



Employee Newsletter

November 2004 (4th Quarter) Issue 1

BSE Launches 1st Quarterly Newsletter letter!

BSE is growing. We want everyone to know about the work and events happening throughout the company. The Employee Newsletter has been launched for you—BSE's most valuable resource—in order to keep you informed about what has happened, what is currently happening, and what is on the horizon.

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From the Desk of Bill Arterburn Chief Executive Officer

That's a start, but we aren't done yet. We still have lots to learn. BSE still refers to itself and thinks of itself as a small business, capable of moving and

responding quickly, but the fact of the matter is we have grown so fast that we barely know our own employees anymore, and find ourselves hard-pressed to get around and meet and greet everyone as we should. We are hopeful that the newsletter will help to bridge some of that gap.

I ask you to think of this newsletter as a fresh start for BSE on an old idea, but a small company focused idea: **Getting acquainted!** The more you know about BSE, and the more BSE knows about you, yours and our daily activities, your's and our successes, and yes, the failures and deficiencies too, the better we all become at understanding and performing our jobs, achieving our collective goals, and becoming more successful, both as a company, and in our personal lives. Success is contagious! May we all be infected!

We are not going to pretend that BSE is such a short subject that one newsletter can do it all. Just a surface scratch really. But it is a start, and Cindi has committed to make the newsletter a quarterly publication. I will be counting on all of you to make the format more meaningful and useful for your purposes, more web friendly, more informative. We will be doing what we can to keep you informed, but we ask in return that you keep focused on contract performance and safety in your respective jobs. We are looking forward to talking to you all, hearing from you, and meeting you as well, in the coming months.

-Bill Arterburn, CEO

BSE has developed and grown from a small company on a remote island with a few equipment operators and dirt movers, into a multi-state, multi-talented contracting operation, spanning the US from Florida to Hawaii and various places in-between. It all started about 5 years ago with a down-to-business Air Force Colonel who had a clean-up job to do, and a lot of frustration trying to get the job done by a large, slow moving company. BSE has been in expansion mode ever since.

Today BSE proudly performs UXO removal, processing, and recycling operations at some of the more remote and environmentally challenging defense range sites in the country; provides vital electronics servicing and management at Air Force training facilities; and respond at all hours of the day and night to vessel owners, public utilities, and oil companies with maintenance and environmental cleaning services on equipment and facilities. BSE also has a nascent operation in our own Bering Sea community of St. Paul Island, providing high tech digitization of military documents. From a Bering Sea island with Aleut Native American heritage and ownership that has "survival" as its prime directive, in combination with a "can-do" attitude, BSE has moved forward with the notion that we can do almost anything well, if we apply ourselves with focus and knowledge.



Alaska

Elary Gromoff
Executive Vice President

In the 2nd Quarterly Newsletter, Elary will talk about BSE's Aleut heritage and invite us into some of the exciting projects he is currently working on.



Director of Operations

Dean Hughes

September was the busiest month for BSE. All of our government based divisions ran frantically to meet our clients' needs before October first. Each of the

project and program managers working with DOD clients have a full plate during this time. orders need servicing, and some tasks need to spend a small amount of money so that the money will not go away September 30 each year. As fall-out starts to trickle in, we start the little dance that goes with it, multiple cost estimates, plans, negotiations, and finally, a task order that we will usually work on during the next year. The good part is

that BSE usually will build a nice backlog of work during this time of year, the not so good part is each of the project and program managers already have a pretty good workload with their daily tasks, and when you add on the end of year push, it can become very taxing on them.

Thank-you all for remembering to give your Program Managers the slack needed in order to get through this hectic time of year. Your efforts helped to make it a successful year-end.

R-3

Range Residue Removal has had a busy year. During the month of September we have had crews working in Alaska at Eielson AFB, shipping a total of 1228 tons of range scrap on that task; two crews working at Luke AFB in Arizona— one crew working on range holding area clean up, crushing subscale munitions, shearing large bombs, and 5X flashing of fines; the other crew running the AUX-6 task performing surface clearance and subsurface clearance excavation and screening of approximately 50,000 yards of buried UXO. There also is a crew in El Centro California clearing Navy bombing

circles in the 115°+ heat. On target 101 the crew cleared 650 tons of subscale munitions in two weeks and is on schedule to complete target 103, clearing another 900+ tons. While all this has been going on, BSE moved into our first east coast site for the year at Dare County AF Range. From the looks of things, this group of rugged individuals will have a very busy winter coming up as the tasks keep on coming! Of course a good deal of the new tasks we receive are based on the hard work and dedication to pleasing our clients that the R-3 crews deliver every day.



R-3 Bombing Torching procedure

Hawaii

Hawaii has had a pretty good year, but also lots of changes. We have grown from around 25-30 employees to 40+ employees, as well as adding a new project manager. The work load in Hawaii seems to be tracking the DoD work we do even though they do mostly commercial work here. Since this is the first newsletter, let me introduce the management in Hawaii the project managers are James

Directo and Al Kaaihue, the office manager is Susan Hore. Each of these individuals, with their project lead men, are moving the Hawaii office in directions we would never have guessed we would work in. Currently we are assisting a movie crew filming on the TDX dry dock, as well as responding to oil spills 24/7. This will be an interesting year for the island crews.



Dry Dock Facility in Hawaii



Air Combat Systems Division

Kim "BT" Smith

"BT has provided the following as a 1st in 3 part series, letting all of BSE into the world of P4RC."

I thought it might be interesting to provide a little background about what is accomplished under the P4RC program you might have heard about. P4 stands for the fourth iteration of an Air Combat Maneuvering Instrumentation (ACMI) pod, while the RC in P4RC stands for Refurbishment Contract. The Contract was let to refurbish 250+ old P4 pods and provide rangeless ACMI training.

Ok, Ok, let me explain a little more about some of the acronyms. The first ACMI range began operation in 1973 with the Navy's Air Combat Maneuvering Range (ACMR) at Yuma Arizona and supported the Navy's Top Gun program at Miramar NAS. The Air Force followed with their first ACMI range at Nellis AFB, the home of their Fighter Weapons School, while supporting Red Flag Exercises. These ranges were in response to the high loss of pilots during their first flights over Viet Nam. It was found that the experience gained by aircrews during combat greatly increased the probability of survival and success. The intent of these ACMI ranges was to provide the combat experience in a controlled environment under realistic combat conditions prior to combat. This concept

proved to be amazingly successful; our kill ratio dropped from 6 to 1 during the Korean War to 1 to 1 early in the Viet Nam war, and then rose again to 4 to 1 after fully implementing the ACMI training. Over the years the names have changed, the Navy calls their ranges Tactical Aircrew Combat Training System (TACTS) and the Air Force now calling their current generation ranges Air Combat Training Systems (ACTS), but they all have roots in ACMI.

So what is ACMI, and why is it so effective at providing training to our fighter pilots? All ACMI systems utilize either a pod, carried on one of the weapons stations, or an instrumentation package carried within the fuselage of the aircraft. The purpose of this pod is to gather information on the flight profile of the aircraft, flight heading, airspeed, yaw, roll, pitch (these are all parameters of flight) and to capture simulated weapon selection and employment. The purpose is threefold. One, provide a post mission capability to see everything that took place during these simulated combat sorties, two, provide accurate simulated weapons employment, and three, notify those who would not have survived to remove themselves once they have been "killed" to allow the training to proceed as it would in actual combat (those that actually get shot down in actual combat do not continue to fly) or provide what is known as Real Time Kill Notification (RTKN) or RTK removal.

Now that I have confused you, the first ACMI ranges used triangulation, using towers on fixed ranges to communicate with the pods. Information from the aircraft, flight parameters and weapons employment, were sent to computers on the ground where weapons simulations

were run to determine RTKN. These ranges could accommodate 8 aircraft. The second-generation ranges could accommodate 36 aircraft. The third-generation ranges could accommodate up to 100 aircraft and began using global positioning systems (GPS) to reduce the number of towers required for accurate tracking. There are eleven of these tethered ranges (ranges with towers) which provide instrumented training on only 8% of all available training airspace. P4RC is the first ACMI system that allows this instrumented training to take place in any available airspace, thus, providing this high quality training in the remainder (92%) of available airspace.

We at BSE are responsible for the Operation and Maintenance of the P4RC system at Langley AFB-VA, Seymour Johnson AFB- NC, Shaw AFB- SC, Eglin AFB-FL, Cannon AFB- NM, and Mountain Home AFB- ID.

"Part II: BT will explain the pieces & parts of the P4RC system and what is in store for the follow-on system that will begin fielding in July, 2005".



P4RC Langley AFB, VA "Load Team"

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Department of Defense awards BSE Security Review "Superior" rating

On July 15, Defense Security Service (division of Dept. of Defense) conducted an on-site National Industrial Security Program Security Review at BSE's corporate offices. Through the diligence and hard work of Elary Gromoff, Executive V.P., Kim "B.T." Smith, P4RC Program Manager, and Rodney Rush, Security Mgr/Quality Control Rep., BSE was awarded a "Superior" rating. Charles Wells, Acting Field Office Chief, writes "Mr. Elary Gromoff has done an excellent job in setting up and managing the company's security program. ***Thank-you Elary, BT & Rodney!***"

BSE Employee Newsletter



P4RC's 2004 Employee of the Year

Congratulations to William Lockney, 2004 Employee of the Year for P4RC. Listed among the many reasons for earning this award are Maintaining all daily flight schedules supporting 6,774 sorties with only 32 pods, instrumental in providing a highly improved level of DACT at the first P4RC site to support Russian Mig-29s, identified Aim-120 umbilicals with problems during flight resulting in loss of data (Air Force Tiger Team is now using his data to develop permanent fix for P5), set the standard for exceptional interface between BSE and Air Force maintenance personnel; and was responsible for training all 33 FW Weapons Load Crews. With his meticulous attention to detail he was a member of the first Air Force team to identify the forward hanger band slippage on the P4RC pods, saving a possible loss of a \$150K plus asset. On his own initiative, he expedited the refurbishment of a 21 yr old pod load trailer, nearly doubling truck pod carriage capability. During Hurricane Ivan, he provided refuge in his home for community personnel requiring shelter. And lets not forget Mr. Lockney's contribution to the success of the DeFuniak Springs Pumpkin Carving Contest!



P4RC's Employee of the Quarter

Congratulations to David Johnson, who was named P4RC's Employee of the Quarter for 4th quarter, 2004. His many accomplishments include: supported over 600 pod loads on 60 aircraft, developed the Pod Loading Training material, personally trained 20 load crews, implemented the site preventive maintenance procedures for all pod tubes during PMIs, and volunteered to fill the BSE Safety Representative roll for the 20 FW. In his spare time, Mr. Johnson, already active in his community, assisted with clean-up after remnants of three devastating hurricanes in his local area. P4RC Program Manager, BT Smith writes Mr. Johnson's accomplishments "are truly impressive" and he is "the exact type of employee that BSE strives to get on our team."

FOR YOUR INFORMATION

ING Launches Web Site Improvements

When BSE employees log into ING's web site, you'll now notice your account balances immediately appearing. From there you can move investments from one fund to another, and request transfers seven days a week with the new "Fund-to-Fund Transfer" feature. **Log in and experience more control over your retirement accounts!**

Useful and Interesting Web Sites

Family Disaster Plan:

The recent hurricanes in Florida and elsewhere may serve as a reminder to us all that we should have a current Disaster Plan in place for our homes and families; and everyone should know what it is. Please see www.redcross.org for information on individual and family emergency preparedness

Language Translation

Would you like to send your German grandmother a note in her native language? Go to www.world.altavista.com, type in a word or phrase, select "from and to language", then click "translate". You'll impress her and others with your multi-language skills!

"Aang" (Aleut for Welcome) New Employees

Hawaii

MacQuade Afaese
Keith Cruce
Elliot Johnson
Stewart Mahoe
Alan Poe
Demitrius Raymond
George Thompson

P4RC

Howard Johnson
Chad Whitcomb
Jesse Young

R-3

Matthew Metzler



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