



At the Helm

From the Captain's Chair

Dear McAllister Friends and Family,

With a successful 2007 behind us, McAllister Towing is looking forward to a fruitful 2008 as we continue our tradition of unsurpassed service. 2007 had many bright spots which included:

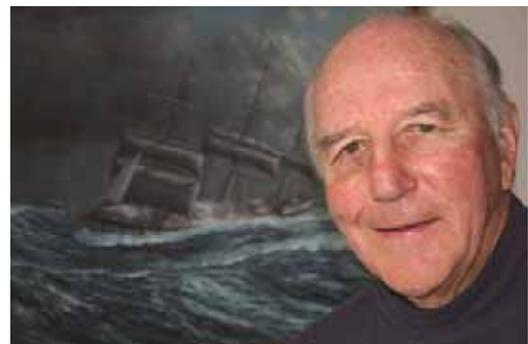
- The addition of another stack on the East Coast and the growth of McAllister's fleet with the acquisition of Providence Steamboat Company. Providence joins us with 6 tugs and a great crew led by General Manager Capt. Gary Oliviera, who has been working in Narragansett Bay since 1989. We proudly welcome all of the crew, both ashore and at sea, to the McAllister family. (See page 4 for a feature story on this acquisition.)
- The commencement of construction on four state-of-the-art tractor tugs at Eastern Shipbuilding. Two 96' and two 80' tugs. In keeping with McAllister's tradition of naming boats for family members past and present, the tugs will be christened the Rosemary, Andrew, Reid and Greg McAllister. We eagerly await the addition of these tugs as we continue the modernization of our fleet.
- The continued success of our YTB conversion program; as the Ellen, Margaret and Steven were upgraded into modern tractor tugs.
- Achieving ISO/ISM certification. This certification demonstrates that McAllister operates at the highest level of quality and safety. Continuing improvement of our safety management system will advance the transparency, reliability, and teamwork throughout the McAllister organization. (See page 5 for further information on our success in obtaining ISO/ISM classification.)
- A continued job well done for the incredible rescues performed by the Jacksonville and San Juan ports.

I would like to thank all the employees, both afloat and ashore, for their hard work, talent and dedication. Because of you, McAllister Towing continues as the leader in the maritime towing industry. As a token of our thanks, we will be contributing an additional 35% match to the McAllister 401(k) plan. I wish you, your families and all of our friends a Happy New Year and I look forward to sharing a successful 2008 with everyone.

Thank you,

Captain Brian A. McAllister
President

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"THE LUCKY BAG"

By Wayne Stiles — Vice President of Sales

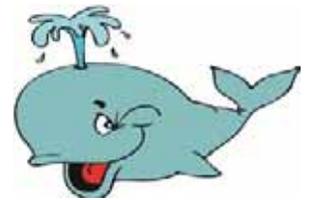


The "CROW'S NEST", a ship's lookout station, was actually named after a nest for crows. It was named for the cage that housed the ravens carried by Norsemen at their ship's mast heads. When their ships were out of sight of land, they could release one of the birds that would head for the nearest shore and follow its flight, a crude method of navigation. But in these days of GPS, a "crude method of navigation" would include using a sextant.

The **GANGWAY** is a ramped stairway used to get on and off a ship while at the dock or anchor. But the term comes from the old slave galleys, where a walkway ran midships from stem to stern called the gangway. This gangway

was used by the slave master to parade up and down using his triple pronged whip as a way to urge on the oarsmen to more continuous effort.

Here's wishing everyone "**GREASY LUCK**" for the New Year! This was the old-time whaler's equivalent of "bon voyage" and "good fortune" and referred to the bounty of greasy whale oil that he hoped you would realize on your next voyage.



Employee Milestones

The following individuals celebrated landmark anniversaries in 2007. We would like to congratulate and thank them all for their many years of service. Listed below are the individual's names, years of service and the port/location where they work at McAllister.

35 Years

Angel Solla—Puerto Rico

30 Years

Thomas Cintula—New York

25 Years

Noel McKenzie—17 Battery

Joleen Abbott—Portland

Steven Kress—New York

Fredrick Hall—BPPJ Ferry

Lawrence Lorenc—Wilmington

20 Years

Nancy Errichiello—17 Battery

Robert Moore—New York

Scott Belfield—BPPJ Ferry

Mario Dezelic—BPPJ Ferry

Mary Goehring—BPPJ Ferry

Yvonne Peregosky—BPPJ Ferry

William Rudd—BPPJ Ferry

Charles Chamberlain—Philadelphia

Edward Ernhardt—Virginia

Romey Burney—Virginia

Robert Radecker—Virginia

Russell Mitchum—Charleston

Steven Harvey—Jacksonville

15 Years

Robert Doane—New York

Rudolph Houdek—BPPJ Ferry

Vernon Lambert—BPPJ Ferry

Kevin Eley—Virginia

Robert King—Virginia

Steven Kicklighter—Charleston

10 Years

Theresa Humphries—17 Battery

Joseph Alleyne—New York

Luis Baptista—New York

Keri Bjorkman—New York

Thomas Moore—New York

Elsayad Mustafa—New York

Eddy Opdycke—New York

Douglas Pley—New York

Daniel Worrie—New York

Christine Davanzo—BPPJ Ferry

Karen D'Elia—BPPJ Ferry

Carol Koutrakos—BPPJ Ferry

Anne Oaks—BPPJ Ferry

Lauren Walsh—BPPJ Ferry

Justin Durkee—Jacksonville

Javier Gonzalez Diaz—Puerto Rico

Alejandro Sanfeliu—Puerto Rico

It is with deep sympathy that we announce the passing of former employees: Jane Kennedy, Donald Latka, Stanley Latka, John Norrod and William Stonger III. May God grant them fair winds and following seas, they have left us but are not forgotten.

Captain Roughton sails into the sunset after 50 years at McAllister

Captain Charlie Roughton recently set out on his last sail from McAllister's base in Hampton Roads, VA. Captain Roughton enjoyed a near fifty year storied career at McAllister Towing where he witnessed firsthand the many changes to not only the maritime business but also the vast improvements in tug technology. Here is a brief look at his distinguished career:

Charlie began his career at McAllister in 1958 as a maintenance man and relief deckhand. In 1960, he volunteered and served 2 years in the U.S. Air Force. In the Fall of '62, Charlie returned to McAllister and worked some of the most famous and difficult jobs during this time period. He worked on the Chesapeake Bay Bridge Tunnel, the second Hampton Roads Tunnel, the coastwise towing and building of the Hatteras Light Tower and he worked as a mate in the building of the Ambrose Light Tower. From 1963 to '73, Charlie worked as Mate and relief Captain in ship docking and inland and coastwise towing. In '73, Captain Roughton docked his first ship as a Docking Pilot and continued in this capacity until the major strike in Virginia in 1987. Charlie disagreed with the those who were calling for a strike, but he could see that it was inevitably going to happen. So, along with William Douglas and other McAllister employees, Charlie helped form the Independent Docking Pilots, an organization that exists to this day. From 1987 until his retirement Charlie continued as a Docking Pilot in Virginia and he estimates that he handled 20,000 vessels during his career.

Upon speaking with Charlie, he reported he has fond memories and many great sea stories from his days at McAllister; skipping his first tug, the old 900hp MARY L., the letter of commendation he received from Tony McAllister in '81 for a ship rescue and many others. One not so fond memory he recalled, was in 1970 when he was aboard the MICHAEL and they were out about 200 miles east of Cape Hatteras saving a barge that had broken loose from her tug. The MICHAEL lost communication with the base, and after 3 days and no word from the tug or crew, someone at McAllister called the crew's family members to report that they were fine. Well, thankfully they were and 6 days later they returned to base, barge in tow, to much cheering and fanfare. Charlie acknowledges everyone he has worked with over these years and most especially wants to thank Karen, his wife, for all her love, guidance and patience while he sailed.

Aquaman sighted in Portland!

Peter Rodriguez, a deckhand at Portland Tugboat, was recently responsible for saving a life in Portland Harbor.

On a late summer afternoon Pete Rodriguez and Captain Dave Mason, were at the end of the Maine State Pier preparing to get underway on the RODERICK McALLISTER, when Rob Sears, a street biker, lost his balance and fell off the pier into the Fore River. As Mr. Sears was falling, he tried to catch himself and in the process dislocated and fractured his shoulder. Unable to swim, he tried to hold onto a nearby piling. Immediately upon seeing this incident, Pete took action. He found the nearest life ring and threw it toward the victim. Unfortunately the ring's line was too short and couldn't reach Mr. Sears. It was at this time that Pete observed the victim struggling to stay afloat; so Pete decided he had no other choice but to enter the water. In attempt to calm the victim, Pete shouted to Mr. Sears and alerted him that he was coming in to help and then Pete jumped into the water from the deck of the RODERICK. Pete assisted Mr. Sears to safety by swimming with him to the city dock.



When Pete was asked by John McDonald, local radio host on 560 WGAN, if it was a tough situation to be in, Pete responded "I was prepared because of all the training and drills we do at (McAllister). I remembered my STCW training. It was basically just another day's work." Asked what a hero does after such a dramatic rescue Pete replied, "I swam back to the RODERICK because we had to go dock a ship."

Peter Rodriguez is a six year veteran at Portland tug. Because of his caring nature and comprehension of years of drills and training, a life was saved that day in Portland Harbor. Due to this incident, Pete has earned the heroic new nickname Aquaman around Portland and as a McAllister employee he's ready to save another life if the need arises. Holy Halibut Aquaman! McAllister salutes you Aquaman and recognizes you for your heroic efforts!

Put another McAllister Stack on the Map!

McAllister Towing and Providence Steamboat are pleased to announce that McAllister recently acquired the tugboat business of Providence Steamboat Company located in Narragansett Bay, Rhode Island. The acquisition increases McAllister's operations on the East Coast to 13 ports and brings our fleet to over 80 tugs. The company was officially renamed McAllister Towing of Narragansett Bay, LLC but will continue to do business under the name Providence Steamboat Company.



Providence Steamboat has a long history on Narragansett Bay. In 1876, Frank Mauran and Captain Nat Sutton founded one of the earliest tugboat businesses on Narragansett Bay. The company was formally incorporated by them in 1881. Providence Steamboat has a 125 year tradition of safety, reliability and efficiency continuing through the present day. The Mauran family remained in management, including fourth generation Duncan Hunter Mauran (Hunt) who died in 2005. His son in law, Michael Mariner, managed the business after Hunt's passing and initially remained the General Manager of the operation assisting with the McAllister transition. Effective September 1, 2007, Captain Gary Oliveira assumed the position of General Manager. Captain Oliveira has over 20 years of experience navigating Narragansett Bay with Providence Steamboat. Captain Oliveira will be supported by Port Engineer Rob MacGregor and McAllister's newly announced Director of Northeast Operations, Captain Brian J. Fournier; who will have a consultative role in the day to day operations.

Providence Steamboat is known within the industry for its well maintained green tugs, featuring gold eagles and black stacks with a white circle. Providence Steamboat's tugs will keep their names, some of which are references to Americas Cup defenders or other elements of Rhode Island history. The present fleet consists of one single screw and five twin screw tugs. Included in the latter are the newly built MAURANIA III, a 4,000 HP conventional tug, and the RAINBOW, a 5,000 HP ASD tractor tug.

Providence Steamboat provides a full range of ship assist services on Narragansett Bay including the ports of New Bedford, Fall River and Somerset in Massachusetts and Providence, Tiverton, Melville, Newport, Jamestown Anchorage, Quonset, and Davisville in Rhode Island. In addition to assisting tankers, and tugs and barges in the petroleum trade, the company also works bulk cargos at the Providence Municipal dock, coal at local utility plants, serves the Navy in Newport, and assists car ships calling in the port of Davisville. The company operates from two locations with the office and dock in Providence, Rhode Island and a dock and maintenance facility in Fall River, Massachusetts.



Having worked previously with Providence Steamboat, on the much publicized transportation of the new Interstate 195 bridge crossing of the Providence River, it was a company that McAllister knew well and the acquisition was an ideal match for the company as we continue to provide unsurpassed service to the maritime community. It is fitting that Providence Steamboat's long respected maritime traditions will be continued by a similarly historic business. Captain A.J. McAllister III, Vice President of Sales and a fifth generation family member in the business, said, "With this transaction, the McAllister Family is making a long term commitment to Narragansett Bay that we believe will serve the best interests of all stakeholders in the port."



We greet everyone afloat and ashore at Providence with an enthusiastic welcome aboard and are proud that you have joined the McAllister Family!

Quality and Safety System Certified!

By John Torgersen

On Thursday, October 13th, McAllister Towing of New York achieved its full term ISO 9000 and International Safety Management (ISM) Code Certification.

Sergio Antonini, a Lead Auditor with the American Bureau of Shipping spent two days at our Staten Island offices where he interviewed 19 employees including Brian, Buckley and A.J. McAllister. Said Antonini "All the personnel that I interviewed were very cooperative and conveyed an excellent knowledge of the company safety and quality system, manuals and procedures".

Antonini reviewed hundreds of records, asked as many questions, and in the end was able to find only two minor non-conformances: one related to planned maintenance record keeping, and another to an out of date telephone number listed in a response plan. To find only two nonconformities during an initial registration audit is unusual and speaks to a great amount of effort and preparation on the part of the Staten Island staff. John Torgersen, Quality and Safety Director said "I have been involved with a great many ISO/ISM registrations, and this is the fewest nonconformities that I have ever seen during a registration audit".

ISM is part of the Safety Of Life At Sea (SOLAS) Convention and is mandatory for all ocean going vessels over 1600 tons. Almost all of the ships that we dock up and down the coasts are certified to the ISM Code. ISO 9000 is an international quality standard that is used by many of our larger customers to assure themselves that suppliers of services like McAllister are fully capable and will provide reliable services.

McAllister's ISO/ISM certification is the result of 2 years of preparation, training, internal auditing and inspecting. More than just a piece of paper, certification shows how far McAllister has come in upgrading its quality, safety and environmental management systems, and demonstrates its long term commitment to remaining a leader in the industry.

Upon hearing of McAllister's success, Captain Brian McAllister remarked, "Since 1864, McAllister has striven to provide our customers with the best equipment available, as well as developing new technologies to improve our service in an ever changing market place. The successful outcome of the ISM/ISO 9001 audit is in keeping with our long-standing tradition of "unsurpassed service" and I wanted to personally thank everyone there for their talent, tenacity and hard work in achieving such a high standard in our largest Port. Congratulations to all for a job well done!"

MARIANNE McALLISTER, Savior on the Seas!

On September 18, 2007 the Crowley tug SEA HORSE was towing the Trailer Bridge barge CHICAGO BRIDGE, when disaster struck. The tug and barge were on an outbound maneuver from San Juan Harbor to Puerto Plata, Dominican Republic. At 2350 Captain Pedro Marrero, on board the MARIANNE McALLISTER, and McAllister of San Juan dispatcher, Luis Oliveras, heard a mayday call from the SEA HORSE. The MARIANNE and her crew were immediately placed on stand by and waited further instructions.



At 0020 on September 19th, Mr. Oliveras heard on Channel 16 the status of the SEA HORSE as she corresponded with the US Coast Guard San Juan Sector. The SEA HORSE had experienced a major engine room fire, her position at that time was 35 nautical miles NW of the entrance to San Juan Harbor. At 0025 General Manager and Vice President Captain Eladio Rodriguez was informed of the situation. Captain Rodriguez instructed Mr. Oliveras to contact Trailer Bridge personnel and to upgrade the MARIANNE'S condition and to make full preparations for an immediate departure.

At 0040, McAllister was contacted by Crowley for the salvage operation of the disabled tug. The plan was to proceed to the SEA HORSE, make up to it and tow both the tug and the barge to San Juan Harbor. By 0140, the Coast Guard informed McAllister that the SEA HORSE was still connected to the barge, dead in the water but her crew had brought the fire under control. Captain Marrero briefed his crew and they continued the preparations of the tug. The Captain checked the tug's systems and its hardware inventory in order to be prepared for the many contingencies that may arise in a salvage operation. In addition to these actions, Captain Marrero stocked the MARIANNE with provisions for both tugs and their crews. After a final briefing from Captain Rodriguez, who had arrived at McAllister Towing of San Juan's base, the MARIANNE departed with an ETA of 0900.

The MARIANNE continued at best speed and arrived on site at 0830. After visual inspection Captain Marrero observed that neither the tug nor the barge were listing, the SEA HORSE'S crew were in good condition and ready to assist the MARIANNE with the connection. The Captain of the SEA HORSE informed Captain Marrero that they could not crank the generators or the winch engine, therefore, could not bring in the wire. This concerned Captain Marrero because entering San Juan Harbor with 1200 feet of cable laid out would not be an easy task. The MARIANNE connected with the SEA HORSE and proceeded with the tow. Captain Marrero informed all parties that the tug, barge and crew were in good condition and gave an ETA of 1800 hrs at 3 nautical miles north of San Juan. Also during this time the tug PUERTO NUEVO, having just finished another job, arrived on scene to offer assistance to the MARIANNE and the crew of the SEA HORSE if necessary.

During the journey to San Juan the crew of the SEA HORSE informed Captain Marrero that one generator was now operational. Shortly before making preparations to enter the harbor at approximately 1700, much to everybody's relief, Captain Marrero was informed that the SEA HORSE's winch was running again and they would be able to bring in the wire. This made the inbound process much less complicated and all parties were very happy to hear this. The MARIANNE passed the San Juan sea-buoy inbound at 1910 as Pilots Anavitata and Mafioli took charge of the operation. The tug JANE McALLISTER met them at the entrance and together with the PUERTO NUEVO delivered the barge CHICAGO BRIDGE to the Trailer Bridge terminal. The MARIANNE delivered the SEA HORSE to Crowley at Pier 15. Finally at 2130 of September 19th, all operations were successfully completed and the tugs returned to their San Juan base.

McAllister salutes the vigilance and teamwork of all the personnel involved in this incident response. We are delighted that no injuries or environmental damage occurred stemming from this incident. Credit must be given to Pilots Anavitata and Mafioli, experienced tug and barge Masters, who planned the critical inbound maneuver and filed and executed the proper plan with the Coast Guard. Special thanks to the crew of the MARIANNE: Captain Pedro Marrero, Mate Captain Harry Martinez, Engineer Edgar Lopez, A.B Victor Carbone and A.B. Ismael Rivera. As Captain Marrero concluded in his report, "I am very thankful to my crew for a job well done". Everyone at McAllister couldn't agree more, **muy buen trabajo!**

It is Easy Being Green!

The McAllister Towing family is committed to protecting the environment, through efficiency, high standards, and care.

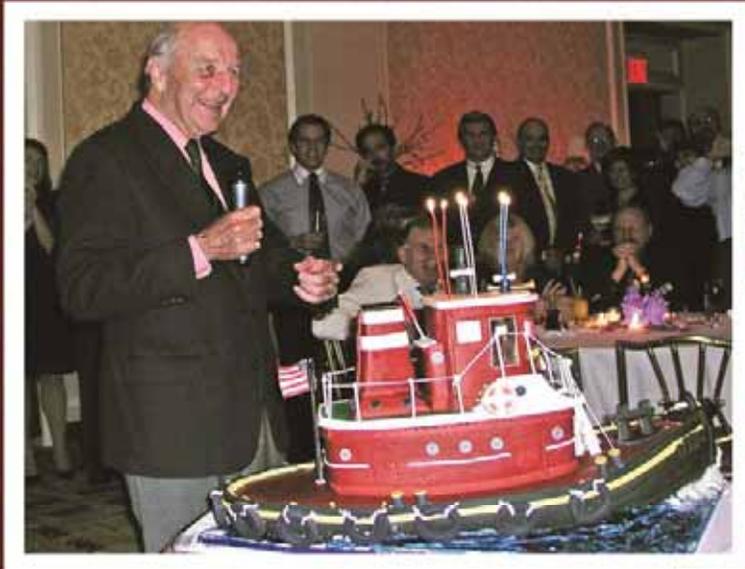
This has been McAllister's Environmental policy for some time now, and indeed McAllister does think "green" in many of the ways we operate. We are rebuilding our engines with the best available technology and replacing engines that can not be upgraded with modern units. We are phasing out the old inefficient tugs and replacing them with state of the art, more environmentally friendly equipment. All vessels are being set-up for Zero Discharge of all liquids prior to state regulations mandating it for their coastal waters. Most all our ports practice 'Cold Ironing' of the tugs by plugging them into shore power when between jobs utilizing the more efficient power grid. McAllister has been thinking and acting "green" because it was the right thing to do.

As we move ahead, we need to bring environmental considerations of how we design, operate and maintain our tugs into every part of our daily decision making process, because environmental considerations are increasingly important to our customers, host ports and society as a whole.

Several McAllister employees have begun meeting regularly to discuss environmental issues. These folks have been dubbed the "McAllister Green Team". What is the "Green Team"? It is a cross section of the operations department who are investigating what McAllister is doing to reduce our environmental impact and to explore ways to further substantially reduce our 'Carbon Footprint' and 'Waste Stream'. The team was formed in August of last year and is headed up by Walter Keane, Port Engineer in Staten Island. Other team members include Martin Costa, Engineering Manager; Captain Patrick Kinnier, Port Captain; and Captain John Torgersen, Quality and Safety Director.

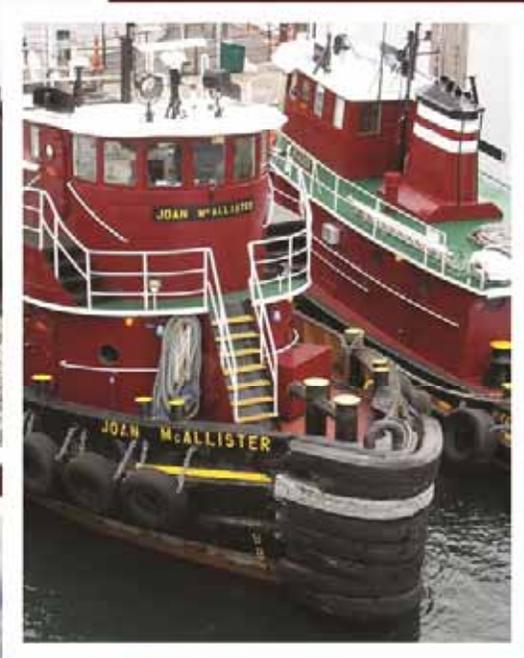


(STORY CONTINUES ON PAGE 10)



PICTURED FROM TOP LEFT:

- ◆ Capt. Brian enjoys the big 75 with a cake modeled after his namesake tug, the BRIAN A. McALLISTER
- ◆ The MARK docking the SITEARM ADVENTURER
- ◆ The MICHAELA greets the day and a picturesque rainbow
- ◆ Tugs at the Staten Island facility
- ◆ The AJ struts her stuff in Virginia



- PICTURED FROM TOP LEFT:**
- ◆ The JUSTINE McALLISTER and the RTC 120
 - ◆ A bird's eye view of the JOAN & ALEX McALLISTER in Port Jefferson
 - ◆ The ROWAN McALLISTER with the Bouchard barge B75
 - ◆ The BRIDGET McALLISTER in St. Johns New Brunswick displaying her mettle
 - ◆ The McALLISTER RESPONDER tows the submarine museum USS GROWLER

(IT IS EASY BEING GREEN CONTINUED FROM PAGE 7)

Green Team representatives attended Marine Log's "Global GreenShip" conference in Washington, D.C. last fall. The conference brought together shippers, oil companies, legislators, manufactures, law firms, naval architects and regulators to discuss and showcase what is and can be done to protect the marine environment. It covered green house gas emissions, ballast water and invasive species, oil pollution, noise pollution, present and future regulations that are coming from MARPOL, EPA and local and federal governments that need to be monitored and addressed in a responsible approach.

According to a study released by the American Chemical Society, as many as 60,000 people living in coastal communities along major shipping routes died from lung and heart complaints as a result of high sulfate emissions from ships in 2002. That death toll could rise to as many as 82,000 by 2012, says the report. While McAllister tugs do not use the high sulfur fuels that are the largest contributor to sulfate emissions, these numbers are sobering.

We at McAllister impact the environment through our daily operations such as fuel use, trash production and disposal, ballast water handling, coatings, oil discharge and even vessel recycling and scrapping. In order to better understand that impact, we need to identify and quantify it. One of the Green Team's first projects will be to map what our environmental impacts are. To do this we are actively exploring partnerships with marine class societies and academic institutions to map our emissions and waste stream. Additional projects include working with an engine and equipment manufacturer to research future tugs powered by alternate fuel sources and advanced Hybrid technology.

The Green Team is looking to the future, to ensure that we pass the waters on to our children in better condition than when we found them. We are on this planet together. We need to be aware of our impact and strive to reduce our adverse effects while continuing to provide unsurpassed service.

McAllister personnel who would like to and assist in achieving our goals of protecting the air, land and sea should contact Walter Keane at wkeane@mcallistertowing.com for the time and place of the next McAllister Green Team meeting.



BECAUSE WE CARE!

Information Technology and Information Communication Systems at McAllister By Andrew McAllister

As we reach the end of the year, ITICS is coming to the conclusion on many of its 2007 projects. Over the next couple of months we are planning on going live with the following projects.

Current Project List:

- Navigational Software: After an extensive pilot process we have selected our vendor. We are currently in contract negotiations and should be loading the software on the designated computers shortly. The software will also offer the local GMs and 17 Battery a view of each vessel and their current location up and down the coast.
 - *Each of these laptops will be dedicated to the pilot house and is the responsibility of the captain.*
- New Hardware:
 - One IBM ThinkPad laptop for each designated vessel with Sprint Broadband card; or:
 - ◆ One CISCO wireless hub (allows 4 laptops to surf the net and connect to wireless printer)
 - ◆ One Sprint Broadband card for the wireless hub
 - ◆ One HP wireless all in one Printer/ Scanner (being piloted in Staten Island)
 - AIS/ GPS Receiver (when applicable)
- Planned Maintenance Software: After spending significant resources piloting different systems, we have selected Star Systems, a system devised by Blue Wave. This system is intended to be implemented in stages in 2008, starting in Staten Island.
- HR Software:
 - All employees will be issued a unique employee ID. This ID will be used to login to a human resources website to verify demographic and employment information. We will ask all employees to verify this information annually.
 - PerfectSoftware (our current HR Database) will be available in all ports to manage employee information. The hiring process and any change in employee status will become a more electronic process and be handled locally.
- IntraNet Website: We have purchased MS SharePoint to create an internal website for McAllister employees. This is an effort to help with communication as well as to increase productivity. On this website, crew and office personnel will be able to find all their necessary documentation and forms as well as the latest updates on Company news.

Coming Attractions:

In the New Year, we plan on completing our Payroll project which will allow the local ports to enter their payroll directly into an online system and allow the local GM to review and approve it before it is sent to ADP. We have been using this model in Staten Island for a couple of years and look forward to pushing it out to the rest of the ports.

We recently hired Elena Sloten to the full time position of MCD business analyst. She will be managing the day to day operation of MCD as well as spearheading our efforts to replace MCD with a new system. She has worked for multiple financial service firms managing and implementing complex systems and applications.

If you have any questions or suggestions please feel free to contact ITICS at 646-205-1900 or me at Andrew@mcallistertowing.com.

Thank you and Happy New Year,
ITICS

“SPOTLIGHT ON”
McAllister Towing of Florida, Inc.

In continuing our “Spotlight On” section, we are proud to share with you our Jacksonville operation. We hope you enjoy becoming a little more familiar with this port and the exceptional individuals who work there.

Who are the key personnel in Jacksonville?

Name & Position	Date of Hire
Michael Ring - Vice President and General Manager	09/29/1993
Dennis Compton - Port Engineer	11/20/1989
Wally Baines - Safety & Security Manager	09/01/2006
William Haufler - Assistant Port Engineer	12/01/2003
Mike Swary - Head Electrician	03/19/2007



How many employees work in Jacksonville?

There are currently a total of 25 employees: 13 crew, 8 office and 4 docking pilots.

How long has the company been a part of McAllister?

There was a great clamor from numerous customers in other McAllister ports for us to provide our brand of unsurpassed service in Jacksonville. So in March of 1986, McAllister Towing started a new operation in Jacksonville.

How many tugs are currently in Jacksonville?

Presently we operate four (4) tugs: The newly converted 4,000 HP tractor tug STACY McALLISTER, the 3,000 HP tugs GRACE McALLISTER AND ISABEL McALLISTER and the 2,000 HP MISSY McALLISTER.

What's the best attribute of the port? What's the worst?

We are located in the great Sunshine State so the weather has to be the best attribute. It offers a mild climate year round and no snow or ice in the winter! Hooray! From a tugboat operator’s perspective the worst attribute would be the tricky currents within the port, which can exceed 3 knots.



Any interesting facts about the port of Jacksonville and its personnel?

In 1562 Frenchman Jean Ribault led his men up the St. Johns River and established a settlement called Fort Caroline. Three years later, English trader John Hawkins sailed to the mouth of the St. Johns River to replenish his water supply. While there, he traded guns and ammunition for food and other supplies with the French Huguenots at Fort Caroline. This was the first waterborne international transaction in the New World and as a result Jacksonville can claim the distinction of being "**America's First Port**". The port is undergoing some major improvements and growth. Mitsui/Trapac is building a container facility which is to be completed by the end of 2008 and will be able to handle 800,000 TEU's. Hanjin is building a container facility, due online in 2010, which will handle 1 million TEU's. These facilities will put the Port of Jacksonville at 2.6 million TEU's annually which will rank it amongst the top 4 container ports on the East Coast.

What makes Jacksonville different from other McAllister ports?

The port of Jacksonville is on the St. Johns River (one of the few rivers in the world that runs North) which runs 22 miles from the entrance to downtown docks. Our tugs are constantly catching ships on all parts of the river. The longer run times for our tugs in catching these ships makes Jacksonville somewhat unique in comparison to other McAllister ports, as only a few have such long stretches of running time on a regular basis.

Anything else or anyone else you would like to mention about Jacksonville and McAllister?

We would not be able to uphold the standard practice of unsurpassed service without the skilled and dedicated work of our Docking Masters, Captains and their crews. We proudly salute our Captains: Charlie Bishop, Clay Broward, Art Lavigne, Ray Still and our Docking Masters: Derik Flint, Mason Flint, Steve Harvey and John Redman.



Benefiting from Your Benefits

Nancy Errichiello—Employee Benefits Administrator

McAllister offers our CIGNA Healthcare participants the opportunity to better manage stress and quit tobacco use with the free of charge Lifestyle Management Programs.

Develop a personal quit plan to become and remain tobacco free with **CIGNA QUIT TODAY**, including free, over-the-counter Nicotine Replacement Therapy* in the form of the patch or gum. Or join the **STRENGTH & RESILIENCE STRESS MANAGEMENT PROGRAM** to help you understand your stress triggers and ways to cope with them. Both programs offer telephone programs featuring a personal wellness coach, a work book and tool kit. In addition, there is an online program that offers a personal plan, weekly educational emails and secure convenient support. For many people, the first step can be the most difficult – that's why CIGNA and McAllister are there to help you take it. For more information or to enroll, call 1-866 417-7848 or visit www.mycigna.com.

(* Tel-Drug Home Delivery Pharmacy, but must be ordered through the CIGNA Quit Today Program. Only one nicotine replacement therapy will be issued per participant, per calendar year.)

IN THE NEWS

Information about McAllister and its Employees

VICKI M. McALLISTER extinguishes blaze in Portland

Tugboat or fireboat, that is the question. Portland residents were asking themselves that very thing after they saw the VICKI M. McALLISTER fighting a fire along the Fore River. On his way home crossing the Casco Bay Bridge, Captain Brian Fournier, President of Portland Tugboat, saw thick black smoke on the Portland side of the Fore River. The fire was dangerously close to a Northern Utilities natural gas tank farm. Immediately, Captain Fournier radioed the Portland base to dispatch the VICKI to the scene. The tug was on scene in less than 10 minutes, blasting her fire monitor and controlling the fire. The VICKI is equipped with a Goulds 871-TI fire pump that is capable of generating 3,000 gallons of water per minute. Brian remained on the scene shoreside and coordinated with the Portland F.D. the VICKI's movements via radio. The crew of the VICKI that day was Captain Bryan Evenson, Engineer Sean Watson and deckhand Anthony McAllister. The Portland F.D. was grateful to have a powerful fire fighting capable tug like the VICKI and expressed their gratitude to Captain Fournier and the crew. Hats off to Portland Tug, Brian and the VICKI crew for responding and then controlling a dangerous incident that could have been a waterfront catastrophe.



Ferry Crew Dominates Tug Crew in Softball Challenge



The BPPJ employees challenged McAllister employees to a "friendly" softball game recently. The friendly aspect dissipated rapidly as the tug crew arrived in Bridgeport and witnessed the ferry team, so aptly named "The Sharks", looking like a professional softball team warming-up quite vigorously on the outfield grass of The Ballpark at Harbor Yard, home of the Atlantic League Bluefish. The extraordinary day, which included actually playing on Harbor Yard stadium's field and a great catering spread, was organized by Operations Managers Donald Fromm, and Lou Rinaldo and also Port Jefferson employee James Lollo. The Sharks jumped out to an early lead and "The

"Tugboaters", who couldn't think of a better name, responded in the later innings with some stellar defense and timely hitting by Joel Acevedo and James Soo Hoo of 17 Battery. The Tugboaters "borrowed" one of the ferry employees, Dennis Duswalt. He was named the Tugboater's MVP as he helped keep the score close with some amazing defense in centerfield while being jeered by Ferry co-workers with thunderous cries of "TRAITOR"! In the end, the Ferry Sharks proved to be too much and hung on to win the game. The game ball was signed by all the participants and was ceremoniously presented to the winning team's manager, Fred Hall as Mayor Fabrizi of Bridgeport looked on and congratulated both teams. Thanks to everyone who organized and participated in such a great day. Fun was had by all and the Tugboaters have vowed to retake the game ball in 2008.



Movers & Shakers

Dennis Duswalt has joined the Bridgeport and Port Jefferson Steamboat Company as the Call Center Reservations Manager. He is also the IT liaison between Bridgeport/Port Jefferson and McAllister's headquarters at 17 Battery Place. Dennis's prior experience includes owning his own computer consulting company and having been a supervisor for a Cable/Internet/VOIP Company. "I am fully grateful to be part of the extended McAllister family." Dennis would also like folks to know that "I can be rented for golf outings and company softball games." Dennis has proven his admirable softball skills, though some in Bridgeport/Port Jefferson have questioned his loyalty to his home team.



Kenneth Gross recently joined McAllister as the new Project Engineer working out of the Staten Island facility. He is currently leading the development of tugs



and support vessels for several LNG terminal installations and other new tugs and technologies. Ken graduated valedictorian in 2002 from the Massachusetts Maritime Academy with a B.S. in Marine Engineering, and currently holds USCG licenses as a 2nd Assistant Engineer of Steam Vessels and 3rd Assistant Engineer of Motor and Gas Turbine Vessels, both unlimited horsepower. Ken is also licensed as an Engineer-in-Training by the Massachusetts Board of Registration of Professional Engineers and Land Surveyors. After graduation, Ken spent five years in the United States Navy as a Naval Nuclear Officer, three of those years were aboard the USS PROVIDENCE, a fast-attack submarine home-ported in Groton, CT. Ken finished his active duty career as the Assistant Engineer onboard the PROVIDENCE, before joining up with McAllister in October 2007.

Alison McClenaghan has joined the 17 Battery office as McAllister Towing's Corporate Recruiter. She recently graduated from SUNY Maritime College with her Masters of Science in International Transportation Management. Prior to joining McAllister, Alison worked at SUNY Maritime College as an admissions counselor. She is originally from California and attended the California Maritime Academy. Her father also attended Cal Maritime and has been sailing for over 45 years. She is very excited about joining the McAllister family and taking on the challenge of finding qualified applicants who can continue to uphold the McAllister tradition of unsurpassed service. Alison looks forward to meeting and working with you all!



Captain Gary Oliviera is the General Manager at McAllister Towing of Narragansett Bay, McAllister's newest port in Providence, RI (see full story on page 4). Gary has been working in the maritime industry for over 20 years. In 1987, Captain Oliviera joined Providence Steamboat as a dispatcher. Shortly after that, Gary found his sea legs and began working as a deckhand on the tugs. Working his way up the hawsepipe, Gary acquired his Master 1600 gross ton near coastal license and began working as a Captain on the various Providence tugs. Keeping the maritime tradition in the family, Captain Oliviera's son, Nathan, is also a tug Captain and is the Captain of Providence's tractor tug the RAINBOW. Please welcome Gary, Nathan and everyone at Providence to the McAllister family!

At the Helm

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**Just a reminder to keep your stories, photos and
submissions coming. Please send them to Craig Rising
at the 17 Battery Office.**

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