared Tyler Kahuluwehiwehi Visser

Birthdate: Saturday, July 4, 2009

Weight: 7 pounds 13 ounce

Length: 21 3/4 inches

Proud Parents: Tyler and Martha Visser

Walking

According to the National Sporting Goods Association, the number of Americans walking as a form of exercise has skyrocketed from 41 million in 1985 to 70 million in 1995. Today, exercise walking ranks as the number one fitness sport—ahead of swimming, biking and aerobics.

“A lot of people have the misconception that to be beneficial, exercise must be grim and punishing,” says James M. Rippe, MD, director of the Center for Clinical and Lifestyle Research in Shrewsbury, Massachusetts. “They try something that’s not suitable for them, get sore and discouraged and have an awful experience. For the vast majority, brisk walking is the perfect solution.”



Research conducted by the University of North Carolina’s Department of Medicine demonstrates that a weekly regimen of walking three times a week, 20 minutes a day lowers blood pressure, increases HPL levels (good cholesterol) and aids in weight loss. Clinical sports psychologist Kate Harp, Ph.D. reports that walking can even help problem solving abilities; during exercise, the brain relies more on the creative right side and less on the rigid left side.

For best walking results, do a posture check:

- ◆ Stomach should be held firm
- ◆ Do not look down
- ◆ Arms should be at right angles and swinging straight forward
- ◆ Once you establish a pace, roll your hips forward and back

Cooking With the Captain Captain Chris Starkenburg “Eggplant Parmesan”

Ingredients:

2 lbs.	Egg Plant (2 medium sized)	Breading	
1 tbs.	Kosher Salt	3 cups	Panko Bread Crumbs
Seasoned Flour		1 cup	Regular Bread Crumbs
2 cups	All Purpose Flour	1/2 cup	Grated Parmesan Cheese
1 tbs.	Italian Seasoning	2 tbs.	Parsley Flake
2 tsp.	Kosher Salt	1 1/2 quarts	Marinara Sauce
1 tsp.	Black Pepper	2 lbs.	Fresh Mozzarella
2 tsp.	Whole Oregano	1lbs.	Fresh Grated Parmesan & Asiago Cheese
1/2 tsp.	Crushed Red Chili	1 oz.	Fresh Basil Garnish
Egg Wash			Crushed Red Chili (garnish)
4	Large Eggs	4-5 cups	Vegetable Oil
1 cup	Milk		

Directions:

1. Slice eggplant into wheels about 1/4 inch thick. Lightly sprinkle both sides with Kosher Salt and place on a cookie rack (this will make the eggplant sweat a little).
2. Mix the seasoned flour ingredients together and place in a bowl. BOWL #1
3. Whisk the eggs and milk together and place in a bowl. BOWL #2
4. Mix the breading ingredients together and place in a bowl. BOWL #3
5. Warm up the marinara sauce on the stove top and keep warm.
6. In a heavy bottom skillet, on medium heat, slowly warm up 2-3 cups of vegetable oil.
7. Place the three bowls in order, BOWL #1 Seasoned Flour, BOWL #2 Egg Wash, and BOWL #3 Breading Mixture.
8. Pat dry the eggplant with a paper towel.
9. Place the eggplant in BOWL #1, shake off the excess and transfer to BOWL #2. Coat the egg plant completely with the egg wash and then transfer to BOWL #3. After coating both sides with the breading mixture, place the egg plant on a foil covered baking sheet. Repeat this step until all the eggplant is coated.
10. Slice the fresh Mozzarella and set aside.
11. Roll the basil leaves and cross slice it as thin as you can.
12. Turn up the heat on the vegetable oil until it reaches about 325°-350°F.
13. Carefully fry each slice of the eggplant until it is golden brown. Place on the cookie rack and sprinkle with Parmesan Cheese while it is still hot. Place in the oven to keep warm while you finish frying the remaining eggplant.



Plating Directions:

1. Place a small ladle of marinara sauce on an oven proof plate.
2. Place 3-4 slices of eggplant in the center and ladle more marinara sauce over the top, but don't cover completely.
3. Place a few slices of fresh Mozzarella on top and generously sprinkle with Parmesan Cheese.
4. Place in a pre-heated 350°F oven for 10-12 minutes.
5. Carefully remove from the oven and garnish with fresh basil and crushed red chili flakes.

July Employee of the Month

Harley Marine Services, Inc.

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Editor: Stephanie Wright
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Marty Eckler, Deck/Engineer

Olympic Tug & Barge

Olympic Tug & Barge would like to honor Marty Eckler as the July Employee of the Month. Since the Eagle has been in drydock in Anacortes, Marty has been traveling during his off time and at his own expense to help write the fueling procedures for the boat. He has also been helping with other projects on the boat while he is at the drydock facility. Marty has taken the extra initiative to familiarize himself with the Eagle by crawling tanks that he normally cannot get into. He has also stepped up without hesitation to engineer the Hunter D and has done a great job at learning that boat and filling in the engineer position. Great job Marty, congratulations.

Matthew Deckert, Port Mechanic

Harley Marine NY

Harley Marine NY would like to honor Matthew Deckert as the July Employee of the Month. Matt has most recently put in 10 weeks of extremely long days while overseeing the HMS Liberty repower project. His dedication, professionalism, wealth of knowledge and cool head ensured that the project kept moving along and that we ended up with a quality product at the end of the project. Thank you Matt for your hard work throughout this project, we really appreciate your efforts. Congratulations.

Carl Fessler, Tankerman

Public Service Marine

Public Service Marine would like to honor Carl Fessler as the July Employee of the Month. Carl has been with PSMI for over 6 years now and has taken on many different projects and tasks during his time here. In addition to being a Tankerman and VRU operator, Carl has most recently been working on permit compliance for the county of Santa Barbara. Dealing with the APCD, Carl has coordinated all of the record keeping and testing that is required to maintain the permit for this contract. Thank you Carl for taking on this project, it is a great help. We appreciate your hard work and dedication. Thank you and congratulations.

Kelly Moore, Tankerman

Westoil Marine Services

Westoil Marine Services would like to honor Kelly Moore as the July Employee of the Month. Kelly has been a great addition to Westoil and has shown professionalism and dedication to his work as a tankerman on the barges. He is always willing to go out of his way to ensure jobs are completed safely and efficiently. His expertise and contributions are helpful and appreciated. We have received great feedback from customers on Kelly's performance. Thanks Kelly and keep up the good work.

July New Hires

Harley Marine Services

Amy O'Banion—Administrative Assistant

Olympic Tug & Barge

Brett Bybee—Deckhand

Robert Colborn—Deckhand/Engineer

Andrew Daymon—Engineer

Ivan Larson—Deckhand

Randall Reinders—Deckhand

Joel Russell—Captain

Ravi Sekhon—eMaint Coordinator

Pacific Coast Maritime

King Morris—Deckhand / Cook

