



At the Helm

Tidings from Captain Brian

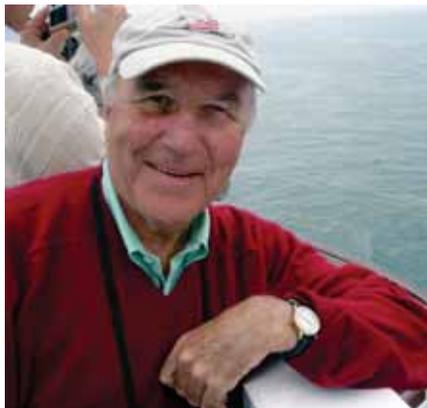
With another year of high and low tides behind us, we are steering straight ahead into 2005. Last year saw the passing of my brother and former McAllister President Tony McAllister, at the age of 75. He is truly missed by many and his memory lives on. As one generation passes on, another comes into being. VP Eric McAllister is the proud father of my grandson Robert, the newest member of the 6th Generation of McAllisters.

Business has been good, with the Port Everglades acquisition (see the article in this issue), new and repowered tugs, two new barges, and a bright future in our burgeoning LNG operation (Chesapeake Energy Services). The IT department has also undergone a company-wide upgrade and renovation. This includes a complete overhaul of the accounting system and a number of new software programs.

Our effort to complete the rebuilding of the McAllister shipyard in Staten Island is continuing. It was initiated over a year ago, and we hope to conclude that construction project soon, which will enhance the ability of our New York tug division to more economically repair and convert our extensive fleet.

These innovations and developments will keep our company ahead of the crest, steering ahead ever more structurally sound, steady and seaworthy. I'd like to extend my gratitude and best wishes to all of McAllister's employees, customers, friends and family for working together to meet the challenges before us in 2004. Here's hoping the next 140 years of McAllister Towing are as good if not better than the first 140 years.

Sincerely,



Special points of interest:

- Captain Patrick F. Kinnier, Port Captain in NY, becomes first civilian in 12 years to receive U.S.C.G. Meritorious Service Award.
- Crew of Michaela McAllister in Charleston reports sighting of right whale and receives praise from local environmental group.
- Christine McAllister tows USNS Hayler 300 miles out to sea and releases her for Naval missile testing.
- New Additions at 17 Battery:
Natacha Pierre — daughter Thalia
Farah Jean — twin sons Isaiah & Joshua
Cutrenna Purvis — son Justin

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News from the Land of ITICS

(Information Technology Information Communication Services)

By Michael Cassels

In the last year at McAllister Towing, we have worked very hard at implementing technology to make everyone's job faster, easier, and more efficient. Our first improvement was to upgrade the Corporate E-Mail server (Microsoft Exchange). The conversion went smoothly: initially only 48 people in the company had the email, now more than 138 people and vessels have accounts. These improvements led to greater usage in other areas and it soon became clear that we needed to provide 24/7 remote access to our core systems. We started a Virtual Private Network (VPN) system which allows a limited number of users to work remotely. The IT team also facilitated the upgrade of our outdated "Viaduct" accounting system. The new accounting/reporting system is called Axapta. We started one year ago and I am happy to report that Phase 1 is now complete. In addition to keeping our books, Axapta will soon provide reports and numerous other benefits.

Concurrent with the accounting system advancement, we also upgraded all workstations to Windows XP, Microsoft's latest operating system. Some users gave positive feedback such as, "My computer doesn't crash any more" and "Microsoft Word no longer freezes causing me to lose all my documents". Responses have been positive; however, some users do not like the fact that they cannot install software and hardware without the assistance of the ITICS department. We understand your frustration, but such precaution is in effect to keep the job related aspects of your computer working smoothly, to protect you as well as the network. If there is a program that you feel is necessary to your job function, we are qualified to assist you and will. Another large undertaking that has been successful is the development of shipboard computers with communication, GPS and charting capability. Many seagoing tugs and soon our three ferries will feature laptops that are equipped with MS Office, Map Tech and email access.

Next issue, we will talk about "MCD", McAllister's newest software program McAllister Central Dispatch which is replacing Go Tugs. Thank you.

"THE LUCKY BAG"

By Wayne Stiles

We welcome the New Year by raising a toast to everyone's health! This custom of drinking to one's health with a "toast" had its origins in the saloons along the waterfront. It was customary among seamen to place a small piece of toast in the hot toddy and mulled wine, a warm sweetly spiced drink popular with the old tars, and "raise a toast" to their shipmate's health.



When one is coming on or off a ship, it is a Navy custom to pause at the top of the gangway and render a salute in the direction of the stern. In present day, we salute the American Flag, which flies at the stern of most ships in port. However, this ritual has its origin even further back in history. In ancient Roman times, one saluted the quarterdeck because images of the gods were housed in this section of the ship.



..."Pirates of the Caribbean" was a popular movie last summer, great fun with pirates fighting and swashbuckling. The famous "skull and crossbones" insignia was not a death flag, as is commonly thought. Pirates were more interested in merchandise and loot, and when this insignia was flown, it meant that the people and the ship under siege could go free, provided all the cargo was handed over. When pirates were planning total death and destruction, the pirate ships would hoist the solid RED flag as a warning.

McAllister Expands Operations to include Port Everglades, FL

McAllister Towing has taken over the helm of Tugz International LLC's Port Everglades operation in Florida. Formerly part of the Great Lakes Towing group, the operation will now be known as McAllister Towing of Port Everglades.

Tugz had been an important presence in Port Everglades for the last two years. Now, the busy port will reap the benefits of McAllister's long experience of East Coast harbor operations, offering customers added resources and unsurpassed service while maintaining cost-effectiveness.



Bruce McAllister, President of McAllister Towing of Port Everglades, affirmed the acquisition, "With this transaction, the McAllister family is making a long term commitment to Port Everglades that we believe will serve the best interests of all stakeholders in the port."

Gregg Goldie the Operations Manager comes to McAllister Towing of Port Everglades from Great Lakes Towing. Mr. Goldie has an extensive background in the maritime industry dating back to 1983. According to Gregg, "The port is extremely busy and is getting busier every day. Our crew of 10 that work the two boats are well seasoned captains, engineers and deckhands that are experienced tractor tug operators. The primary jobs are docking and undocking and everyone works together, from McAllister's proficient crews, to the pilots, harbor masters and line handlers. The total team effort makes everyone's job easier from start to finish." Captain Michael Ring, General Manager and VP of the new operation and GM/VP in Jacksonville says "Port Everglades is a rapidly growing port which offers McAllister the opportunity to grow with it."



Working in the port are two powerful tugs, the *Z-One* a 4,000 hp Twin Screw Z-Drive tractor and the *Z-Two* a 5,100 hp Tri-Z propeller tractor. In keeping with the McAllister family tradition the *Z-One* will soon be named the *Erin McAllister* and the *Z-Two* the *Matthew McAllister*. The new entity retains the additional support of McAllister's nearby ports in Jacksonville, Charleston and Puerto Rico. As Captain Ring stated "Put a stack on the map: McAllister has arrived in Port Everglades."

QM2 Arrives in Portland



**Would you like them
crushed or cubed?**



**Christine McAllister
tows U.S.N.S. Hayler
where she meets
Davy Jones**



Tractor Tug AJ McAllister

**Deckineer
Kevin Rodriguez**





Santa Buckheister puts Marge on this year's "Good" list.



Winter in Portland

Joe Tanker relies on McAllister for a tight situation



Sunset from Capt. Brian's Office



Even V.P.'s unwind at the Christmas party



The women of 17 Battery get the party jumping with their rendition of "Paradise by the Dashboard Light" (l to r: Susan Carden, Laura Moore, Julie Fournier and Joann Giglia)

Rough Seas in Virginia



Movers & Shakers

McAllister is pleased to announce the newly hired Company Security Director, Captain John Schrinner, and Controller Mr. Charles Court.

Security Matters

Captain John E. Schrinner has come on board as McAllister's new Security Director, in charge of managing security programs company-wide. Captain Schrinner will be based in the Norfolk, Virginia office and will support managers in each of McAllister's ports and offices with compliance with federal laws and regulations. As we all know, the post-9/11 climate has necessitated new security measures and the development of federal agencies like the Department of Homeland Security. The maritime industry has been on the forefront of these advances in security administration and McAllister has eagerly taken on an important role in its implementation.



Captain Schrinner has over 27 years of experience in maritime security, most recently creating the Marine Safety Division for Coast Guard Atlantic Area and serving as the Division's first Chief (September 2001-June 2004). In this key position, he led the development and implementation of the Coast Guard's Maritime Homeland Security Strategy in the aftermath of the attacks of 9/11.

Schrinner has also served the Coast Guard's Marine Safety, Security and Environmental Protection Program in the areas of vessel inspection, port operations, investigations and licensing, compliance and many others. He earned his Bachelor of Science degree in Industrial Technology from Ohio University in 1970, and completed his Master of Science degree in 1971.

He received his commission at the Coast Guard's Officer Candidate School in 1973 and served an initial tour of duty in Civil Engineering at Coast Guard Headquarters. He has earned many honors for his service, including the Legion of Merit Medal, four Meritorious Service Medals, and three Coast Guard Commendation Medals.

Court is in Order

Chuck Court is our new Company Controller, the numbers man responsible for all internal and external financial reporting, all of McAllister's revenue and disbursement functions, including billing, accounts payable, payroll and taxes. At the time of this writing, it was close to the year's end, so he was very busy getting ready for the external auditors who will be in soon to review year-end financials.

Chuck comes to us from Berlitz International, Inc., the language-education company, where he spent more than 12 years in various management positions, first as Director, Internal Auditor, then Division Controller, Asia, (based in Tokyo, Japan,) and finally as Worldwide Controller, based in Princeton, NJ. Previously, Chuck was an Audit Manager with the New York office of Price Waterhouse Coopers (f.k.a. Coopers & Lybrand). His career with PWC started with the Vancouver office. Chuck also attended University in Vancouver, where he obtained a Bachelor of Commerce from the University of British Columbia. He is also a Chartered Accountant (Canada) and a Certified Public Accountant (NYS).



News from the North

By Kevin Rodriguez — Deckineer Portland Tugboat LLC

Portland Tugboat has been as busy as ever, working hard docking ships throughout the year. Business picked up in Fall and Winter as usual, but we've had time for some important events. Three key events in 2004 stand out in particular: the visit of the Queen Mary II, a memorial service for two much-missed crewmembers, and our first annual Christmas Party.



Captain Brian Fournier & Commodore Warwick on board *QM2* in Portland

On October 9th, 2004, the *Queen Mary II* was escorted into Portland Harbor by three McAllister tugs, *Pete*, *Jeffrey*, and *Vicki*. Portland Tug was proud to perform a fire fighting monitor salute, executed by all three boats, in an impressive display topping 9,500 gallons per minute. The *QMII*'s inaugural visit to Portland Harbor, (and she is expected to return every two years) drew thousands of people to the waterfront to see the awesome ship. Because of the significance and fame of the ship, security was enhanced. State police divers conducted bottom sweeps of the tugs and any boat within 300 feet of *QMII*, and everyone involved in the working waterfront had a part in protecting the harbor. Cunard, the Port Authority, the Coast Guard, deckhands, captains and port captains all worked together to keep the harbor safe, even with some of the busiest ship traffic of the year. The *QMII*'s visit concluded with a tour of the ship for the crew, friends and family on the *Vicki*, as well as a citywide fireworks celebration. It was a huge success!

On December 4, 2004, a memorial service was held in honor of Chris Cordeau and Kevin Dalton, who lost their lives in the past year, and who worked for Portland Tug. Both Chris and Kevin were great men not only in life but at sea as well, and they were recognized in a service performed by Father York from the Seamen's Church. The service was followed by a bell ringing ceremony performed by two students from Massachusetts Maritime Academy's Honor Guard, Matt Hall and Peter Rodriguez. Two wreaths, donated by Kelly Reardon, were cast into the ocean in memory of Chris and Kevin. At the site of the service, in the tug yard, an engraved stone and bollard were placed in their honor. Attendees included Brian Fournier, Buckley McAllister, Portland's Port Director Jeff Monroe, as well as a crowd of employees, family and friends.



After a full year's hard work, it was time for some Christmas fun. Portland Tug participated in the 4th Annual Parade of Lights, leading the parade with three McAllister boats: *Vicki*, *Stamford* and *Fournier Girls*. Crewmembers at Portland Tug competed to decorate their boats most impressively, and joined the procession of other creatively lit boats throughout the harbor and up the Fore River. The Parade is becoming a strong Christmas tradition in Portland, involving all of the maritime community. After the Parade, Portland Tug celebrated with its first annual Christmas Party. Family and friends gathered in the Port of Portland building for food, fellowship and our first Yankee Swap.

President Brian Fournier was presented with a sailboat in a bottle, and everyone had a great time. Caterer Bruno Rosener has already agreed to come "on board" to feed next year's party. To the rest of the McAllister Family and Fleet, Happy New Year, and best wishes to you and your families!

At the Helm

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Talk to Us!

Once again, let us remind all employees to submit stories, news and events that you want to read about! If something interesting happened at your port or office, let us know or write about it yourself and send it to us. Special thanks to Kevin Rodriguez for contributing the Port Everglades story on page 7. *AT THE HELM* can only succeed with your input. We want everyone's voice to be heard and we want each port and office to be represented. This can only happen with your help.

Please send in your photos too! You can send your stories, ideas and photos to the following people via email or to the 17 Battery office.

Beverly Reilly—breilly@mcallistertowing.com
Craig Rising—crising@mcallistertowing.com
Brenda Shaughnessy—bshaughn@mcallistertowing.com

THANK YOU TO EVERYONE FOR YOUR SUPPORT!!!

The *At the Helm* Staff

McAllister Towing's *At the Helm*

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Send Comments and Suggestions to: crising@mcallistertowing.com

Photo Credits & Contributions:

Capt. Billy Ballou, Joe Buckheister, Michael Cassels Gregg Goldie, Capt. William Douglas, Capt. Brian Fournier, Capt. Pat Kinnier, Capt. Steven Kress, Buckley McAllister, Capt. Roger Roberts Jr., Kevin Rodriguez and Wayne Stiles.

