



401K Fund Selection Changes
Security Awareness Program
New Safety Form / HR Reminders **P2**



BSE Lands High Speed Service Project **P3**



Demolition At NAF El Centro
UXO Safety Stand Down **P4**



Aviano Air Base, Italy
Ethics - There Are No Shortcuts **P5**



TSD Update
TSD Employees of the Quarter **P6**



Bering Sea Group

A Division of TDX Holdings LLC

November 2011

Quarterly Newsletter

Diversification and Growth
Through a Unified Goal of
Exceeding Customer Expectations

From the Desk of:

William Arterburn - Bering Sea Group Executive VP

I've spent the past 42 years addressing multiple types of business challenges, including hostile and skeptical customers, unreasonable financial managers and bankers, and developing a viable business presence in and from remote and disconnected corners of the globe. While the difficulties of the Great Depression of the 1930's in our country predated any of my own efforts, and may have provided a better perspective, I doubt seriously that any of our current generation have faced a more challenging business environment than that which we are presented with today. This is true whether our business endeavor is providing services to the government, working in the fast changing world of IT, building homes, warehouses or power plants, or even providing personal and professional services. Many of the models that have built past comfort zones for us, simply are not working or viable in the current environment.

When confronted with unwanted changes, business failures, life setbacks and challenges, be they business, personal, or institutional, the first and most predictable reaction, is to start pointing the finger of blame. It's the Director's fault, the CEO's fault, the banker's fault, the coach's fault, the parent's fault. It's even the preacher's fault. Of course, those targets always point to subordinates, subcontractors, suppliers, etc., as the cause of the identified failures. While the predictable responses aren't hard to guess, the real solutions are inevitably more obscure, and found elsewhere. It is

my observation that, most reliably, solutions and successful adaptations in business arise from a combination of focused responses and combined individual efforts. Much as we would like it to be so, no one has all the answers.

It doesn't take viewing the absurd meltdowns in Congress over policy and direction, for us to realize that our prime customers and large institutions have major money issues. We can see every day that change is taking place in the government services sector of our economy. We are seeing delays in implementations, cancelled tasks, changes in what used to be reasonably predictable spending plans, a preoccupation with cost savings (sometimes at the expense of the mission itself), and major changes in priorities. Many large companies are disappearing as well. Contract protests follow almost every major award, these days, and it seems at times that the system itself is about to implode. Naturally, there's a lot more finger pointing going on as well.

This is America. We've never backed down from challenges, and there's no reason for us to start doing so now. But we as contractors have to wake up and get out of our comfort zones. We have to find new ways of doing old jobs, and apply them in the workplace. We are not engaged in a fight, but rather, a collective effort to find newer and better ways of accomplishing our objectives. Hanging fiber optic cables on telephone lines or buried deep within the earth is the old utilities installation way,

but it is also the high expense way, that has delayed bringing new fiber optic capabilities to America's homes. Microtrenching is a newer less expensive alternative telecommunications methodology that reaches more homes more efficiently and more quickly with newer enabling technology.

The Performance Work Statement (PWS) is a relatively new methodology applied in government contracting circles, that attempts to describe an outcome, and leaves the means to get to that outcome to the contractor. The door for innovation is open, and the expectation is that cost savings and efficiencies can be achieved by turning companies and individuals loose to apply their ingenuity to accomplishing the tasks at hand. In applying our individual ingenuity, we collectively have the means to pull ourselves out of the current economic malaise. I like to think that, at BSG, we can be in the forefront of an efficiency and productivity turnaround. But it takes everyone's focus and everyone's effort. Are we up to the challenge?

As always, during the Holiday Season, we encourage our employees to enjoy family and friends, embrace and be thankful for the blessings we have received, and seek out and share with those in need. We all know, deep inside, that things could be much worse, and that we have within ourselves the means and the tools for our own success. Let's open it up, and turn it loose.



401K Fund Selections Changes in November

Bob Odenheimer -Director, Human Resources, TDX Corporation & BSE 401(k) Trustee
bob.odenhimer@tanadgusix.com

Fund changes will soon affect our qualified retirement plan. As part of the Trustee's fiduciary responsibilities, the Trustees periodically review the funds in our 401(k) plan. During this year's meeting, the Plan Trustees decided to increase the number of investment funds available to you thru the John Hancock offerings. Effective November 15, 2011, over 100 new investment fund offerings have been added to the plan.

How to obtain additional information

John Hancock will be communicating the changes through the following means:

- John Hancock's interactive voice response telephone service will be updated with information about the changes. Their toll-free service line at 1-800-395-1113.
- Your participant website, www.jhpensions.com, will be updated with information about the changes.
- Your statement will also reflect these changes.

Next steps

You may direct contributions to any or all of the various investment options offered through your employer's group annuity contract with John Hancock.

To move money between investment options, simply visit John Hancock online, call the toll-free number, or complete an inter-account transfer form, available from the plan administrator. Investment changes are subject to short-term trading guidelines, which are available online.

If you have any questions or concerns about the proposed Fund changes, please feel free to contact me during regular office hours at the following number (907) 762-8433 or via email at bob.odenhimer@tanadgusix.com.

Please call 1-800-395-1113 to obtain John Hancock group annuity investment option Fund sheets for each sub-account and to request prospectuses for each separate sub-account's underlying investment vehicle. These documents contain complete details on investment objectives, risks, fees, charges and expenses as well as other information about the underlying investment vehicle, which should be carefully considered. Please read these documents carefully prior to investing.



Rule Rules Rules...

Where do they come from? Security Awareness Program

Lenora Kochutin FSO - lkochutin@bseak.com
Melvin Johnson, DFSO - mjohnson@bseak.com

Since we are a company composed of civilians, why do we have to adhere to Government or DoD Guidance? The answer to this question is quite simple. Our company has embarked on providing classified contracted services to the Department of Defense which is vital to the National Security of the United States. In order to perform on those contracts we first obtained a Facility Clearance (FCL). A key tenet of the FCL was to enter into a security agreement with the Government. The security agreement is recorded on the Department of Defense Security Agreement (DD form 441).

Within this agreement, we agree to provide a system of security controls within our organization in accordance with the requirements of the National Industrial Security Program Operating Manual, DoD 5220.22-M (NISPOM). Likewise, the Government agreed, on written application, to grant personnel security clearances to eligible employees of our company who require access to classified information.

We further agreed to determine that any subcontractor, subbidder, individual, or organization proposed for the furnishing of supplies or services which will involve access to classified information, has been granted an appropriate FCL, which is still in effect prior to according access to such classified information.

The responsibilities of this security agreement extend to our cleared and uncleared employees. We all have a vested interest in the performance of our company, the protection of classified information, and the national security of our nation.

Bering Sea Group Offers New Safety Form

Jeffrey Bryant, Project Manager UXO Services
jbryant@bseak.com



Bering Sea Group recently developed a new form (QS3007) Near Miss Form. The form is used to identify a potential hazard or when you have a "close call" which didn't result in injury or property damage. The form can be found on our Bering Sea Group Employee Resources Web Site. The forms will be utilized to identify safety trends and help determine if training or equipment changes etc. are needed. The forms will also allow others to recognize safety-minded personnel.

You can download the form and forward it to jbryant@bseak.com or can be anonymously mailed to the address at the top of the form.

Bering Sea Group Employee Resources Web Site
<http://www.beringseagroup.com/resources.html>

Important HR Reminders

Connie Bergo, Human Resources Manager
cbergo@bseak.com

We're getting close to the end of the year so keep in mind these few important Human Resources Reminders:

- Please remember to file a new W4 by the end of December and return to HR if you need to change your deductions or filing status.
- Notify HR of any address changes by completing the HR222 Personal Data Form before W2's are put in the mail in January.
- When an injury is sustained at work, it must be reported immediately to the site supervisor, who in turn will notify the HR Department of the incident. The Incident Report (GF404) must be completed by the employee and any witnesses, even if the injured employee does not think the incident is worthy of reporting. Incident Reports Forms (GF404) can be found on our Bering Sea Group Employee Resources web site under General Forms. If Minor First Aid is provided a Minor First Aid Notice form (GF410) should be used.

Bering Sea Lands High Speed Service Project in Northern California

Don Lee, Project Manager
dlee@bsenv.com

In Northern California in a neighborhood of over 850 family homes BSE was contracted to install part of an innovative High Speed Network. The contract was part of an extensive "demonstration" project to provide an "ultra high speed" broadband network, and was installed using "microtrenching" techniques. The direct to the home network will deliver internet capabilities more than 100 times faster than what is currently available in most consumer markets.



Microtrenching is a relatively new telecommunications installation technology, where tractor mounted saw blades cut a "micro" trench ("1-1.5") in width (usually in a road surface) down to a specified depth to lay the ducting for the designed fiber optic count. BSE personnel have worked closely with manufacturers in the development of the new equipment used in microtrenching. The ducts are loaded with airblown fiber to make the specified runs, and tests are run to confirm a positive line before

backfilling the microtrench can begin, using a custom grout mix, and finishing based on locality specified standards.



The Fiber and Cable Division mobilized a crew of as many as 10 skilled workers for two months to install more than 8,500 liner feet of network fiber cable. Additionally, handholes, flower pots, (demarcation point to the house) and lateral runs, (2 strands of fiber pulled from the network backbone to each home) were installed. Installation standards were very stringent to meet local standards.



All members of the BSE crew stayed near the site during the course of the project. It was a learning process for all, and our skills were sharpened in the use of new

equipment, such as the microtrencher unit itself, and the grout mixer units. Our project teams learned multiple new field techniques, and had a firsthand opportunity to improve processes in this demonstration project, that we hope to employ in future similar projects. It has long been the goal of BSE Fiber and Cable Division to employ new techniques in this niche telecommunications field to both increase the access and reach of FTTH installations as well as cut costs and time of installations. This project represented a very important step in the process of achieving our goal.



You can view a video of the entire process by watching a BSE made video on youtube at: http://www.youtube.com/watch?v=_-QU58u8PMQ or if you own a smart phone with a QR reader use this QR code.



If you are not familiar with QR codes, short for Quick Response codes, they're similar to the barcodes used by retailers to track inventory and price products at the point of sale. When you scan or read a QR code with your iPhone, Android or other camera-enabled Smartphone, you can link to digital content on the web and activate other Smartphone features related to the code. Check your App Store for QR Code Scanner or Reader.



Demolition at NAF El Centro

Jeffrey Bryant, Project Manager UXO Services - jbryant@bseak.com

Our UXO Division recently completed demolition operations at Naval Air Facility (NAF) El Centro, CA. We have been working on NAF El Centro for several years but recently expanded our services to include demolition operations. Normally, our UXO team assigned to complete the contract at El Centro would have conducted a range clearance and left anything too hazardous to move in place, and whatever had value would have been demilitarized and recycled. In the past, US Navy EOD would perform the demolition but the demand for EOD services has increased due to wartime IED threats. With the demolition component added to our service, it allows the entire job to be completed by one entity allowing a more streamlined process.

In the photos you can see some of the ordnance that required specific demolition to render the components safe for recycling. The demilitarization requirements state that we have to view the contents to make sure no explosive are present. The reason we use minimal amount of explosives is to achieve that purpose and also allow for materials to be left for recycling.



Welcome Bonnie Morris to UXO Services Division!

BSEn extends a warm welcome and introduction to Ms. Bonnie Morris, our newest UXO Division program manager based at the Anchorage Office. Bonnie will be the UXO Division focal point to support and manage the Divisions various US Army Corps of Engineer programs. Bonnie has many years of experience, managing a wide array of environmental and munitions response projects. We are fortunate to add Bonnie to our growing professional staff. Bonnie can be reached by email at bmorris@bsenv.com or by phone at (907) 762-8510.

Don't Cut the Red Wire! UXO Safety Stand Down

Jeffrey Bryant, Project Manager UXO Services
jbryant@bseak.com

In Bomb Disposal School "Don't cut the red wire" is taught as a safety phrase. Legend has it that a British Bomb Tech was disarming a bomb by cutting the wires. The standard procedure for any step in bomb disposal at that time was to tell your safety back-up what you are going to do, then do it. If bad things happened like rapid molecular destabilization with tell-tale pink mist; the step causing the accident instantly became a safety precaution.

Since then, the approach has changed. It is better to analyze the situation, develop the safest procedure, and learn from others. The UXO Division recently conducted its Annual UXO Safety Stand Down. The Safety Stand Down is used to refocus everyone on safety and preventing accidents. Topics this year covered everything from general safety to



site-specific training. In recent years, the Safety Stand Down had been developed by the site-personnel.

There was nothing wrong with that approach, but having the materials developed by one person reduced the cost by a factor of five and ensured the content was standard across the Division. The presentations were augmented with local safety and ordnance refresher training by the Site Safety Officers. The ideal situation for Safety Stand Downs is to provide information to educate the teams and open minds to question the normal processes to identify unsafe processes.



As a result of the discussions associated with the presentations, several issues were brought up that will improve safety. One topic applicable to all of BSG was sharing information regarding near-miss events. As mentioned on page 2 of the newsletter, a new form (QS3007) Near-Miss Form has been developed and this will allow near-miss events to be shared within divisions, and if relevant, shared with other divisions within BSG. In the long run, this information will allow us to focus on areas where we need improvement in regards to employee and equipment safety and prevent mishaps.

Aviano Air Base, Italy

Glenn Wiley, Site Manager Aviano AB, Italy
gwiley@bseak.com

Aviano Air Base was established by the Italian government in 1911, and was used as a training base for Italian pilots and construction facility for aircraft parts. During World War I, Italy used the airfield in missions against the Austro-Hungarian and German armies. At that time, two Italian aviators, Captain Maurizio Pagliano and Lieutenant Luigi Gori, conducted an unauthorized, but heroic and successful, air raid on the Austrian naval yards in Pula, in what is now Croatia. In their honor, the base's name was officially changed to Aeroporto Pagliano e Gori, in 1919. In 1954, the U.S. and Italian governments signed a joint-use agreement that brought the base into the North Atlantic Treaty Organization (NATO). Headquarters of the United States Air Forces in Europe (USAFE).

Aviano is currently home to the 31st FW and BSE/DRS. We currently support two squadrons the 510th and 555 fighter squadrons in whatever role they are tasked to do. We have deployed or supported numerous locations since our conception. Some of the locations include; Spain, Turkey, Iceland, Norway, Poland, Israel, and let's not forget the other locations in Italy, Istrana and beautiful Sardinia. We go wherever they deploy!!!



After work we also enjoy Italy and the surrounding areas. Our views, as shown in the image here, are stunning. If that wasn't enough for you additional areas that offer rich scenery, exciting history and delicious cuisines are listed below.

Venice: Approximately 45 minutes from Aviano

Cortina Italy: The site of the 1956 winter Olympics and where James Bond shot one of his famous ice skating scenes.

Slovenia: An hour

Croatia: 2.5 hours

Innsbruck: 2.5 hours (The birth place of Mozart)

Pisa: 4 hours (The leaning tower of Pisa)

Florence: 3 hours (The birthplace of the Renaissance)

And don't forget we are just a stones throw from Germany and Vienna.

Ethics - There Are No Short-cuts

BT Smith, Corporate Ethics Officer
btsmith@beringseagroup.com

I am sure you have already read Mr. Arterburn's article regarding his experience over his 42 year-career and the current economic challenges we now face both personally and as a business and our responsibility to meet the challenges head-on. He dares us to step out of our comfort zones, to find new ways of doing old jobs and to ensure that BSG is in the forefront of efficiency and productivity. As the Corporate Ethics Officer I want to remind you there are no short-cuts. What you may perceive as a simple easy solution or an action you justify with "everyone is doing it" may be exactly the wrong answer. While it may provide you an answer it may be something that you and BSG does not want to live with. Below is a recent case from the DoD Office of General Counsel.

The Law: 18 U.S.C. § 201(b)(2)(A) (2003) bars public officials and any persons selected to be public officials from seeking anything of value in return for "being influenced . . . in the performance of any official act." The penalty for violating this law can include fines, imprisonment for up to 15 years, or both, along with possible disqualification from holding "any office of honor, trust, or profit" with the United States Government. Accepting Gifts from Vendor Results in \$1,000 Fine.

The Case: A U.S. Postal Service (USPS) employee who accepted free tee time golf games from a vendor had to explain his actions in Federal court after a tipster informed investigators. Authorities learned that the employee, who was the manager of Delivery Vehicle Operations, had played golf with a vendor who was involved in a \$100 million procurement with USPS. On that occasion, the employee had accepted payment for his golf fees and his dinner. Investigators discovered that over the course of the previous year, the employee had also accepted approximately \$2,000 in non-cash items (including meals and golf fees) from the vendor. The employee pled guilty to bribery, and was sentenced to one year unsupervised probation and a \$1,000 fine.

For this employee, golf turned into a very expensive sport, while the contractor now faces possible debarment.

DO THE RIGHT THING.

Ethics & Compliance Hotline
1.757.223.7602

REPORT FRAUD, THEFT, OR OTHER UNETHICAL BEHAVIOR TO OUR ETHICS & COMPLIANCE HOTLINE

OUR ETHICAL COMMITMENTS:

- **For Our Businesses** - Conduct in accordance with all applicable laws & regulations.
- **For Our Customers** - Produce reliable products and services, delivered on time and at fair price.
- **For The Communities** - Acting as trusted and responsible neighbors, reflecting all aspects of good citizenship.
- **For Our Employees** - Honesty, just management, providing a safe and healthy environment, and respecting the dignity due everyone.
- **For Our Shareholders** - Pursuing sound growth and earnings objectives and to exercise prudence in the use of our assets and resources.
- **For Our Suppliers** - Fair competition and sense of responsibility towards all of our customers.

The Bering Sea Group is committed to the ethical treatment of those to whom we have an obligation.

This commitment applies to all Bering Sea Group employees, operating companies, and subsidiaries.

Bering Sea Group
A Division of TDS Holdings LLC

Technical Services Division Update

BT Smith, Director Technical Services Division
btsmith@beringseagroup.com

As I am writing this have just completed our second JPARC contract and as a direct result of our outstanding performance we have negotiated and have been awarded a new and separate contract, the Exercise and Care-taker Support Services (ECSS) in support of Red Flag, Alaska and Deployed Live Training which will keep all of our "chosen frozen" working through the winter and then preparing the equipment for next summers Red Flag Exercises. This opportunity has been a challenge, not only due to the very short start-up time but also because of the age, condition and location of the equipment, spread throughout the northern section of over 1.6 million acres of training range that lies below 66,000 square miles of training airspace. Fortunately we had the right people with the needed skills to impress our customer.

This effort provides training for not only US forces but during the several Red Flag Exercises there are numerous

international participants. The last Red Flag Exercises had participants from both Australia and the Republic of Taiwan flying F-18s and the Royal Singapore Air Force flying F-15SG aircraft. During these exercise periods we have been supplementing our local work force with employees from our employee resources in the lower 48 giving them an opportunity to expand their skill sets while expanding the resume of Technical Services Division.

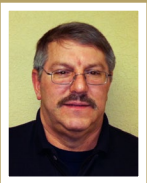
Since our last newsletter we have had to stand-up operations at RAF Lakenheath, in the United Kingdom, Aviano Air Base in Italy and Spangdahlem Air Base in Germany. We are fortunate to have Mr. Will Anderson as BSE's Site Manager, Joe Fonken and Bob Simpson as Pod Technicians at Lakenheath AB UK, Mr. Karl Zander as BSE's Site Manager at Spangdahlem AB GE and Mr. Glenn Wiley as BSE's Site Manager and Mike Calcaterra as one of our Pod Technician at Aviano AB, IT join our team.

With that said let me tell you that it is like stepping back in time when I visited each location over a ten day period. Two of the sites, Spangdahlem (SPM) and Aviano (AVB) are located in what is called a Tab-V, a aircraft shelter that is built of steel reinforced concrete designed to withstand attacks on the airfield by protecting each aircraft from non-direct hits from free fall and guided weapons. All three sites have these shelters spread throughout the airfield. In my former career I launched many a flight from these enclosures. Our assigned facility at Lakenheath AB (LKZ), UK is slightly newer than our facility at Langley, but not in as good of shape.

The P5 system has been installed and accepted at all three sites and Neil Emiro is currently conducting site survey's determining the requirements to provide radios to support the Range Remote Units at all three sites. All in all it looks like these three new sites will be keeping us plenty busy with multiple deployments and upgrades to get necessary capabilities to keep these combat aircrews fully trained.



Technical Services Division - Employees of the Quarter



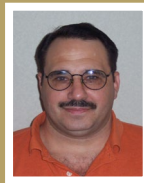
Gary Broussard
Threat Ops/Maintainer
JPARC
Eielson AFB, AK

Job Performance

- Exceptional Performer among an outstanding team—Commander Alaskan Air Command lauded team's performance during Exercise NORTHERN EDGE 2011 with the following quotes:
"The complexity of the exercise included the most extensive electronic attack environment ever replicated in a joint exercise!" and "Supporting over 2100 participants this exercise was a resounding success!"
- Takes the initiative to train other technicians on operations and maintenance of the T-43, actions are crucial to success

Community Involvement

- A "regular" volunteering weekly at the Local Food Bank
- One of a team of 6 to 8 individuals that provide no-cost home improvements for the elderly and poor in the Fairbanks area in preparation for the harsh winters



Mark Scardina
Lead Tech / Field Engineer
ACTS
Eglin AFB, FL

Job Performance

- Assisted Eglin Technicians in the performance of 31 unscheduled maintenance actions this quarter replacing 10 pod components and completing comprehensive Failure Reports directly supported 367 total P5 sorties flown with a 96.5 % effectiveness rate

Self Improvement

- Enrolled in Penn Foster College studying towards Engineering Technology Degree and has completed Technical Math, Science, and Computer courses maintaining a 94% average

Community Involvement

- Volunteered as a yard sale coordinator and donut drive fund raiser sales person for Crestview High's Chorus competition trip to Toronto, Canada
- Softball team member/score keeper of the Crestview City League's Department of Juvenile Justice Team

For a complete rundown of all the accomplishments of our Employees of the Quarter please visit the Employee Awards web page at www.bseak.com/employee-awards.html