

SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient

April 2010

Letter from the Chief Executive Officer, Harley Franco:

Team:

Our industry has faced severe cutbacks and decreased volumes over the last few years due to the economic downturn. Unfortunately, projections do not prove 2010 to be any better. However, I am determined to continue moving forward. Harley Marine Services must continue its new construction program to secure our place in the market.

I would like to announce to you that I have personally signed a contract to build another 31,500 barrel barge at U.S. Barge in Portland, Oregon. Although there is not a contract or home for her yet, I believe that with an incident-free organization, a well maintained fleet, a commitment to our profession and communities we serve, a quality customer service program, and a quest to be the very best in our business, we will be fine.

On March 15th, we introduced the "65 Roses", our newest 83,000 barrel double hull barge to our customers, regulators and industry partners. I would like to ask that each person within Harley Marine and its subsidiary companies, help me make this vessel and every vessel in our fleet a winner.

I want to thank you all for your friendship, leadership, support and commitment to HMS. Together, we will continue to grow and prosper.

Be safe out there.

Harley Franco



APRIL HOLIDAYS

2nd - Good Friday

4th - Easter Sunday

THUMBS UP

- ♦ **Thumbs Up** to the whole accounting wing for their ability to keep up on deadlines with a shortened staff. Thank you!
- ♦ **Thumbs Up** to Don Meberg and Stephanie Wright for tirelessly keeping their eye on one of the most important goals of this company – disposition of single hull assets and other excess equipment. Thank you!
- ♦ **Thumbs Up** to the Safety team who works relentlessly to ensure that HMS operates as safely as possible.
- ♦ **Thumbs Up** to the California dispatch team led by Paul Tokuda for professionally handling each of their respective operations.

65 Roses Christening

March 15, 2010

Harley Marine Services launched it's newest addition to the fleet on Monday, March 15th in Seattle, WA. The company continues to lead the way in innovation as we develop and build barges with the highest technology and safety standards in the industry. The 65 ROSES signifies the 19th double hull barge and is the largest in capacity in our fleet.

Harley Marine's design team came up with the concept of the 83,000 barrel double hull barge to ensure that all of the specifications met our internal safety and regulatory standards as well as the customer's needs. Elliott Bay Design Group of Seattle, WA, then enhanced the initial drawings and created a full barge design after conducting a complete tank testing. Their design was detailed to meet the requirements provided by Harley Marine Services. The design package was then sent out to bid to several American shipyards and at the beginning of 2009 was awarded to U.S. Barge of Portland, OR.

The 65 ROSES measures 422' long by 76' wide, is OPA 90 compliant as well as ABS Classed Maltese A-1 and Loadline Un-Manned Ocean Services. The barge is equipped with the latest technology including an electronic cargo tank monitoring and radar gauging system. In addition, she was built with the option to add Harley Marine's patented vapor processing unit onboard. The twelve cargo tanks are coiled and on-board cargo is heated by a 12 million BTU Vapor Heater that is capable of maintaining cargo at the optimal temperature according to the viscosity and voyage length.

Harley Marine Services decided on the name 65 ROSES as a symbol for our continued fight to find a cure for cystic fibrosis. The term "65 Roses" is used by many children with cystic fibrosis to describe their disease since it is much easier for them to pronounce. Mary G. Weiss became a volunteer for Cystic Fibrosis in 1965 after learning that her three little boys had the devastating disease. Her duty as a volunteer was to call local organizations seeking financial support for CF research. Mary's son Richard listened closely to his mother as she made each call. After several calls, Richard spoke up and said that he knew who his mother was working for, "65 Roses". Since then, the term "65 Roses" has been used by children of all ages to describe their disease. But, making it easier to say does not make CF any easier to live with. The barge is another addition to the Harley Marine fleet as we continue to "Cruise for a Cure".



Continued on following page

The Christening was held at Bell Harbor Conference Center on Seattle's waterfront. This provided a great opportunity for our guests to view the barge during the Christening as she was tied up to the dock directly in front of the conference center. Co-Sponsors Resa Moore and Dr. Bonnie Ramsey are supporters of the Cystic Fibrosis Foundation and have dedicated their lives to finding a cure for CF. The ladies christened the barge together after Reverend Brad McGuire blessed the barge. Reverend Brad lead the group in a prayer asking for continued protection while working, safety for the crew and equipment and an opportunity to produce revenue for Harley Marine so that we may continue to give back to the communities in which we live and work.

Keith Barnes, Director of Barge Operations at Harley Marine thanked those that worked on the project including our employees as well as the lenders, vendors and customers that have all come together to make this project a success. Without their continued support, Harley Marine's vision would be unattainable. The barge is truly the work of the partnerships we have built throughout our 25 years of service in the industry.



Mike Complita from Elliot Bay Design Group and Corey Yraguen from U.S. Barge also had an opportunity to speak during the Christening to share their perspective and involvement with the 65 ROSES. Corey presented Harley Franco a beautiful plaque that is now on display in our lobby in the Seattle office.

Harley Franco wrapped up the evening with a touching and enlightening speech to his guests. He shared about his continued commitment, both personally and professionally, towards finding a cure for cystic fibrosis. Naming the barge after the disease is another commitment to how Harley Marine will continue to "Cruise for a Cure" until we can proudly announce a cure for cystic fibrosis is found. As Dr. Beall stated in a letter written to Harley Franco and read by Resa Moore during the Christening, we will continue to work towards finding a cure until one day we can name a barge "Cure Found".

Harley Marine Services is proud to partner with U.S. Barge as our construction partner for this barge and the other 4 vessels delivered to us in 2008 and 2009. As Harley mentioned the night of the Christening, "We



thank our friends at U.S. Barge for their attention to detail and commitment to making a truly fine product. Their quality assurance program is second to none."

Vessel Specifications

Length: 422'
Breadth: 76' 8"
Depth: 27'
Capacity: 83,800 bbls. @ 95%
Discharge Rate: 8,000 bph

Q-Factor**#4 Safety Tenet - Work at a Safe Pace to Ensure 360 Degree Awareness**

By: Keith Barnes, Director of Barge Operations

For the next several months we will be reviewing each one of our Safety Tenets - Top 10 Things I Can Do for Safety to achieve: Zero Spills, Zero Incidents. The fourth safety tenet is - Work at a Safe Pace to Ensure 360 Degree Awareness.

We all work at being safe while performing our job functions and our job responsibilities require us to think about safety on a regular basis. However, we work in an industry that is inherently dangerous. As with all other learned skills in this profession, safety is just as important as basic seamanship. A professional sailor has had his apprenticeship and develops into a journeyman, but is he a journeyman when it comes to being safe?

When I ask myself what it means to ensure 360 degrees of awareness, I conclude that it is a complete awareness of your surroundings. This includes knowing what will happen in the situation you are in at all times.

It is said that "safe people" have an automatic harm factor awareness that kicks in and alerts them to any perceived risk. This helps them make decisions to avoid or mitigate the risk. There are many actions we can take to lessen potential risks in what we do, but there are several important ones to constantly remember, including the following:

- ◆ Slow down!
- ◆ Take time to analyze the conditions and surroundings that you are in.
- ◆ Resist being pushed too fast in order to get the job done, instead move at a safe pace to get the job finished safely.
- ◆ Widen your awareness to 360 degree's around you, don't get the tunnel vision syndrome where you see only what is in front of you and not the danger to your side.

The old adage of "You can't see the forest through the trees" comes into play.

Watch your step and make sure there is safety in your next step.

April Anniversaries**Harley Marine NY**

Riley Canterbury - 3 years
 Jess Canterbury - 3 years
 Kevin Kelly - 3 years
 Karl Kontselidze - 3 years
 Marco Velez - 3 years
 Miguel Ortiz - 1 year

Harley Marine Services

Keith Barnes - 5 years
 Irene Dulay - 1 year

Millennium Maritime

Bob Castagnola - 10 years
 Mark Fuelle - 10 years
 Michael Golden - 10 years
 Don Shundo - 10 years
 Mario Meyers - 3 years
 David Spanjol - 2 years

Olympic Tug & Barge

Hugh Maffett - 11 years
 David Alexander - 10 years
 Larry Holland - 9 years
 Steven Ybarra - 9 years
 Thaddeus Galey - 6 years
 Erik Starheim - 5 years
 Bryan Adams - 4 years
 Ron Eriksen - 4 years
 Robert Higa - 3 years
 Eric Boardman - 2 years
 Howard Frank - 1 year

Pacific Coast Maritime

Jim Weimer - 10 years
 Robert Johnston - 5 years

Public Service Marine

Nels Gorne - 1 year

Starlight Marine Services

Jacob Grobler - 4 years
 Edgar Martinez - 3 years
 Jonathan Willingham - 2 years

Westoil Marine Services

Raul Hernandez - 10 years
 Patrick Speers - 8 years
 John Bearden - 6 years
 Michael Castagnola - 4 years
 Steven Erickson-Meyers - 1 year

Thank you for your continued dedication to the Harley Marine family.



Irie James Laprade

February 28, 2010 at 3:26am

Weight: 5 lbs. 7 oz.

Length: 20 inches

Proud Parents: Jacob and Sarah Laprade and big brother Silas. Jacob is a deckhand/engineer at Starlight Marine. Congratulations on a precious little boy!

Lucia Grier Churchill

March 16, 2010

Weight: 6 lbs. 2 oz.

Length: 19 ¼ inches

Proud Parents: Adam and Shannon Churchill. Adam is a Captain at Olympic Tug & Barge in Portland, OR. Congratulations on a beautiful and healthy baby!



Chloe Ann Uht

March 8, 2010

Congratulations to Joe Dady from the Harley Marine NY team on welcoming his new grand daughter into the world. She is beautiful!

Goodbye Norton

We recently sold the petroleum barge Norton.
Pictured below you will see her as she departs Harley Marine and heads for her new home.

“We wish you calm seas and smooth sailing for the rest of your days as a commercial vessel.”



Harley Marine Services received the below letter in the mail last month with the below message:

Dear Harley Marine Services,

My family and I (including our 8 year old daughter) were paddling on rented kayaks towards the mouth of the Duwamish River. We were trying to get back to shore and a storm came up today (plus wind and current) that was pushing us towards the center of the Bay. Seeing your tug “Alyssa Ann” we paddled vigorously only to be taken in, fed and warmed by your gracious crew. We were a sorry and cold bunch! They stored our boats and “entertained” us until our rescue skill came. Many thanks to these kind gentleman for their gracious and helping hand. ☺

Most Sincerely,

Kris Gulbran and Pot Pielog



Special thanks to the Alyssa Ann crew for their prompt and professional response! Great job.

April Birthdays**Harley Marine NY**

Jack Sica 4/23

Harley Marine ServicesDeborah Franco 4/9
Stephanie Wright 4/26
Dione Lee 4/28**Millennium Maritime**Neal Salamunovich 4/7
Pat Lopez 4/9
David Cadiz 4/17**Olympic Tug & Barge**Ron Starheim 4/2
Brett Bybee 4/5
Paul Thompson 4/9
Derrick Hobbs 4/15
Mike Curry 4/17
Robert Colborn 4/25
Randall Reinders 4/29**Pacific Coast Maritime**Ben Latham 4/10
Robert Johnston 4/18**Public Service Marine**

Jonathan Maciel 4/23

Starlight Marine ServicesMichael Rubino 4/1
Jacob Grobler 4/4
Jacob Laprade 4/6
Charlemagne L'esperance 4/6
Martin Miller 4/25**Westoil Marine Services**Abril Palomarez 4/1
Rodolfo Hernandez 4/5
Brian Vartan 4/7
Vincent Logrande 4/9
Thomas Montgomery 4/9
Phil Roberts 4/24**Padilla Bay Oil Spill Drill****March 25, 2010**

On Thursday, March 25th, Marine Spill Response Corporation (MSRC) conducted a shallow water oil spill drill in Padilla Bay, WA. Padilla Bay is located between Anacortes and Mount Vernon and is a National Estuarine Research Reserve, administered by Ecology. MSRC is a private not for profit business and is Harley Marine's primary oil spill response organization (OSRO).

Staging an exercise in Padilla Bay allows responders to focus on the special requirements of operating in shallow water. The bay empties completely at low tide to expose miles of mud flats and eelgrass beds. At high tide much of the bay is less than 10 feet deep. This means the responding boats only had two hours of the high tide in which to work, navigate without grounding and retreat to deeper water.

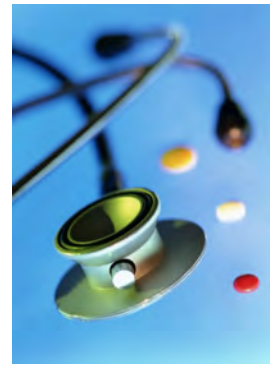
Harley Marine Services, together with 10 other companies, sponsored the drill to support our OSRO.

The Padilla Bay drill is part of Ecology's work on spill preparedness. Ensuring this preparedness forms part of Ecology's overall effort to reduce toxic threats to public safety, health and the environment and to support the statewide initiative to protect and restore Puget Sound.

Information from the Washington State Department of Ecology Blog

NOTICE OF HEALTHCARE PLAN CHANGES:

Coinciding with our annual open enrollment period we had the renewal for the Harley Marine Services, Inc. company healthcare plan. HMS provides one of the most comprehensive and greatest healthcare plans for their employees and dependents. Over the last several years, HMS has not made any changes to the healthcare benefits; however, effective April 1, 2010, there will be some minimal changes to the medical benefits.



We will be scheduling meetings for each of the locations to cover the details of the healthcare plan changes and address any questions or concerns. These meetings will take place throughout April and notifications will be made in the near future so those interested may attend.

Please contact your local HR representative with any questions or comments.
Human Resources Department



CONGRATULATIONS!

Cadets Scott Wurster and Mitch Hetterle are pictured to the left at the Pacific Maritime Institute Workboat Mate Graduation Ceremony with Gregg Trunnell, Director of PMI and Dione Lee, HMS Director of QSEP. Both cadets worked at Harley Marine throughout the program and are now studying for their license exam.

SEATTLE TO PORTLAND BICYCLE CLASSIC July 17-18, 2010

Three Harley Marine employees, Scott Coleman, Joe Miranda, and Jim Flies have decided to participate in the 31st Group Health Seattle to Portland Bicycle Classic. The 200 mile bicycle ride is the largest multi-day bicycle event in the Northwest, with up to 10,000 participants riding from Seattle to Portland in one or two days. The route takes riders through the scenic valleys, forests, and farmlands of western Washington and Oregon. do the 200 mile STP Bicycle Classic from Seattle, WA to Portland, OR.



If you are interested in joining "the team", please contact Stephanie Wright to coordinate the details.
Good luck Scott, Joe and Jim!

Emergency Preparedness: At Home, Work and in the Car

BUILD A KIT

Make sure you and your family has enough emergency food and water to see you through the first several days of a disaster. Depending on the severity and location of the catastrophe, it may take time for help to arrive and shelters and food to become available.

HELPFUL TIPS

- ◆ As a general rule, you should store three days worth of supplies. If room and resources allow, store more.
- ◆ Replace emergency food and water supplies every six months unless otherwise noted on the packaging
- ◆ Make sure your kit is easily accessible. When a disaster hits, you don't want to dig in the back of the attic for your supplies.
- ◆ Keep smaller versions of your disaster kit in your family vehicles and at work.

Don't get overwhelmed by the need to get everything on the list. Kits don't have to take up a lot of room and you may already have a lot of the supplies around your house. Focus on the essentials (water, food and medications) and build from there.

YOUR 3-DAY DISASTER KIT SHOULD INCLUDE:

1. WATER

Store at least one gallon of water per person per day (two quarts for drinking and two quarts for sanitation and food preparation. Children, nursing mothers and ill people will need more). Store water in plastic containers such as soft drink bottles. Avoid using anything that may decompose or break. Water should be replaced every six months.

2. FOOD

Store at least a three-day supply of non-perishable food. Select foods that are compact and lightweight, require no refrigeration, preparation or cooking and little or no water. If you must heat food, pack a can of sterno, but use outside and away from flammable objects.

- ◆ Ready-to-eat canned meats, fruits and vegetables.
- ◆ Emergency food bars
- ◆ Canned juices
- ◆ Staples (salt, sugar, pepper, etc.)

- ◆ Food for family members with special dietary requirements
- ◆ Vitamins
- ◆ Comfort/stress foods to lift morale

3. FIRST AID KIT

- ◆ (20) adhesive bandages
- ◆ 5" x 9" sterile dressing
- ◆ Conforming roller gauze bandage
- ◆ Triangular bandages
- ◆ 3 x 3 sterile gauze pads
- ◆ 4 x 4 sterile gauze pads
- ◆ Roll of 3" cohesive bandage
- ◆ Germicidal hand wipes or waterless alcohol-based hand sanitizer
- ◆ Six (6) antiseptic wipes
- ◆ Medical grade non-latex gloves
- ◆ Adhesive tape, 2" width
- ◆ Anti-bacterial ointment
- ◆ Cold pack
- ◆ Scissors (small, personal)
- ◆ Tweezers
- ◆ CPR breathing barrier

4. MEDICATIONS, MEDICAL SUPPLIES AND INFO.

- ◆ Keep enough essential medications on hand for at least three days
- ◆ Keep a photocopy of your medical insurance cards or Medicare cards.
- ◆ Keep a list of prescription medicines including dosage, and any allergies.
- ◆ Aspirin, antacids, anti-diarrhea, etc.
- ◆ Extra eyeglasses, hearing-aid batteries, wheelchair batteries, oxygen tank.
- ◆ List of the style and serial numbers of medical devices such as pace-makers.
- ◆ Label any equipment, such as wheelchairs, canes or walkers that you would need.
- ◆ Instructions on personal assistance needs and how best to provide them.

Individuals with special needs or disabilities should plan to have enough supplies to last for up to two weeks.

5. TOOL AND SUPPLIES

Keep some of these basic tools:

- ◆ Battery operated radio and extra batteries
- ◆ Flashlight and extra batteries
- ◆ Cash or travelers checks
- ◆ A copy of your disaster plan and emergency contact numbers.
- ◆ Map of your city and state

- ◆ Utility knife
- ◆ Non-electric can opener
- ◆ Fire extinguisher
- ◆ Pliers and wrench
- ◆ Tape
- ◆ Waterproof matches
- ◆ Paper, pens and pencils
- ◆ Needles, thread
- ◆ Plastic sheeting
- ◆ Aluminum foil

6. SANITATION SUPPLIES

- ◆ Toilet paper, towelettes
- ◆ Soap, liquid detergent
- ◆ Feminine supplies
- ◆ Personal hygiene items
- ◆ Diapers
- ◆ Plastic garbage bags, ties
- ◆ Plastic bucket with tight lid
- ◆ Disinfectant
- ◆ Household chlorine bleach

7. CLOTHING AND BEDDING

Include at least one complete change of clothing and a pair of sturdy shoes per person. You also want to consider packing blankets or sleeping bags, rain gear, hats and gloves, thermal underwear and sunglasses.

8. IMPORTANT FAMILY DOCUMENTS

- ◆ Keep copies of important family documents in a waterproof container.
- ◆ Will, insurance policies, contracts, deeds, stocks and bonds
- ◆ Social security cards, passports, immigration papers, immunization records
- ◆ Bank account numbers
- ◆ Credit card account numbers and companies
- ◆ Family records (birth, marriage, death certificates)
- ◆ Medical insurance and Medicare cards

9. ENTERTAINMENT

- ◆ Deck of cards
- ◆ Books
- ◆ Portable music device
- ◆ For children, include a small toy, stuffed animal or coloring book and crayons

Next Month: Get Trained
 Submitted by Kevin Buffum, GMof Pacific Terminal Services, originally published by American Red Cross

Cooking with the Crew Chris Starkenburg

“Chicken Crunch”

Ingredients

- ◆ 10 or 12 oz. box of Captain Crunch Cereal
- ◆ 10 or 12 oz. box of Corn Flakes
- ◆ 2 1/2 cups of Panko bread crumbs
- ◆ 3 Tablespoons of Black Fish seasoning
- ◆ 2 cups all purpose flour
- ◆ 6 eggs
- ◆ 1 tablespoon of Tabasco sauce
- ◆ 1 cup of milk
- ◆ 2 pounds of chicken tenders (remove the tendon)
- ◆ Vegetable oil for deep frying



Bowl #1 - In a blender or food processor blend the Captain Crunch and Corn Flakes to the size of Panko bread crumbs. Add the 2 tablespoons of Blackfish seasoning and Panko crumbs. Mix until blended evenly. Place ½ the mixture on the side.

Bowl #2 - Mix the flour and 1 tablespoon of Blackfish seasoning.

Bowl #3 - Mix the eggs, milk and Tabasco sauce.

Breading Procedure

1. Place your bowls in this order - Seasoned flour, Egg Mixture, Cereal Breading.
2. Try and keep one hand wet and one dry.
3. Place a few chicken tenders at a time in the seasoned flour and coat well then shake off excess.
4. Then place into the egg mixture making sure that it all gets coated well.
5. Then into the cereal mixture pressing lightly to make sure that you get a good even coat then place on parchment paper with a little of the breading to keep it dry.
6. Try and layer the chicken on the baking sheet so that they do not touch or stack on top of each other.
7. Refrigerate until you are ready to cook.

Cooking Instructions

1. Cooking oil should be heated to at least 325-350°F before placing in the tenders.
2. Cook until golden brown then remove and place on paper towel and cut one open to make sure they are done. If they need to cook a little longer you can finish in the oven on 350°F for a couple of minutes.
3. Place on platter and serve with Creole Mustard Sauce.

Creole Sauce

Ingredients

- ◆ 1 ½ cup of Mayonnaise
- ◆ ¾ Cup of Ketchup
- ◆ 2 Tablespoons of Black Fish Seasoning
- ◆ 1 Tablespoon of Tabasco or favorite hot sauce
- ◆ 1 Teaspoon of Chopped Garlic
- ◆ 2 Tablespoons of Stone ground mustard (Dijon)

Preparations

1. Mix well in a bowl and keep refrigerated.
2. Will last weeks in the refrigerator.

Black Fish Seasoning

Ingredients

- ◆ 3 Tablespoons of Sweet Paprika
- ◆ 2-3 Teaspoons of Kosher Salt or salt substitute
- ◆ 1 ½ Teaspoons of Onion Powder
- ◆ 2 Teaspoons of Granulated Garlic (not garlic salt)
- ◆ 1 ½ Teaspoons of Cayenne Pepper
- ◆ ½ Teaspoon of Crushed red chili peppers
- ◆ 1 ½ Teaspoons of Chili powder
- ◆ 1 Teaspoon of ground white pepper
- ◆ 1 Teaspoon of ground black pepper
- ◆ 1 ½ Teaspoon of Whole thyme
- ◆ 1 ½ Teaspoon of Whole Oregano leaves (rub between hands)
- ◆ 2 ½ Teaspoon of Dried Parsley (rub between hands)

Preparations

1. Combine all ingredients in a mixing bowl.

MARCH EMPLOYEE OF THE MONTH

Harley Marine Services, Inc.

910 SW Spokane Street
Seattle, WA 98134
(206) 628-0051

www.HarleyMarine.com

Editor: Stephanie Wright
swright@harleymarine.com

OLYMPIC TUG & BARGE

Kris Laakso, Henry Torgramsen and Dan Corkery

Olympic Tug & Barge would like to recognize the crew of the Z-5 as the March employee of the month. Kris Laakso, Henry Torgramsen, and Dan Corkery just completed 90 days in Kodiak, Alaska representing Olympic Tug & Barge in the harbor as the premiere ship assist tug in South Central Alaska. Not only did the Z-5 assist Horizon ships in and out of Kodiak harbor, they also assisted USCG vessels and rescued disabled fishing vessels during their tenure in the harbor. All three crew members represented Olympic Tug & Barge well by demonstrating the highest level of professionalism and seamanship.

STARLIGHT MARINE SERVICES

Stephanie Sandoval

Starlight Marine Services would like to recognize deckhand, Stephanie Sandoval as the March employee of the month. She has put a strong foot forward and has impressed all the captains that she has worked for thus far. Stephanie continues to grow with us here at SMS. No matter what task or how short the notice, Stephanie is available to come right in and go to work. She always has a smile on her face and positive attitude. Keep up the good work Stephanie!

MILLENNIUM MARITIME

Mike Rose

Socal would like to congratulate shoreside mechanic Mike Rose for being selected as March employee of the month. Mike has been with us for less than a year but has shown that he can handle any job that he is assigned. Most recently he rebuilt the generator on the Tim Quigg without us losing a job. He, along with a co-worker, installed a portable generator on deck and worked on the rebuild between ship and barge jobs. Thank you Mike for your can-do attitude and dedication.

MARCH NEW HIRES

Harley Marine NY

Michael O'Donnell, Deckhand

Millennium Maritime

Neal Maresca, Captain

Olympic Tug & Barge

John Engle, Captain

Randall Reinders, Deckhand

Pacific Coast Maritime

Rick Bostwick, Deckhand/Cook

Starlight Marine Services

Charlotte Koskelin, Administrative Assistant

Weam Suwaed, Shoreside Dock Worker

