



At the Helm

From the Captain's Chair

Dear McAllister Friends and Family,

With the fair winds and following seas of 2006 behind us, we look forward to a prosperous 2007 as McAllister strives to continue our tradition of unsurpassed maritime service. Some of the highlights from 2006 here at McAllister included:

- McAllister tractor tugs EMILY ANNE and AJ lead the way in extinguishing the fire at Solomon's Island in Maryland.
- One of the most unique towing jobs we've ever had: transporting a major bridge section of I-95 up Narragansett Bay on two barges to for installation over the Providence River. This operation incorporated 4 tugs and 2 joined barges.
- The Christening of the converted tractor tug ROBERT E. MCALLISTER (named after my fourth grandchild) at the South Street Seaport in New York, where McAllister started in 1864.
- And last but certainly not least successfully towing the historic aircraft carrier USS INTREPID from her home in NY to Bayonne, NJ after the US Navy dredged some very stubborn mud from the Hudson River. (Please see the accompanying article in this issue.)

In addition, McAllister continued to upgrade our fleet by acquiring the MCALLISTER RESPONDER and MICHAEL J. MCALLISTER and converting former YTB's into state-of-the-art tractor tugs. The ROBERT E., DOROTHY and ELLEN MCALLISTER were successfully converted in 2006 which brought our fleet to a total of 84 tugs including 16 tractors. Also in the expansion and improvement department, Staten Island completed the rebuilding of its pier facilities and Port Jefferson finished a new berth for the ferries.

I want to thank you, the employees, both afloat and ashore, for your contributions, skills and dedication in making McAllister one of the leaders in the maritime industry. I wish you, your families and all our friends a Happy New Year and I look forward to continuing our work together as we strive to make 2007 a success for everyone at McAllister.

Captain Brian A. McAllister
President

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The Christening of the Robert E. McAllister



Employee Milestones

The following individuals celebrated landmark anniversaries in 2006. 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

Benjamin Ramirez New York

25 Years

Wayne Stiles 17 Battery

20 Years

Patricia DeMoncada BPPJ Ferry
 Harold Jacobson BPPJ Ferry
 Michael Purce BPPJ Ferry
 Mark Soderstrom BPPJ Ferry
 Larry Southerland Wilmington
 Terry Suggs Charleston
 Mason Flint Jacksonville

15 Years

Thomas Harris New York
 Dean Kinnier New York
 Patrick Kinnier New York
 Gerald Lomonaco New York
 Margaret Taddeo 17 Battery
 William Southard Philadelphia
 Arthur Jackson Charleston
 Ricardo Ramos Puerto Rico

10 Years

Jose Rosas New York
 Karen D'Elia BPPJ Ferry
 Kathleen Ferrell BPPJ Ferry
 James McGuire BPPJ Ferry
 Brian Smith BPPJ Ferry
 Vincent Whalen BPPJ Ferry
 Sean Taylor Philadelphia
 Linda Marie Walker Newport News
 Jonathan Wright Newport News
 John Redman Jacksonville

We sadly said goodbye to some former employees in 2006. Judy Ricci retired, after 35 years at the 17 Battery office, and moved to Las Vegas to be closer to her grandchildren. Also, it is with deepest sympathy that we announce the passing of former employees: William Austen, Martin Codd Sr., James Dixon, Albert Howard, Charles Picorilli, and Marguerite Riccio. They will all be missed.

“THE LUCKY BAG”

By Wayne Stiles

“**B**innacle List” is an old Navy term that refers to a list of people excused from duty because of sickness. Each morning the ship’s corpsman would place a list of sick crewmen on the binnacle, the stand or housing for the ship’s compass located on the bridge. The Captain could then assess the health of his crew by who was on the binnacle list.



We all have a “Blue Monday” now and again, but the term is derived from an old custom practiced aboard sailing ships in the early 18th century. Each week the misdeeds of a sailor were logged daily and the accumulated misbehavior was punished once a week by flogging on the following Monday. Ouch!

There was a common practice in the Navy of The Netherlands many years ago to serve gun crews on fighting ships schnapps or gin prior to engaging in a sea battle. This condition of “fortified heroism” became know as “Dutch Courage.”

Information Technology and Information Communication Systems at McAllister

By Andrew McAllister

In 2007, ITICS is focusing on some major systems enhancements. We are pleased to announce that as we enter the end of the first quarter we are on schedule. We are also undertaking steps to improve the service model in an effort to better support your ITICS needs.

As part of this effort to improve our support, we have taken three steps: First, we set up a direct number (646-205-1900) for employees to contact ITICS with any computer, system or phone issues. Second, we are currently researching ticketing systems that will allow users to monitor the status of their requests online. And lastly, we created a new position that we are recruiting to fill: an IT person dedicated to traveling to the ports to provide support, and to install hardware and software across the fleet. These steps are critical to our success because of the doubling of the number of computers across the fleet over the coming year.

We are also moving forward with a company-wide Navigation/ Mapping System installation. Currently, in Staten Island, we are piloting one of three Navigational Systems. The pilot is running on four of our towing boats (the MEGAN, BRUCE, CHRISTINE and MARJORIE B.), and two harbor boats (the ROBERT E. and ELLEN). At the end of this eight week pilot, we will test a competing software provider. Our goal is to select the final vendor for our Navigational System by August, based on feedback from the crews.

Our plans to install a fleet-wide Preventative Maintenance System are also moving forward: we are finalizing our contract with the selected vendor and will be working closely with Planned Maintenance System Manager David Oravets (see "Movers & Shakers" column in this issue). We look forward to announcing the new program in the coming weeks.

As part of these projects we have purchased 150 IBM ThinkPads to be installed in each of the pilot houses in our fleet. As MT&T moves forward we thought it was important that you had the latest and greatest hardware and software available to assist you in completing your jobs as safely and efficiently as possible.

We look forward to working with each of you as we start to roll out hardware to each of the vessels in our fleet and 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,
ITICS

The Intrepid Tug of War

On Monday November 6, 2006 McAllister Towing of New York, as witnessed by a contingency of dignitaries and the general public, attempted to tow the U.S.S. INTREPID. The INTREPID, a 27,000 ton 920 foot aircraft carrier that was commissioned in 1943 for WWII and survived numerous Kamikaze attacks, had not moved from her moorings at Pier 86 along the Hudson River for more than 23 years. At 0900 with the tide at the highest point and the wind and weather in full cooperation the 6,000 hp tug CHRISTINE MCALLISTER, under the command of Senior Docking Pilot Captain Jeffrey McAllister, began her pull. Assisting the CHRISTINE were four tractor tugs (ROBERT E., KALEEN, VICKI, and BROOKLYN MCALLISTER). On the initial pull from the CHRISTINE and assisting tugs, the INTREPID moved approximately 10-12 feet before she grounded. Captain McAllister reconfigured the tugs and added two standby tugs. In addition the MORTON S. BOUCHARD IV a 6,000 hp tug, owned by Bouchard Transportation, joined the flotilla. The tugs then began to pull again with a combined 30,000 horsepower. The INTREPID moved only another foot before she was “stuck fast” again. Jeff said, “She was moving, we were hopeful, she started to creep along but then she stopped.” At approximately 10:30 the tide had begun to fall and the tugs were called off as the conditions became less favorable.



A team of divers were dispatched to survey the ship's hull and the surrounding Hudson River silt. After their findings, a joint plan by the Intrepid museum, McAllister, the Army Corps of Engineers and the U.S. Navy was put into effect. The plan called for more dredging, which resulted in almost 40,000 cubic yards of mud being cleared out from under the stern and starboard side. This was on top of the 15,000 cubic yards removed prior to November 6th.



Based upon the spring tides for the month of December the target date for the next attempt was set for the 5th. The tugs set up for the second attempt consisted of the CHRISTINE, ROWAN, ROBERT E., VICKI, AND MCALLISTER BROS., a combined horsepower of almost 22,000. A balance between the high water and flood current had to be as close to each other as possible. The pilot charged with the task of moving the Intrepid was once again Captain Jeff McAllister, who has more than 25 years of experience in NY Harbor. Captain McAllister had the tugs make up with the CHRISTINE, ROWAN, and ROBERT E. on the stern. The ROBERT was placed on the port stern with her bowline. The CHRISTINE and ROWAN connected their tow wires, CHRISTINE made up dead center on the stern, and the ROWAN was made fast to the starboard stern. The BROS. was tasked with assisting the ROWAN in making up the tow and helping the CHRISTINE out into stream. The VICKI was positioned on the starboard bow, eventually shifting to dead center on the bow; she was tasked with controlling the bow and acting as a brake for the tow.

When Captain McAllister gave the initial commands to begin the tow, the INTREPID moved about ten feet and fetched up. Many on board and watching from the shore thought “Uh-oh, here we go again.” The tug of war was on once more. The tugs were ordered to reposition themselves to the north. Once in position Captain McAllister gave the order of full ahead. After a tense few minutes, the mulish dead ship yielded to the might of the relentless power of the tugs and began sliding out of the slip. Loud cheers could be heard coming from the flight deck and from the many observers shoreside. Once out in stream the ROWAN was released along with the BROS. The tow continued down the Hudson stopping off at Ground Zero to pay tribute to those lost on 9/11. During this tribute, veterans who had served aboard the mighty carrier during WWII and Vietnam unfurled one of the largest American flags in the country to honor the hallowed site as they glided past.



From there the tow passed the Statue of Liberty where numerous helicopters and other watercraft tried to position themselves for the idyllic photograph of two American and more specifically NY icons. The INTREPID waived goodbye to NYC and headed into New Jersey. Upon reaching the entrance to the Military Ocean Terminal Bayonne (“MOTBY”) channel, the ship had to hold up in the current and 25 knot winds waiting on a time close to slack water, since the ship would be docked perpendicular to the current. The IONA joined the tow off MOTBY and made fast to the stern acting as a rudder and brake, the VICKI was released from the bow to be replaced by the CHRISTINE. When Captain Jeff determined that the current had eased off enough to safely pass into the MOTBY channel, the tow preceded to the cruise pier opposite Global Terminal. The ship was docked where it will remain until March, 2007 when she will be shifted to GMD Bayonne to affect repairs. The massive overhaul and renovations to the INTREPID will take approximately two years. She hopes to return to NYC in late 2008.

McAllister would like to thank and congratulate the captains, crews of the tugs and everyone involved that worked so hard in getting this job done. In the end, McAllister won the tug of war and as always did so with its unsurpassed service.

Story Credit: Captain Patrick Kinnier, Port Captain—NY



Ferry Crew Rescues 3 Men Clinging to Boat

In the early evening of October 24, 2006, the crew from the ferry GRAND REPUBLIC rescued three people who were clinging to their capsized boat and shaking in the 59-degree water. The men had been in the water for about 25 minutes when they were pulled aboard a lifeboat from the ferry.

"They were really happy to see us," said Ferry Captain Ed O'Neill, who commanded the rescue. "They were shaking a lot. Hypothermia had begun to set in. It was also starting to get dark."

The mayday call from the boat went out at 6:01, just as the ferry was preparing to depart from Bridgeport Harbor. Captain O'Neill said the men, employees of a local power plant taking water samples from the harbor, had a hand-held radio and they were able to establish contact fairly quickly.

While Captain O'Neil stayed in radio contact to pinpoint the men's location, the crew prepared the rescue boat and emergency first aid supplies. "You don't know what you're going to find until you get to the scene," said O'Neill.

The men told O'Neill they were near Tongue's Point and the ferry headed in that direction. O'Neill said it took just a few minutes to spot the men and their capsized vessel, which was being tossed about by two and three foot waves. He estimated the boat was between 17 and 19 feet long.



Fred Thompson & Captain Ed O'Neill

The ferry arrived at the scene at 6:12 and O'Neill said they maneuvered the vessel -- which is 300 feet long, the length of a football field to block the wind and waves -- which were blowing at around 25 knots. That allowed them to launch the rescue boat manned by crew members Brian Smith and Fred Campbell. At 6:25, the men were taken aboard the rescue boat and examined by the crew, then transferred to a Bridgeport Police boat, which had arrived at the scene.

Captain O'Neill said the crew has weekly drills to prepare them for a range of emergencies, from water rescues to fires to medical emergencies.

And what did the passengers aboard the Grand Republic think of the real-life rescue they witnessed?

"They were great," said Captain O'Neill. "Several people came up to us and asked if they could help. There were police officers, firefighters, doctors. And several passengers said, 'Now I understand why you have all this safety and rescue equipment aboard.'"



**The crew of the GRAND REPUBLIC
being honored by the U.S. Coast Guard**

"Captain O'Neill, Brian Smith, Fred Campbell and all the crew did an outstanding job," said Frederick Hall, Vice President and General Manager of The Bridgeport and Port Jefferson Steamboat Company. "We train all the time for all kinds of situations and are delighted to have had an opportunity to use that expertise to help these men."

For their heroic efforts, the crew was honored by the US Coast Guard and received the Rodger Murphy Award - National Marine Safety Award from the Passenger Vessel Association. McAllister offers its congratulations and appreciation for a job well done to all the crew of the GRAND REPUBLIC: Captain Ed O'Neill, Fred Campbell, Mark Hansen, Jake Jacobson, Al Nemeth, Tom Pittagno, Brian Smith and Mike Travis.

“Tugboat U” - Class is in Session

By John Torgersen

With a rise in the number and complexity of the federal requirements to qualify for a Mate’s license for towing vessels, there has been a subsequent closing off of the “hawse pipe”, the traditional route from Deckhand to Mate. This has led to an industry wide shortage of Mates and Captains. McAllister has responded with increased recruitment efforts but realized that in the long run, the “hawse pipe” had to be opened back up.

Over a year ago, John Torgersen, our Director of Quality and Safety approached The Global Maritime Transportation School (“GMATS”) at Kings Point and asked them to partner with us to develop a radically different approach to the training of Mates aboard towing vessels. This approach has been dubbed “Tugboat U”, and is generating a lot of interest both inside McAllister and in the maritime industry.

Starting at the end of January, all Deckhands in New York will be enrolled in Tugboat U’s first course NS120 “Tugs and Towing 1”. This course will be taught by McAllister’s own Captains, using training materials provided by GMATS.

At the end of year one, those deckhands who choose to and who do well on their SAT’s (Seamanship Aptitude Test) continue on into a two year Mate Training Program. Six experienced Deckhands will enter directly into the Mate Training Program starting in March.

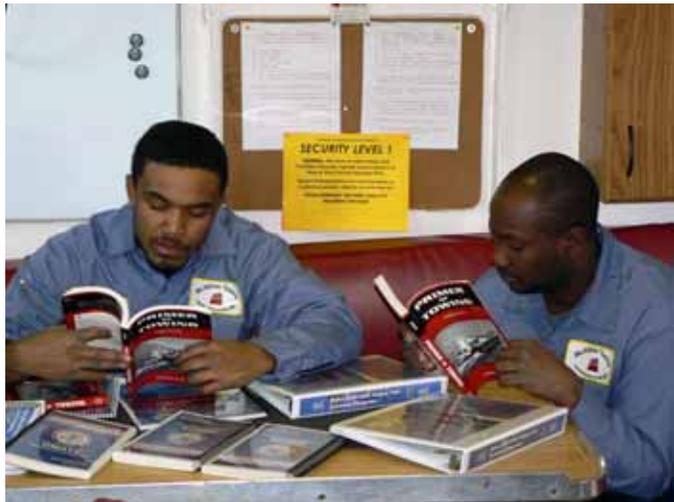
The difference in Tugboat U’s approach is that instead of sending employees out to be trained, Tugboat U brings the instructors to the boatyard. Instructors from GMATS will travel to McAllister’s Staten Island facility to provide two eight-hour days of formal classroom training a month in maritime subjects. Deckhands will also receive credit for training that our own Captains conduct aboard their vessels during the course of the normal work day.

When they complete the entire 2 year program, Deckhands will be prepared to sit for their 500 ton Mate License and receive a Towing Officers Endorsement. Because the 500 ton Mates License is an inspected license, there is no need to gain a years sea time as an Apprentice Steersmen, which has become one of the major obstacles to moving up through hawse from Deckhand to Mate.

Deckhands may also elect to take a number of online courses in general education subjects. Upon successful completion, when combined with the maritime subjects from the formal training sessions, they will earn an accredited Associates Degree.

After a year in development the U.S. Coast Guard recently granted its approval to Tugboat U, as an approved training program, making McAllister one of only two vessel operators with USCG approved training programs.

Our ability to constantly examine how we do business and re-engineer our boats and internal processes to react to a changing business environment is why McAllister has survived for over 140 years. The success of the YTB conversions and programs like Tugboat U are recent examples of this ability in action. This is why we can count on McAllister being here for another 140 years.



Yervin Goff and Kenneth Brooks of the ELLEN MCALLISTER are enrolled for Tugboat U’s first class.



- PICTURED FROM TOP LEFT:**
- ◆ Deckhand Kenny Terry aboard the Robert E.
 - ◆ Winter sure is cold in Portland!
 - ◆ VP & GM Frank Huesser makes good on his bet by shining the Vicki's bell in Portland.
 - ◆ Vicki handles with ease the bow of the USS Intrepid/
 - ◆ Ferry & tug personnel at the PVA Convention in Charleston.





PICTURED FROM TOP LEFT:

- ◆ The newly converted Dorothy McAllister
- ◆ A metal tug model proudly created by the ironworkers in Staten Island
- ◆ The Barbara McAllister at the Verrazano Bridge
- ◆ Terrorism training drill aboard the ferry Grand Republic.
- ◆ A massive funnel cloud in Bridgeport.

McAllister provides Christmas Salvation

In the late evening of December 23, 2006 the Liquid Petroleum Gas (“LPG”) Tanker MAERSK SCOTLAND was steaming northward enroute to Philadelphia with a full load of butane, when she suffered a catastrophic failure of the steering system. The ship was disabled and drifting about 200 miles due East of Cape Hatteras with gale force winds of 35 knots and seas in excess of 15 feet forecast for her location within the next 24 hours.

McAllister Towing of Virginia’s Dispatcher, Linda Walker, received the emergency call for towing assistance. Linda notified Operations Manager Captain Elliott Westall who ordered the KATIE G. MCALLISTER to set sail to assist the MAERSK SCOTLAND. Captain Jeff Fremont and the crew of the KATIE G. quickly prepared for sea and left Norfolk on Christmas Eve enroute to the MAERSK SCOTLAND.

Back in Virginia it was time to organize the necessary logistics to allow the stricken vessel to be towed into port. Individuals from Maersk Lines Limited in Virginia, the shipping agent from Inchcape and Captain Westall from McAllister developed the support plan to present to the Captain of the Port (“COTP”) Sector Hampton Roads. In order to secure permission for the LPG tanker to enter the port, numerous measures had to be organized, planned and presented in such a manner that no detail or contingency would be overlooked. The plan was to bring the MAERSK SCOTLAND into port under tow with two additional tugs, a Docking Pilot, and a State Pilot, and anchor the ship in Lynnhaven Anchorage. After a review, the COTP was satisfied that all contingencies were well covered and permission was granted for the MAERSK SCOTLAND to enter the port.

Meanwhile back on the KATIE G., Captain Jeff Fremont and his crew were preparing the tug for the impending tow. Jeff established communication with the MAERSK SCOTLAND’s master to discuss a plan for the tug to shackle into the ship’s gear. As he signed off with the master he recalls saying, “Don’t worry sir, Santa Claus with his big red sleigh is on the way!”



A little before 0200 on Christmas morning the tug reached the MAERSK SCOTLAND where the KATIE G.'s seasoned crew were able to take the ship under tow. Due to the inclement weather and rough seas, the crew determined the best way to get shackled in was to have the ship drop a messenger line to which the crew secured the tug's tow wire. The ship then used its winch to hoist the tug's wire and made it fast to the anchor gear. Captain Fremont recalls, "As soon as we were shackled in, we paid out about 1,600 feet of wire. Once under tow, the ship started to shear from one side to the other. As we attempted to correct course, the vessel's listless rudder would shift in the opposite direction causing it to shear again. We were unable to maintain course as the tanker's steering was completely disabled." Predicted gale force winds of 35 knots and seas of 15 feet soon complicated the tow. The weather and the MAERSK SCOTLAND's inability to steer made it very difficult for the 4,400 horse power tug to make much progress towards the Sea Buoy of Hampton Roads. Captain Fremont and his crew dug in their heels for what seemed an eternity as they were only able to proceed at 3 knots for the entire tow.

With every shear from the ship, the tug's tow gear was strained to its limits. Constant diligence from the first rate crew was required to prevent the chaffing of the tow wire. About 24 hours into the tow, Captain Fremont remembers, "I'm always thinking about what could happen on a job so my crew and I can be prepared for anything. The weather was extremely rough so I tried to keep the tow as close to shore as possible. Then all of a sudden, I thought we lost the ship. The "gob chain" broke and came back into the winch where it snapped off part of the level-wind. I was determined to get us and the 20 to 30 crewmen on the tanker through this storm and bring us home on Christmas." Engineer Lee Polin, a tested sailor, was able to rig the towing wire into the level-wind so that it could be retrieved. Slow and steady the KATIE G. continued heading for port with her tow.

By the morning of the 26th the wind and seas reduced enough that the KATIE G. was able to close in on Hampton Roads. However with 25 knot winds, the tug and tow had to wait until the following day as the conditions within the anchorages would not allow for a safe transit. The KATIE G. with the MAERSK SCOTLAND were met off Cape Henry at approximately 1400 on the 27th by the DANIEL MCALLISTER and the MCALLISTER BOYS. By 1600, the MAERSK SCOTLAND was safely at anchor. Afterwards, Docking Pilot Alan Downs reported to Captain Fremont that when he boarded the MAERSK SCOTLAND the Captain and crew were extremely grateful to the tug, its Captain and her crew. Tired but victorious and more than ready for some much deserved down time, the KATIE G. headed for the yard.

McAllister would like to congratulate and thank every crew member from the KATIE G. for an incredible job well done. Captain Jeff Fremont, Mate Dan Pursel, Engineer Lee Poland and Deckhands Marc Jerz and Jason Morse. You certainly delivered to a Merry Christmas to everyone aboard the MAERSK SCOTLAND.

Story Credit: Captain Elliott Westall, Operations Manager—VA & Captain Jeff Fremont—VA

Stop the Presses!

All Hands on Deck! "At the Helm" is putting a challenge out to all of you, our loyal readers. We want to hear from you! "At the Helm" should be as diverse as the many people who work for the company. We want all the ports and all positions represented in our newsletter. We are asking you to write and submit an article on any topic pertaining to you, your job or McAllister Towing. If we print your story in one of the upcoming issues of "At the Helm" you will be given a \$50 credit to spend at the McAllister web store. So put your writing hats on and submit your articles along with your full name, position and contact number to Craig Rising. Craig can be reached via email at crising@mcallistertowing.com or at the 17 Battery Office, (212) 269-3200. Thank you!

“SPOTLIGHT ON” McAllister Towing of Puerto Rico

We at “At the Helm” have started a new column where we will be featuring a different McAllister port in each issue. We thought this would be a great way for people to “get to know” a little bit about each port and the individuals who work there. We are proud to be starting with our Puerto Rico operations and hope you enjoy this column.

Who are the key personnel in San Juan?

<u>Name & Position</u>	<u>Date of Hire</u>
Eladio Rodríguez - Vice President and General Manager	4/16/1984
Angel Solla - Controller	6/2/1972
Félix Feliciano - Port Captain	1/17/1987
José Colón - Port Engineer	1/13/1977
Anita Chutney - Executive Secretary	3/19/1969
Edward Wallace - Administrative Assistant	1/1/1975

How many employees work in San Juan?

We have a total of 31 employees. 12 in Administration/Office and 19 Crew

How long has the company been a part of McAllister?

McAllister Towing started operations in Puerto Rico in 1968, under the name Port San Juan Towing Co. The offices and dock were located at Pier 11 in San Juan Harbor and later moved to Pier 9, where it stayed until May of 2000. At that time our offices were moved to our present location and the tugs to the Tender Pier, both still in San Juan Harbor.

From 1971 until 1977 numerous sub-companies were formed (South Coast Towing, Caribbean Sea Roads, Caribbean Bunkering, Island Feeder Line, etc.) that performed various work such as towing deck barges, providing assistance to Sun Oil Tankers, supplying fuel from barges to ships and container



transportation. These various operations were between Puerto Rico the United States and the U.S.V.I. In 1977 all companies were integrated under one name, McAllister Brothers Inc., Puerto Rico Branch.

Today the company in Puerto Rico operates under the name McAllister Towing and Transportation Co., Inc., Puerto Rico Branch. It is dedicated to assist in the docking and undocking of vessels in San Juan Harbor, as well as ocean towing to other ports in Puerto Rico and the Caribbean.

How many tugs are currently in PR?

Presently we operate four (4) tugs: MARIANNE MCALLISTER, JANE MCALLISTER, RON G, and PUERTO NUEVO.

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

Personnel turnover is very small. Each and every employee gives the extra mile for a successful operation. Of this we are very proud of all of our employees.

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

Cargo operations make San Juan the number one port in the Caribbean and it is rated number 10 in the U.S., after the port of Savannah, GA. As for cruise ship calls we are rated among the top 10 in the world with 56 ships calling an average of 606 times each year. On the negative the Port of San Juan has a very high cost of operation.

What makes San Juan different from other McAllister ports?

Our activities are not different from other ports. We perform the same unsurpassed services: docking/undocking, inland/coastwise towing, etc.

**Anything else or anyone else you would like to mention about San Juan and McAllister?**

After 32 years of excellent service our Administrative Assistant, Edward Wallace will enjoy retirement effective March 31, 2007.

Benefiting from Your Benefits

Nancy Errichiello—Employee Benefits Administrator

Benefit Highlights Effective January 1, 2007

401 (k)

- Loans decreased to a maximum of two per calendar year.

Medical Insurance

- Dental Insurance increased for employees and their dependents from \$1000 to \$1500 per calendar year.
- Orthodontic coverage increased for dependents up to the age of 19 from \$1000 to \$1500 lifetime maximum.
- The co-pay for brand name prescription drugs increased from \$20 to \$30, and the mail order increased from the current \$20 to \$60. Generic drugs remain at \$10 co-pay and \$20 for mail order.
- The out of pocket maximum doubled from \$200 per person/\$400 per family to \$400 per person/\$800 per family.

Life Insurance

- The base life insurance for all crew members increased from \$50,000 to \$100,000.

Short Term Disability

- Short Term Disability doubled from the current maximum of \$170 weekly to \$340 weekly.

Should you have any questions or concerns regarding these changes to our benefit package, please phone Nancy Errichiello, Employee Benefits Administrator, Human Resources, 17 Battery Office. (212) 269-3200.

Movers & Shakers



Captain David Oravets joined McAllister Towing in the beginning of this year and has taken on the position as the Planned Maintenance System Manager in New York. Coming from a third generation of boatmen, Dave has worked in the marine industry for over 30 years, 25 of which were with Mobil Oil Corp. During his time, he has sailed in various positions from Deckhand, Tankerman, to Master. With Mobil Oil discontinuing their Marine Department in 2001, Dave decided to go shoreside and took on different managerial positions. These included Safety Superintendent, Port Captain and Operations Manager with a local tug and barge company. With the implementation of the new AMOS Planned Maintenance system throughout McAllister's fleet, Dave's plans are to visit everyone in the near future. He looks forward to working with you all.

Lynn Meyer joined McAllister Towing as Fleet Engineer after working with Engineering Manager Martin Costa as a subcontractor helping to oversee the two YTB conversions that were done for the Navy in Washington State. His first task with McAllister was overseeing the YTB conversion of the ELLEN at Colonna's Shipyard as well as the yard periods of the BROOKLYN and MAC 4001. Lynn has extensive knowledge of project management from years of working in the yachting industry and as an owner's representative overseeing the construction and repair of large motor yachts. He has a degree in Small craft Naval Architecture and got his start working as a diesel mechanic on inland tow boats in Texas. He and his wife, Vikki have relocated from the Seattle area to the Norfolk area knowing that McAllister Towing would prove to be a great company to work for and grow with.



Dilip Shetye has joined the 17 Battery office as an Assistant Controller. Prior to joining our company he held several senior management positions in corporate finance and accounting within the hospitality industry such as WNW Hospitality and Hampshire group. Under the leadership of Controller Chuck Court, Dilip oversees the accounting of all our ports and the ferry operation. He is further responsible for strengthening our controls, compliance and culture through the implementation of our plans and budgets. Dilip holds a CPA certification from Delaware State Board of Accountancy and is a member of American Institute of Certified Public Accountants. Dilip recalls, "When the welcome note came in the mail from MT&T, I was very excited and happy to be the part of the ocean that is McAllister!!"

Please join us in welcoming these three new faces to the McAllister family.

The Big Day

By Deckineer Kevin Rodriguez—Portland Tugboat

The big day was on its way. For most tugboats and or tug companies when one talks of the big day and getting ready for the big day you might think they were talking about a launching date, a dry docking date, a new record ship being docked, or maybe even the tugboat races. The events I just mentioned have all been big days for Portland Tugboat. However, the big day I'm writing about was completely different. This day was a day that very few tugs and tug crews experience. This big day was a wedding ceremony that was performed on the stern of the tugboat PETE. The tug PETE is McAllister's largest tug and was a perfect choice for this special day.

This was not just anyone's wedding, this was Portland Tugboat's Deckhand Kemp Klinger's wedding. If there were anyone at Portland Tug voted most likely **NOT** to tie the knot it would be Kemp. He proposed to his fiancée and the very next day set the wedding date for one month away. For all of you who are married, you know it takes more than a month to set up a wedding especially on a tugboat. There was no telling Kemp this. Kemp is ambitious and stubborn and if you tell him it can't be done he is more determined to find a way to do it. To make this big day successful it was going to take planning, preparation, and performance. However, planning isn't one of Kemp's strengths. In fact, he doesn't believe in it. He is a "we'll deal with it when we get to it" type of person. Kemp knew what he wanted and what needed to be done, so I took over the planning and verbally set up a timeline to ensure everything was accomplished.

Lots of prep work on the PETE was needed which included: needle gunning, priming, painting and decorating. We (mostly Kemp) prepared the boat for a week before the wedding. The day before the big day just about the entire company had a paint brush in their hand! The most unique and fun part of the preparation to the boat was the white aisle we painted down the center of the stern deck. It made the PETE look quite formal and was the perfect



**Mr. & Mrs. Kemp Klinger
aboard the tug PETE**

touch the boat needed for a wedding. True to his "we'll deal with it when we get to it" way of life, Kemp and some of the wedding party put the final touches on the tug the day of the wedding.

Here in Portland there is always one person who is late. Yep, you guessed it, this person is Kemp. The age old joke "you will be late for your own funeral" directly applies to Kemp. He will be late to his own funeral and he was most assuredly late to his own wedding. When everyone finally arrived we set sail on the PETE for just off Portland Headlight. Father York, the minister, performed a beautiful ceremony. It was a perfect day for a wedding and to everyone's amazement when the big moment came and it was time for Kemp to perform, he said "I DO!" with the best of them.

The wedding on the PETE was smooth sailing for everyone there that day. Congratulations to Kemp and Charity Klinger, from all of Portland Tug and McAllister Towing. We wish you fair winds as you journey through life together!

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McAllister Towing's
"At the Helm"
- Volume 8

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