

BSG

Bering Sea Group
Corporate Newsletter

Summer 2013

*Diversification and Growth
Through a United Goal of
Exceeding Customer Expectations*



Inside Discover News On Our

- Environmental Services
- Industrial Services
- Infrastructure Services
- Munitions Response & Range Services
- Technical Services

Corporate Offices



Corporate Community News ... 3
Security Awareness Program ... 4
Cell Phone Scam Alert ... 5

Environmental Services



AWS opens new office in VA ... 6

Industrial Services



Chemical Services Update ... 7
New Circulation Unit Deployed ... 7

Infrastructure Services



Division Update ... 6

Munitions Response & Range Services



National EOD Day ... 8
Yakima Revitalization Project ... 9

Technical Services



Division Update ... 10
TSD Employee of the Quarter ... 10
Langley ACTS Supports RAF ... 11

Summer and the Sequester...

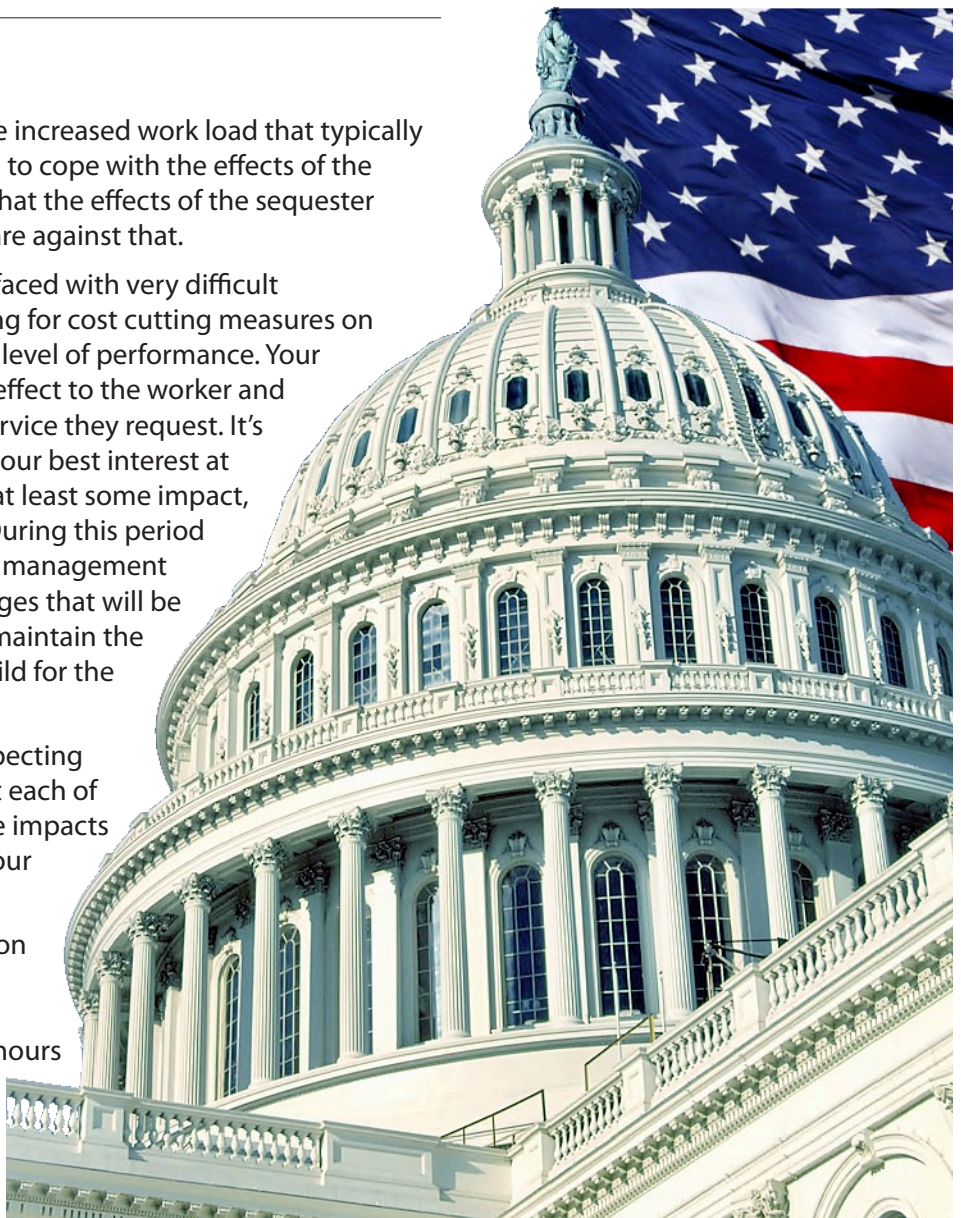
R. Dean Hughes - BSG Executive VP

As we move ever so closer to summer and the increased work load that typically comes with it, this year we find our self trying to cope with the effects of the sequester. Every company has surely hoped that the effects of the sequester would pass them by, but of course the odds are against that.

Your Division Directors and Managers are all faced with very difficult challenges this summer, our clients are looking for cost cutting measures on all our contracts, but they still want the same level of performance. Your Management team is trying to minimize the effect to the worker and to the company while giving the client the service they request. It's a big burden for them and they truly have all our best interest at heart, but unfortunately you will not escape at least some impact, hopefully it will be minimal and short lived. During this period I request that you support and work with the management team for your division to accommodate changes that will be needed to meet the performance goals and maintain the reputation you all have worked so hard to build for the companies of the Bering Sea Group.

So as we ramp up our summer schedules, expecting more change than we really want, I hope that each of you have a great summer season and that the impacts are limited, and we can get back to growing our companies quickly.

I would also request that you give your Division Management the credit that they deserve for trying to make the impact to each of you as minimal as possible. They all work long hard hours for both you and our companies, I personally appreciate everything they do, and I want to thank them and all of you myself in advance of a very challenging summer.



Corporate Community News

Julie Shane - BSG Director of Technology / TDXNet President

The long-awaited TDX information technology upgrade is on its way!

At the second-quarter TDX board meeting the directors approved a proposal to invest approximately \$700,000 in a new IT network. Network upgrades will impact the entire family of TDX companies, with more than 300 people worldwide.

The new technology, using cloud-based dynamics, will serve our employees and shareholders anywhere they may find themselves. It will enable us to support a constantly growing family of TDX companies, whether they are located in Newport News, Virginia, or on St. Paul Island in the Bering Sea.

The current upgrade plan will be phased in over twelve months. A project time line has been approved and schedules are currently being refined. Equipment has been ordered and deliveries are occurring weekly and will continue arriving over the coming months.

Careful attention has been paid to minimizing interruptions to the existing IT network. TDXNet's focus will initially be on building the core IT infrastructure, to be located on the third floor of the TDX headquarters at the Anchorage Emerald Building. Once completed, infrastructure at the outlying subsidiary offices will commence. Software upgrades for individual computers will follow afterwards.

As many of you know, this information technology upgrade has been long overdue. Expect faster network connectivity, greater file storage, and easier access to corporate services online. Also look for new security upgrades, in line with current trends in classified federal contracting, to take place in later phases.

Using cloud services and redundancy in the internal infrastructure will allow TDX to scale and build upon the new infrastructure like never before. This will help "future-proof" the investment being made.

We appreciate your patience during this ongoing project and will look to bring you news of our progress in the coming months.



Looking for work at a Bering Sea Group Company?

Visit the various BSG company web sites periodically for available position postings.

You can find links to all the BSG companies at www.beringseagropup.com

Accounting News

There have been a couple of staff changes here at the Corporate Accounting Office this past month.



Please help us welcome our newest member of the accounting team;

Nicole Brown.

Nicole has been hired to take over Zenaida Kochutin's duties in the Payroll Department.



Zenaida Kochutin will now be working mainly in the billing department but, will also assist with some accounts payable duties as well. Please be patient with us as we make these transitions and feel free to contact us with any questions.

As always please use the convenient department email addresses below to reach a particular group.

Payroll - payroll@bseak.com

Accounts Payable - ap@bseak.com

Purchase Orders - po@bseak.com

Other Helpful E-mail Group Links

Human Resources - hr@bseak.com

Help Desk - support@tdxnet.com

Security Awareness Program

Things to stay on top of ... Everything!

Security is one of those areas of our job that requires us to stay on top of everything. The Bering Sea Group has been blessed to perform, since its inception, without any major security-related deficiencies. This feat was not achieved by happenstance but by deliberate actions of our employees.

Whether you are a cleared employee or not, all of us have taken security responsibilities seriously and it shows. We have taken great care to protect Personally Identifiable Information (PII) under our control; we ensure corporate-level intellectual properties are afforded the appropriate over-site; and at the end of our workday, we take that last "look-around" to ensure the environment is secure until we return the next business day.

Additionally, we incorporate strong passwords on our computers and software (and change them periodically), we attend and actively participate in required security training and briefings; we report and/or investigate suspicious activities; and we offer suggestions if we believe there is a more secure way of doing things.



It's awesome to see one of our employees in North Carolina share emerging security trends with a co-worker in Hawaii, or a BSE employee at RAF Lakenheath initiate reminders regarding OPSEC with BSEn employees in Fairbanks, AK. The cohesive effort of all BSG members is the key to our collective success! Please keep up the great work!

Security Shout-out to TDXNet. They were comprehensively scrutinized by the Defense Security Service during their security related Vulnerability Assessment and received their highest rating to date ... COMMENDABLE. Great Job Julie, Lenora, Shelton and all who helped secure this rating!

As far as Security Goes, everything is important—Don't Keep Your Lips Sealed!

Security Awareness Poster! Another fine effort! Thanks again to all who participated in designing this year's security awareness poster. We received input from several segments of the BSG family and collectively arrived at an outstanding final product.

Some of the entries submitted for file title consideration: "Orca! Orca! Orca!", "Read My Beak!", "I'm Talking To You!", "Meetings are for the birds, but security is for everyone!", "Melvin's Security Brief, BT and Barry listening intently!", and our file title winner of "Don't Keep Your Lips Sealed!"

A special security shout-out goes to our corporate leader Ron Philemonoff for selecting the poster's winning caption; to Mike Taylor for submitting the winning file title; and to BT Smith for selecting the poster's file title! And, most importantly a security shout out goes to Mr. Barry Merrill for bringing the poster to life using his superior graphics skills.



Cell Phone Scam Alert - Check Your Bill

G. Michael Taylor - Senior Vice President

Mobile service companies charge thousands of unsuspecting cell phone owners with monthly fees that are not needed or wanted. In many cases, cell phone users have no idea why they have extra charges or who is scamming their cell phone bills. Recently a new cell phone scam has come to light that should make everyone take notice.

How the Cell Phone Scam Works:

One of the most common ploys to get paying clients on mobile service company lists is to post contests, games, or quizzes like the IQ quiz. Although major cell phone scam companies say the charges are clearly outlined with multiple clicks to ensure consent, consumers argue that this simply is not true. The PIN numbers that are mentioned by these companies (as proof of confirmation) somehow are never seen by the users who end up with the monthly bills.

Cell Phone Download Scam Example:

Kevin a university student who took an IQ test said that he filled out the "free" IQ quiz. He was then prompted to input his name and cell phone number to get the instant results. Only after putting in the information did the charge pop up - \$9.99. He instantly pressed the stop or cancel button and never realized that he had, in fact, been enrolled in a text messaging service through Mobile Messenger.

When Kevin continued to get text messages, he submitted cancel notices twice by text as required. The incoming text messages (and charges) continued even after he sent an email to the company asking that the text service be stopped. A phone call confirmed that Mobile Messenger received a cancellation one minute after activation and that two additional requests for cancellation had been submitted. The Mobile Messenger customer service representative insisted that the sign up system was not flawed and that the cell message service was requested. The customer service representative was unable to explain how the sign up for the service could be perfect



and the cancellation process so flawed.

Who are the Big Players in the Cell Phone Text Scam?

Certainly there are a lot of scam players in this lucrative con game; however, Mobile Messenger and PredictoMobile are two of the big online services that are mentioned repeatedly across the web. In fact, both companies have settled on class action lawsuits from disgruntled non-customers as well as AT&T (cell).

Why Do These Cell Phone Scams Continue?

Since legal action has been taken against the online scam companies, it seems odd that they are still in business and still pulling the same dirty tricks. It all boils down to money. For every person who does follow up and for every person who files class action, there will be many others who don't notice the extra charge and or never figure out what is going on or how to address scam problems.

The cell phone content providers made huge profits on legitimate and scam services. Imagine the money that is generated when thousands of people

simply ignore or write off \$9.99 for a more or two or even longer for services they never knew they signed on to pay. It's not just the online download or text companies that benefit. Cell phone providers get a cut of the pie. Cell phone companies are authorized to add the charges, and they do. There's no reason to get involved and to crack down on such shady practices or warn cell phone customers. That just cuts into cell phone company profits.

How to Deal with the Cell Phone Download Scams?

Avoid any type of game or quiz online. Also, watch out for ringtones listed as free (Blinko, Jamster) and Soulmate Calculator (downloads horoscopes with charges). If you do take the bait, stop short when asked for any personal information like your name or cell phone number. If a strange or unauthorized charge shows up on your cell phone bill, track down the company and call. While a stop, cancel etc. text back may take care of the problem, do not bank on it. Get a cancel confirmation by phone and write down the case number as well as the name of the customer service representative.

Environmental Services

AWS Opens New Office in Newport News, VA

Environmental Services is please to announce our newest location in Newport News, Virginia. Located across the hall from our Munitions Response and Technical Services office, this new office will support a contingent of Aleut World Solutions (AWS) employees as they support localized contracts in Virginia as well as support our other AWS contracts.

Please welcome Bill Haney, Don Arsenault and Chris Pine to the neighborhood.

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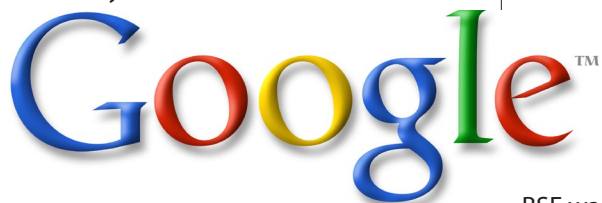


Infrastructure Services

Division Update

Guy Sanford, Director

This has been an interesting yet trying quarter for our Fiber and Cable division. We have been working with TDXNet on the Fiber to the Home (FTTH) design for St. Paul Island infrastructure grant. This project is slated to begin as early as next month and should continue through the summer. We have expanded BSE's presence in the Anchorage area bringing on additional workforce to handle the increased cabling requests from GCI, the local service provider. Since 2008 we have grown our support to GCI from one small crew to six or more this field season that starts May 1.



Google solicited us to qualify for two different RFI's in reference to the Austin TX build out of Gigabit fiber, one RFI

was for FTTH design and the other was construction services in Austin TX and other lower 48 states. At this time we are eagerly waiting to hear back from Google on this RFP.

Working with TDXNet on the St. Paul project has been a very rewarding experience for our division because we are helping our fellow subsidiary move St Paul Island into the digital age with a gigabit speed infrastructure. This system is similar to the systems that we are working with Google to design and construct in many areas of the lower 48. We will be installing a fiber optic point-to-point system which will have the capability to provide internet, video, and voice (better known as triple play) at increasingly higher speeds.

BSE was challenged to grow our company and we wanted to increase our local workload, we were lucky to have Chris De

Vito, a very capable communications leader who has years of extensive experience in the installation of Outside Plant (OSP) telecommunication and cable TV infrastructures interview for the job. His presence gives us much greater range of in-house capabilities, that will grow the division and our local presence. We are honored to have Chris on board with us as the GCI Program Manager, and look forward to his impacts to grow the infrastructure division.

The next quarter will be our busiest period with more interesting updates to follow.



Chris DeVito
GCI Program Manager

Industrial Services

Chemical Services Update

Derek Peterson - Division Manager

Industrial Services' Chemical Services Division has recently completed several large scale outages for CITGO Lake Charles, LA Refinery and Huntsman Chemical Plant located in Port Neches, TX. Chemical Services played the largest role in providing specialized chemical cleaning services to both of these NEW clients. We finished these projects with ZERO safety incidents, ZERO recordables and ZERO Near misses.

In both of these projects, Chemical Services was able to provide a complete chemical solvent package to dissolve and remove the heavy tar, sludge and solids from these notoriously dirty systems. We spent weeks analyzing and researching hundreds of different chemical packages to develop a unique program for each client.

CITGO E-201 Vacuum Unit Jan 2013 Outage

"Cleanest Vacuum Tower, I've ever seen!"

CITGO TAR Team Leader

Per our CITGO Team Leader, the chemical cleaning procedure was extremely effective at dissolving the hard asphalt like resid material down to a liquid state. No other cleaning company has been able to produce this level of cleaning inside of CITGO. The Vacuum Tower was spotless from the middle of the tower down to the bottom, which is the dirtiest section of the tower. Built in 1944, the Citgo Lake Charles complex is the Fifth Largest refining facility in the United States, producing Transportation fuels and petrochemicals.

Citgo Refinery - Lake Charles, LA



Huntsman Chemical Plant, Port Neches, TX



Huntsman Jan 2013 A3 Outage

"BSEn set record savings during the A3 Outage!"
Huntsman Lead Planner

The custom designed cleaning system cleaned the Huntsman Quench system so well, that the Overall Outage schedule was able to save twelve (12) shifts of mechanical and supporting craft work. This savings was reported throughout all of Huntsman facilities globally.

New Circulation Unit Deployed in Texas

Chemical Services also finalized the construction of the new 40' trailer mounted circulation unit. This circulation unit will allow us to continue to provide our customers with the state of the art circulation capabilities and technology.

The new circulation unit has been used on several projects so far and is a "real head turner". This trailer mounted unit is the first of its kind in the chemical services industry. Considering the utilization of this first new unit, we have plans of building a second unit in the very near future.



Munitions Response & Range Services

National Explosive Ordnance Disposal Day - May 4th

Jeffrey Bryant - Project Manager

In May of 2010 Representative Ginny Brown-Waite sponsored House Resolution 1294 which designates the first Saturday in May as National Explosive Ordnance Day to honor those who are serving and those who have served in the noble and self-sacrificing profession of Explosive Ordnance Disposal in the United States Armed Forces.

In April of 2012 Representative Eric Crawford sponsored House Resolution 624 designating "Initial Success or Total Failure" as the official motto of the Explosive Ordnance Disposal (EOD) organizations of the United States Armed Forces.

The first Saturday in May is also the annual EOD Memorial Service where all branches of the military pay respect to their fallen brothers at the EOD Memorial at Eglin Air Force Base. Since 9/11 over 123 EOD Technicians have sacrificed their lives in the wars of Iraq and Afghanistan. The evening of EOD Memorial Service is also reserved for the EOD Memorial Ball. This year marks the 45th Annual EOD Memorial Service and EOD Ball.

The Explosive Ordnance Disposal Badge, pictured in its three levels below, is a military badge of the United States armed forces which recognizes those service members, qualified as explosive

ordnance disposal (EOD) technicians, who are specially trained to deal with the construction, deployment, disarmament, and disposal of high explosive munitions and may include other types of ordnance such as nuclear, biological and chemical weapons along with improvised explosive devices (IED) and improvised nuclear devices (IND). Also known as the "EOD Badge" or "Crab," the decoration is issued by the United States Army, Air Force, Navy and Marine Corps. The EOD Badge is the only occupational badge awarded to all four services under the United States Department of Defense.

Pictured to the left is the EOD Memorial

at Eglin AFB, FL. The EOD Memorial Foundation is a nonprofit organization dedicated to honoring the legacy of our fallen EOD Warriors by providing for maintenance and upkeep of the memorial, funding and facilitating the annual EOD Memorial Ceremony & Ball, and providing scholarships to family members of active duty, former, retired, and fallen members of the EOD Community.

Currently, BSG's Munition Response Services consist of over 60 retired EOD Technicians and civilian trained UXO Technicians.

For more information on the EOD Memorial visit www.eodmemorial.org.



Explosive Ordnance Disposal Badge



Basic EOD Badge



Senior EOD Badge



Master EOD Badge

Munitions Response & Range Services

Yakima Training Center Range Revitalization Project

Daniel Skrobialowski - Director

BSEn was awarded the range revitalization project for Range 16 at the Yakima Training Center, Washington, under a US Army Corps of Engineers contract. This task includes the removal of 59 old targets, consisting of dumpsters, vehicles, armored personnel carriers and main battle tanks; the demilitarization and recycling these targets; and installing 17 new targets.

Because the work is on an active impact area, this task required that paths to each target be cleared of ordnance in order to make the area safe for target removal. Once the area is cleared of hazards, and before the targets are removed from the range, the targets are cleared of all munitions items and then removed by forklift or excavator, placed in a dump truck for transport to a holding area, off the active range, for demilitarization and recycling.

After the old targets have been removed, the area is prepared for the new target installation. The new targets being installed are heavy steel shapes that simulate vehicles, APCs, or tanks. These shapes are then filled with soil to help maintain their shape because of the constant impact they receive from the ordnance being fired at them. The new targets were arranged in four lines

across the range to provide targets between 200 and 800 meters, with one isolated target resting 1400 meters from the firing line.

This project began in late November 2012, and ceased for 2 months due to weather, restarting again in March 2013. Currently this operation is scheduled to be completed by the end of April 2013.

While the removal and replacement action is important to this effort, this task order also requires the demilitarization and recycling of all munitions and target debris recovered during the range clearance and target removal process.

So far on this contract, with seven UXO technicians, BSEn has returned over \$146,000 back into the contract and recycled over 900 tons of munitions and target debris from the Yakima Training Center.



Technical Services Division Update

BT Smith - Director

What is the word of the day, that word would be Sequestration, which if you have been watching and listening translates into “automatic spending cutbacks.” So what are the impacts of these automatic cutbacks to TSD, so far, fortunately, not much! Let me give you an update, program by program.

Last August we were part of a team that responded to the Navy’s Combined Tactical Training Range (CTTR) RFP. We had anticipated award just after the first of the year, which was delayed. Then suddenly in March (only 7 months after proposals were delivered) we received a handful of Evaluation Notices (ENs). These were returned on 1 April. We are now expecting a request for a Final Proposal Request (FPR), which would allow any adjustments to both technical and pricing. Bottomline, the current contract effort has an extension that will expire at the end of July, but actual award date has still not been released.

With our ACTS contract effort we were requested to explore possible cost savings for the USAFE or OCONUS operating locations, which we provided. However, due to the Status of Forces Agreement (SOFA) it was determined that a reduction was not possible so there has been no impact to any of our ACC or USAFE sites, except that funding for all ACC sites is on a month to month basis.

As you may or may not know we bid on the PACAF Elements of Combat Training Support (ECTS) which we were notified we had won, but is currently being reviewed, so our current contract effort has been extended through August to allow time to resolve and award ECTS.

It appears the only impact of sequestration is that there has been, and may continue to be delays in awarding contract efforts, as we have responded to four sources sought since December and we are anticipating the release of several Request for Proposals within the next three months. We are working several possible contracts through the Navy’s Seaport-e Program, which never seems to slow down. We continue to be as busy as every and the word on the street is that the intent is to be back to normal by the end of September, if I could only remember what normal means. Remember, be safe out there, it is going to be a very busy summer.

Leadership

BT Smith - Director

Some may think leadership means being the boss, the person in charge or the person that tells you what to do; leadership is a lot more than that. We all have a role in leadership. Warren Bennis, a pioneer in organizational leadership, says, “Leadership is the wise use of power. Power is the capacity to translate intention into reality and sustain it”. Leadership is motivating a group of people to accomplish common or shared goals. In order to do this you must involve and empower them.

How do you do that? By asking for their inputs and using them when possible resulting in a shared or common goal. I think a good leader is a good listener; one that is open to the ideas of subordinates, and is able to see or understand things from the workers point of view. All of us have been members of teams where the leader did not ask nor care about inputs or opinions outside of their own. I am sure you will agree the most successful teams are those where all members feel their opinions and inputs are valued.

Once you have their inputs, the next step is to establish the goal, and remember a goal must be realistic and attainable. I cannot tell you how many times I have seen unrealistic goals setting a team up for failure. A goal should be a challenging, without question, but a goal that is impossible to attain will not even be attempted.

Remember the three most important points communicate, communicate, and did I mention communicate. You must communicate the goals and your expectations to each employee or team member. You cannot expect an employee to meet your expectations if you do not communicate those expectations and then evaluate their performance. This is accomplished through feedback, which should be as often as needed to ensure progress is made towards achieving those goals. Remember, leadership is not a destination but rather a journey—your success begins with the first step. Always use your power wisely and motivate your team to ensure success!



James Eubank
Computer Operator
Shaw AFB, SC

Technical Services Division - Employee of the Quarter

Job Performance

- Established first-ever Live Monitor (LM) Range Training Officer (RTO) capability at Shaw AFB that mirror capability previously only seen at Red Flag Exercises
- Developed and submitted a new Range Equipment Integration Contract (REI) database that captures data on the equipment installation effort at each location, communicates failures between site equipment and instantaneously shares information—Invaluable tool when servicing 5+ time zones in 7 states and 4 countries

Self Improvement

- Has completed all Network + Training—final exam scheduled for first week in May

Community Involvement

- Organized Neighborhood Crime Watch—assumed duties as Block Captain
- Helped raise \$1,500 for Multiple Sclerosis Foundation through his association with Mustang Club of America

Technical Services

Langley ACTS Supports Royal Air Force Typhoons

Wayne Supplee - Site Manager, Langley AFB, VA

Earlier this year the British XI Squadron traveled from RAF Coningsby in the United Kingdom to participate in a 'first ever' training with the 1FW here at Langley AFB. Eight FGR4 Typhoons from the Royal Air Force trained with the Langley based F-22 Raptors. These European fighters are sophisticated fifth generation fighter aircraft with state of the art avionics and weapons systems. This training exercise was, named Western Zephyr, provided excellent training opportunities for Typhoons to "tangle" with both US fourth and fifth generation fighters; as reflected by the following statements:

"The exercise gives us valuable interaction with our allies as well as a great opportunity to integrate with the Typhoon," said Col Kevin Robbins, 1st Fighter Wing Commander. "It's important for us as coalition partners to have that level of familiarity to make us more tactically proficient should the time ever come to utilize this training."

XI Squadron's Wing Commander, Rich Wells, emphasized the educational value of the exercise for both squadrons. "It's an excellent opportunity and an investment in the future," he said. "We've brought a lot of our junior guys over to gain that valuable pilot-to-pilot interaction which helps us understand and utilize our technology in the best possible manner. We're building our future force."

This training event was also beneficial in exercising our newly installed Live Monitor portion of the P5CTS System. With the P5 pods loaded on the Typhoon, we were able to record the Typhoon data in 'Live Mode' then combine the F-22 TSPI (Time, Space and Positioning Information) along with T-38, Garmin GPS data for a fully integrated Debrief solution.

We faced a number of unique challenges in support of this exercise. First, authorization was required through USAF ACC/A3A and from the Royal Air Force, Assistant Chief of the Air Staff to Delegate Release of Service Authority. This basically gives us permission and identifies the location to load and carriage the P5 (V2) pod on the Typhoon. Second, the UK had tighter restrictions regarding NDI inspections and total life hours for the pod hanger. It was determined that the flight hours during their visit would not exceed this requirement and the previous pod hours could be waived. Third, the pod's power and signal interface required a HIPAG Power Saver plug (UK supplied) in addition to the USA (Umbilical Security Adapter) in order to provide proper functionality with the rail. Fourth, due to the P5 pod being loaded on a foreign entity, daily loads and unloads were required, and along with mission support this pushed our hours of operation way outside the norm. Special permission was obtained to provide the extra support hours required.

As you can observe from this special event, all those involved obtained valuable experiences and learned from unique challenges.



Royal Air Force FGR4 Typhoon taxis at Langley AFB with a P5 (V2) pod



Langley Techs Puii 'Wesley' Solea & Howard Jefferson accomplish pre-flight load checks





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