

The Echo

February 2009

Quarterly Newsletter

"Providing world class services that exceed customer expectations on each and every contract with uncompromising accuracy, timeliness, and attention to budget requirements."



From the Desk of **Bill Arterburn** **Chief Executive Officer**

The New Year brings renewed concerns about our company, and whether the current slowdown in economic activity in our country will impact the BSE Group of companies. These concerns were seriously discussed and evaluated during our Board of Directors meeting the last week of January. In Alaska, the change from feast to famine and back again, the boom and bust economic cycles, all seem to be part of the fabric of our economic existence. Certainly, our Aleut owners from the Pribilof Islands, whose economic history has been closely tied to federal budget and political swings, have a textbook full of reasons to note that wild economic cycles and swings are part of the turf for a remotely located and somewhat dependent island community. Perhaps that is why the focus of growth in the company during the past decade or so has been consistent and persistent in terms of identifying opportunities for diversification. If we are able to survive an economic downturn of the kind we are now seeing nationally, it will be precisely related to how well we have diversified our approach to business and our customers, and to how we have used, adapted, and applied our most basic skills to a wide variety of tasks.

BSE's recently deceased Chairman, Anthony Philemonoff, who also served over 25 years as a Board of Director for our parent Tanadgusix Corporation, was a strong supporter of diversification of revenue sources. Despite an easy manner and limited formal educational and business background, Anthony's island life experience taught him that simple direct movement was required when infrequent opportunity presented itself. As my personal friend, I also know that he doggedly persevered, and learned tirelessly from his mistakes, for instance, when pioneering the local small

vessel halibut fishery from the island. No one believed a small vessel fishery originating from the islands could work in the turbulent Bering Sea waters, but they were proven incorrect. Our own approach to business growth and development bears much of the imprint of Anthony's simple and unaffected approach, that placed the greatest emphasis of all on conscious effort, more than any focus or preoccupation with the difficulty of the task at hand, or the obstacles to be overcome. We will miss Anthony's contributions, but will seek to remember his examples.

While economic conditions were discussed at length by our Board, and management was urged to be cautious in adding new expenditures, the clear message was to continue forward with a focused approach to business development, seeking out the new opportunities that turn up during periods of change in direction. As with a sailing vessel on the ocean, we can't direct the winds of change, but we can adjust our sails to capture those winds, and get us to where we want to be.

In an effort to better organize and serve our customers who are asking us to do more complex contractual tasks, we will be adding some personnel to meet new demands and challenges in the coming year. As some of you are aware, there are some painful adjustments coming as well in software changes, and in management of our electronic content.

Sometimes making changes can make us uncomfortable, and we want to resist, or question the value of improvements. But change is a constant in the modern world, and with attention, we can still maintain the small friendly feel that our company has shown in the past, while concurrently improving our ability to serve our customers with better value, and the lowest possible costs. I will ask that all Bering Sea Group employees maintain a flexible attitude about change during the current year, and keep open minds when it is your specific area that may be impacted or asked to change.

Bill Arterburn, CEO

Important Information

Next quarter the Bering Sea Eccotech Newsletter will be moving to a Bering Sea Group format. We will be including Bering Sea Eccotech, Bering Sea Environmental, Aleut World Solutions and TDXNet. This new format will allow us to share a broader amount of information from all our associated companies. If you have an idea for a story please forward it to your immediate supervisor or to Barry Merrill - bmerrill@bseak.com



Input Deadline for the May newsletter will be April 27th.



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Moving Right Along...
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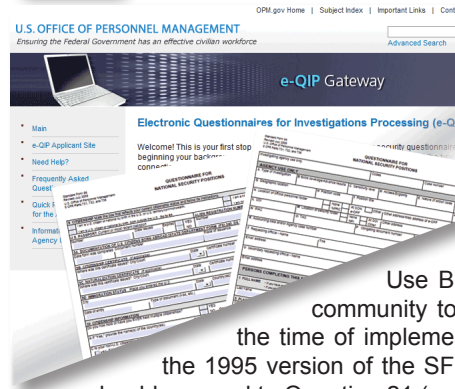
Shortly after reaffirming our quality commitment to fulfill goals, objectives, and core values, Mr. Arterburn convened a policy and procedures review committee. Since then, the committee has been moving right along...assessing policy and procedures to ensure guidance is provided for fair and consistent staff treatment, and standards are established for business activities to maintain regulatory and statutory compliance. Assigned Offices of Primary Responsibility (OPRs) are reviewing policy and procedures for adequacy, accuracy, and relevance as part of a continual developmental review cycle.

The International Organization for Standardization (ISO) published revised Quality Management System requirements in November 2008. The current revision, which is called ISO 9001:2008, reflects the periodic review and revision cycle the ISO standard undergoes every 6-8 years. Since then, senior management has been moving right along...assessing impacts of the revision to our existing system of processes to ensure our products and services consistently meet requirements and we continue to aim to enhance customer satisfaction.

Electronic Content Management (ECM) has been approaching from the horizon, and our hopes for an Enterprise approach providing the ability to capture, store, retrieve, and manage documents, records, emails, electronic communications and other documents should soon be realized. TSD has been moving right along... as part of a cooperative TDXNet/SAIC pilot program implementing the Highly Customized SharePoint ECM. This will offer an evolved Document management system, as well as other beneficial attributes. Requirements Reviews have been accomplished and incremental implementation should begin soon.



Getting Your Clearance Started
BSE's Security Program
Elary Gromoff, Executive VP/Facility Security Officer
Melvin Johnson, Deputy FSO/Safety Officer



Initial security clearances and periodic reinvestigations are very important aspects to certain contracts BSE is involved with. The US government conducts these investigations based on information provided on an electronic questionnaire submitted via e-QIP. There have been recent upgrades to the e-QIP you should be aware of: On Jan. 17, 2009, DoD implemented required Agency Use Block (AUB) fields to enable the non-accessions community to submit the July 2008 version of the SF 86. At the time of implementation, applicants in the process of completing the 1995 version of the SF 86 will continue completion of that version, but should respond to Question 21 (mental health question) using the revised language that excludes the requirement to list counseling strictly related to adjustments from service in a military combat environment. Applicants who initiate the SF 86 after Jan. 17, 2009, will complete the revised version of the SF 86 that includes revised Question 21 language.



The current Global economic and financial crisis can have an effect on your security clearance! This far reaching situation has touched all sectors of our country and possibly affected your personal financial strategy. Please use caution as you plan/protect your financial interest. Cleared employees are reminded of their responsibility to report financial conditions that become adverse to the Security Office. While it is equally important to report adverse information that describes the activities of other cleared employees, this information must be first hand. The security office does not investigate or pursue rumor or hearsay. It is vital to National security, our customer, and BSE that we maintain a contingent of cleared employees prepared to perform our contracted obligations. If you have any security related questions or concerns your security office is ready to assist you.

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Human Resource Reminders
Connie Bergo, Human Resources
 cbergo@bseak.com

In January 2009 Human Resources established a plan that allows the deductions for health insurance premiums to be made on a pre-tax basis. This plan has been named the Tanadgusix Corporation Health and Welfare Trust "125" Premium Conversion Plan. Human Resources has already sent out a notice that informs everyone about the Conversion Plan and how it effectively decreases your cost to participate in the Employee Health Care Plan. Enrollment forms also went out to all the divisions. If you are currently enrolled in the Employee Health Care Plan and have not enrolled for this premium conversion plan and would like to, please contact your supervisor or the Human Resource Dept.



Just a Reminder:

Open enrollment for the health plan is in May. If you are currently enrolled in our Health plan and would like to make a change to the plan you are currently on or to switch to a different plan; May will be time to do so. If you are planning on enrolling for the first time, all the forms are currently on the website under the Benefit Forms Section and should be submitted to the Human Resources Department attention Connie Bergo.

Resources Department attention Connie Bergo.

Also Please Note:

The payroll department mailed W2's the week of January 26th. If you have not received your yet please contact Roxanna in Payroll to request a copy of your W2.



Efficiency vs. Effectiveness
BT Smith, Director Technical Services Division
 btsmith@bseak.com



Recently I had the pleasure of providing some leadership instruction for some of our field supervisors, the boys and girls that get their hands dirty everyday. One of the discussion topics was efficiency vs. effectiveness and it was pretty evident that they might not have aced the definitions they surely had a firm grasp on the concepts and how they related to their performance and the overall success of their efforts. I thought I would relate these concepts to recent P5CTS performance and the realities of the current economic situation.

Annually the government (customer) is required to provide contractors with performance assessments, basically a report card on how well they are or are not doing, these are known as Contractor Performance Assessment Ratings, or CPARs. For our P5CTS contract the areas we were rated in were: Quality of Product or Service, Schedule, Cost Control, Business Relations, and Management of Key Personnel. Ratings for each area can be; unsatisfactory, marginal, satisfactory, very good or exceptional. Our dedicated team was able to achieve ratings of exceptional in all areas.

Technical Services Division Employee of the Year



Jennifer Gose
 Computer Operator
 Langley AFB, VA

Congratulations to Jennifer Gose, TSD's Employee of the Year. Jennifer has been very busy this year at our Langley AFB VA location. Her ability to tackle any problem is well documented in her Job Performance as well as her personal involvement in her community and her efforts to further her education. Here are just a few of her noted accomplishments. For a full rundown visit the BSE website Employee Awards section.

Job Performance

- Attained a 100% pilot debriefing feedback rate—1st ever for 1FW or any other ACC unit!
- Spearheaded the 1FW initiative requesting live monitor capability for the 71FS
- ACC has since approved Langley for the next Live Monitor upgrade and BSE has been selected to accomplish the associated radio and T-1 line installation
- Identified and resolved a long existing

Some of the feedback provided included; under Quality of Service--Contractor established "cross-talk" initiatives between 6 sites has been lauded by ACMI community as a "best practice" and adopted throughout the air combat training community; under Cost Control—Contractor also provides best value to the government...; under Business Relations — BSE...provides outstanding interaction with the government customer; under Management of Key Personnel--... "exceptional customer interface and customer support....customer satisfaction being their top priority....performance is above and beyond those of other contracts managed by our office.

So based on the definitions of effectiveness, being able to successfully provide a desired result, and in this case, meeting contractual demands and satisfying the customer, one would have to conclude that the P5CTS operations are indeed effective. Efficiency is the ratio of useful work performed to the total energy expended, or more simply, producing results with little wasted effort. The first way to look at this is, are meeting or exceeding

problem that even the installation manufacturer was unable to pin-point and could only provide a work around--slow flash card readers with intermittent failures

- Lead 1FW effort to integrate F16 Aggressor Support with local ACTS mission analysis
- Selected as the 71FS's and nominated as the 1FW's Employee of the Quarter for the third quarter 2008—recognizing her level of effort, attention to detail, commitment to overall customer satisfaction (Award shown below)



Self-Improvement

- Completed the Personal Computer Security Plus—a self paced course that provides information on current and future risks for all PC users, with a focus on programming

- Enrolled in Saint Leo University, taking 6 credit hours towards a Bachelors' Degree in Computer Information Systems—maintaining a perfect 4.0 GPA

Community Involvement

- A volunteered numerous hours at Hampton child development center and at the Animal Aid Society of Hampton Roads

Great Job Jennifer, Keep up the Great Work!

our projected profit margins while keeping our overall costs in-line. Another way might be to look at the ratings and deduct that the customer ratings of exceptional in the areas of Schedule and Cost Control would translate into efficiency. Reviewing both of these we determined that, yes indeed, our operations can be deemed efficient (there are a lot of other things that can be considered).

However, the real test will take place next year when the contract comes up for re-compete. We believe that the government will announce that they will award the follow-on contract based on "best value" which is normally a trade-off between past performance, technical capability and cost. One could even venture that our exceptional past performance demonstrates our technical capability and that all we need to be is very close to lowest cost to win the follow-on contract. With the current economic situation that our CEO spoke about in his article, I believe is that, as we have seen in the past, "best value" will translate into "lowest overall cost." Bottom line, it will take each and every team member being focused on being both effective and efficient to ensure BSE not only survives but rather thrives in these harsh economic time.

Technical Services Division Employee of the Quarter



Edward Kelly
 Electronics Technician
 Mountain Home AFB, ID

Congratulations to Edward Kelly, our employee of the Quarter. His efforts during the months of October - December clearly demonstrate he is deserving of this award. His attention to detail was evident in his efforts to improve Technical Order Distribution and eliminate obsolete copies. Superior maintenance practices shined as he accomplished extensive work on 12 AN/ASQ-50V2 series pods (owned by the Navy at Yuma AZ) allowing Mountain Home providing support to visiting Marine Fighter Attack Squadron and giving their current customer, the 366FW, an opportunity to accomplish Dissimilar Air Combat Training (DACT). In addition Edward coordinated over 800 pod load and reconfigurations with no impact to pilot proficiency training. While accomplishments at work are great, Edward also excels off the job by taking Applied Science Electronic Engineering classes and volunteering with his local Boy Scout Troop.

For a full recount of everything he has achieved this past quarter visit the BSE website Employee Awards Section.



F/A-18 Hornets bring Special Challenges with Training Upgrade Requirements

Wayne Supplee,
Site Manager, Langley AFB - ACTS Contract

On the week of Jan 12th, we experienced unusually cold temperatures that blew in from the north, but that's not all that was unusual for this week. F/A-18 Hornets flew in from the south, that is, Beaufort SC, for some dissimilar aircraft training. The Marine Fighter Attack Squadron VMFA-312 with 53 pilots and crew had a primary mission to upgrade two pilots to Air Combat and Tactics Instructors. Part of the requirement for this upgrade was training against dissimilar adversaries. The First Fighter Wing at Langley AFB was able to accommodate this requirement with their F15's and F22's. Not only were the Marines successful at their upgrades, but both the 71FS and the 94FS were able to get some dissimilar aircraft training in preparation for an upcoming Red Flag exercise.



This training exercise was far from our normal mission support routine. Our P5CTS (Combat Training System) pod does not have the proper flight clearance for this USN bird. The ideal pod for this mission would be the P5CTS V2 pod; this version of the P5 pod is equipped with a larger, heavy duty front hanger, more suitable for those demanding carrier landings. In an attempt to support this mission, we located these V2's at Key West, FL and Yuma, AZ. However, none were available due to an exercise called COM2EX at Key West and special SAT testing that was in progress at

Yuma. With this, the best option was to revert to the Navy's aging TACTS (Tactical Air Crew Training System). The TACTS pod is viable for training, but limited to an instrumented range area. The nearest range is the ACMR (Air Combat Maneuvering Range) located at NAS Oceana (Naval Air Station), Virginia Beach, Va. The MOA (Military Operating Area) for this range is within the W72 MOA, and at best gives participants a 45-50 mile setup. The 'setup' is where the fighters are sent to their respective corners, turn around and call 'fights on'. With today's air to air weapons deployment, this area is much too confining. Thereby the requirement for the P4/P5 ranges-less pod. This series pod uses GPS for a range-less training application. The TACTS pod is equivalent to the legacy USAF P4A pod that was decommissioned when P4RC was introduced in 2002. By the way, this is when BSE first stepped into this contract, supporting the O&M (Operations and Maintenance) on P4RC pod and debrief systems.

With options becoming limited, the next step was to determine if the F15 could officially carry this TACTS pod. We referred to the (TO) Technical Order that authorizes certain stores on the F15, and verified that this pod is still certified on the F15. The next step was to determine if TACTS pod were available from the ACMR at NAS Oceana. They were able to support us, but not with the umbilical, as they had the typical Navy only style. The umbilical is the apparatus that electrically connects the pod to the aircraft. After some additional research, we were able to have the Hornets that were coming up from Beaufort bring suitable umbilicals. The Hornets were flying in to LAFB with their TACTS pods already loaded from Beaufort. Now that we have pod support worked out,

we need to resolve the debrief capability. The 'debrief' is where every detail of the training mission is discussed and reviewed. With the mission being handled with TACTS pods, the recording is accomplished at NAS Oceana.



Special efforts were required to have the mission recording electronically transmitted to Langley. When it was onsite, our computer operator, Jennifer Gose, needed to convert the msn50 file format to ICADS (Individual Combat Aircrew Display System) to allow the mission to be viewed on our display system. This effort provided an excellent opportunity for us to gain some experience with this type of file convergence. This reason becomes apparent when you realize that the newest air superiority airframe, the F22 Raptor Advanced Tactical Fighter, has newly developed software that will allow an unclassified TSPI (Time and Space Position Information) download. Our next venture at Langley will be to capture the F22 data and incorporate it with the F15 mission for display and debrief capabilities.

At the end of the week, we walked away with some great lessons learned, the Marines successfully accomplished their upgrades, and the squadrons of the 1st Fighter Wing received some vital training in preparation for the upcoming Red Flag training exercises.

TSD's Newest Site at Barksdale AFB supports visiting Colorado Air National Guard Green Flag East Exercise Mission

Technical Service Division's newest site is already hard at work assisting visiting squadrons. Shown here in a photo taken by Master Sgt. John Nimmo Sr. on December 5th, Jesse Cummings the Site Manager connects the data feed cable from the P5CTS air combat maneuvering instrumentation pod to an F-16 Fighting Falcon as Staff Sgt. Richard Martinez stands ready to close the panel. The ACMI pod transmits real-time 3-D flight data that is superimposed over a moving map providing better situational awareness to the battlefield commander. Sergeant Martinez is a 140th Aircraft Maintenance Squadron aircraft weapons specialist with the Colorado Air National Guard from Buckley AFB, Colo. To read the full Air Force Story on this Green Flag East Exercise support effort visit: http://www.af.mil/news/story_media.asp?id=123127802

A video of the event is also available at <http://www.140wg.ang.af.mil/> Under Featured Videos "Green Flag East Exercise".





Chairman, Anthony Philemonoff Passes Away

Anthony Philemonoff age 56, Chairman of Bering Sea Eccotech died peacefully surrounded by his family, Jan. 13, 2009.

Anthony was born July 14, 1952, on St. Paul Island to Terenty and Alexandra Philemonoff. He graduated from Mt. Edgecombe high school in 1971, and furthered his education at AMU. In 1977, Anthony met Rebecca Melovidov. This last summer they celebrated their 30 wonderful years together with their five children.

Anthony was a true born leader, like his father before him. He was a defender and advocate for the legal and economic rights of the Aleut people. After a brief stint at college, Anthony joined the Native Land claims movement. While working first with AFN and then later with the Aleut League, he traveled to all the Aleut Villages to help them get legally recorded as official Alaska Native Village Corporations. Anthony then moved back home to St. Paul Island to help incorporate his own village. There he served as a Board of Director for TDX Corporation for 33 years, and went on to serve as its President for 24 continuous years until his passing on. Anthony also served on the Board of numerous TDX subsidiary companies and was serving as the Chairman of Bering Sea Eccotech, BSE.

During this time Anthony also helped start the commercial fisheries on the island as one of the first captains of a commercial halibut boat out of St. Paul. He and other leaders of St. Paul fought for and lobbied for equal access to the abundant fishing

resources around Bering Sea communities. His actions helped lead to securing rights to fish quotas for Bering Sea Villages, now known as the CDQ program.

Anthony continued his drive to help his people by also serving on the Council for the St. Paul Tribe, the City Council and worked at the Pribilof School District. Of all of his efforts, Anthony was most proud of his leadership at the Village Corporation, TDX. He never varied from being the defender of his home land and his fight for economic and legal independence for his people.

Along with his board and his management team he helped take TDX from a little Village Corporation doing just \$70,000 in revenue to a diversified business doing over \$70,000,000.00 in revenue; with hotels in Anchorage, Seattle and Portland, an office building in Hawaii, power plants in Dead Horse, Sand Point and the biggest wind-diesel power plant in Alaska on St Paul Island. One project that was dear to Anthony was TDX's private dock in the St. Paul harbor. The dock led to the construction of the biggest Crab processing plant built and operated in the Bering Sea. Everyone that got to know Anthony grew to love him for his intelligence, sense of humor, and dedication to his family and the people of St. Paul Island.

Anthony was preceded in death by his father, Terenty Philemonoff, Sr., mother, Alexandra Philemonoff, and by his grandparents.

He is survived by his wife Rebecca, children: Nicholas and April Philemonoff, Alexandra and William Werba, Natasha Philemonoff, Vanessa and Joshua Curci, and Maria Philemonoff; his grandchildren: Ashley,

Allison, Aliysa, Angelina, and one more on the way; his brothers and sisters: Ron and Laurie Philemonoff, Margret Misikin, Gladys and Pete Malone, Terenty Jr. and Evelyn Philemonoff, Phillip Philemonoff, and sister Nina Simeonoff; and many more nieces, nephews, and cousins.

Anthony was a fighter, after developing and living with Diabetes for years, he faced kidney failure. In true love, his wife, Becky gave up one of her kidneys to keep the fight going. Unfortunately, the anti-rejection medication had a side effect and caused the spread of cancer. Not willing to give up the fight he went through yet another surgery and chemo therapy. His valiant struggle was inspiring, and we all can find comfort that his suffering has ended.



Donations may be made to TDX Foundation (a tax deductible organization) at 4300 B Street, Suite 402 Anchorage, AK. 99503; it is Anthony's and Becky's wish that we help our children's education through the donation to the TDX scholarship fund.

May his Memory be Eternal. May he always be loved and cherished, but never forgotten.



Exciting Changes in Information Technology

Barry Merrill, Information Technology Manager
bmerrill@bseak.com

There have been some exciting changes in the way we do business lately and there are more improvements currently in the works in the world of Information Technology.

During the months of December and January Bering Sea Eccotech performed a Network Migration that involved bringing together all of our remote locations onto a central network. This new network allowed us to improve our email services to a more robust Exchange Server system that was considerably better than our existing email service. With better local features and an enhanced webmail platform this was only the start of a process to bring all TDX owned companies into the fold of a centralized communications and task scheduling system.

Also during the network migration we upgraded phone systems as well as computer

software to provide the same operating system software as well as office production software. Before only a select few within the company had access to key programs such as Adobe Professional and Microsoft Project, now all users within the network have access to these powerful programs. By bringing everyone in line with the same software and using the same network this allows for easier troubleshooting when there is a problem, but also allows for smoother production of materials as we are not dealing with program or version incompatibilities.

Another advantage to our Network Migration is a company standardized virus protection program. This new program provides the exact same virus protection and instant updates to virus detection libraries for everyone within the network.

But we are not done yet. The biggest



SharePoint Feature Areas

advantages to our new network will be the deployment of the our new SharePoint Server and subsequent SharePoint Services Software. This new server and specialized software combination will allow BSE to move forward in the business community by providing a platform to set up a Corporate Wide Intranet. The new Intranet will become a central place to communicate about upcoming projects, information collaboration, task scheduling, and forms database. With SharePoint we can move to a true permissions based system that provides a means to share vital information with everyone, but also allow us to circulate sensitive corporate information in a more secure environment.