

# SOUNDINGS

Safe ♦ Responsible ♦ Reliable ♦ Efficient

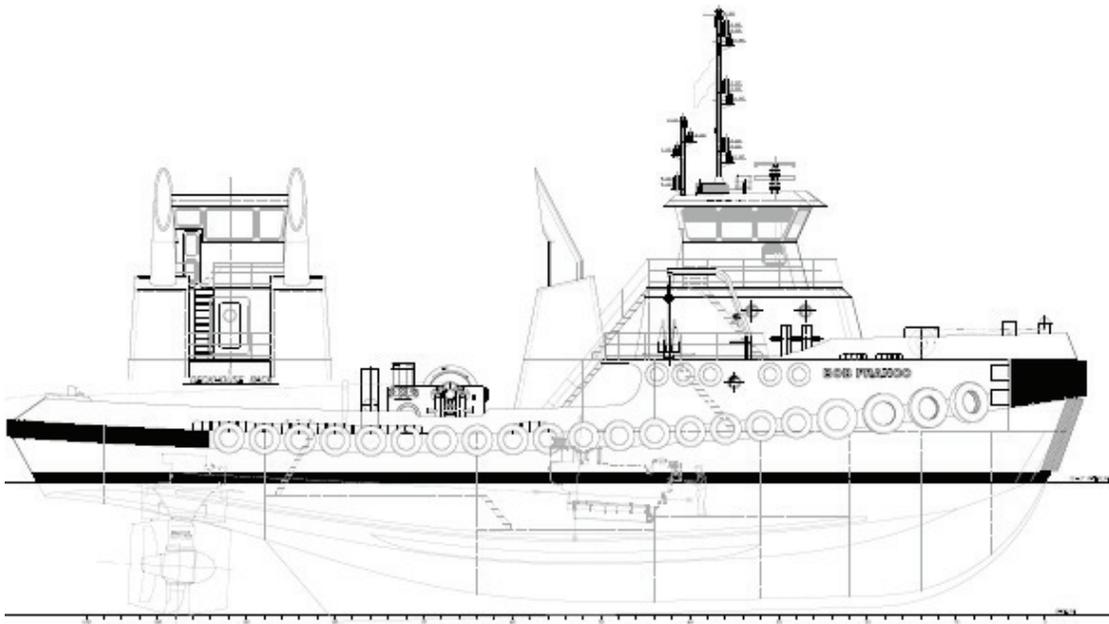
## MORE TUGS, MORE HORSEPOWER, MORE GROWTH

*Harley Marine continues to enhance their fleet with 3 additional tugs*

Expansion continues at Harley Marine Services as management announces plans to construct a new 5,300 horsepower tractor tug, the *Bob Franco*. The tug is being built at Diversified Marine in Portland, Oregon and will enter the fleet in 2012. She is being built specifically to maneuver our 80,000 barrel barges off the West Coast.

Her preliminary specifications are:

Length Overall	120'	Beam	35'
Draft	19' 3"	Bollard Pull	69-78 short tons



In addition, Harley Marine has just closed on the purchase of two additional push tugs, the *Trigger* and *Scout*. Both tugs will work in our Harley Marine Gulf fleet moving our double hull barges in and around Houston, Texas. Both tugs have been named after famous horses as they will now be our “workhorses” at HMG.

We are all excited for our new additions and know these will help us secure additional work and perform all of our jobs at the highest quality standards. These three tugs 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. Each vessel will be managed and maintained by our experienced engineering and operations team and will comply with our quality and safety programs that meet and exceed all regulatory requirements.

## MAY HOLIDAYS

May 1 - May Day

May 5 - Cinco de Mayo

May 8 - Mother's Day

May 30 - Memorial Day  
*(HMS Offices will be closed in observance)*

## THUMBS UP

- A big thumbs up to Carl Fessler of PSMI who spent his Easter Sunday on the **65 Roses** making sure every little detail was covered and Seattle dispatch was in the loop throughout the whole process. His attention to detail and great attitude helped make this Conoco Phillips voyage a success. Thanks, Carl!

## Q-FACTOR

### Why Harley Marine Services is an ISM Code Certified Company

By: Captain Richard Graham

The International Safety Management (ISM) Code provides an international standard for the safe management and operation of vessels and for pollution prevention. The ISM Code was created by the International Maritime Organization (IMO).



The purpose of ISM Code is:

- to ensure safety at sea,
- to prevent human injury or loss of life, and
- to avoid damage to the environment and to the vessel.

SOLAS adopted the ISM Code in 1994 and incorporated it into Chapter IX. By 1998, much of the commercial shipping community was required to be in compliance with the ISM code. By 2002, almost all of the international shipping community was required to comply with the ISM Code.

In order to comply with the ISM Code, each vessel class must have a working Safety Management System (SMS). At Harley Marine Services, our Marine Operations Manual provides the policies and procedures required by a SMS. Each SMS consists of the following elements:

- Commitment from top management
- A Top Tier Policy Manual
- A Procedures Manual that documents what is done on board the vessel
- Procedures for conducting both internal and external audits to ensure the vessel is doing what is documented in the Procedures Manual
- A Designated Person Ashore (DPA) to serve as the link between the vessels and shore staff
- A system for identifying where actual practices do not meet those that are documented and for implementing associated corrective action
- Regular management reviews

Another part of the ISM is the mandatory Planned Maintenance System which is used as a tool for maintaining the vessel according to the specified maintenance intervals. At HMS, we utilize a system named e-Maintenance to record work orders, plan work and document completed fleet maintenance. Critical Systems are also identified and managed by the eMaint system.

Each ISM compliant vessel is audited, first by the Company (internal audit) and then each 2.5 to 3 years by the Flag State Marine Administration to verify the fulfillment and effectiveness of their Safety Management System. Once the SMS is verified and it is working and effectively implemented, the vessel is issued a Safety Management Certificate. Comments from the auditor and/or audit body and from the vessel are incorporated into the SMS by headquarters.

Harley Marine Services (HMS) is an AWO-RCP certified company and has voluntarily chosen to comply with the ISM Code. This affords us another opportunity to be audited by a third party, the American Bureau of Shipping, to ensure our SMS is robust and meeting our customers' needs. The growth of HMS depends upon meeting the maritime challenges for safe and top quality operation today and in the future. The men and women who work at Harley Marine Services strive to meet these challenges daily by working safely and providing quality services to our customers. This is why HMS is an ISM certified company.

## Safety Corner

### Take 5 for Safety

By: Andre Nault

There are times when we get in a hurry and safety may not be the first thing on our minds. However, being hasty in starting a job or not thinking through the process can put you or someone else in harms way. One thing that is hard to do when trying to meet deadlines is to remember that you can't rush without sacrificing safety. We have to constantly remind ourselves to take time to bring safety back into focus. Each of us must make a conscious effort to work safely despite time constraints. A high degree of awareness must be maintained so that the safety factors involved in a job become an actual part of the job.



Remember, there is always enough time to do it safely, and one of the easiest things you can do every time you get ready to do a job, is to take 5 minutes and follow these simple tips to help you work safer. Make safety your first priority before you begin any activity. When you put safety first, you commit yourself to safety awareness. This is for your benefit and the benefit of others. Give your full attention to the entire area: what's going on there, what you'll be doing, what others are doing, what else is going on around you. Observe for unsafe acts and unsafe conditions. Think about what you've observed, consider how your safety or the safety of others will be affected and ask yourself, "What unexpected things might happen during the job? What injuries could occur if the unexpected happens? How can this job be done more safely?" Use your best judgment to answer these questions. This helps you think through the job and determine how it can be done more safely.

Once you are ready to begin, use the same good judgment to take whatever action is needed to eliminate unsafe acts and unsafe conditions as you do the job. By being conscious of the tasks we are performing, the environment in which they are being performed, as well as how we are going to actually perform the task, we will be able to identify potential hazards that will cause us to act in an unsafe manner, and minimize or eliminate them.

It probably took you less than 5 minutes to read this...it doesn't take much more time to think about how you are going to do the job safely.

# Safety Incentive Program

The Safety Incentive Program (SIP) is off to a great start:

- So far, we have received 623 submissions.
- Participation has come from 100% of the tugs and the majority of our barges.
- Safety meetings have more than doubled since we rolled out the program.

Your participation in SIP has been remarkable and will really make this program successful. Special thanks to everyone who has contributed thus far with their wonderful safety articles and safety tips.

We have been working hard to improve SIP since implementation so that it can excel and become more accessible to all of you. In the last month, our IT department created a new menu on the Personnel Action Form (PAF) System called "My SIP". "My SIP" allows you to conveniently check your point status at any time. If you happen to find any discrepancies with your point totals just email [sip@harleymarine.com](mailto:sip@harleymarine.com) and let us know. Additionally, the SIP website will be operational soon. With the new site, you can browse the award selections and chose how to spend your points. All orders will be shipped to your home office and will be distributed by the local SIP coordinator.

I would like to encourage all crewmembers to read the Job Safety Analysis (JSA) information on the Vessel Communications Center (VCC). The JSAs are a great way to participate in the SIP. All crew members may submit two JSAs each week and will receive two SIP points per submission. A Job Safety Analysis is specifically related to a task and the associated hazards and controls related to that task. JSAs can be written up before an assigned duty to raise awareness of potential hazards.

You will find directions, a sample JSA and a blank form on the VCC in the SIP folder.

Please, keep the tips and articles coming in!

Jim Flies

QSE Manager



## Safety Article of the Month (SIP)

*Submitted By: Chris Tranos, St. Andrews*

We work in an unforgiving environment where everything around us is concrete and steel. When we work at jobs such as tug boating, where repetition is the norm, some of us tend to get "complacent" and/or "arrogant" about our position or abilities. When constantly moving large pieces of equipment from dock to dock or working offshore in heavy weather, you may think to yourself, "I've been through these waters so many times, nothing will ever happen to us."; or "I'm a top-notch mechanic and will never run up against a task that will beat me."; or "I can throw a deck line 15 feet and hit the bitt most of the time. I'll never miss it". These are just a few examples of different types of complacency.

Tug boating is a job where complacency can kill. I'm pretty sure if you look into it statistically, it is a causal factor in many personal injuries, accidents, allisions and collisions.

Out here we need to stay humble. We should concede the fact that although repetition can fine tune our skills, it can also, at the same time, allow us to become complacent. We may end up in a situation when all of a sudden bad weather and/or other elements occur and our plan "A", "B" and "C" aren't going to work as we planned. That's when we realize that even after all of the hours of planning and safety training, we are not always in total control of every situation. Even the most highly skilled mariner can find themselves in a "jam", but by staying humble and alert, and pre-planning to reduce the risk of failure, we can avoid total catastrophe and regain control of the situation.

So, work as a team and pull your shipmate aside and tell him or her to slow down if it seems as if they are rushing or look confused. Remind each other how dangerous this job can be, even when we think we are very prepared. Practice improving your skills while remaining humble. Ask questions, be involved in your safety drills and or meetings, and be vocal and suggest different ideas and methods to get the job done safely. In our line of work, when we rush, sometimes our thought process gets out of whack. The bottom line is stay humble and remember we are only human!! Work as a team!! And even if you are the best of the best, double check the forecast, re-check that hatch cover making sure its properly sealed, open up that tide book one more time, take time for that extra trip to the engine room to make sure things are ok and inspect the deck tackle of the tug or barge. There are many more examples of ways to avoid complacency, but just remember to STAY FOCUSED... and STAY HUMBLE!

Our lives depend on it.

## From Los Angeles Harbor...

The Secretary of Homeland Security, Janet Napolitano, was at our LA office and publicly announced the expansion of the "If You See Something, Say Something™" campaign partnership with Los Angeles on our wharf. The Secretary was joined by Mayor Antonio Villaraigosa, LA County Sheriff Baca, Chief of Los Angeles Port Police Ronald Boyd and Los Angeles Police Chief Charlie Beck during the public awareness campaign to help ensure the safety and security of Los Angeles. In the coming months, DHS will continue the campaign nationally to help America's business, communities and citizens remain vigilant and play an active role in keeping the country safe. The Secretary and Mayor also toured the Maritime Law Enforcement Training Center (MLETC) and highlighted the launch of the country's first maritime curriculum specifically designed to train state and local law enforcement personnel. The MLETC shares the building with our Southern California operation.



### **APRIL NEW HIRES**

#### **Harley Marine Services**

Kimberly Cartagena - Administrative Assistant

Derick Lillejord - Accounting Specialist

#### **Olympic Tug & Barge**

Jason Johnston - Deckhand

John Stromberg - AB Deckhand

*Welcome to the Team!*

## Safety Tip of the Month

Keep your guard up and your safety eyes open! Every time the tug moves, no matter how experienced you are or what position your in, this is for every person, every position, every move, every time, every day! Lets eliminate complacency.

Gyrfalcon Crew

Chris Iszler, Ben Latham, Roel Villamore, King Morris, and Paul Hanson

# Howdy from Houston

Thanks to you all for your help and patience with the MGI transition to Harley Marine Gulf. It's really pretty amazing how far we have come since the first of February. So many of the good folks at HMS have given their time to help us, which makes it impossible to thank each individually. Special thanks to the IT Team, HR and QSE folks, Accounting group, as well as the Operations Team who have come to our rescue several times already.



We are very happy to be a part of the Harley Marine family of companies and we would like to use this space every month to introduce you to our operation and team.

Thanks for your hospitality,

Rod Holland  
General Manager  
Harley Marine Gulf

## Whatcha Smokin

Harley Marine Gulf employee, David Arnold, and his cook-off team "Whatcha Smokin" will participate in the Galveston County Triple Crown Cook Off Circuit this year. HMG is proud to Sponsor them and happy to invite any HMS team member visiting the Houston/Galveston area to come try out his cooking. Below please find the cook off schedule for 2011. If you have any questions, please call David Arnold at 281-330-6772.

### The Galveston County Fair and Rodeo

April 8-9  
April 15-16

### Yaga's Wild Game

May 13-14

### Texas City Fun Fest

June 10-11

### Hitchcock Good Old Days

August 12-13



## MAY BIRTHDAYS

### Harley Marine NY

John Walls	5/2
Jack Curtin	5/6
John Heanue	5/27
Lewis Canterbury	5/28

### Harley Marine Services

Gregg Nelsen	5/3
--------------	-----

### Millennium Maritime

Mario Meyers	5/23
--------------	------

### Olympic Tug & Barge

Bart Sappington	5/1
Brian Bamer	5/3
Patrick Harris	5/8
Ron Winterfeld	5/8
Torey Sue	5/9
Chris Swan	5/9
Andrew Pugh	5/17
Wojciech Satlawa	5/19
Kirk Bonnin	5/27
William Fenner	5/29

### Pacific Coast Maritime

King Morris	5/1
-------------	-----

### Public Service Marine

Trent Newlon	5/29
--------------	------

### Pacific Terminal Services

Tracy Wild	5/5
------------	-----

### Starlight Marine Services

Jacob Otenbriet	5/7
Todd Yeilding	5/16
David Pouty	5/23
Jonah Petrick	5/26
Rex Husty	5/30

### Westoil Marine Services

Marvin Munoz	5/2
Carlton Fromhold	5/4
Boris Klarin	5/19
Matthew Drake	5/22
John Skow	5/26

## New Gangway at Pacific Terminal Services Portland Terminal

The new gangway is in place, ready to provide safe crossing from large ships visiting the terminal.



The gangway was constructed by Marine Gangways of LaPorte, Texas. It is a marine style aluminum gangway measuring 24 inches wide by 30 feet long. It was manufactured to meet standard codes including Occupational Safety and Health Act, American Welding Society, American Institute of Steel Construction, American Society for Testing Materials, American National Standards Institute, and International Conference of Building Officials.



A big thank you for identifying the required specifications and shopping go to Jack Wild, Jim Flies, Richard Graham and Tim Kline. Special thanks should go to Northwest Natural Gas, the terminal owner, for providing this fine new piece of equipment.

The new gangway should provide years of safe service to crews visiting the Portland terminal.

Kevin Buffum, General Manager  
Pacific Terminal Services, Inc.

## MAY ANNIVERSARIES

### Harley Marine NY

Steven Pokas - 4 years  
William Richardson - 4 years  
Christopher Tranos - 4 years

### Harley Marine Services

Rod Gullickson - 20 years  
Michelle Moll - 4 years  
Cheryl Domier - 3 years  
Denise Staley - 1 year

### Millennium Maritime

David Cadiz - 20 years  
Bo Jun - 11 years  
Phillip Ruan - 11 years  
Neal Salamunovich - 11 years

### Olympic Tug & Barge

Steve Springman - 21 years  
Chris Starkenburg - 21 years  
Brett Nelson - 14 years  
Rosalio Castro - 9 years  
Byron Peterson - 9 years  
Allen Hall - 8 years  
Eric Chisman - 5 years  
David Ferguson - 4 years  
Bradley Hilton - 4 years  
Paul Thompson - 4 years  
William Eckler - 3 years  
Andrew Martin - 3 years  
Timothy Hayward - 2 years  
Austen Brown - 1 year  
Tyler Holmes - 1 year  
Akiva Kurland - 1 year

### Pacific Coast Maritime

Dennis Pinfeld - 4 years

### Public Service Marine

Nels Gorne - 4 years

### Starlight Marine Services

Ryan Tom - 5 years  
Jacob Laprade - 4 years  
Jason Lorenz - 4 years  
Matthew Barrett - 1 year

### Westoil Marine Services

Salvatore Manzella - 11 years  
Tony Danelo - 10 years  
Thomas Matlock - 6 years  
Joe Wilson - 5 years

## Retirement Planning – First Quarter 2011 Market Commentary

The month of March is all about March Madness. That is, the NCAA basketball tournament and the numerous office pools that go along with it. But, this March, the focus wasn't on basketball, but more on the madness in the Middle East, and the earthquake and subsequent tsunami that decimated the northeast region of Japan.

	Investment Returns	
	March	YTD
DJIA	0.91%	7.07%
S&P 500	0.04%	5.92%
NASDAQ	-0.04%	4.83%
MSCI EAFE	-2.20%	3.45%
MSCI Emerging Markets	5.90%	2.10%
Barclays Aggregate	0.06%	0.42%
Barclays Corp High Yield	0.32%	3.88%

In Libya, as Muammar Gadhafi bombed his own people in an effort to assert and maintain his power, the United States and NATO decided to step in and intervene. Aside from the fighting, another consequence of the turmoil is rising oil prices. Oil began the year at \$91.38 per barrel and has crept up to almost \$108 per barrel as of the end of March. As for Japan, there is some belief that in order to rebuild after the devastation, Japan may need to raise money by selling U.S. Treasuries, as they are the second largest holder of Treasuries behind China.

Moreover, the economy's biggest issue, the job market, continues to move in the right direction. March's employment report indicated a gain of 216,000 jobs, which was ahead of the consensus forecast of 200,000 jobs. Further, the unemployment rate fell to 8.8% as both initial and continuing unemployment claims have steadily decreased, with continuing claims falling for eight straight weeks.

Though the job market data has been somewhat brighter, the U.S. economy's other dark cloud; the housing market, remains quite dim. Existing home sales tumbled 9.6% to its lowest level since 2002, while new home sales dropped 16.9% to an annual rate of 250,000. The median prices for both existing and new homes also fell, which is not good news for homeowners, especially considering 27% of all homeowners are already underwater on their mortgages.

Overall, the month of March was a non-event in terms of the equity and bond markets. The economy was also mixed, as the job market seemed to turn a corner, but the housing market and inflation numbers caused concern in the minds of consumers and investors alike. It became a bit more evident that the U.S. has not completely overcome the economic perils that have spawned from the recent economic recession

## 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

## 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.

## Cooking with the Crew Chris Starkenburg

### “Strawberry Shortcake”

#### Ingredients:

3 cups	All Purpose Flour	3 lbs.	Fresh strawberries, sliced
3/4 cups	Sugar	Optional	Sugar for sweetening
1 1/2 tbsl.	Baking Powder	Optional	Strawberry Syrup
1/2 tsp.	Cream of Tarter		
1/4 tsp.	Kosher Salt	1 1/2 pints	Heavy Whipping Cream
1/2 cup	Butter (frozen for an hour)	1/3 cup	Fine White Sugar
1 tbsp.	Orange Zest, micro grated	2 tsp.	Pure Vanilla Extract
2 tsp	Lemon Zest, micro grated		
3/4 cup	Half and Half or Whole Milk		
1/4 cup	Orange Juice		
2 tsp.	Vanilla Extract		
1/4 cup	Heavy Whipping Cream		
1/4 cup	Decorative Sugar (white)		

#### Directions:

1. Sift the dry ingredients into a large mixing bowl and stir until well blended.
2. Grate the frozen butter into the flour mixture until it resembles course meal.
3. Add the orange and lemon zest to the flour mixture.
4. Add the Half and Half, orange juice and vanilla extract then stir until the mixture starts to stick together.
5. Turn the mixture onto a lightly floured work surface and gently roll the dough to 3/4 of an inch thick.
6. With a 2 1/4 inch biscuit cutter, cut out the shortcakes and place on a baking sheet that has been covered with parchment paper and sprayed with vegetable spray. Be sure to leave an inch around the edges.
7. Brush the shortcakes with 1/4 cup heavy whipping cream and sprinkle generously with the decorative sugar.
8. Place in a preheated 375°F oven for 15-20 minutes.
9. Once they are golden brown, remove from the oven and place them on a cooling rack. Let them rest for 30 minutes before serving.
10. To prepare the strawberries, cut off the tops and rinse.
11. Slice the berries 1/8 inch thick. Cut half of the berries lengthwise and the other half like wheels.
12. You can either add sugar or strawberry syrup to sweeten the berries. To make the berries juicier, you can also smash a few in the palm of your hands.
13. Place the berries in the refrigerator until you are ready to assemble.
14. For the whip cream, place a mixing bowl in the freezer for about 20 minutes then add 1 1/2 pints of heavy whipping cream to the chilled bowl. With an electric mixer, whip the cream until it is stiff, reduce the speed and add 1/3 cup of fine white sugar and 2 teaspoons of vanilla extract. Scrape the bowl with a spatula and finish mixing until everything is blended.
15. Place in a glass bowl and keep in the refrigerator until you are ready to serve.
16. To assemble, slice the shortcake in half, place the bottom of the biscuit in on a serving plate, spoon the berries over top and finish with the fresh whipped cream. You can garnish with a fresh mint sprig.



Serves: 8-10 people

## Harley Marine Services, Inc.

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

[www.HarleyMarine.com](http://www.HarleyMarine.com)

Editor: Stephanie Gullickson  
[sgullickson@harleymarine.com](mailto:sgullickson@harleymarine.com)

## APRIL EMPLOYEE OF THE MONTH

### Starlight Marine Services

#### Grant Hedley, Dispatcher/Operations Coordinator

Starlight Marine Services would like to recognize Grant Hedley as the April Employee of the Month. Grant has been with the company for 9 years in various positions within the Dispatch arena. He is currently the Lead Operations Coordinator for Starlight Marine and has taken on the various challenges without complaint. His display of due diligence and exceptional decision making helps the overall business. Grant's passion to reduce costs and increase profitability is appreciated. Starlight Marine is proud to honor Grant as Employee of the Month.

### Millennium Maritime

#### Marco Vuoso, Dispatcher/Operations Coordinator

Millennium Maritime would like to recognize Marco Vuoso as the April Employee of the Month. Marco has held the position of Lead Operations Coordinator at MMI for 10 years. He continues to help facilitate the daily operations for tugs and barges in Southern California. He makes sure everyone is accounted for and all the equipment is moving safely and responsibly. He looks for all opportunity and possibility to obtain additional work, maximizing utilization of the resources. Millennium Maritime appreciates all he does and recognizes Marco as Employee of the Month.

### Westoil Marine Services

#### Brian Thebodeau, Tankerman

Westoil Marine would like to recognize Brian Thebodeau as the April Employee of the Month. Brian has worked for Westoil Marine Services for the past five years. He started with us a deckhand, and then was promoted to full time Tankerman. Brian consistently helps out with any task that he is given, has a great attitude, and is always ready to help the company with special projects. Brian is currently assisting with the mentoring of new Tankerman candidates that are trying to get signed off as qualified Tankerman. It is a pleasure working with Brian, it is refreshing to see our younger crew members answer the call, and continue to make HMS the premier oil transportation company in the industry. Keep up the good work Brian, your actions do not go unnoticed.

### Olympic Tug & Barge

#### Andrew O'Donnell, Captain

Olympic Tug & Barge would like to recognize Andrew 'Odie' O'Donnell as the April Employee of the Month. Odie has been with Olympic since 1995, starting out as a deckhand in both Portland and Seattle. After some time he shifted roles into the Deck/Engineer position, a post he held on the Lucy Franco for many years. In 2003, Odie earned his Mate's license and immediately began sailing as a Mate on the Lucy Franco. It became perfectly clear that Odie had finally found his calling as he excelled in the deck officers position. After learning many of the different routes and operations that Olympic undertakes, Odie was a natural choice to take the head end of a boat. Since Odie has been operating the Olympic Scout and Lily Blair, and has done an outstanding job not only the past month but in prior months as well. Thank you Odie for all of your efforts!

