

# SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient



## Harley Marine Receives 1st Place in Environmental Initiatives at the 2010 WorkBoat Show

We are pleased to announce that Harley Marine Services was awarded First Place for Environmental Initiative at the 2010 WorkBoat Show in New Orleans, LA. Harley Franco, CEO, accepted the award at the show on behalf of everyone at Harley Marine. HMS demonstrated that Environmental protection is everyone's job throughout the family of companies, whether working shore side or on a vessel. HMS has set the benchmark for environmental stewardship and ensures a healthy, safe, secure, and environmentally responsible workplace for not only vessel and shore side employees, but also for customers, contractors, and our communities.

Some of the substantial initiatives that HMS has executed include:

- Achieving International Organization for Standardization (ISO) 14001 Environmental Certification for all subsidiary companies including tugs, barges, shops, and offices.
- Powering all vessels with ultra-low sulfur fuel which reduces Particulate Matter (PM) discharged into the environment.
- Implementing an aggressive overhaul and replacement program to upgrade the tugboat engines (main and auxiliary) from existing Tier I standards to Tier II and Tier III standards. Each upgraded Tier II engine will result in a Nitrogen Oxide (NOx) emission reduction of 20%. The Tier III engines will reduce NOx by 80% from Tier I standards.
- Constructing the first of a new generation of barge mounted VRU's. Like the earlier unit, this VRU exceeds all air quality requirements and includes more automation, monitoring and record keeping capabilities. The Harley Marine VRU system has United States Coast Guard, American Bureau of Shipping and California Air Resources Board approvals.
- Building two state-of-the-art environmentally friendly office buildings which incorporate water conservation, storm water management, efficient material use, a construction and demolition recycling program, use of recyclable materials, low emitting materials in the building interior, innovative waste-water technologies, and shore power.



*Harley Franco as he accepts the Environmental Initiative Award at the 2010 WorkBoat Show in New Orleans*

HMNY/HMS was also awarded the 2010 Environmental Quality Award from the EPA earlier in the year. HMS was the only maritime recipient to receive the award. We achieved great recognition in the industry for our efforts and will continue to pursue new initiatives and lead the way in environmental stewardship.

Happy New Year!

Deborah Franco  
Vice President - HR, QSE, Administration



## Q-Factor

# Hearts and Minds

By: Captain Richard Graham, Director QSE

Shell Chemicals has a behavior based safety program (BBS), entitled “Hearts and Minds”. It is intriguing to me and even though I have not read the details of their BBS, the title expresses relational truth we should learn to apply within our Safety Culture. As you read this article, reflect upon the following key words: family, hearts, minds, expression, relationships, truth, learn, apply and safety culture.

When we are born into this world we inherit the genetic code of our parents. We arguably have equal status with other infants, and our relational learning begins in the home. Our families have a greater influence upon our early behavior and the beliefs we develop. It is this early relational learning that determines how we think of ourselves and how we perceive and relate to others. Some of us learn this truth early and others struggle through trial and error until the relationship light is turned on.

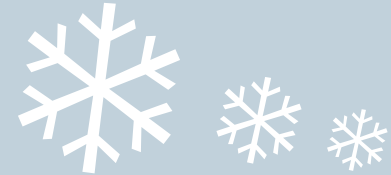
As we begin formal learning in schools, we are faced with a learning process much different than might be found in other cultures or periods of history. Modern education in North America is based on a Hellenistic model. The approach presents logical and rational information we are asked to absorb intellectually. We are then asked to regurgitate the memorized information back to our teacher through testing. The historic Hebraic model of education is quite different. It does not depend merely upon memorization of repeatable facts; the goal is for the truth to become one with the student to the point it is lived out. The truth is learned through practicing it in relationship with others to be most effective.

The contextual truth I refer to is our “Safety Culture”, our beliefs, our actions and our relationships with co-workers within the family of HMS companies. Safety programs consist of policies, procedures, risk assessments, hazard analysis, PPEs, MSDS’s, practical applications, safety meetings, incident reports, causal factors, corrective actions, preventive actions, lessons learned, safety alerts, safety stand-downs, incentive programs and on and on with informational overload that humans readily accept or resist, because they do not practice what they have learned in workplace relationships with others.

Men and women who have chosen to follow a maritime career, whether blue water or brown, are faced with unique challenges that affect our “Hearts and Minds”. The challenges include, separation from family and friends (relational), exposure to harsh weather and seas (physical), manageable safety hazards and risks (situational awareness), and all have an effect upon our minds. In Western culture, we often refer to our hearts when we express our emotional feelings. Intellectually, we tend to think of our minds as only a bank of information we withdraw when making decisions. At home mariners fully understand how their hearts and minds relate to others and their decisions are based upon providing for and protecting the people they love.

We refer to ourselves at work, as belonging to the family of Harley Marine Services, Inc. In fact, we dine together, talk to each other, witness emotions, share family photos, show appreciation for the efforts of others, critique each other’s work, express concern during family emergencies and relate in many ways. We understand company goals and the purpose of our Quality Systems, Safety Programs, Emergency Response Plans and our Marine Operations Manual; so what is standing in the way of the marine towing industry from reaching the next level, the highest tier of safety performance? Why do we continue to experience incidents none of us want to be a part of?

*Continued on following page...*

**Q-Factor****Hearts and Minds***Continued...*

I think it is how we perceive the circumstances of events which confront us daily. It is how we prioritize events and how successfully we are able to control our “Hearts and Minds” and avoid complacency in the work place. The marine environment is unforgiving and the towing industry has unique hazards that require professional men and women who are willing and able to concentrate on the task at hand. It requires mariners who can place their hearts on hold, when they leave the safe confines of their bunks, and sharpen their minds to focus on the harsh reality of doing a hazardous job. How do you become such a person? You must learn the truth, “Safety Culture”, through practice in relationships with others.

The maritime industry has time honored and proofed rules of engagement that when observed and learned from more seasoned professionals, result in a crew that is able to perform to the highest safety standards. They learn to watch each other’s backs and prevent accidents from happening. They learn to say “Stop”, “No”, “Watch Out”, “Stand-back”, “Heads-Up”, “Stand Here”, “Avoid the Bight”, and so forth. Thirty seven and a half years ago, I was a “Green Horn”, a young Third Mate with a college education and a dream to someday be a Master Mariner. I would not have survived even the first month without listening to all the more seasoned, experienced and very professional mariners around me. No matter what their rank or position upon the vessel, they were my teachers, they were my bizarre new family, they were the reason I was able to accomplish my dream. They were the examples that helped me understand how to deal with what my “Heart” and “Mind” were trying to tell me. They were the ones who lifted me up through all the trials and tribulations; and who celebrated the successes.

This is the challenge, the expectation, the “Safety Culture” at Harley Marine Services, to reflect upon the words: family, hearts, minds, expression, relationships, truth, learn, and apply, as it relates to our day to day activities on the job. You are expected to plan and execute every task with the upmost attention to detail to safely and successfully return to your families in the same healthy way you reported ready to work. Take care of each other and enjoy your work by learning from those who are able to teach you the ropes. This defines a key component of a successful “Safety Culture”.

**JANUARY  
ANNIVERSARIES****Harley Marine NY**

Raymond Churchill - 4 years  
Elijah Collins - 4 years  
Shane Harris - 4 years  
Rexford Nunemaker - 4 years  
David Eisenberg - 1 year

**Harley Marine Services**

Mike Coon - 4 years  
Christine Mershon - 4 years

**Millennium Maritime**

Marco Vuoso - 10 years

**Olympic Tug & Barge**

Andy Borowski - 19 years  
Kirk Bonnin - 16 years  
Derrick Hobbs - 4 years  
Johnny Parckys - 4 years

**Pacific Terminal Services**

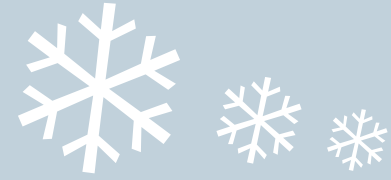
Burton Nye - 31 years

**Starlight Marine Services**

Jack Matievich - 6 years  
Stephanie Sandoval - 1 year

**Westoil Marine Services**

Phil Roberts - 18 years  
Brian Vartan - 12 years  
Matthew Drake - 10 years  
Jason Rittgers - 10 years  
Joshua Bobic - 4 years  
Brent Ralph - 4 years  
Ryan Voci - 4 years



# Festival of Trees

This year, Harley Marine Services sponsored a holiday tree from the Festival of Trees benefiting Seattle Children’s Hospital. Since 1978, the talented members of the Dr. Forrest L. Flashman Guild have presented the Festival of Trees, a display of beautifully decorated Christmas trees, each with its own unique theme and style.

The purpose of Festival of Trees is to raise funds for uncompensated care, which allows Seattle Children’s to provide quality medical care to all children of the Region regardless of a family’s ability to pay. Over the years, their efforts have raised over \$11 million to benefit Uncompensated Care, which allows Seattle Children’s Hospital to provide quality medical care to all children of the Region. Seattle Children’s serves as the pediatric referral center for Washington, Alaska, Montana and Idaho.

Harley Marine’s tree, Simple Elegance, is decorated with aqua and copper poinsettias and has made a beautiful welcome to our guests in the Seattle lobby. The tree was dedicated to four year old Milo Gray Lawson. At the age of thirteen months, Milo was diagnosed with infantile spasms, a rare form of epilepsy that results in chaotic brain wave activity. Infantile spasms represent one of the most challenging afflictions in pediatric neurology, and can contribute to developmental delays.

After fifteen weeks on a daily steroid injection, EEGs, MRIs, countless appointments and tests, Milo’s seizures became manageable. However, he began to show regression in both his cognitive and communication skills. For the past three years, Milo has received daily speech and occupational therapy, and he is enrolled in a special developmental preschool. He communicates through sign language, using about 25 words consistently. A recent diagnosis places him on the Autism spectrum.

Harley Marine Services is honored and proud to support Seattle Children’s and hopes our contribution will help Milo and other patients continue to fight and battle their illnesses.

For more information about Festival of Tree’s, please visit their website. <http://www.seattlefestivaloftrees.com/>





## SAFETY CORNER

# HOSE CLAMPS

## “Doing it Right!”

Submitted By: Captain Mike Curry

Fuel spraying onto a hot engine...sea water rushing into the ship...an air control line which separates at a critical time while maneuvering a vessel...have been and still continue to add to maritime casualty statistics. These have resulted in loss of lives or severe injuries and claimed untold millions in property value. Why does this happen? There are several reasons:

- The diameter of the hose is too large a for the nipple or fitting
- The nipple or fitting is not smooth but is threaded or knurled
- The band clamp selected could not generate adequate clamping force
- The band clamp was of poor quality construction
- The band clamp material was not suitable for the environment
- The band clamp was of such a design as to cause the hose material to become damaged in the tightening process

### Good Marine Practice Dictates:

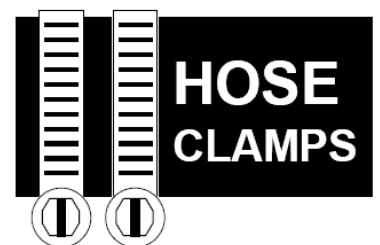
- Always make sure the hose fitting is the proper size for the hose
- Always use two (2) clamps on each end of the hose
- Always use clamps that are constructed from stainless steel grade 316 or 316L. This includes not only the band but also the screw and attachment.
- Always ensure the band clamps are properly TORQUED to achieve the necessary clamping force
- Always replace the clamps when the joint is opened

It is important to remember that clamps deteriorate because of stress, corrosion, vibration, heat, and even chemical action, so each clamp will be effective for a limited period of time. The rate of deterioration is any one's guess, but “testing it” while the boat is at sea or facing a severe storm IS NOT the time to find out that the clamp's limits have been exceeded. Clamp replacement is a small expense to ensure the integrity of the vessel.

### Best Clamp Design

The best clamp design is one that has no slots for screw threads, but rather is a smooth band inside with raised threads on the outside surface. This smooth inner surface keeps the clamp from grabbing the hose material and allows the clamp to provide a more uniform banding force. The slotted bands create stress risers which are a source of cracking and points for attack by corrosion.

The band clamps by AWAB seem to offer some good design features. It has a smooth inside, raised type threads on the outside, all 316 type stainless construction, and comes with a torque driver which keeps you from over tightening the clamp. It uses a screwdriver type handle which limits the torque to about 50 inch-pounds. It appears to be very reasonable in cost and design. It is interesting to note that the AWAB clamp requires only 50 inch-pounds of torque to achieve maximum clamping force which, by the way, exceeds the clamping force developed by conventional clamps tightened to 115 inch pounds.





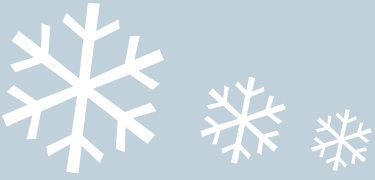
## SAFETY CORNER

### Accidents do happen in the office.

Few office workers realize they are twice as likely to be injured by falling, versus a non-office worker. Nationally, only automobile accidents exceed the number of personal falls as the leading cause of all accidents. Slips, trips, and falls are the number one cause of disabling injuries in the office environment.

Thinking and working safely can prevent most accidents. You should also become aware of the most common hazards in the office environment. The following are some examples of common hazards and what you can do to prevent them from contributing to an accident.

1. Don't lean back in your chair. Keep balanced with all legs on the floor to avoid ending up on the floor. Take time to reach out and hold on to the chair as you sit down. Be sure that the chair is beneath you as you sit.
2. Keep the floor and walkway clear of boxes and all electrical, telephone, and computer cables. They are tripping hazards waiting to happen.
3. Close one drawer in a filing cabinet before opening another. This prevents the file cabinet from tipping over on you.
4. Close the drawer in your desk before getting up and close file drawers before walking away from the file cabinet. This prevents the danger of people walking into an open file drawer or desk drawer.
5. Store supplies inside cabinets, not on top of them. Store heavy items in lower drawers or on low shelves.
6. Watch out for slippery surfaces. Spilled drinks or water from umbrellas are typical hazards and need to be identified and cleaned up immediately.
7. Look where you are going. Don't block your view by carrying loads higher than eye level.
8. Don't read a book or papers while walking. It doesn't save enough time to justify the risk.
9. Walk, do not run. Please slow down.
10. Don't climb on chairs, desks or boxes; use a step ladder instead.
11. Hold onto handrails when using stairways.
12. Use elevators (if they are available) when carrying boxes.
13. Don't throw matches, ashes or cigarette butts into wastebaskets. If the building has been designated as a smoke free building - DO NOT smoke in the building.
14. Don't overload wall sockets and extension cords.
15. Don't touch electrical switches, sockets, plugs, etc. with wet hands.
16. Don't eat or drink at a computer station. It could result in malfunction of the computer and void the warranty.
17. Watch for unsafe conditions such as defective equipment, burned out lights, loose steps, torn carpet, etc. and report them to your supervisor immediately.



## 401(k) Retirement Plan Corner

### Why Contact an Investment Advisor?

As investors, many of us may find ourselves frustrated as we try to find our way to the kind of retirement strategy we want. A carefully planned investment strategy is a practical way that you can make sure that you maintain the direction and discipline you need to reach your investment goals.

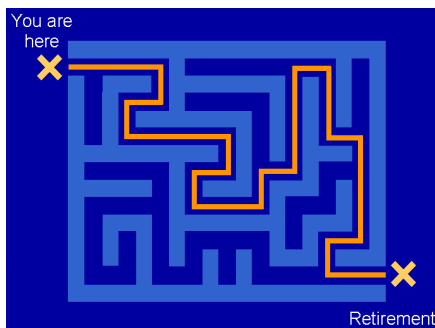
An investment advisor can give you an objective perspective by taking the emotion out of the equation. You will be dealing with someone who has investment experience, someone who understands different kinds of market conditions and how they may affect your retirement plan.

Some of the biggest questions facing people who are enrolling in their 401(k) retirement plan are how much to invest, and where to invest. Together with an advisor, you will determine your investment goals, risk tolerance, and time horizon. This will allow creation of a savings plan unique to your specific needs.

Advisors can also help keep the big picture in sight. After all, while you're saving for retirement, life is going on around you. Other needs are competing for your attention and your money. And from time to time, you may need an emotional anchor to help you stick to your long-term savings plan. So when the market drops, for example, you won't get nervous and jump out of investments that are actually aligned with your goals. That jump could cost you in the long run.

Kibble & Prentice suggests that you speak with your plan's investment advisor at least once a year. Our plan advisor is there to help you through the maze of retirement planning by setting your financial goals, and making sure you're on the right track to retirement.

To discuss your account, please contact Melody Prescott, our plan's educational specialist at 1-206-676-7421 or email her at: [melody.prescott@kpcom.com](mailto:melody.prescott@kpcom.com)



### Administrative Questions

If you have questions regarding your quarterly statement, participant website, or plan provisions, please contact your plan administrator:

G. Russell Knobel & Associates  
1-800-822-9205

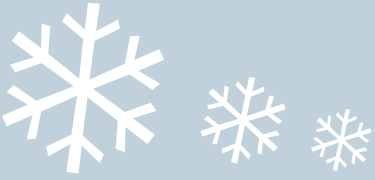
### Investment Questions

If you have questions or need guidance with the fund options in your retirement plan, please contact your plan education specialist:

Kibble & Prentice  
Melody Prescott  
1-206-676-7421  
[melody.prescott@kpcom.com](mailto:melody.prescott@kpcom.com)

### Plan Eligibility

As a reminder, you are eligible to enter your retirement plan if you are age 21 or older, and have completed 1 year of service.



### JANUARY BIRTHDAYS

#### HARLEY MARINE NY

Raymond Churchill	1/15
James Mulhern	1/19

#### HARLEY MARINE SERVICES

Stephen Parry	1/8
Michelle Belben	1/9
Beth Meberg	1/17
Michelle Leano-Aguinaldo	1/23

#### MILLENNIUM MARITIME

Matthew Hathaway	1/10
Bob Castagnola	1/19
Grant Hedley	1/21
Jennifer Beckman	1/24
Neal Maresca	1/29

#### OLYMPIC TUG & BARGE

Mark Sanders	1/1
Rosie Castro	1/5
Bryon Fletcher	1/6
Larry Gladsjo	1/6
Gary St. Luise	1/9
Steven Eggleston	1/10
Henry Torgramsen	1/10
Clayton Huffman	1/17
Marty Eckler	1/19
Garri Ferguson	1/20
Christopher Diecks	1/20
Matt Hammond	1/21
Zach Farmer	1/22
Ivan Carlson	1/23
Eric Boardman	1/25
Richard Middleton, Jr.	1/26
Robert Higa	1/27
Nathan Divelbiss	1/29

#### PUBLIC SERVICE MARINE

Doug Montgomery	1/5
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#### STARLIGHT MARINE SERVICES

Daniel Porschien	1/11
Jason Lorenz	1/12
Jack Matievich	1/12
Hal Eltzroth II	1/18

#### WESTOIL MARINE SERVICES

Andre Nault	1/12
Eric Distefano	1/19
Marshall Novack	1/25



*Pictured above are Captain Jonathan Mendes, General Manager of Starlight Marine Services; Harley Marine NY Captain, Jack Curtin (St. Andrews); and Captain Scott Manley, Director of Marine Operations during a support visit to HMNY.*

## **PACIFIC COAST MARITIME EMPLOYEE OF THE QUARTER**

Pacific Coast Maritime would like to recognize Paul Hanson as the Employee of the Quarter. Paul started out as a Deckhand/Cook, was promoted to AB Deckhand, and now serves as the Chief Mate onboard the Gyrfalcon. He has held this position for several years. Paul is one of the people I can count on to give 110% regardless of the situation at hand. He is also a great mentor and teacher of new employees when they come aboard to work for us. He is a true professional in all that he does but at the same time is a great shipmate and will lend a hand wherever and whenever needed. I am really happy to have Paul as a member of our team.

Thank you,  
Jim Weimer  
General Manger, PCM





# Harley Marine Services, Inc. 2011 Payroll Schedule

PPE	Pay Date	
<b>12-31-2010</b>	01-07-2011	
<b>01-15-2011</b>	01-24-2011	Potential to move to 1-21
<b>01-31-2011</b>	02-07-2011	
<b>02-15-2011</b>	02-23-2011	Potential to move to 2-22
<b>02-28-2011</b>	03-07-2011	
<b>03-15-2011</b>	03-22-2011	
<b>03-31-2011</b>	04-07-2011	
<b>04-15-2011</b>	04-22-2011	
<b>04-30-2011</b>	05-06-2011	
<b>05-15-2011</b>	05-20-2011	
<b>05-31-2011</b>	06-07-2011	
<b>06-15-2011</b>	06-22-2011	
<b>06-30-2011</b>	07-08-2011	
<b>07-15-2011</b>	07-22-2011	
<b>07-31-2011</b>	08-05-2011	
<b>08-15-2011</b>	08-23-2011	
<b>08-31-2011</b>	09-08-2011	
<b>09-15-2011</b>	09-22-2011	
<b>09-30-2011</b>	10-07-2011	
<b>10-15-2011</b>	10-21-2011	
<b>10-31-2011</b>	11-07-2011	
<b>11-15-2011</b>	11-22-2011	
<b>11-30-2011</b>	12-07-2011	
<b>12-15-2011</b>	12-22-2011	
<b>12-31-2011</b>	01-09-2012	

## JANUARY HOLIDAYS

### 1st - New Years Day

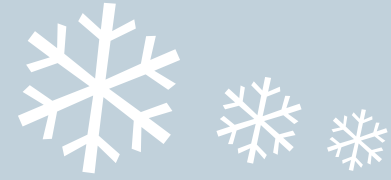
(HMS Offices will be closed on 12/31 in observance of the holiday)

### 17th - Martin Luther King Junior Day

(HMS Offices will be closed on 1/17 in observance of the holiday)

## THUMBS UP

- Olympic Dispatch thanks Starlight Marine for all their assistance with the 65 Roses and Olympic Spirit by providing shoreside tankerman support. Your team can always be relied upon for providing local support for the boats and crews. Plus you complete the jobs with enthusiasm and a 'can do' attitude! Thank you.



**Harley Marine Services, Inc.**

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[sgullickson@harleymarine.com](mailto:sgullickson@harleymarine.com)

***DECEMBER EMPLOYEE OF THE MONTH***

**Westoil Marine Services**

**Brian Vartan and Michael Traughber**

Westoil Marine Services would like to recognize Tankerman Brian Vartan and Deckhand Michael Traughber as December's Employee of the Month. Between both of these employees they have a combined total of over 30 years of tank barge experience. WMS would like to recognize these employees for going over and beyond the normal call of duty on a recent lightering operation. Their skill and expertise allowed them to successfully complete the job without interruption to our schedule. Your professionalism and dedication on this job is greatly appreciated. Thank you Brian and Mike for once again making Westoil Marine Services shine as the premier petroleum transportation company in the industry.

**Olympic Tug & Barge**

**John Kochis**

Olympic Tug & Barge would like to recognize Captain John Kochis as the December Employee of the Month. John has been with our Portland Olympic Tug & Barge team since February 16, 1998. Since then, John has performed his job responsibilities safely and has been reliable as well as a hard worker onboard our Portland tugs. Testimony to this, was the recent completion of a project we partnered together with HME Construction on in the Ilwaco entrance and port of Chinook. We were responsible for towing dump scows for disposal on or near the Columbia River Bar. Transiting the Bar can be a very hazardous and unpredictable event. The job included making and breaking tow over 200 times on and near the Bar in extreme conditions. John's professional experience and safe attitude was a huge contribution to the success of a very difficult project. Thank you!

***DECEMBER NEW HIRES***

**Olympic Tug & Barge**

Michael Cahill - Captain  
Corey Johnston - AB/Deckhand

**Harley Marine NY**

Sloan Danenhowe - Captain

