

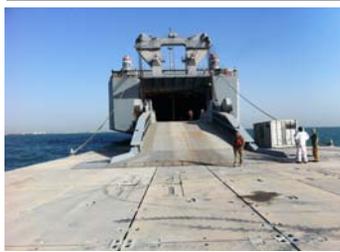
SAFETY LINE

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RRDF approaching the M/V Cape Ray



Stern ramp lowered ready for cargo

OPERATION NAUTICAL HORIZON—M/V CAPE RAY

On June 24th, 2018, the M/V Cape Ray was involved in the transfer of Army equipment at sea during Operation Nautical Horizon. The deployment of the Cape Ray began with a Mission Activation Notice from the Maritime Administration on May 10th, 2018.

She departed Hampton Roads, VA on May 17th and arrived at Military Ocean Terminal Sunny Point, NC (MOTSU) on May 19th where she loaded cargo and departed on May 24th.

With a full FOS crew of 30, she arrived on June 20th and anchored offshore of Kuwait to discuss Roll-On/Roll-Off Discharge Facility (RRDF) procedures and inspect hotel accommodations. After a delay of a couple days due to weather, transferring operations were underway after her stern ramp was landed on the RRDF



M/V Cape Ray with her stern ramp lowered onto the Roll-On/Roll-Off Discharge Facility preparing for cargo operations



M/V Cape Ray Steward Department (L to R): S.A. Todd Pryor, Chief Steward Esper Jordan, Chief Cook Mary Slade, S.A. Curtis Spencer

Nautical Horizon is held every two years and is meant to test equipment, and more importantly, to confirm that the participating guardsmen, reservists and full-time soldiers can work together to conduct the difficult task of transporting mission-essential cargo.

Once the exercise was complete, the M/V Cape Ray weighed anchor and proceeded to the Port of Shuaiba in Kuwait to finish loading the remainder of her cargo. The crew worked in concert with military personnel to facilitate the loading while enduring temperatures over 120 degrees and numerous dust storms. The M/V Cape Ray will make stops in Bahrain, United Arab Emirates, Jordan, and Turkey before sailing to her discharge port of Corpus Christi, TX. Once discharged, she will complete sea trials on the voyage to her home port of Portsmouth, VA.

We would like to extend our gratitude and appreciation to Captain Dan MacLean, Chief Engineer Chris Myers, Chief Mate Pat McGourthy, First Assistant Engineer Sam Orengo, Chief Steward Esper Jordan, and the entire crew of the Cape Ray for their efforts in making this operation safe and successful!

and cargo operations commenced at 1100 on June 24th.

Nautical Horizon concluded later that night and displayed the Army's ability to quickly move and deploy its forces and equipment when docking to a pier is not an option. Soldiers readied combat vehicles and supplies stored permanently in Kuwait, loaded them onto a massive floating platform and transferred the equipment to the M/V Cape Ray, as part of the final movements of the seven-week exercise.

The U.S. Army Central operation aims to ensure that if trouble breaks out in the Middle East and there are no airstrips or easily accessible supply lines going into a conflict zone, the service can still land a large force on a foreign shore efficiently.

Approximately 300 National Guardsmen, reservists and active-duty soldiers and nine Army watercraft were involved in the exercise.



M/V Cape Ray lowering her stern ramp

RETIREMENT SALUTE TO AUDITOR MR. ROD NEALE: MARINE SAFETY SERVICES-BURNESS CORLETT THREE QUAYS

Former Chief Engineer Rod Neale has been faithfully performing safety and quality auditing and training in the Keystone Fleet since 1999. Rod sailed for 14 years in various engineering billets with P&O Shipping and then spent a further 10 years with the UK Ministry of Defense on various technical projects. He initially audited our CHELSEA, SERENA SKY, KEYSTONE TEXAS, CHERRY VALLEY, FREDERICKSBURG and CORNUCOPIA in 1999.

Rod has been married to his wife Theresa for 40 years. Theresa is a retired school teacher. Rod also has a daughter and two sons, all of whom are now married. When he is not auditing our ships, Rod has been known to roam the countryside near Swindon (West of London) on his Harley



Rod enjoying his coffee on the Gott



Rod observing maneuvering

Davidson Electra Glide. In addition to riding his Harley, Rod looks forward to spending time with his grandchildren.

Rod will retire in late September. We will all miss him with his low-key approach and good dry humor! Our entire Keystone family salutes Rod, as by late September he will have safely completed 18 ship audits this year. This brings his grand total to 290 Keystone vessel audits and an additional 29 office and field office audits during his 20 years of auditing in our fleet. Thanks for all you have done for us, Rod!

Moving forward BCTQ's Mr. Keith Whitelaw and Captain Tim Radford will be Rod's successors in our fleet.

Concerns Associated with Increased Availability of Marijuana

Marijuana is becoming more widely available all the time. Just in the last month, Oklahoma has legalized medical marijuana and Canada has legalized recreational marijuana, becoming only the second country to do so.

It must be understood that marijuana is still illegal in all 50 states under federal law, and under the DOT-USCG program, MRO's have been advised that the use of medical marijuana pursuant to a state-authorized prescription **IS NOT** a defense to the verification of a positive test result or the credential revocation that must follow.

-Source: American Maritime Safety

2019 Winter Seminar Notification

The 2019 Winter Seminar will be held from **February 11th to 15th**, 2019 in Orlando, FL at the Florida Hotel and Conference Center.

Further information to follow.

FACES IN THE FLEET: C/E MARK COLLINS

M/V Cape Kennedy Chief Engineer and OIC (Officer in Charge) Mark Collins has been selected to the rank of Captain in the United States Navy Reserve!

Mark is one of eleven officers from the Strategic Sealift officers Reserve Group to be selected for promotion to Captain through a rigorous vetting process, for Fiscal Year 2019.

Mark recently completed a six week stint with Military Sealift Command Far East in Singapore as the Deputy Operations Officer. He is active in the reserves with multiple trips to Korea, Singapore and Japan during the past few years.

Mark is a proud alumnus of the US Merchant Marine Academy, Class of 1999. He lives in the New Orleans area with his wife Sara and two year old son, Henry. Congratulations Captain Mark Collins, USNR!!



Mark attending a training exercise in South Korea

CHAMBER OF SHIPPING OF AMERICA SAFETY AWARDS LUNCHEON: NEW ORLEANS, LA—JUNE 5, 2018

The Annual Chamber of Shipping of America (CSA) Safety Awards Luncheon was held on June 5, 2018, in New Orleans, LA. This gathering takes place every year to recognize individual ships and their crews through the Jones F. Devlin Award. The Jones F. Devlin Award is presented for safety efforts and success in accident-free operations onboard.

Keystone Shipping Co. congratulates all of the recipients of the 2017 Jones Devlin and Safety Achievement Awards. We are proud of the extraordinary effort and teamwork demonstrated by the officers and crewmembers of our fleet.

In opening remarks, Kathy Metcalf, CSA President, said: “CSA’s members are committed to safe operations and CSA’s involvement in safety is longstanding with our ongoing commitment to represent the industry, domestically and internationally, on safety issues encompassing every facet of ship operations. It is only fitting that an industry so focused on safety, publicly recognizes the skills and dedication of the women and men who have enabled these many years of safe operations and who are responsible for actions in keeping with the highest traditions of the sea—aid to those in peril”. Well over 200 people, representing 74 companies and their subsidiaries attended the annual industry-sponsored event where 1,616 vessels with 10,501 cumulative years of accident free operation received awards.



(L to R): Captain Andrew Sugimoto, USCG, Chief Engineer Andrew McFall of the M/V Edgar B. Speer, Fleet Manager John Stockert, Key Lakes Fleet, Jim Varley, Stolt Tankers SQE Manager and Vice Chairman of the Board of Directors for the Chamber of Shipping of America

The following vessels received awards:

- M/V Cape Kennedy—16 years
- M/V Cape Knox—16 years
- M/V Cape Race—16 years
- M/V Cape Ray—17 years
- M/V Cape Rise—3 years
- M/V Edgar B. Speer—10 years
- M/V John G. Munson—8 years
- M/V Edwin H. Gott—4 years



(L to R): Captain Andrew Sugimoto, USCG, Chief Engineer Mark Collins of the M/V Cape Kennedy, Port Engineer Chris Keeffe of Keystone Shipping Co., Jim Varley, Stolt Tankers SQE Manager and Vice Chairman of the Board of Directors for the Chamber of Shipping of America

M/V CAPE DECISION SUPPORTS SOLDIER TRAINING



Member of the Battalion directing traffic



Soldiers conducting lashing training onboard the Decision

From May 30th through June 1st, 2018, Soldiers from the 330th Army Inland Cargo Transfer Company of the 330th Movement Control Battalion “Heart of the Dragon” conducted a training exercise onboard the M/V Cape Decision at FLETC in Charleston, SC. The soldiers learned proper procedures for loading and securing vehicles on the vessel. Their proficiency will allow combat units to deploy and redeploy more efficiently with more speed. The 330th Movement Control Battalion is responsible for regulating and coordinating the movements of all XVII

Airborne Corps of soldiers, supplies and equipment. “Watching young soldiers (approximately 50 total) drive up and down, back and fill, turn and twist (and on occasions get themselves into situations someone else has to get them out of), one can easily see the advantage of training on a real platform such as the T-AKR class ships. Most soldiers, until this week, had never actually put their hands on proper chain lashing gear. The entire group received training from the Officers on our normal operations, safety protocol, and hands-on demonstrations of the closure of water tight doors and hydraulic systems associated with the cargo gear”, said Chief Mate Alec Cunningham. Thanks to all those on board the M/V Cape Decision who took part in this successful training exercise!



Chief Mate Alec Cunningham and Chief Engineer Doug Blake

SOO LOCKS ENGINEERS DAY 2018

On June 29th, 2018, thousands gathered at the Soo Locks for their annual Soo Locks Engineers Day. Engineers Day is the one day of the year when the public is allowed to walk across the mighty Soo Locks walls and explore the buildings and special exhibits. This day celebrates the men and women who constructed such an incredible engineering marvel that made it possible for freighters to traverse the 21-foot drop between Lake Superior and the lower Great Lakes. Visitors are invited to stroll the Soo Locks Park, explore history in the visitor's center and climb observation platforms as mammoth freighters ply the water of the St. Mary's River system.

This year the visitors received a special treat from the crew of the Edwin H. Gott. As the Gott was transiting



Edwin H. Gott transits the Locks on Engineers Day

the Locks, Chief Steward Ryan Hicks and 2nd Cook Eric Erickson went out on deck and threw cold treats to the crowd who burst out in cheers. One onlooker stated "To the Captains, Cooks and all the other sailors on board, here's wishing you clear skies, calm seas and a safe return home when the season is over. You helped make our day complete". Thank you to the crew of the Gott for helping make this day a memorable one and representing the Company with great pride!



Crew of the Edwin H. Gott throwing cold treats to onlookers

ATB MILLVILLE/1964 SUCCESSFUL ISM AUDIT

A job well done to the crew of the ATB Millville/1964 for the successful completion of their initial ABS ISM, SQE and MLC audits! The audits took place in Tampa, FL at the Buckeye Terminal and commenced on Wednesday, May 16th at 1500 and was complete by Thursday, May 17th at 1740.

We are proud to say that there were no Non-Conformities or observations reported during the audit.



ABS Auditors test the Fast Rescue Boat during the audit

The ABS team was led by SQE Lead Auditor Scott Schultzabarger who stated at the closing meeting that he received total cooperation and that the crew was well trained and prepared for this process.

We salute the Millville team lead by Captain William "Buddy" Davis and Chief Engineer Kevin Hale on this accomplishment!



Captain Buddy Davis and Barge Engineer Dylan Flanagan with ABS

St. Marie, Mich. 49873.

A salute to the freighter Edwin H. Gott

Engineer's Day 2018 is only a pleasant memory, but for the folks who made visitors feel welcome this column is written as a big THANK YOU. Throughout the day it was obvious a lot of time and effort was involved in planning such a successful event. It was well organized, Lock employees were knowledgeable and helpful, and the crowd responded with cheers when the cooks from the freighter Edwin H. Gott tossed cold treats into our midst.

A few readers know I was instrumental in getting some fellows hired at Central Marine Logistics. Their ships are the Willford Sykes and Joseph L. Block. What many readers may not know is the life of a sailor can be a monotonous one. So when the cooks stepped on deck to greet the crowd, I'm willing to bet they felt as good about it as the kids did.

Sometimes a spontaneous gesture means more than a calculated one. Children expect to receive gifts on their birthday and at Christmas, but they did not expect two sailors to appear from nowhere and toss them ice cream drumsticks and fruit flavored freezer bars. I was with a friend and his grandchildren, Xavi and Ojo. We had just turned to follow the ship as it continued through the Poe Lock when the crowd cheered.

We had no idea what prompted the merriment until we turned back and realized folks were thanking the generous sailors. My friend, Jack Pflura, caught an ice cream treat and the boys shared it. They didn't argue or whine because they had to share. I haven't been around youngsters in a long time and was amazed that children aged five and seven were agreeable and thankful their grandpa was quick enough to catch a flying drumstick.

The Gott was followed by the Edgar B. Speer, but by the time it was locking through we were gone. The boys had collected enough stickers, suckers, coloring books, and plastic hats from the fire and sheriff departments to fill the bags provided by the Corps of Engineers. They couldn't wait to tell their parents about their adventure. They live in Chicago and this was the first time the children had seen a 1000' ship and sailors who call it home for ten months out of the year.

When the captain gave a salute with the ship's whistle I explained to the boys that a long blast followed by two short ones was his way of saying "Hello." So to the captain, cooks, and all the other sailors on board here's wishing you clear skies, calm seas, and a safe return home when the season is over. You helped make our day complete.

By Sharon Kennedy

Sharon Kennedy
Common Sense at 70

Article from "The Sault News" Newspaper on the Gott involvement in Engineers Day



M/V CAPE DECISION AND SLED JOINT SECURITY TRAINING

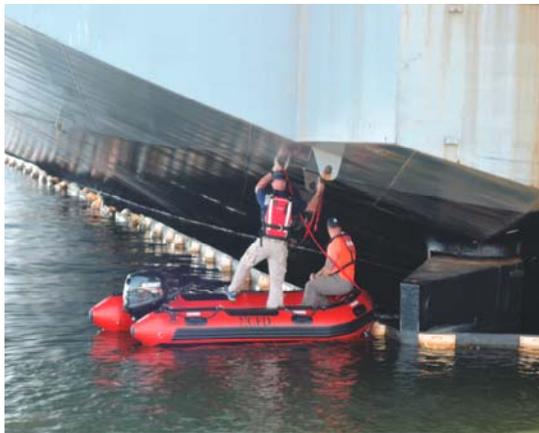
In early May of 2018, the South Carolina Law Enforcement (SLED) EOD and Underwater Divers conducted a joint training exercise with the M/V Cape Decision in Charleston, SC.

The training was designed to teach local police dive teams how to conduct Lock Out/Tag Out (LOTO) procedures for safe SCUBA under ship hulls. The Engineering staff aboard the Cape Decision, lead by Chief Engineer and OIC Doug Blake, provided assistance with training on Keystone Policy for conducting LOTO and explanations of ship's pumps, suction, discharges, etc. Chief Mate Alec Cunningham covered the details of the vessel's risk assessment procedures as well as the benefits and necessity of the Underwater Operations Permit.

Checking ships is complex and the task falls upon a small team of courageous police divers for guarding murky underwater borders against terrorists, drug-traffickers and smugglers.



SLED Training Exercise about to begin on M/V Cape Decision



With replicated limpet mines in place by instructors, the training culminated on the 3rd day with a full mission set requiring teams of divers doing explosive ordnance detection, disposal, maritime perimeter security and mine clearance tasks from under the hull of the Cape Decision.

A job well done to both the crew of the M/V Cape Decision as well as all those involved in this successful training exercise.



SLED Officers observing training of their team

Members of the SLED team working underneath the hull

THANK YOU TO THE CREW OF THE S/S SEAKAY SPIRIT!

The S/S Seakay Spirit made her final voyage after her last discharge at Monroe Energy in Trainer, PA and made her final stop in Freeport, Bahamas on May 9th, 2018. The Spirit was on charter for three years with Occidental Energy from June of 2015 through May of 2018, safely transferring shale oil between Houston, TX and St. James Terminal in Louisiana.

The S/S Seakay Spirit delivered 49,718,117 barrels of shale oil without a single environmental incident, more than any other American flag vessel during that period! This truly shows the hard work and dedication of the crew as well as their commitment to our safety culture. She also maintained a CAP 1 vessel rating throughout her time in service with the Keystone Fleet. Condition Assessment Program (CAP) is a specialized survey program which offers owners a detailed assessment of a ship's actual condition, based on strength evaluation, and fatigue strength analysis as well as a detailed on site systematic inspection of the hull, machinery and cargo systems. A rating level of 1 is the highest rating possible and infers the vessel is in "Very Good Condition", with no maintenance or repair required. This rating is a direct result of the crew's consistent solid work and completion of daily maintenance and repair of all systems onboard the vessel.



Crew of the S/S Seakay Spirit in the Bahamas on her final day as a Keystone Vessel

"I'd like to express my deep appreciation to all who were involved with the Seakay Spirit. Over the years of KSC's operation of the vessel, team performance both onboard and ashore was all that could be asked of and more. The support we needed from Keystone was never more than a phone call away and exceptional. It was a professional operation from top to bottom. It was a pleasure and honor to be a part of it all"
- Captain Cal Chapman, Master of the S/S Seakay Spirit.

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If you have any suggestions or comments please submit them to Captain T. O'Connor toconnor@keyship.com or Frank Pierson fperson@keyship.com



2018 ENVIRO TARGETS



<p>Objective: Regulated disposal of office and vessel used batteries</p> <p>Target: Recycle office and vessel used batteries</p> <p>Indicator: Receipts for disposed batteries</p>	<p>Objective: Reduce the risk of pollution incidents from vessel cargo handling machinery</p> <p>Target: Utilization of environmentally friendly non-sheening oil in various onboard cargo handling equipment on deck:</p> <ul style="list-style-type: none"> • Cranes • Booms • Stern Ramp • Side and port doors <p>Indicator: Annual listing of vessels which utilize the non-sheening oil and the equipment in which it is being used</p>	<p>Objective: Reduce the risk of potential pollution incidents from deck mooring operations machinery</p> <p>Target: Utilization of environmentally friendly non-sheening oil in various onboard deck mooring operations machinery and equipment</p> <ul style="list-style-type: none"> • Anchor windlasses • Deck winches <p>Indicator: Annual listing of vessels which utilize the environmentally friendly oil and the equipment in which is being used</p>
<p>Objective: Reduce energy consumption on vessels in Reduce Operating Status</p> <p>Target: Develop onboard practices, procedures and modifications for reducing energy usage onboard ROS vessels</p>	<p>Objective: Regulate proper disposal of electronic equipment for Keystone Offices (Bala and Duluth) as well as commercial vessels (Keystone and Key Lakes)</p> <p>Target: To recycle used office electronic equipment</p> <p>Indicator: IT disposal log of used electronic equipment</p>	<p>Objective: Reduce energy consumption by changing to LED lighting where applicable</p> <p>Target: One ship annually upgraded to LED lighting where applicable or 5% improvement in the fleet</p> <p>Indicator: Annual measurement in our fleet</p>

BACK PAGE STORY HEADLINES

Happy Retirement Catherine!

On Thursday, June 21st we celebrated the retirement of our beloved Catherine McNichol during a luncheon at the Bala office.

Catherine has been with us for 10 years in an Administrative role and has helped us in more ways than we could have ever hoped for.

All of us, but specifically her teammates in Operations, Marine Personnel, Training, and Safety and Quality with you well! We wish Catherine a happy and healthy retirement with her husband Michael, her son and daughter and four grandchildren.

Thank you Catherine!



Congratulations Pihls!

Congratulations to Jeff Pihl, our Fleet Engineer in the Bala Office, and his wife Amanda on the birth of their FOURTH child!

James Thomas Pihl was born at 0348 on July 1st, 2018 at Pennsylvania Hospital in Philadelphia, PA.

James came into the world weighing 8 lbs. 4 oz. and 19" long.

Congratulations Jeff and Amanda!

