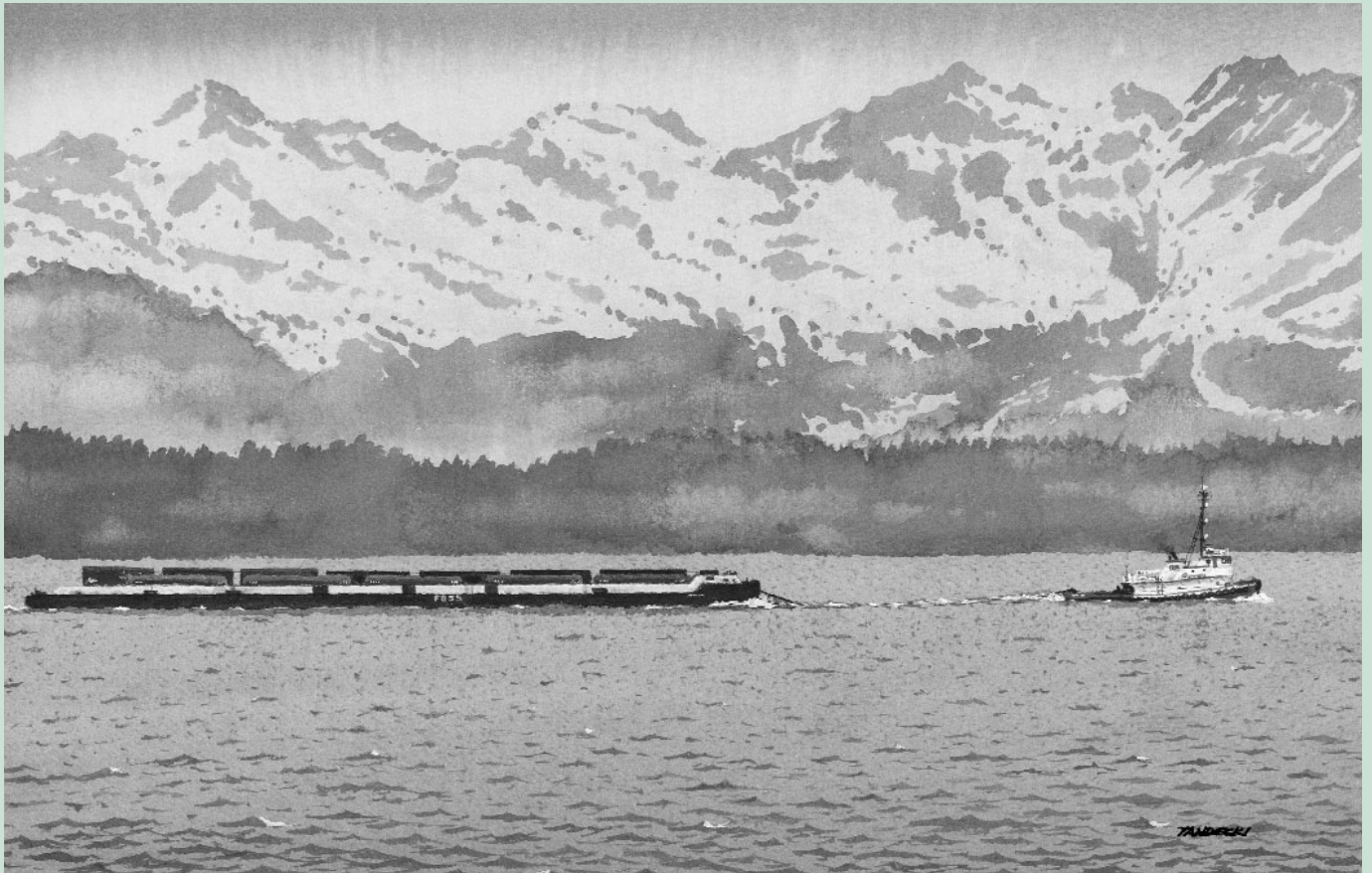


Tow Bitts



A Holiday Greeting Looking Back at the Difficult Challenges and Unique Growth Opportunities of the Past Year

As many of you take a well-deserved break and turn your attention to family loved ones, friends, and our community responsibilities during the holiday season, I would again like to thank you — Foss employees, customers, vendors and maritime friends — for helping us successfully complete a year filled with very difficult challenges and new, unique opportunities.

Challenges

Looking back on 2004, I can say with great pride and sincerity, that because of your outstanding efforts and dedicated support, we have once again maintained Foss' proud, "Always Ready" tradition of service. This past year will be remembered not only for its difficult

challenges, but more importantly, for the employee efforts in response to several difficult situations.



As we began the year, Foss found itself mounting an unprecedented full-scale

response to the spill from one of our

CONTINUED ON PAGE 12

Super Tractors

Foss becomes the first company in the world to combine two propulsion technologies on a single tractor tug. The *Henry Foss* and *Wedell Foss* will rejoin the fleet soon with more power and maneuverability.This Page

Ferry Gets Shafted

As if it were putting a finger into a glove, Foss Shipyard neatly inserted a prefabricated 47-foot elevator shaft into a Washington state ferry in late November. The shaft was shipped to Seattle from Finland.Page 5

All in the Family

Foss is a company full of traditions, and one of those traditions is to have members of the Barrett family and their relatives among company employees.Page 6

Big Trawlers, Big Business

A growing number of trawlers and factory trawlers in the North Pacific's large-vessel fishing fleet are landing at the Foss Terminal and Shipyard in Seattle as an off-season home for moorage and repairs.Page 15

Thea Stars in Movie

A movie about company founder Thea Foss will be part of an exhibit on the pioneering businesswoman at the Tacoma Working Waterfront Museum.Page 18

On the Cover

Robert Tandecki's watercolor of the Justine Foss towing the barge Aquatrain along the Alaska coast is the selection for the 2004 Foss holiday card. Other winners of the company's annual calendar art competition are displayed on pages 10 and 11.



Tow Bitts is published quarterly by Foss Maritime for Foss employees, customers and friends. Changes to the *Tow Bitts* mailing list should be referred to the Marine Personnel office in Seattle, (206) 281-3821/3830. *Tow Bitts* editor is Bruce Sherman, graphic designer is Stacy Mutnick and coordinator of production is Gil Graham, Foss Vice President of Human Resources.

Trailblazing Power Boost for Tugs Achieved in 'VSP-ASD' Marriage

In a pioneering effort, Foss is marrying two radically different propulsion technologies to add substantial horsepower and enhanced maneuverability to two Puget Sound-based tractor tugs.

The *Wedell Foss* and *Henry Foss*, both introduced in 1982 with twin Voith-Schneider cycloidal-propulsion (VSP) units, are receiving horsepower upgrades of about 56 percent with the addition of a single Azimuthal Stern Drive (ASD) unit on each tug.

While one company in Europe operates tugs with triple ASD drives, no one has ever married VSP and ASD technologies on the same tug.

"It's a complicated engineering problem," said Foss Director of Engineering **Don Hogue**, who led the team that designed the upgrades. He said, however, that the design overcomes the challenges, including the effect of the VSPs' wash on the ASD unit.

Pacific Northwest Regional Director **Bruce Reed** said Foss Shipyard will spend three months upgrading each tug. The *Wedell* is due to be finished in January and the *Henry* in March.

"Ships are getting bigger and need more powerful and maneuverable tugs to assist them," said Reed. He noted that one customer in particular, Evergreen Line, plans to increase the size of the containerships serving Tacoma after it relocates to a new terminal in December.

"The pilots want more thrust, and we are responding to that need," Reed said.

He said that in spite of their age, the *Wedell Foss* and *Henry Foss* were well

designed originally, have been well maintained and are in "great shape," making them good candidates for the upgrade.

"We're taking 3,000 horsepower boats and moving them to about 5,000 horsepower for about a third the price of a new boat," Reed added.

Foss owns six other VSP-powered tractor tugs, and Reed said that they also could eventually be candidates for the upgrade.

Captains **Dave Corrie** and **Mike Blake** spent a week in The Netherlands this fall training on a triple ASD tug operated by KOTUG, and Reed predicted they would master the new technology in short order.

"I have absolute confidence that our deck officers will be able to run these boats effectively," he declared. "We have the best operators in the world for this new type of tractor tug."

While the VSP tugs have become known for their maneuverability, Hogue said the revamped vessels will be even more maneuverable.

Both VSP and ASD units are capable of directing thrust in any direction. VSP drives, however, employ vertical, rotating blades, while ASD drives create thrust with a rotating unit made up of a propeller housed in a nozzle. The *Wedell* and *Henry* will have variable-pitch propellers in the ASD units, which are also called "Z-drives."

The tugs' VSP units are mounted side-by-side about a third of the way back from the bow. The ASD units will be about a quarter of the way forward from the stern.

Foss was helped with the engineering aspects of the job by **Chuck Cannon** of Glosten & Associates, and **Bill Hurley**, Glosten president. Glosten also participated in the original design of the tugs.

"It made sense to go back to them, as they are very capable naval architects and hydrodynamicists," Hogue noted.

Hurley said the most challenging part of the project was trying to predict how much thrust the Z-drive would produce while operating in the wash of the VSP units.



Mike Blake Photo

Captains **Dave Corrie**, above, and **Mike Blake** trained in Rotterdam this fall on the triple-ASD tug *Magic*, operated by KOTUG.



Rigger Terry Dawley, left, and Rigger Foreman Jim Mosman maneuver a new ASD drive into position under the stern of the Wedell Foss on December 2 at Foss Shipyard. The drive weighs 39,000 pounds.

“We looked at the momentum of the water being thrust out of the VSP units and evaluated its impact in degrading the performance of the Z-drive,” he said. “Part of the process was to conduct very thorough bollard-pull tests on the existing boats to confirm what we have now, and we used that information to help with the performance prediction.”

Hurley added, “Foss gets a lot of credit for pushing the technology in the towing industry once again.”

Glosten has been working with Foss ever since the naval architecture firm was founded in 1958. The peak effort was supporting the late 1970s and early 1980s equipment buildup when Glosten designed the many barges and tugs of that era for Foss.

In the later decades, Glosten supported Foss in many pioneering projects, including the first VSP tractor tugs, the Cominco lighterage project and helped Foss define the tug escort business with

the development of the *Lindsey and Garth*. Glosten support continued with the design of the *Delta Mariner* and current projects.

Gisli Olafsson is Foss’ Engineering Project Manager on the job and **Greg Schaut** is Project Manager for the shipyard.

Pacific Northwest Senior Port Engineer **John Barrett** also has played a key role in the project

“This is one of the most interesting projects we’ve done in the yard for some time,” said Schaut. “It’s a substantial increase in horsepower, and we’re trying something that’s never been done before.”

Cummins Northwest is providing the engines for the project and Schottel, a German company, is supplying the ASD units. As Foss prepared for the project, Olafsson and Barrett visited the Cummins factory in England where the engines are being built.

“The technical partnership between the Foss engineering staff, their shipyard, our technical people and Schottel has been the best I’ve been associated with in 30 years,” said **John Walls**, Cummins Northwest high-horsepower marine manager.

“The concept is exciting,” he added, “and the attention to detail has been pretty flawless.”

The Foss purchasing group also was crucial to the project.

“Everyone involved in the project has proven to be world-class in the sharing of information, planning and keeping the team up to date as the project unfolded,” said Material Control Supervisor **Clark Smith**. “Because of this, the purchasing segment of the project progressed quite smoothly.”

Guiding Principle

Foss’ ongoing success is dependent upon our ability to anticipate business, industry and customer needs, and our capabilities and commitment to be the first to respond.

— From the Foss
“Looking to the Future”
Guiding Principle

First Move in Decades for Storied Foss Barge; Ocean Tow Takes Old Relic to S.F. Bay Area

The surplus and storied U.S. Army barge that has housed Foss' Long Beach offices since shortly after World War II was moved north to San Francisco Bay in September to replace trailers that have been the company's base there for about seven years.

The tug *Richard M.* departed from Long Beach on September 23 for the four-day northward trip with the aging concrete vessel, which Foss predecessor company PacTow purchased at a surplus sale in Guam in the late 1940s.

"We were sorry to see her go, but she had to be moved, and there was a need in San Francisco," said Southern California Marine Operations Manager **Wendell Koi**.

The port wanted the barge and Foss' tug moorage moved from their longtime home on the east side of the Long Beach Channel to clear the way for a waterway improvement project.

The channel is being widened and deepened, and the landmark Gerald Desmond Bridge is being replaced, to accommodate large new

containerships now coming into service.

Foss administrative and dispatch offices are now in shoreside facilities on the upland portion of the Long Beach Channel site, which is being retained because it will continue to be used for handling ramp barges.

Tug moorage has been moved off the channel to nearby Berth 49, where Foss also has warehouse space for storage and where engineering and purchasing departments also have been relocated.

Koi said crews spent about two weeks prepping the barge for the trip to San Francisco Bay, securing it for sea travel by making it as water-tight as possible.

Crewmembers of the *Richard M.* during the tow north were Captain **Don Cloes**, Mate **Kevin Freese**, Engineer



Barge 1, as it appeared while still in Army service in the 1940s.

Lawrence Thomas and Deckhands **Paul Parisi** and **Todd Rausch**.

San Francisco Bay Area Marine Operations Manager **Ern Russell** said the barge will be ready for occupancy in Richmond by the first of the year. Crews are doing some remodeling and painting, hooking up phone lines and other utilities and otherwise getting it ready.

"It made good sense to bring it up here," he said.

The 300-foot barge was one of a number of concrete vessels built by the Army, which stopped using the material because it proved too heavy and cumbersome.

While in Army service, the barge served as a floating support facility for fleet operations. It included a gun shop, binocular shop, welding shop, a small brig and living quarters that were remodeled as offices for Foss.

The barge has always been known for its dry interior, free of moisture because concrete never stops curing and becomes more watertight as time goes by.

Retired PacTow President **John Turner** once said:

"You can go into the bilge and blow in it and get dust on your face."



The surplus barge that for more than 50 years has housed offices for Foss and its predecessor company in Long Beach is towed out of the Southern California port toward San Francisco Bay, its new home.

Shipyard Cuts through Five Decks of Ferry, Installs Elevator for Access by Handicapped

Foss Shipyard on November 1 began a 14-week job on the Washington state super-class ferry *Kaleetan*, including installation of a 47-foot-high elevator and shaft that were prefabricated in Finland.

Manager of Estimating and Contract Administration **Van Vorwerk** said about two dozen craftsmen were assigned to the job, won by Foss in a competitive bidding contest with four other shipyards.

In addition to the elevator, which will meet Americans with Disabilities Act requirements, Foss is installing three new generators, a new main electrical switchboard, a new alarm and monitoring system, and a security system that includes cameras, motion sensors and a card-key system to protect secured areas, among numerous other jobs.

The elevator was purchased by Washington State Ferries, manufactured by MacGregor Group in Finland and stored in the ferry system's South Seattle warehouse while Foss cut a hole through five of the ferry's decks and removed obstacles to accommodate it.

The shaft, installed in one piece, is 47 feet long, 8 by 8 feet square, and weighs 33,000 pounds. The derrick crane *Foss 300* lifted it over the ferry and lowered it into place.

A MacGregor representative traveled to Seattle to oversee installation of the shaft, and will make another visit when Foss finishes assembly of the elevator tracks, car and other components, which the manufacturer shipped as a "kit."

Foss cut 4-by-12 foot holes in the ferry's car deck to install the new generators. A somewhat smaller hole will be required to install the switchboard, which will go in the engineer's operating station amidships. The panel



The steam derrick Foss 300 lowers a 47-foot-long, 33,000-pound elevator shaft into the Washington state ferry Kaleetan.

includes large breakers that control the flow of current to the various systems on the ship.

While the *Kaleetan* is in the yard, Foss also will perform a number of other jobs, including a spot touchup of the non-skid surface on the upper weather decks and a touchup of the interior car decks. Painting the engine room bilges is also part of the contract.

Ken Rau, who retired last year and was succeeded by Vorwerk, has been reactivated to oversee the electrical work. Estimator/Project Manger **Dave Palmer** is supervising the elevator installation and Ship Repair Superintendent **Danny Gipson** is in charge of the remaining tasks.

A similar job is expected to begin on a sistership, the *Yakima*, early next spring. That work also will be awarded based on competitive bidding.

The "Super Class" of Washington State Ferries includes four boats 382 feet long, 73 feet wide and capable of carrying 2,500 passengers and 144 cars.



Rigger Foreman Jim Mosman radios instructions to Foss 300 operator John Tarabochia as the elevator shaft descends the last few feet into the ferry Kaleetan.

Foss is 'All in the Family' for the Barrett Clan, Counting Three Generations, In-Laws, Cousins

It's been said, tongue in cheek, that so many Barrett family members and relatives are current or retired Foss employees, the company has to shut down for the funeral every time one of them dies.

In the immediate family, there's retired Captain **John Barrett**, his son and current Pacific Northwest Port Engineer **John Barrett, Jr.**, and grandson, Red Dog Barge Engineer **Travis Barrett**.

Then there are uncles, cousins and others, for a total of six additional Foss people. Others have pursued seagoing careers in the U.S. Coast Guard and Navy. And the father of Travis' girlfriend **Kellie Wood**, is a former crab fisherman who works for Washington State Ferries.

"It's a weird family thing," says Travis. "It's like DNA — you can't get away from it."

The senior John Barrett, now 72, retired in 1996 after a 27-year career with the company. He joined Foss as an ordinary seaman after retiring from the Coast Guard in 1969 and worked his way up the ladder to become an ocean captain in 1984.

He was a mate on the *Drew Foss* in 1977 when it towed a dredge up the St. Lawrence Seaway to Bay City, Michigan, and became the first Foss tug ever to enter the Great Lakes.

Among his most memorable years with the company were his last few before retirement, towing a grain barge from Portland to Honolulu.



Photographed recently at Foss headquarters in Seattle were, from left, **Travis Barrett**, Captain **John Barrett** and **John Barrett, Jr.**

"It's a weird family thing. It's like DNA — you can't get away from it."
— **Travis Barrett**

"It was 14 days of fishing on the way, because we couldn't go very fast," he recalls. And summing up his years with the company, he said, "After I started working at Foss, I really enjoyed it, and it's not very often you can work at something you enjoy."

Young John Barrett, who just passed his 30th year with the company, started out as an oiler in 1974.

"I was after them for a job for couple of years, and I just happened to be in the right place at the right time when a guy quit on the dock," he says. "I had my sea bag together in about 15 minutes."

He worked on ocean boats for most of his career, spending a couple of years as Ocean Port Engineer.

"I've always been mechanically inclined," Barrett notes. "I didn't have an ambition to sit in the wheelhouse for a navigational-type watch. With the

engineering, you're always fixing things, taking things apart and moving around."

As PNW Port Engineer, a job he has held since 1997, Barrett is heavily involved in managing the addition of a third propulsion unit to two Puget Sound-based tractor tugs. (See article, Page 2)

Travis Barrett worked as a diesel mechanic for a couple of companies before joining the Red Dog team in 2002. The recently completed season was his third overseeing maintenance of the barges that lighter ore to bulk carriers in Northwestern Alaska.

Other family members connected with the company include John senior's brother-in-law, retired Captain **Lyle Akerlund** and his son current Captain **Lyle "Speedy" Akerlund, Jr.** Akerlund senior's wife **Olga** was an ocean cook, and their daughter is married to current Captain **Bill Jacobsen**, whose brother **Pete** is a former Foss mate, and whose late brother **Carl** was once a Foss engineer.

Foss Meets Goals in 15th Season Lightering Ore at Red Dog Mine in Northwest Alaska

Safety and excellent production in decent weather marked Foss' 15th season lightering ore at the Red Dog Mine in the Alaskan Arctic.

The company successfully completed the annual effort in mid October, using four tugs and the specialized barges *Noatak* and *Kivalina* to lighter 1.36 million tons of ore into 24 ships.

"We didn't break any records this year, but we could have with more ore or more ships," said Foss Vice President for Marine Transportation and Petroleum **Don McElroy**. "Our crews did what they always do up there when they have decent weather — move a lot of ore!"

He noted that when the weather is good, as it was most of this season, the tug and barge crews work "extremely well" together. In one 24-hour period this year, they delivered a little over 30,000 tons, or five plus bargeloads, to ships waiting at anchor.

"That's an extraordinary accomplishment," McElroy declared.

He also credited the tug and barge crews with responding effectively to help mitigate an on-land fuel spill at the port, putting their hazardous materials training to work to assist personnel



The Stacey Foss, near the Red Dog Mine Port in Alaskan Arctic

from Teck Cominco, which operates the mine and port.

"They responded in true Foss fashion of always being ready," McElroy said, noting that the lightering operation was suspended at the time as a result of weather. "They knew just what to do."

Crew members this year were:

- Shoreside. Project Manager **Bob Fellows**, Port Captains **Paul Wooden** and **Jim VanWormer** and Dispatcher **Shawn Smith**.

- Barge Crews. **Neftali Alas**, **Thomas Barr**, **Travis Barrett**, **Dave Betz**, **Julian Bomer**, **Don Daigle**, **Wynn Davis**, **Ken Defrancesco**, **Roger Fallon**, **Ed Goebel**, **John Hagey**, **Chad Imhoff** and **Nat Little**.

Also, **Joey King**, **Torin McIntyre**, **Mike Miller**, **Dennis O'Reilly**, **Lowell**

Ramoth, **Bob Rowan**, **John Routh**, **Ricky Sockpick**, **Keith Spearman**, **Stan Tidyman**, **Josh Swan**, **Chris Tarte**, **Patrick Thornton** and **Chad Yates**.

- Tug Captains. Rover Captain **Jack Finney** and Captains **Bill Archer**, **Jeff Crooks**, **Doug Engdahl**, **Bob Farrell**, **Lars Hadland**, **Gary May**, **Stan Stromme** and **Todd Wilson**.

- Mates. Rover Mate **Jay Justus** and Mates **Mark Bechtel**, **Dave Black**, **Nathon Jansma**, **Greg Johnson**, **Pat Kern**, **Mark McKinley**, **Joe Noverr** and **Andy Schwartz**.

- Able-Bodied Seamen. **Rob Alexander**, **Cole Brodie**, **David Floyd**, **Dan Garrett**, **John Gradt**, **Jason Hudkins**, **Marcel Ion**, **Dan McGrath**, **Glen McVicker**, **Nathan Nelson**, **Mark Prater**, **Jeremy Ritchie**, **Jeremiah Rozell**, and **Andrew Warfield**.

- Cooks. **Cliff Acre**, **Doug Bender**, **Jason Espisito**, **Taft Lawson**, **Hugo Padilla**, **Greg Rankin** and **Ron Wolf**.

- Engineers. **Dave Atkins**, **Russ Barker**, **Dan Crosswhite**, **Mike Denton**, **Jeffrey Durette**, **Leo Filippi**, **Larry Hickman**, **Dan Krolow**, **Kelly Madsen** and **Jim Stach**.

- Ordinary Seamen. **Steve Creech**, **Mike Helt** and **Steve Winter**.

Megaship Maiden Voyage

The MSC Texas, a cargo ship behemoth nearly 1,100 feet long, made its first call at the Port of Long Beach October 12, escorted by the Brynn Foss, left, the Pacific Escort, right, and the Marshall Foss, background. The Texas is among the first in a new generation of container-ships capable of carrying over 8,000 20-foot equivalent units. It is operated in the Asia-West Coast trade by Mediterranean Shipping Company, based in Switzerland.



Barge Modifications Open Up New Business Opportunities For Foss in Southern California

Extensive modifications to the Long Beach-based tankbarge *San Pedro* will help Foss meet the requirements of its largest customer, ChevronTexaco, and serve a growing need of other tanker owners as well.

The improvements will enable the barge to process vapors displaced from ships' tanks when they load cargo piped from ChevronTexaco's El Segundo Refinery to its offshore marine terminal. While

ChevronTexaco's needs are the driving force in the project, Foss also will be free to perform the service for others.

"The ultimate benefit for Foss is that we can market this service for other loading events," said Southern California Marine Operations Manager **Wendell Koi**. "As the air district becomes more aggressive in their regulatory policies, it is our intent to use the

barge as a tool to help our customers export products."

The *San Pedro*, like two other Foss tankbarges in Long Beach, previously was equipped only to handle vapors displaced from its own tanks by bunker fuel it loads and delivers to ships in the harbor. The barges load bunker fuel, burned by ship engines, at a rate of about 3,250 barrels an hour.

Tankers, however, take on cargo at a rate 8,000 to 15,000 barrels an hour. To handle the increased flow rate, the *San Pedro's* six-inch vapor piping system was transformed into a 10-inch system.

Also, the barge's mooring system was beefed up to safely withstand swells that can exceed eight feet at ChevronTexaco's offshore terminal, known as El Segundo Moorings. Each corner of the barge now has a

hydraulic winch to reel in plasma mooring lines for security alongside the tankers.

For now, the *San Pedro* will service six to eight tankers a year carrying diesel fuel to a ChevronTexaco customer in South America. Each load will be 300,000 to 400,000 barrels.

Foss maintenance personnel in Long Beach performed much of the three-week refitting job, and subcontractors did the rest. Engineering Manager **Steve Caldwell** supervised the job.

Engineering and Project Manager **Warren Snider** provided key assistance from Seattle, as did **Lori Biles** and **Clark Smith** of the Purchasing Department.

Doug Taylor and **Darrin Henderson** of ChevronTexaco Shipping managed their company's involvement, and others including operations personnel from El Segundo Moorings assisted as necessary.

Fuel and Marine Marketing (FAMM), ChevronTexaco's marine fuels division, also was a stakeholder in the project.

"The ultimate benefit for Foss is that we can market this service for other loading events."
— **Wendell Koi**



The tankbarge *San Pedro* is now equipped to process vapors displaced when tankers load cargo.

Woman from Catalina Island Maritime Family Is Promoted to Tankbarge 'Person in Charge'

The first woman tankerman for Foss in Southern California has been promoted to "Person in Charge (PIC)," and is now supervising tankbarge loading and bunkering operations for containerships and tankers in the Los Angeles-Long Beach Harbor.

Piper Cameron, 24, hired on as a tankerman assistant in June of 2001, looking for a part-time job to help finance her education. She served her first shift as a PIC on October 22.

A member of a maritime family, she grew up on Catalina Island off the Southern California coast. Both her grandfather and father made their careers on the water. Her dad formerly skippered tugs hauling freight between the mainland and the island and now works for the Catalina Island Harbor Department.

"As a kid, I spent lots of time down here in the harbor, tagging along with my dad or sitting and watching the tugboats at work and listening to his stories," said Cameron. When she was a teenager, she worked at the local fuel dock, as a tug deckhand on and off, and seasonally on passenger boats

linking Catalina Island and the mainland.

"I love working on and around the water," said Cameron, who in addition to her PIC endorsement holds an able-bodied seaman's ticket and a 100-ton master's license. She also has been through STCW training and is a certified emergency medical technician.

Cameron plans to continue to upgrade her licenses and says, "I'd love to be a tug captain someday." She also plans to go back to school to study international trade and commerce.

In the current era of growing environmental awareness and regulation, Cameron is well aware of the need for someone in her position to pay close attention to every detail when moving oil.

"Being a PIC certainly means a lot of added responsibility," she said. "With environmental standards as strict as they are today, one can never be too careful. I'll be honest. When I first



Piper Cameron

started at Foss, I really had no idea what a bunker barge was, much less that someday I would be in charge of one. It's pretty amazing."

As for being a woman in a job traditionally held by men, Cameron says she's always been drawn to non-traditional jobs, and notes, "for the most part, the guys have been very good to me. Some are wonderful teachers and they've given me an education that I never could have in a classroom."

Southern California Tankbarge Manager **Ron Costin** has nothing but positive comments about his newest Person in Charge.

"Through the years I have had the privilege of helping and watching numerous people develop into accomplished mariners, and Piper is the first female," he declared.

At least two women previously have worked as tankermen for Foss, both in the Pacific Northwest.

Lightship Renovations Get a Push from Foss

A Foss tug moved the museum lightship *Columbia* out of its berth in Astoria, Oregon, on October 12, helping the vessel begin a 100-mile upriver journey to a shipyard for much-needed maintenance work.

The Astoria-based Foss tug *Tiger* completed the "pro-bono" job, said Columbia Snake River area Port Captain **Mike Walker**. The tug was skippered by Captain **Dave Schmelzer**, with **Billy Johnson** and **B.J. Lyngstad** as Deckhands.

The lightship is a centerpiece of the Columbia River Maritime Museum. Operations Manager **Hampton Scudder** said the *Tiger* moved the

128-foot ship to the outside of the museum pier, where it was picked up by another company's tug for the tow to the Sundial Marine Shipyard in Troutdale, near Portland.

The ship was to spend a month in the yard, getting a top-to-bottom paint job, new non-skid deck coatings and repairs to rusted ventilator openings and hatches.

The *Columbia* served as a light ship off the Columbia River Bar from 1951 until 1979, when it was replaced by a lighted horn buoy.



The Foss tug Tiger assists the lightship Columbia at the Columbia River Maritime Museum in Astoria, Oregon.

Robert Tandecki Painting of Wintery Alaska Scene Wins the Annual Foss Maritime Art Competition

A painting by artist **Robert Tandecki**, depicting the *Justine Foss* towing a rail-car barge along the moun-

tain-studded Alaskan coast, was the top winner in this season's annual Foss calendar art and holiday card competition.

Tandecki, who lives in Sumner, Washington, is a regular in the competition, with recent winners in the 2002



January

Gene Erickson, *Garth Foss on Escort Duty*



April

Pien Ellis, *Finished Back Loading*



February

Giorgina Candelaria Wells, *Harnessing the Midnight Sun*



May

Nancy Peach-Turner, *The Amazing Voyage*



March

James R. Williamson, *Carl Vinson Returns to Bremerton*



June

Malcolm C. Armstrong, *Towing North to Red Dog*

and 2003 editions of the calendar and another holiday card selection in 2001.

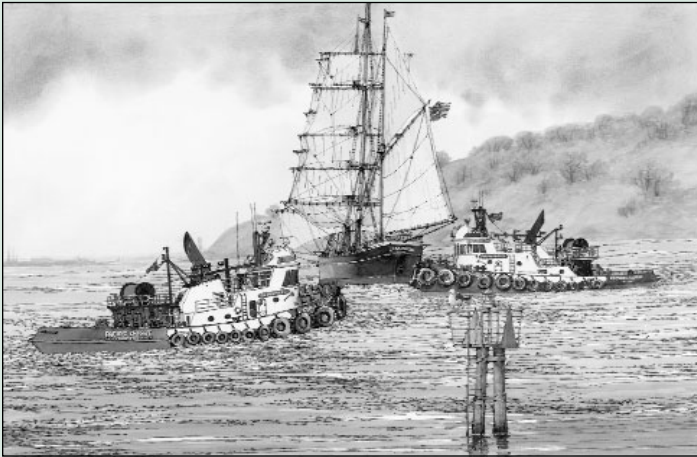
He has spent most of his life in the Puget Sound area, and his favorite subjects are the rural and marine environments of the Northwest and Alaska. His work also has been exhibited nationally, including at the Mystic

Maritime Museum in Connecticut and at the Mariner's Museum in Newport News, Virginia.

This year's holiday card watercolor, entitled *Northern Tow*, is a wintery scene with snow-covered mountains in the background. The *Justine Foss* and the rail-car barge *Aquatrain* are in

regular service between Prince Rupert, British Columbia, and Whittier, Alaska.

Tandecki was one of 35 entrants in this year's competition. One was from Canada, three from California, and the rest were from Washington. Winners receive a \$500 reproduction fee and retain the right to sell their paintings.



July Richard Bagguley, *Pacific Knight, Pacific Queen, Star of India*



October Julie Creighton, *Guemes Channel Gathering*



August Michael L. Grygiel, *Sunrise at the Foss Yard*



November Austin Dwyer, *Harbor Mist*



September J. H. (John) Christensen, *Freeway Crossing*



December Marshall Johnson, *North to Cherry Point*

Lines

CONTINUED FROM PAGE 1

barges at Point Wells on Puget Sound. The initial effort, very capably led by **Bruce Reed** and widely commended by regulators, involved more than 200 people, eight skimming vessels, 13 support boats and three helicopters.

We managed this clean up effort for nearly five months to its completion, while taking immediate and full responsibility for the spill. In doing so, I believe we enhanced our reputation as an extremely responsive and capable team, and good corporate citizens doing everything in our power to make this right for all those affected by our actions.

Foss successfully faced an internal challenge in March, meeting the needs to further develop our shoreside management and marine personnel team. We created opportunities for our people by implementing the initial phase of our succession plan — moving a number of people to our parent company Marine Resources Group (MRG), making numerous promotions ashore and afloat, prioritizing personnel support for our maritime activities and streamlining the Foss organization in the process. An additional step remains — the search for my successor at Foss. As you know, I will become the Chief Operating

Officer at MRG when the new President of Foss is announced.

Opportunities

As for the unique opportunities and highlights, 2004 was a very busy year.

In the Pacific Northwest, we were successful in winning the contract for the *Barbara Foss* to continue to serve in Neah Bay as the Washington State Rescue Tug. Working with the Seattle shipyard, the Northwest group has also undertaken a significant and innovative program to “muscle up” the performance capabilities for its tractor tug fleet to meet our customer’s growing needs. (See Article, Page 2.)

The shipyard started a new-build program at the Rainier Oregon facility, delivering a 4,750 horsepower ASD tractor tug to Foss’ sister company Hawaiian Tug & Barge for Honolulu Harbor and initiating the construction of two more 5,000 horsepower ASD tractor tugs. In Seattle, the shipyard implemented a “Behavioral Safety Program” that has delivered impressive results. It will be the template for similar initiatives for all our marine employees. The continual improvement and relentless pursuit of safety, quality and performance remains the top priority of Foss.

On the Columbia/Snake river system, our personnel started the year battling severe snow and ice storms that shut down most port and waterway activities

for several days. Later, they successfully handled a major increase in grain and wood product shipments arising from expanding demand in Asia.

The Bay Area added several new barges to its operations. A second new double hull tank barge built at Zidell Marine, was placed in service in April. In addition, a sand transportation barge was added to handle the division’s growing sand lighterage business. The Bay Area team has also been very busy supporting the construction efforts to build the new east span of the San Francisco-Oakland Bay Bridge.

Our Southern California operation moved to a new location (See Article, Page 4). It has also just completed major modifications to the tank barge *San Pedro* that will enable it to provide ChevronTexaco Shipping with a vapor recovery capability at its El Segundo moorings (See Article, Page 8).

Last, but definitely NOT least, Foss’ Marine Transportation group had another great year at the Teck Cominco/Red Dog Mine (See Article, Page 7) while performing several complicated beach landing projects in the Alaskan Arctic and the Hawaiian Islands. In addition, its large ship/heavy towage business continued to develop with several unusual tows early in the year.

Major Project Award

I am also very pleased to announce the recent award of the Exxon ENL Sakhalin Island Sea Lift contract for Foss. This was a very important and unique growth goal of ours in 2004. The bidding team, led by **Gary Faber** and **Paul Gallagher**, with the help of numerous other Foss individuals, delivered on securing this major project for us. Now it is time to complete the project’s planning and to safely perform the delivery of the oil production modules in 2005 and 2006. Congratulations!

Obviously, we are looking at another extremely busy and up-beat year in 2005, in an industry where change is the rule and competition is always tough.

Have a Safe, Healthy and Prosperous 2005.



Foss Firefighters

Tacoma Fire Chief **Eileen Lewis** recently issued a commendation to the crew of the *Benjamin Foss* for their effort in helping to extinguish a blaze on the Hylebos Waterway drawbridge early in the morning of August 21. The Fire Department asked Foss for assistance after the blaze started as a result of an



Mike Stark Photo

electrical malfunction in the bridge mechanism. The *Benjamin* was on the scene for about 40 minutes. Shown above are Deckhand/Engineer **Edgard Melendez**, left, and Mate **Ed Surber**. Other crewmembers that morning were Chief Engineer **Brad Laasko**, Cook/Deckhand **Rocky Rauch** and Captain **Blaine Hall**.

Managers Get Marching Orders on SQE Goals As Foss Continues to Enhance Safety Culture

Foss President and Chief Executive Officer **Steve Scalzo** recently outlined management responsibilities for implementation of the company's safety, quality and environmental (SQE) goals,

while pointing out that the goals can be reached only if all employees strive for them.

"Leaders at all levels of Foss are responsible for leading and involving

our employees in meeting our SQE goals," Scalzo told the company executive team recently.

"And in a world and industry that is full of risks," he added, "our SQE goals can only be realized if every Foss employee remembers the importance of safety, accepts their personal responsibility and knows what to do."

The management marching orders are part of Foss' continuing effort to enhance its safety culture. Everyone at the company is being enlisted for the effort.

Scalzo said managers should start every meeting with a safety message, demonstrate correct SQE behaviors and clearly define SQE roles and responsibilities for employees. He said managers also must ensure that employees have the right resources to reach goals, and performance should be continuously measured and improved.

Among other things, according to Scalzo, vendors and others should be included in SQE communications, and SQE results will be included in managers' annual performance assessments.

He also said managers should "put into place and promote the use of hazard identification in all operational areas to assess, control and manage risks."

Scalzo emphasized that in the Foss safety culture, all employees will have access to the highest levels of management when it comes to safety concerns.

In other safety news, an anonymous entry was named winner of a writing competition to create a phrase that embodies the defining elements of the Foss safety effort. The winning phrase, "Always Ready, Always Safe," was placed on the large safety sign on the north side of the shipyard and eventually will be displayed company-wide.

"Just as we are continuing to build safety into the culture of the company, we also are building it into our traditional 'Always Ready' principle," said Safety and Quality Assurance Director **Mike Sutton**. "It's another way of showing how serious we are about this safety initiative."



Humanitarian Cargo

Foss loaded 1.24 million empty grain bags onto the Barge BMC 30 in mid-October in the terminal area at company headquarters. The circular, woven polypropylene sacks were part of a humanitarian shipment headed for the African country of Eritrea. The barge was towed to Elliott Bay, and the bags were transloaded to a bulk carrier that had just taken on a load of grain at the Port of Seattle's Pier 86. Above, Forklift Driver **Bill Fiamengo** is in the foreground as crane operator as **Bill Levandusky** hoists a load onto the barge. Foss also unloaded the bags from eight trucks, bagged and palletized them. Other employees on the project were Foreman **Daniel Amundson**, Forklift Driver **Norm Vigoren**, Riggers **Terry Dawley** and **Jim Mosman** and Terminal Manager **Steve Spencer**. **Matt Brown**, Pacific Northwest Sales Manager for Harbor Services and Regional Towing, worked with North American Shipping Agencies (NASA) to arrange the job. Commenting on Foss' performance, NASA's **Chris Cummins** said, "It was very smooth and totally professional — just what we were looking for."

High-Speed Repairs for Big Barge at Rainier After Crunching Cargo Job in Long Beach

The Foss Rainier Shipyard, working under extreme time constraints, successfully replaced more than 26 tons of steel this fall in the barge *Z Big 1*, whose deck was rutted and dented under the weight of two giant container cranes transferred at the Port of Long Beach.

Tony Silva, Superintendent at the Oregon yard, said crews worked on the barge 10 hours-a-day, six days-a-week for four weeks to finish the job on October 19 and return the barge to owner Zidell Marine in Portland.

Fourteen Rainier employees worked on the job, supervised by yard foreman **Troy Schreiner**. Four additional workers were obtained temporarily from Vanport Marine in Portland.

Silva said 19 locations on the deck averaging eight by 20 feet were repaired with half-inch plates. Three-quarter-inch plates were used to repair three damaged sections of the stern transom.

Also, the entire interior of the 24-foot deep barge was staged with scaffolding to enable repairs to damaged structural beams. The *Z Big 1* is 400 feet long and 100 feet wide.

Silva credited Schreiner with doing “an excellent job running the project



Workers at the Foss Rainier Shipyard installed 19 new deck plates on the *Z Big 1*.

and ultimately keeping the completion date on schedule.”

The two cranes, 1,650 tons each, were manufactured in China by the Zenhua Port Machinery Company and

carried to Long Beach on a specialized, heavy-lift ship. Foss used the *Z Big 1* to transport them across the harbor in separate tows August 14 and 22.



Model Master

Victor Lanza displayed his new model of the Henry Foss at Tacoma’s Working Waterfront Maritime Museum during the city’s annual Maritime Fest in September. The retired heavy-equipment operator from Olympia has been building models as a hobby for about 30 years and says he spent about 1,500 hours and the same number of dollars on his Henry. The tug has working miniature cycloidal propulsion units — just like the real tug’s — which Lanza bought for \$175 apiece from a German company. The Henry and three other Foss tugs Lanza has built are radio-controlled and tested from his home on Lake Saint Clair. He also built a steam-belching, boiler-smoking model of the Foss 300 floating crane.

Mike Stork Photo

Trawlers Keep up to 75 Craftsmen Working; Shipyard is Home when Fishing Season Ends

Large vessels that harvest groundfish in Alaskan waters have become a steady and important staple of business for Foss Shipyard in Seattle.

The trawlers and factory trawlers, which range from about 130 feet to 230 feet long, visit the yard for maintenance and moor at the adjacent Foss Terminal during their off-season, generally from October through the first week of January.

Shipyard Sales Manager **Dave Herring** said the vessels, many of them repeat customers, keep 50 to 75 craftsmen working and account for 30 to 40 percent of the yard's commercial business (which excludes work for Foss and its sister companies).

Four of the vessels were to be dry-docked during the now-concluding off-season, and major dockside repairs were to be performed on two more, Herring said.

"They like the efficiency of the yard, the high level of skills of our craftsmen, and our pricing," Herring said. "We do high-quality work and we're competitive."

Work on the vessels ranges from hull sandblasting and painting, to machinery work, including shaft, prop and engine repairs, piping repairs and interior work by shipwrights.

Key assets for Foss include Drydock No. 2, which is 220 feet long and a perfect match for the trawl fleet. Also, the inside machine shop provides key services for the trawlers.

Vessels in the yard this season for substantial jobs include:

- *Arica*. Factory trawler in for pier-side repairs, including replacing steel in the chain locker and the forepeak, modifications to the aft gantry deck to enable installation of third net reel, 12 feet wide and 10 feet in diameter. Entire fish processing area prepped and painted.

- *Seafisher*. Factory trawler in for pier-side repairs, including anchor windlass overhaul, cargo winch inspection, rudder repair and other miscellaneous repairs to machinery, piping and steel.

- *Rebecca Irene*. Factory trawler in for drydocking, sandblasting and



Replacing steel in the bow was among jobs performed this fall on the trawler Arica at Foss Shipyard.

- painting from keel to masts, plus removal and rebuilding of kort nozzle, tailshaft and controllable-pitch propeller.

- *Vaerdal*. Trawler in for drydocking and painting from keel to cap rail.

- *Enterprise*. Factory trawler in for drydocking, painting from keel to mast and removal and inspection of tail shaft and two intermediate shafts.

- *Defender*. Factory trawler in for drydocking and painting from keel to mast.

Shave and Haircut at Yard for Lummi Ferry; Vessel is Island's Chief Link with Mainland

Foss Shipyard in September performed paint work and mechanical repairs to the 94-foot ferry *Whatcom Chief*, the principal transportation link between the mainland and Lummi Island, Washington.

The ferry carries up to 18 vehicles and 100 passengers on the five-minute ride between the island and a terminal near Bellingham. During the *Whatcom Chief's* 11-day layup at Foss, September 13-24, vehicles were

stranded on the island, but a passenger-only boat filled in to carry people on the run.

Ship Repair Superintendent **Lou Schaefer**, who managed the project for Foss, said the yard painted the ferry from the keel to the top of the main deck bulwarks, using anti-fouling paint on the bottom.

Mechanical work included replacing the reduction gear on one of the ferry's main engines, performing hydraulic steering modifications, tuning up the generators, and checking bearings on the rudders and tail shafts. Foss also prepped and painted ballast tank interiors.

While the boat was in the yard, its crew painted the pilothouse and the main deck. The ferry is operated by the Whatcom County Department of Public Works.



*At left, the Whatcom Chief, shown in drydock at Foss, is 94 feet long and can carry 18 vehicles. Below, Mate **Mark Richardson** paints above the pilothouse of the Whatcom Chief.*





Mike Stark Photo

Emma Meets Emma

*Emma Drew Johnson, great, great granddaughter of Thea and Andrew Foss, had a chance to visit her namesake for the first time in Tacoma on November 13. Emma was given a tour of the ocean-going tug and then poured a symbolic bottle of wine over the transom, wishing the vessel and crew many happy miles and good luck. Behind her, from left, are Cook **Alphonso Davis**, Captain **Wayne Sharp**, Deckhand **Jim Kearney**, Chief Engineer **Chris Mack** and Mate **Carlos Valadez**. Emma, for whom the tug was named in 2003, is the daughter of **Leslie Foss** and **Ken Johnson**. She is 12 and is in the seventh grade at Immaculate Conception School in Mount Vernon, Washington. SaltChuk Resources, which acquired Foss Maritime in 1987, has maintained the tradition of naming vessels after members of the founding family.*



Mighty Marshall

*Foss Southern California Regional Director **Dave Selga**, left, accepts the trophies presented for the victory of the Marshall Foss in the annual tug race benefitting the International Seafarers Center in Long Beach September 23. Presenting the trophies was **Reid Crispino** of the Marine Exchange of Southern California. The Marshall, which finished on top of a field of five tugs, is 98 feet long, 40 feet in beam and packs 6,250 horsepower. On the crew were Captain **Mark Walsh**, Engineer **Merle Norquist** and Able-Bodied Seaman **George Martinez**.*

Film on Thea Foss to be Focus of Exhibit at The Working Waterfront Museum in Tacoma

An exhibit on the life of **Thea Foss**, including a documentary film about the Foss Maritime founder, will open next year at Tacoma's Working Waterfront Maritime Museum.

Tom Cashman, Executive Director, said the museum hopes to have the exhibit in place for the Tall Ships Tacoma Festival 2005, June 30 to July 4.

"This will be a permanent cornerstone exhibit for this museum," explains Cashman. "We want to tell the dramatic story of how this courageous immigrant woman and her family transformed Tacoma. Thea Foss's ingenuity and enterprising ways, together with early family members influenced how our port does business today."

Cashman said the exhibit initially will be 40 by 60 feet and will cost about \$90,000 to develop, including the movie's production. It will also include period artifacts, family mementos and works of art. The museum is seeking grants and contributions to support the exhibit.

The 15-minute film will combine rare archival footage and stills of early Tacoma, and feature contemporary interviews and reflections of the Thea Foss legacy. Cashman explains, "We want to correct the Tugboat Annie myth by telling the real Thea story which is exciting on its own."

Filmmakers **Lucy Ostrander** of Bainbridge Island and **Nancy Bourne Haley** of Tacoma are producing and directing the film.

Thea Foss was a Norwegian immigrant who arrived in Tacoma in 1889 and established a business renting rowboats on the Tacoma waterfront. Her business became Foss Maritime, and Thea Foss became the most famous maritime businesswoman on the West Coast.

She became a model for **Norman Reilly Raine's** famed "Tugboat Annie" stories in the *Saturday Evening Post*, subsequent Hollywood motion pictures and a 1950s television series.

Cashman described Thea Foss as "a remarkable woman who, 75 years ahead of the women's movement in an industry that is still today run heavily by men, made a tremendous mark on the local economy and lit the fire under this port that made it what it is today."



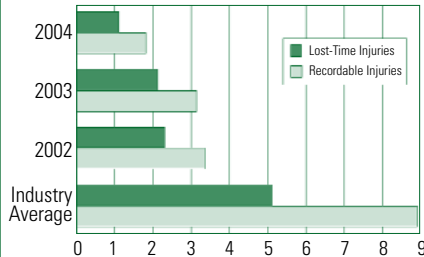
Mike Stork Photo

Filmmakers **Lucy Ostrander**, left, and **Nancy Bourne Haley**, center, go over research material with **Henrietta "Tooty" Foss Hager**, granddaughter of **Thea Foss**.

Spotlight on Safety

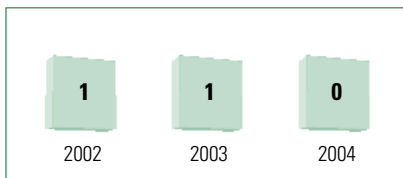
Injuries

Rate of recordable injuries per 100 workers, per year



- Recordable injuries are injuries requiring medical treatment.
- Lost-time injuries are injuries which cause a worker to miss time on the job.

Spills



- Spills reported are those occurring during oil cargo transfers.
- A spill is defined as any spilled material that produces a visible sheen on the water.



Cleaning up the Ship Canal

A team from Foss was among those picking old beer bottles, bumpers and other debris in the 10th Annual Lake Washington Ship Canal Cleanup on October 9. On board the Henrietta Foss for the event were, top photo, from left, **Barry Bertran**, a member of the Youth Maritime Training Association (YMTA), and Foss employees **Jane Habiger**, **Bob Wilkinson**, **Norm Manly** (who also is YMTA president), **Mindy Osbjornsen** and **Megan Sweeney**. In the bottom photo, Sweeney, a student and part-timer at Foss, clowns around with some of her pals from Seattle Pacific University. **John Crawford** of Foss also participated in the effort. The annual Canal Cleanup is sponsored by the Seattle Marine Business Coalition. A record 40 vessels and more than 100 people participated this year.

People News

NEW EMPLOYEES

John Freelund
Pipe Shop Foreman,
Seattle Shipyard

Ray Macedo
Marine Transportation Specialist,
SF Bay

RETIREMENTS

Dean Hunter
Saltchuk employee, Former Foss
Risk Manager

PASSINGS

Harry "Bud" Klemp
Retired Captain, PNW

Walt Stoye
Retired Engineer, Foss 300

Satisfaction Guaranteed

Remember, little things make a big difference.

— From "Satisfaction Guaranteed"
By Byrd Baggett



Mike Stark Photo

Crane Brakes

The Wedell Foss provided braking power for the Zen Hua 4 when it arrived at the Port of Tacoma on September 9 with four cranes for a container terminal being built for Evergreen Line. The Henry Foss and David Foss also assisted the ship. The cranes are 249 feet high with the booms down and are among the largest in the world. The manufacturer is Zenhua Port Machinery Company of Shanghai, China, which also operates the specialized crane carrying ship that brought the behemoths to Tacoma.



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