

SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient

A Warm Welcome to our New Extended Family at Harley Marine Gulf

Since the MGI acquisition at the beginning of February, everyone at Harley Marine has worked hard to welcome the new team. Key management has visited the Harley Marine Gulf (HMG) office to see their operation firsthand, so that as we introduce our company policies and procedures their implementation is seamless. Special thanks to everyone involved in the transitional process, your efforts have made this a trouble-free task.



The acquisition has added 12 double hull petroleum barges to the Harley Marine fleet as well as management and crew expertise of the American Gulf. HMG will continue to offer petroleum transportation services safely and efficiently within the Gulf to meet and exceed their customers expectations.

Harley Marine has named Rod Holland, former owner of MGI, the General Manager of Harley Marine Gulf. He and his team will be integral parts of the remaining transition. On behalf of everyone at Harley Marine, we would like to formally welcome all of the Harley Marine Gulf employees to the HMS Family. Your continued hard work will help make HMG a success today, tomorrow and for years to come.

More information and vessel specifications can be found online at:

www.harleymarine.com.

MARCH HOLIDAYS

- 8th - Fat Tuesday/Mardi Gras
- 9th - Ash Wednesday
- 13th - Daylight Savings Time Begins
- 17th - St. Patrick's Day
- 20th - First Day of Spring

THUMBS UP

- Thumbs up to the deck crew of the Gyrfalcon who can be counted on to give 110% no matter if it is an engineering item we are working on or a deck item. Truly a great crew and I really enjoy the support they give me in my duties. Mark Hurst, Chief Engineer, Gyrfalcon

In Loving MEMORY

Dear Harley Marine Teammates:

It is with great sadness that I report to you that our dear family member, teammate, co-worker and friend, Tom Appleton passed away on February 15th at approximately 5:45 pm. He was surrounded by his wife Birdie, sons Brian and Bruce and other family members.

While this was expected, it is still a very hard pill to swallow. I have asked that all company flags on our vessels and at each office location be flown at half mast until after the funeral.

May God grant comfort and peace to Tom and all of his family.

With love and sympathy.
Harley Franco



OBITUARY:

Thomas Ivan Appleton was born July 6, 1942 to Ivan and Pauline Appleton. Tom grew up in Edmonds, Washington attending Edmonds High School and continued living in Edmonds his entire life. He enlisted in the Navy and served aboard the Aircraft Carrier USS Ranger. After leaving the navy he married his wife Roberta (Bertie). They have two sons Brian and Bruce , and one granddaughter Jolene from Brian. Tom had a love for classic cars. He would often just get into his yellow '56 Ford pickup and go for a drive or to the local drive in car shows on the weekends. He was in the process of building his dream hot rod being built from a 1929 Ford model "A" Coupe. Tom worked in the maritime industry for decades. He spent his last twenty years with his second family at Harley Marine Services a.k.a. Olympic Tug and Barge. Tom received the news of his cancer nine and a half months ago and fought it to the very end. He died peacefully on February 15, 2011 with his family by his side. Tom is preceded in death by his mother, father, and his younger brother Jerry. He is survived by his wife Bertie, his son Brian and Brian's wife Alana and daughter Jolene and his son Bruce and Bruce's wife Carolyn. Tom will be greatly missed by his family, his extended family Allie and Joe McKay and all those that he has touched and helped throughout his life. In lieu of flowers, memorial gifts may be made to the Cystic Fibrosis Foundation, The Leukemia and Lymphoma Society, Swedish Hospital Cancer Research or PAWS of Lynnwood.

In Loving MEMORY

I first met Tom when we were doing the conversion process taking the HML 240-2 from a deck barge and modifying it to a container barge for use in Dutch Harbor back in 2000. In those few short weeks we had the barge at the shipyard in Anacortes Tom taught me a lot about barges, which was sorely lacking in my maritime education. Since that time, on the few occasions that Tom and I crossed paths, I always enjoyed talking with him and "picking his brain" for little bits of information which has helped me in the management of Pacific Coast Maritime. I will miss Tom and his friendly, open, attitude.

Jim Weimer

I met Tom for the first time when he was working part-time for Dave Updike on the lake. I had just brought two YTM's over to Dave's yard from Bremerton. Tom had one of them running in two days after more than 20 years in mothballs. I think that says something about Tom. We need more like him.

Mike Curry

I met Tom for the first time when the barge Dottie had just completed construction and he was getting the barge ready for the term charter with Shell.

We were in the Portland shipyard and Tom was standing among a bunch of empty paint cans. The barge had just finished her paint job and Tom was shaking his head. I then learned more about marine paints from him that day than I knew in all the previous years I had worked in the marine industry. And it was like that about all things mechanical - Tom just knew what was going on. His natural ability, skill, and intuitive way he went about repairs guaranteed success in all he did.

This, and his practical, no nonsense approach to all he did, made him one of the finest repair persons I had ever met. He was genuine, down to earth and certainly patient with me as I learned about the barge. Tom is an artist in his field, as much so as Rembrandt was to painting. I feel privileged to have had the chance to both know and work with Tom.

Pete Hofmann

Tom was a great man, and one that I can truly say is irreplaceable. As many have said, God broke the mold when he made Tom. He put up a hard and long fight even in the end. The Doctors said 1 or 2 days at the most, Tom hung on for 6, that is how he did everything, he never gave up until the job was completed to his satisfaction, no matter what anybody said. I am very privileged to have worked side by side with Tom and learned from him what I could, he has forgotten more than many of us will ever know. It is with great sorrow we are forced to say good bye. He will always be remembered and never forgotten in our hearts and with Harley's great gesture of naming the new shop the "Tom Appleton Marine Maintenance Repair Center", I cannot think of a grander tribute to such a deserving person. I look forward to working in Tom's legacy and to continue his goal of making OTB a safe and dependable marine transportation company.

Gregg Nelsen

The passing of Tom

Few people make lasting impressions, Tom is one of these people, during my career I have had the pleasure and enjoyment in making his acquaintance. I worked here at OTB in the early 90's, back when this was quite a different company. The office was upstairs at Pier #7 with 3 or 4 people in the office. We all wore pagers and work was job to job. I could reminisce but that would be boring; but before Tom's arrival on scene equipment had issues, which is inevitable of any marine company. When I first met Tom, the first thing that struck me was this guy looks like some kind of military weapon, short, but could probably bust through a steel bulkhead on a short run if needed. After a few minutes of conversation, another impression took over, here is a guy that is very knowledgeable, skilled, hands on, and a really nice guy. Whoa, there must be a mistake, all those qualities, something must be missing. Well, the short answer is, nothing was missing, Tom was just a great guy. So I went to another company (Dunlap Towing) for 16 years and have recently returned to OTB. Over the years, as is always the practice in wheelhouse discussions, Tom's name would be included in the conversation and never a negative comment was made. His reputation in the industry was stellar. If heaven has any mechanical problems the folks up there can now relax, they have the right man for the job.

Mike Cahill

Tom's Eulogy

"There is a sacredness in Tears. They are not the mark of weakness, but of power. They speak more eloquently than 10,000 tongues. They are messengers of overwhelming grief and unspeakable love."
--Washington Irving

Good afternoon,

My name is Harley Franco, and I had the honor of being Tom's colleague, friend and student for the last 25 years.

I met Tom when he was the lead port engineer of Brix Maritime where I chartered a Vessel and had dock space. At that time, I ran my business from a trailer at Pier 46. Even though I was just learning about the maritime business, I knew enough to have a profound respect for Tom. I would watch in amazement as Tom took care of the Brix fleet. It was clear to me that he had a knowledge and wherewithal as well as the energy to apply it, second to none. Ed Beal, retired President of Brix Maritime said it best when, with respect and affection, he referred to Tom as "the human shipyard." My friend, Bruce Reed, the former General Manager at Brix, and now Foss Executive offered even more grandiose praise, "If we had 5 Tom's, we could conquer the world."

But we all know when God made Tom, he broke the mold. There would be no conquering! There was nothing Tom couldn't fix, repair, weld or tear apart and put back together. And on those rare occasions when he was stumped, he knew just where to go to solve the problem.

I had the wonderful experience of watching Tom in his prime, and he was the best in the business. He taught me so much, but he never made me feel stupid when it was clear that I didn't have a clue about the complexity of what he was doing. To clarify, Tom would patiently sketch a diagram on the back of a napkin or an old envelope to illustrate his engineering fix. And he was almost always right.

Tom could effortlessly carry a heavy tool box on his back climbing up a ladder to a barge not even stopping to catch his breath before he started on the repair. He had an acute awareness that if he was on the vessel, it wasn't working nor earning revenue. Tom didn't believe in waste. Like Superman, he'd fly in, save the day, and be gone just as quickly.

And his hands...He had the biggest, strongest, most effective hands of anyone I know. One of my early memories with Tom was at the start up of our Portland operation, Tom and I drove to Portland responding to an emergency call. I drove so he could rest after a full day's work. We met the boat, and Tom with his strong and skillful hands began ripping it apart, welding and putting things back together, I was so proud to be a part of his team, because he gave our crews the confidence that the repairs were done thoroughly and the right way.

Tom Appleton gave Harley Marine credibility that we cared about our crews and vessels. And his hands did more than fix things. They were loving hands. Those of you who know me, know that I love to cook lunch for the crew at Harley Marine. When I couldn't open a jar while cooking, I would run out to the shop and Tom would open it and then thank me for loosening it for him. Those hands baby-proofed my house 18 years ago. It may have been a snap for him, but it meant a lot to Lela and me. And it probably saved our adventurous daughter's life! More than anything, Tom was a mentor and an inspiration for us all at Harley Marine.

Tom was honest, ethical, dedicated, smart, hard working, strong, loyal, and a can-do guy. He had the most unbelievable work ethic of anyone I've ever known. He never made excuses or blamed anyone for any problems with the equipment. Finger pointing would be a waste of time. He'd just put his head down, roll up his sleeves and get the job done. He would always make a bad situation better. And Tom was ingenious! He always looked for ways to save and reuse parts. Even if it took longer, he made repairs that would maximize the life of whatever machine he was fixing and salvage any part of the broken piece for later use. But he never jury-rigged; he just didn't believe in waste.

A few years ago, we asked Tom to slow down to take better care of his health. Even then, he had a difficult time slowing down, delegating and not immersing himself into his work. On any project, he insisted on seeing it through to the end. In his last days when Doctors gave him 1 or 2 days at the most, he hung on for 6 days---or until the end of the pay period. That was just how Tom operated. He didn't quit till the whistle blew and the job was done.

Gregg Nelson, Harley Marine VP and Director of Engineering says of Tom: "He was a great man, and one that I can truly say is irreplaceable. I am very privileged to have worked side by side with Tom and learned from him what I could. He has forgotten more than many of us will ever know."

Tom hid from notoriety, praise or reward. He was never demanding, egotistical or confrontational, and Tom earned every penny he was paid. As matter of fact, I had to threaten that I would fire him or worse, put him in marketing and make him wear a tie if he did not take a vacation or go home when he was sick.

A few weeks ago, we decided to name the new shop at Harley Marine the "Tom Appleton Marine Maintenance Repair Center" because we wanted Tom's dedication and loyalty to serve as a legacy for all of the engineers who succeed him.

It is with great sadness that we say goodbye to our good friend, colleague, and mentor Tom Appleton. But we are all better people for having known him, and we know that the lessons we learned from him are with us still. I, for one, will never forget my friend, his hands, his laugh or smile. Tom Appleton, the "human shipyard", and heart and soul of Harley Marine, YOU are a great legend of our industry and an important member of our family.

I am grateful to the Appleton family for letting me speak today.
Thank you.

TOM APPLETON MARINE MAINTENANCE REPAIR CENTER

For the past 40 years in our industry, and for the last 20 years at Harley Marine Services, Tom has dedicated his life and career to keeping marine vessels working, safe and reliable. He has always been proactive in making sure our crews have a safe work place, environment and vessel which they could operate proudly and effectively.

Tom is one of a kind. When God made him, he broke the mold as Tom's work ethic and quality of work have never been matched. He always gave all of us his all, 100 percent of the time and he always strived for excellence. He never took short cuts or did things half way. He could weld upside down, on his back, in the rain, in the mud, in the heat, in confined spaces, or under any miserable condition or circumstance.

Ed Beal, the former President of Brix Maritime would always refer to Tom as the "Human Shipyard".

Tom loved what he did and he loved all of us.

Shortly we will be breaking ground to build a state of the art, Green Leed certified shop. As a tribute to Tom, and as a small demonstration of our respect, appreciation and love for him, it is my great pleasure to announce that the new building will be named the "Tom Appleton Marine Maintenance and Repair Center". After all, this tribute is only befitting for a legend and giant in our industry.

I am thankful that he has been a leader, hero and great friend on our HMS team.

Harley Franco
Chairman and CEO



MARCH BIRTHDAYS

HARLEY MARINE GULF

Bret Arnold	3/14
David Arnold	3/14

HARLEY MARINE NY

Holger Emeneth	3/10
James Rogers	3/14
Ray Keevins	3/15
Matthew Deckert	3/30

HARLEY MARINE SERVICES

Steve Politeo	3/6
Keith Barnes	3/17

MILLENNIUM MARITIME

Louis Mungaray	3/2
Paul Tokuda	3/11
David Spanjol	3/30

OLYMPIC TUG & BARGE

Bud Carley	3/4
Gaylon Ford	3/5
Grant Bennett	3/7
Keith Conn	3/9
Tyler Holmes	3/15
Cory Edgil	3/17
Samuel Williams	3/18
Andrew Martin	3/19
Cory Buckhalter	3/21
Keith Anderson	3/22
Joe Hoats	3/26
Kyle Uhl	3/26
Michael Everhart	3/28
Timothy Hayward	3/28
Steve Felton	3/30

PACIFIC COAST MARITIME

Paul Hanson	3/5
Mark Hurst	3/19
Steven Osberg	3/27

PACIFIC TERMINAL SERVICES

Larry Lamb	3/3
Robert Weiss	3/27

STARLIGHT MARINE SERVICES

Bryan Wynn	3/17
Chris Ramos	3/21

WESTOIL MARINE SERVICES

Giuseppe Logrande	3/3
Benedetto Baroncini	3/4
Patrick Speers	3/10
James Garvey	3/11

Q-Factor

WHY HARLEY MARINE SERVICES IS AN ISO 9001 QUALITY CERTIFIED COMPANY

Article Credited to: British Standards Institute 2011

Every organization would like to improve the way it operates, whether that means increasing market share, driving down costs, managing risk more effectively or improving customer satisfaction. A quality management system gives us the framework we need to monitor and improve performance in any area we choose.

ISO 9001 is by far the world's most established quality framework, currently being used by 1,064,000 organizations in 178 countries worldwide, and sets the standard not only for quality management systems, but management systems in general.

It helps all kinds of organizations to succeed through improved customer satisfaction, staff motivation and continual improvement.

ISO 9000 series of standards

ISO 9001 is one of a series of quality management system standards. It can help bring out the best in our organization by enabling us to understand the processes for delivering our products/services to our customers. The ISO 9001 series of standards consist of:

- ISO 9000 – Fundamentals and Vocabulary: this introduces the user to the concepts behind the management systems and specifies the terminology used.
- ISO 9001 – Requirements: this sets out the criteria you will need to meet if you wish to operate in accordance with the standard and gain certification.
- ISO 9004 – Guidelines for performance improvement: based upon the eight quality management principles, these are designed to be used by senior management as a framework to guide their organizations towards improved performance by considering the needs of all interested parties, not just customers.

Why is it relevant to Harley Marine Services?

ISO 9001 is suitable for any organization looking to improve the way it is operated and managed, regardless of size or sector. However, the best returns on investment come from those companies that are prepared to implement it throughout their organization rather than at particular sites, departments or divisions.

In addition, ISO 9001 is designed to be compatible with other management systems standards and specifications, such as BS OHSAS 18001 Occupational Health and Safety and ISO 14001 Environment. They can be integrated seamlessly through Integrated Management. They share many principles so choosing an integrated management system can offer excellent value for money.

At Harley Marine, we have integrated the International Safety Management Code and AWO-Responsible Carrier Program with the ISO 9001 & ISO 14001 Standards to create our Safety Quality Management System.

Benefits

- **Competitive advantage**
ISO 9001 should be top-management led, which ensures that senior management take a strategic approach to their management systems. Our assessment and certification process ensures that the business objectives constantly feed into our processes and working practices to ensure we maximize our assets.
- **Improves business performance and manages business risk**
ISO 9001 helps your managers to raise the organization's performance above and beyond competitors who aren't using management systems. Certification also makes it easier to measure performance and better manage business risk.
- **Attracts investment, enhances brand reputation and removes barriers to trade**
Certification to ISO 9001 will boost Harley Marine Services, Inc. brand reputation and can be a useful promotional tool. It sends a clear message to all interested parties that this is a company committed to high standards and continual improvement.
- **Saves you money**
Evidence shows that the financial benefits for companies that have invested in and certified their quality management systems to ISO 9001 include operational efficiencies, increased sales, higher return on assets and greater profitability.
- **Streamlines operations and reduces waste**
The assessment of our quality management system focuses on operating processes. This encourages Harley Marine Services to improve the quality of products and the service provided and helps to reduce waste and customer complaints.
- **Encourages internal communication and raises morale**
ISO 9001 ensures that employee's feel more involved through improved communication. Continued management assessment visits can highlight any skills shortages sooner and uncover any teamwork issues.
- **Increases customer satisfaction**
The 'Plan, Do, Check, Act' structure of ISO 9001 ensures that the needs of the customer are being considered and met.

Continuous Improvement

At Harley Marine Services, continuous improvement is a quality process we use to ensure we meet the mark and satisfaction of our customers. We are currently conducting annual internal audits of our tug boats and facilities to measure our performance against our plan and customer satisfaction feedback. Our audit processes ensure the transparency of our operations and programs to drive improvement throughout the company. This will allow Harley Marine Services to continue to grow and meet the ship assist and bunkering demands of the maritime industry of the future.

Upcoming *Soundings* articles will describe how ISO 14001, ISM Code and the AWO-RCP add value and safety to all our operations.



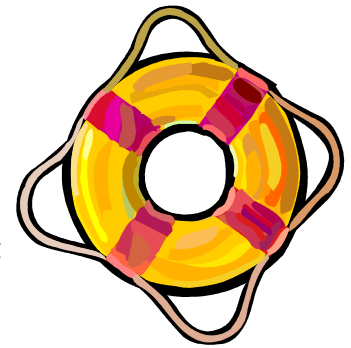
Safety Corner

By: Andre Nault

LEADING INDICATORS

Isn't hindsight great? I should have, they could have, if only we would have...

When assessing safety and health performance we often refer to accident frequency and severity rates (the number of injuries and lost workdays). These rates provide an accident history or hindsight, but do little to indicate future performance. If lagging indicators are used as the only index of safety achievement (or failure), they can do more harm than good, as people are not empowered to take control of safety and to develop an effective organizational safety climate.



Leading indicators of workplace safety, such as analysis of the safety management system, near miss reports, job hazard analysis, safety tips, crew attitudes, attendance at safety meetings, etc. are more effective than trailing measures, such as injury and illness or lost-workday reports, in building a safety program. That's because leading indicators measure trends that point toward what will happen in the future, while trailing ones simply measure what's happened in the past. As such, they're not necessarily a snapshot of happenings to come.

As an example of what this means, take the case of a company with zero lost workdays for a year, a trailing indicator of seemingly sterling safety performance. But, as you watch, you may be astonished as a forklift drives by with a worker perched precariously on the upraised forks. Or where a deckhand is seen jumping 4 feet across from a tug to a barge instead of asking for a ladder to be put in place. The lost-workday report may be more of an indicator of luck (so far!), and not of overall safety performance.

The use of leading indicators reinforces personal involvement and improves the perceptions that individuals and work teams have about their ability to control and manage injuries and accidents. One of the most important steps in obtaining safety goals in any company is the degree of employee engagement. This could include the degree of participation in safety-related activities, exercises, and training. Are the crews doing their safety meetings aboard the vessels? Are safety committee meetings being attended by a majority of the members? Do they show up on time and participate? Are near miss reports being sent in regularly? Are safety suggestions being generated and followed up on? Do crews look at safety training classes as tedious requirements or as opportunities to learn?

Another important aspect of a quality safety program is to determine the value of existing safety controls. Even though some controls may be keeping the company in compliance with regulations, are they effective in decreasing or preventing accidents? Is there buy in from the crew? Are they accepted and used by the workforce? If not, why not? Is it a matter of discomfort with the equipment or cultural blocks, such as a "macho" attitude or this only happens to someone else thinking that shortcuts safety?

Employee involvement through near miss reports, safety meetings and drills, and sharing safety tips and suggestions, provide timely information about conditions or behaviors that lead to accidents. Keeping the right safety attitude throughout all daily activities keeps everyone focused on the safety goals of the whole team. By establishing leading indicators for safety, we have the opportunity to react quickly to address adverse safety trends before an injury or accident occurs.

HMS CONTINUES EXPANSION PLAN

To further our initiative and goal of reaching OPA 90 compliance before 2012, Harley Marine Services has placed an order for two additional double hull petroleum barges. Since early 2006, we have tirelessly been working on our new build program to replace all single hull barges with state of the art double hull petroleum barges. Our program ties into the requirements of the Oil Pollution Act of 1990 (OPA 90), requiring all petroleum vessels and barges be double hull before 2015.

The first barge, to be named Dale Frank Jr., is being built at Zidell Marine in Portland, Oregon. She is a double hull petroleum barge measuring in at 289' x 78' x 24' with a carrying capacity of 52,000 barrels. She will be a sister barge to the Webb Moffett and is expected to be completed and delivered to Harley Marine Services in October 2011. The second barge, yet to be named, is being built at U.S. Barge in Portland, Oregon. She too is double hulled and measures in at 241' x 64' x 23' with a carrying capacity of 28,000 barrels of IFO and 3,500 barrels of MGO. She is a sister barge to the Anne Elizabeth and will be delivered to Harley Marine Services in November 2011.

These two barges will enter the Harley Marine Fleet with state of the art equipment to provide transportation services for our customers in a safe and timely manner. "The barges are welcome additions to our growing fleet of double hull barges. Currently, Harley Marine operates the largest fleet of double hull petroleum barges on the United States West Coast" reported Keith Barnes, Director of Barge Operations.

In addition to our double hull expansion plan, we have also been marketing our retiring single hull barges to other markets and industries. Over the last year we have sold six single hull barges that are currently working in other capacities outside of the petroleum transportation industry.

2011 OPEN ENROLLMENT

It's that time again! Our annual open enrollment period for all employees covered under the Harley Marine Services, Inc. company healthcare plan is here. This allows for you to make changes to your dependents' status without a qualifying event and update your beneficiary information, if needed. This is also the time to enroll in the healthcare plan if you opted out during your initial eligibility period.



The Flexible Spending Account (FSA) will also be available at this time. The plan allows for you to contribute up to \$2,000 per year pre-tax for qualified reimbursable healthcare-related expenses. Please note that even if you are a current participant in the FSA plan, you will be required to re-enroll as this is mandated by IRS due to the use of pre-tax dollars.

All enrollment forms must be submitted no later than March 31, 2011 to ensure coverage. Please contact your local HR representative for enrollment forms today!

Following is an exciting letter we received regarding a new cystic fibrosis development.

Dear Fellow Guild members,

Susan and I are writing today with magnificent news. This morning the CF Foundation and Vertex announced incredible results from the VX-770 clinical trial. VX-770 is potentially a HUGE homerun in the fight against CF! So much so that the New York Times has already reported on the breakthrough. [Click on this link to read the article.](#)

We just had a chance to listen in on a conference call with Dr. Bob Beall, CEO and President of the Cystic Fibrosis Foundation. Dr. Beall opened the call by recounting what he told the CF Foundation staff this morning, ***“I have been here for 31 years, I have made some very important announcements during that time. This announcement today has the highest potential impact of any development in the fight against CF!”*** When he said that it gave me goose bumps! Here are a few more of the wonderful highlights:

- CF Patients' Lung Function improves 10%, this is the largest improvement EVER of any CF drug.
- This reduced the need for hospitalization for antibiotic treatment by 55%.
- CF patients in the trial felt better, breathed easier and gained on average of 7lbs!!!
- Sweat chloride went down to near normal levels.
- CF patients sustained improvements for the entire 48 week trial.
- These results provide a “Proof of Concept” for multiple future drugs.
- If all goes smoothly, these results today likely will lead to FDA approval next year.
- This was the culmination of major investments by the CF Foundation using funds raised by our Guild and others around the country.

This is game changing news and something worth celebrating with all of our friends who have supported the fight against CF! Thank you for all that you have done to change the face of this terrible disease. With our continued efforts I am confident that we will cure CF.

While VX-770 currently only benefits a small percentage of CF patients, the proof of concept allows for future drugs to be developed and hopefully benefit all CF patients. Please feel free to pass on this exciting news to your family and friends. To learn more about ways you can help, call or email the Seattle Guild at 206-284-4770 or visit <http://www.cff.org/Chapters/washington/>. You have made this exciting milestone possible, thank you!

Cheers,

Susan and Ladd Moore
Guild Presidents, Patrons of Cystic Fibrosis

MARCH ANNIVERSARIES

Harley Marine NY

Erick Ocasio - 4 years
Michael O'Donnell - 1 year

Millennium Maritime

Richard Jabuka - 11 years
Brian Shea - 3 years
Neal Maresca - 1 year

Olympic Tug & Barge

John Walker - 17 years
Denis Rovin - 16 years
Justin Hutton - 11 years
Bart Sappington - 4 years
Chad Boulay - 3 years
John Lennon - 2 years
John Engle - 1 year

Pacific Coast Maritime

Paul Hanson - 17 years
Rick Bostwick - 1 year

Public Service Marine

Gabriel Cleope - 8 years

Starlight Marine Services

Bryan Wynn - 4 years
Richard Sheldon - 3 years
Charlotte Koskelin - 1 year

Westoil Marine Services

Kelly Moore - 12 years
James Garvey - 7 years
John Costello - 1 year

401(k) Retirement Savings Plan Model Portfolios

On November 15, 2010, Model Portfolios were introduced to our 401(k) plan. This enhancement allows you to invest in a diversified portfolio of investments that is consistent with your risk tolerance. In addition to the standard investment choices the plan offers, you now have five Model Portfolios to choose from:

	Equity/Stock Mutual Funds	Bond/Income Mutual Funds
Conservative Model	20%	80%
Moderately Conservative Model	40%	60%
Moderate Model	60%	40%
Moderately Aggressive Model	80%	20%
Aggressive Model	100%	0%

The Model Portfolios are comprised of an allocation of specific mutual funds from within the plan. These model portfolios are rebalanced twice a year to maintain the portfolio's investment objective.

Determining which portfolio is right for you depends on your time horizon (how long you have until retirement) and your risk tolerance (how much risk you are willing to take with your savings).

Please contact Human Resources department to receive an "Investor Questionnaire" packet. This packet will help you answer the two most important questions when it comes to retirement planning:

1. How much should I contribute so I can live comfortably at retirement?
2. Where should I invest my savings so I'm at an appropriate risk level?

As always, if you have questions or need guidance regarding your investment options please contact your Education Specialist at Kibble & Prentice.



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@kpc.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.

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FEBRUARY EMPLOYEE OF THE MONTH

Ivan Larson, Deckhand Tankerman

Olympic Tug & Barge

Olympic Tug & Barge would like to recognize Ivan Larson as the February Employee of the Month. Ivan has been employed by Olympic since July 2009. In that time, Ivan has worked diligently as a crew member onboard the tugs. He has completed his Able Seaman and PIC training and has been promoted to AB Tankerman. Ivan works hard and most importantly, with a great attitude, he is an asset to any crew. Ivan, we appreciate your continued efforts, please keep up the good work,

Jason Vogel, Captain

Starlight Marine Services

Starlight Marine Services would like to recognize Jason Vogel as the February Employee of the Month. His calm, reliable demeanor is appreciated by his peers and crew. He gets the job done as well as contributes to the maintenance and appearance of any vessel he is assigned to. Jason has been with Starlight Marine Services since the beginning of his career in 2006. His starting position was deckhand and he has risen to the level of Captain in a very short time because of his professional work ethic. We at Starlight Marine Services value Jason Vogel not only as a Captain but also for the team player that he is. Thanks Jason for all that you do!

Anthony D'Aquanno, Deckhand Tankerman

Westoil Marine Services

Westoil Marine Services would like to recognize Anthony D'Aquanno as the February Employee of the Month. Anthony is a Tankerman for WMS, and also works as a deckhand. His dedication to the company has really shined this month, as he has helped us with our busy workload on a regular basis. Anthony always has a great attitude, and his can do mentality is very much appreciated. Anthony, thank you for your continued service, your extra efforts in our WMS operation do not go unnoticed.

FEBRUARY NEW HIRES

Harley Marine NY

Christopher Churchill - Barge Mate
John Heanue - Deck/Tankerman
Marc Liebig - AB Deckhand
Michael Parks - Tugmate

Harley Marine Services

Alberto Lacao - Human Resources Assistant

Westoil Marine Services

Sean Belisle - Deckhand

