

BSG

Bering Sea Group

Corporate Newsletter

Summer 2014

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



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Hard Work Is, Well...Hard

R. Dean Hughes - BSG Executive VP

Every summer we see the workload of the companies pick up, new projects, re-mobilization to an ongoing project, or maybe its exercise season. Getting a job started and making sure we do the best possible job is not an easy task, it is hard work. It is not just in the summer, it is all year round, and every year it seems to get harder.

I wanted to take a moment and share with you that your efforts are really noticed by your management team. Just as I notice the management team hustling to grow their divisions, retain their employees, and find new ways to make old equipment work or just coming up with new and better ideas that make us more competitive. The clients keep throwing curve balls at your managers and they keep figuring out how to deal with them, make them happy, and get more work for all of us.

In the end it's our employees that make the company, and I recognize that an excellent group of employees gets up every morning, puts in generally long days of just plain hard work. While I appreciate all the efforts put forth, when you are making your management look good, our clients also notice. That is important; we are not the only option for our client. We want them to hire us back!

"Have worked with numerous ORC contractors over the years, and I can honestly say that BSE has been on the top of the list when it comes to professionalism and can-do attitude"

When we get comments like this, I know that our employee base is not just doing a good job, your excelling for our client.. and for us!

When you're on your job site, I want you to think about what the client is seeing...will they want us back because they want a BSG company? Will they want us back because you have a good manager? Or will they want us back because our employees all put in the effort that makes them want to hire us back? If you're doing what I hope to see on job, it's all three! Don't forget it all starts and ends with Hard Work.

Spring is here and summer coming fast, I hope each of you has the opportunity to enjoy the season, and play a bit, it can't all be about Hard Work!



Corporate Community - Human Resources News

Connie Bergo- Human Resources Manager

Health Insurance News

Open enrollment for the Assurant Health Plan is in August with coverage effective on September 1st . Employees who are interested in enrolling please contact Connie Bergo, HR Manager to request an enrollment form. Enrollment forms should be submitted to the HR department by August 31, 2014.



BSE 401(k) Plan News

Did you know many non-participants say they can't afford to enroll in a 401(k) plan? But, if they gave up buying just one cup of coffee each workday, that can add up to more than \$40,000 over 30 years. Contact our HR Department to inquire about starting up your 401(k) and start saving for your future retirement!

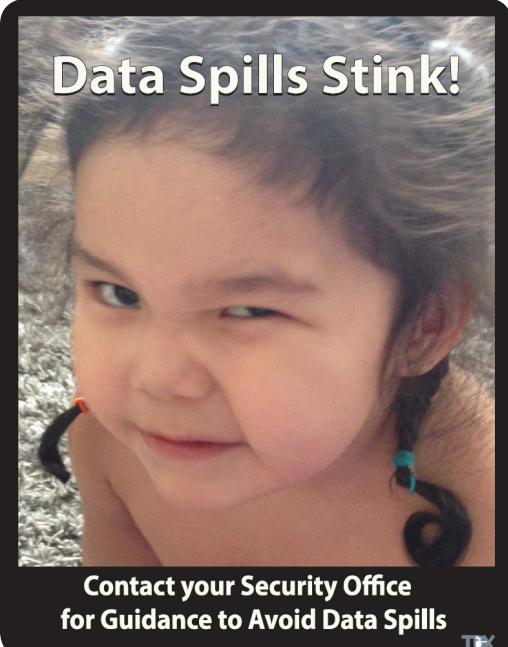


Security Awareness Poster 2014

This year's security awareness poster is designed to serve as a reminder to prevent Data Spills. As you all know, Data Spills are instances when classified or sensitive information is introduced into unclassified or unapproved computer systems or networks for such information. These occurrences can be difficult to mitigate. For instance, transmission of unauthorized data has the potential of going viral. In doing so, each piece of processing hardware becomes contaminated and must be sanitized. Affected items can include, but is not limited to; network servers, laptops, desktops, cell phones, tablets, hard drives, etc.

After narrowing the entries to two finalists, Ron Philemonoff (our TDX CEO) selected the winning submission.

Security Shout-Out to all employees under TDX Holdings who provided suggestions, ideas, formatting tips, layout, and caption inputs. A particularly special Thank You to our adorable poster model Kaleah.



Accounting News

Jeanette Matthews - Financial Controller



Please welcome Pamela Cullars to our team. She was hired to bill for Technical Services and Munitions Response divisions and is stationed in the Newport News, Virginia office.



In the accounting world:

So you can better enjoy life, please check your pay stubs on a regular basis. If you find any errors, let us know and we will correct them as quickly as we can. We strive for no errors, but the complexities of the work performed by the BSG companies and our tight deadlines sometimes cause some oversight in wages or in leave.

Please remember the following schedules. We appreciate all the help we can get so we are able to meet our own deadlines:

- If we do not receive payroll information by Tuesday at 3 p.m. Alaska time on any payday week, we may not be able to process your payroll until the following pay period.
- P card submittal by the card user must be done by the 6th of the month. Approvals must be completed by the 10th of the month. Lenora will continue to enter jobs as needed until we find a better method for updating.
- Accounts Payable is cut off on the 15th for the month prior so please code and return all accounts payable invoices by then.

With these dates in place we are able to close our month and provide needed financial information to division managers and executive management for further planning tools. As always, please let us know if there is anything more we can help anyone with.

Looking for work at a Bering Sea Group Company?
Visit the various BSG company web sites periodically for available postings.
Links to all the BSG companies at www.beringseagroup.com

Security Awareness Program

Limit Clearances; Limit Access ; Limitless Security

Melvin Johnson, Facility Security Officer (FSO)- mjohnson@bseak.com Lenora Kochutin Deputy FSO - lkochutin@bseak.com

The National Security of the United States is a shared responsibility for the government and private sector. As cleared contractors we are responsible for fulfilling work performance on classified contracts with properly cleared employees. In this role we limit access to classified information to only properly cleared personnel who have a valid need-to-know. Additionally, we are required to limit the number of cleared employees, to the appropriate number necessary to complete the assigned workload. With that said, there may be times when cleared employees' duties change and they no longer have a need-to-know, while they are still employed with us. In this case, these employees should be debriefed and removed from access. This is considered Break in Access.

The Defense Security Service offers guidance with regards to Break in Access that you should be aware of. Break in Access is the point when a cleared employee no longer has a requirement to have access to classified information.

If an employee no longer has a requirement to access classified information, remains employed by the contractor, and there is a reasonable expectation that the employee will require access to classified information again sometime in the future, the contractor will complete the following actions in JPAS:

- "Debrief" the employee from access (Note: this is the verbiage in JPAS for removing access)
- Maintain an owning relationship of the employee's eligibility record in the JPAS Personnel Security Management Network (PSM Net) until a separation action is necessary

If the employee again requires access to classified information while working for the same contractor, the contractor must verify that the most recent personnel security investigation closed no more than 5 years earlier (TOP SECRET), 10 years earlier (SECRET), or 15 years earlier (CONFIDENTIAL).

If the investigation is current, the contractor may update the employee's JPAS record with the appropriate access level if the following conditions are met:

- The contractor is not aware of any adverse information regarding the employee
- The employee's most recent personnel security investigation meets the investigation requirement necessary for the access level

If the most recent investigation exceeds 5 years (TOP SECRET), 10 years (SECRET), or 15 years (CONFIDENTIAL), the contractor will submit a request for periodic reinvestigation. The contractor should continue to submit adverse information reports in accordance with NISPOM 1-302a (and the clarifying guidance in Industrial Security Letter 2011-04) by using the "Report Incident" feature in JPAS for any employee eligible for access to classified information and in the contractor's PSM Net, regardless of whether the employee currently has access to classified information.

The contractor should also ensure employees with eligibility, and that are in the contractor's PSM Net, continue to receive refresher training as required by NISPOM 3-107.

The contractor will not request a PR for employees who remain employed but no longer have a requirement to access classified information.

If the employee no longer has a requirement to access classified information, remains employed by the contractor, and there is no reasonable expectation that the employee will require access again while employed by the company, the contractor will complete the following actions in JPAS:

- "Debrief" the employee from access (*Note: this is the verbiage in JPAS for removing access*)
- Add a separation date to the record
- Out-process the employee's eligibility record from the PSM Net
- The contractor should debrief the employee

If the employee is no longer in the contractor's PSM-Net, then the contractor should not submit a request for a PR and is not required to provide refresher training to the employee.

The contractor should continue to submit adverse information reports in accordance with NISPOM 1-302a (and the clarifying guidance in Industrial Security Letter 2011-04) by using the "Report Incident" feature in JPAS for any employee eligible for access to classified information, regardless of whether the employee currently has access to classified information.



BSE's Vulnerability Assessment

BSE's previous two assessments were rated Superior. This achievement puts the company in the running for the coveted COGSWELL Award. Of the more than 13,300 cleared contractor companies, DSS limit the number of Cogswell recipients to 26 annually. The DSS will announce winners of the 2014 Cogswell Award by July 2014.

BSE's next Assessment is 11 June, 2014

For more security awareness information visit the company's security awareness website. <http://www.beringseagroup.com/bsg-secure/bsg/training-security.html>

Brief Safety Gains

Brandon Wheeler - Corporate Health and Safety Manager

Safe Vehicle Backing

According to the National Safety Council, one out of four vehicle accidents can be blamed on poor backing techniques, which cause 500 deaths and 15,000 injuries per year. In April, the BSG Safety Department received two separate minor vehicle damage incident reports resulting from improper backing. Although these incidents occurred nearly 4,000 miles away from one another, they were separated by only two days. In an attempt to share a beneficial Brief Safety Gain with readers, we have collected a list of safe practices below related to backing up any vehicle; automobiles, construction equipment, personal, or company-owned. Please read through the list carefully and use as many techniques as you can to help prevent future backing incidents.

Vehicle Backing Safety Practices

1. Think in advance. Drivers should not put themselves into unnecessary backing situations.
2. Park defensively. Drivers must choose easy-exit parking spaces that don't crowd neighboring vehicles and park their vehicle in the center of the parking space.
3. Back in when you arrive, rather than when you are ready to leave.
4. Avoid blindside backing. Back from the driver's side.
5. Back slowly to keep control of the vehicle. Sound your horn as a warning when appropriate.
6. Do a walk-around. Walking around a vehicle gives a driver firsthand view of the backing area and any limitations. You can check for children, soft or muddy areas, potholes, tire hazards, and other dangers.
7. Know the clearances. When performing a walk-around, drivers can check for obstructions, low-hanging trees and wires, and any other potential clearance-related problems.
8. Get in and start backing immediately after checking behind your vehicle –any delay increases the likelihood of someone getting behind your vehicle.
9. Check behind and to both sides, using ALL your mirrors and looking out the driver's window as you reverse slowly.
10. If possible, use a helper to assist you in avoiding contact with roofs, docks, walls, other vehicles, pedestrians or other obstructions -- if you lose sight of your helper, STOP IMMEDIATELY!
11. GET OUT AND RECHECK, if you have any doubt!
12. Every backing situation is new and different. Sometimes a driver visits the same location several times a day and should be watchful each visit for changes and any new obstacles.
13. For construction vehicles and vehicles with limited rear visibility install backup alarms to alert others of the need to stay clear. Remember though, a backup alarm will not move an inanimate object like another car or a telephone pole.



OSHA Log Posting Concluded

The period for posting of OSHA Logs has come and gone so they may be pulled down and stored or filed. We are already approaching the halfway point of 2014 and continued focus on safety is required to keep our recordable statistics down. Although not all companies or divisions are affected by recordable statistics, some groups (industrial and chemical cleaning, for example) are ultrasensitive to these numbers where clientele carries zero tolerance threshold values which are quite low. For instance, multiple industrial clients have an established rate of 2.00 and lower, or two recordable incidents per 200,000 working hours. In short, if we are at 2.10 we cannot work for that client any longer and it will take a year to even attempt a change in the positive direction as we attempt to get back down below 2.00. So the BSG Safety Department reminds all groups that your safety actions and performance affect the entire corporation and that by encouraging hazard recognition, near miss reporting, and promotion of a strong safety culture, we can keep the OSHA numbers down and work volume up.

If you have any questions, please call the BSG Corporate Safety Department anytime. Thank you for your time and thank you for keeping it safe.

Infrastructure Services

Division Update

Guy Sanford - Program Manager

Port of Long Beach, California / Fiber Installations



Aerial view of the Port of Long Beach

Infrastructure Services recently completed a fiber installation project for the Port of Long Beach (POLB). The work included the installation and termination of over 10,000 feet of fiber cabling along with 2000 feet of supporting fiber ducting. The process included the use of air-blown fiber technologies partnering with our Lite-Access Technologies associates. Our work added a new Maintenance Building to an extensive existing fiber backbone system which the POLB has invested over 24 million dollars in over the last four years. The fiber infrastructure supports both data and security services through the entire 3,200 acre facility. Next month BSE has been invited to bid on the POLB Security Division's annual maintenance contract, valued over four million dollars for a four year period.

Security & Video Surveillance Opportunities

With the anticipation of winning this contract we have had two of our managers go through extensive training with a company called NUUO to become certified in all seven of their Network Video Recorders (NVR). NUUO has been looking to partner with an 8(a) contractor and contacted us to pursue government opportunities with their Chrystal Titan line of NVRs.

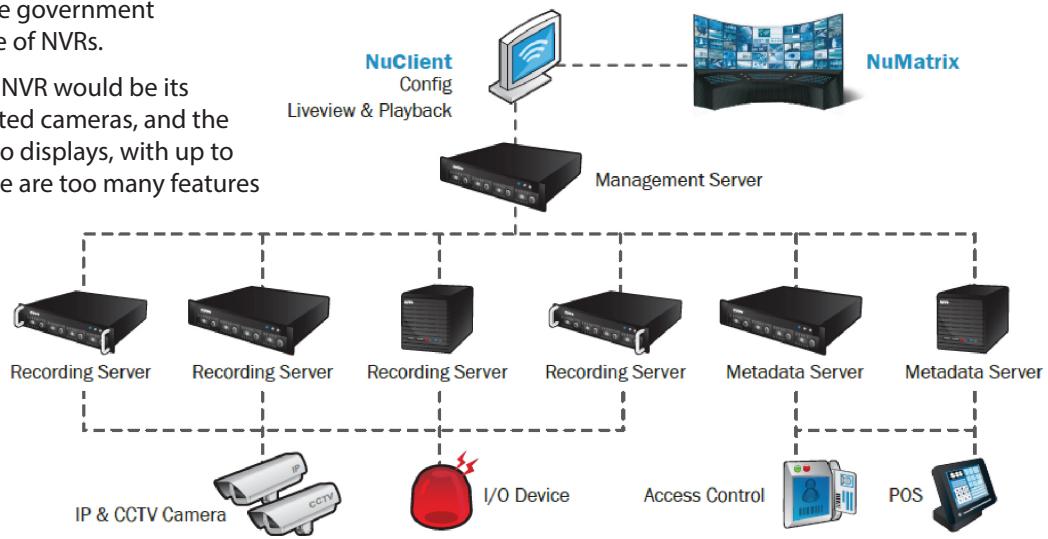
Some of the features of the Chrystal Titan NVR would be its centralized management supports unlimited cameras, and the unlimited number of video walls and video displays, with up to 100 channels displayed per monitor. There are too many features for me to cover in this report, but a view of their system architecture may help.

The global market for video surveillance equipment is expected to grow by more than 12 percent in 2014 with opportunities in numerous markets, banking, shopping malls, government, Industry, hospitals, hotels, education, and retail. Following the school shooting in Sandy Hook, the idea of facility security managers securely sharing live-video footage with law enforcement in the event of an incident has gained renewed focus.

With costs dropping and attention growing on the protection of assets of both the physical and human kind in the post-Sandy Hook era, 2014 could be the year where live streaming of video surveillance to law enforcement becomes the norm. With the addition of access control installations we are working towards a sustainable presence in this market.

Other Contract Updates

With the merger of MTA and Verizon cellular in the Anchorage area, GCI has the opportunity to expand further into the Wasilla Valley with their fiber optic network to include up to an additional 200 commercial customers within the area. Anticipating this growth, BSE has doubled the size of their outside plant personnel and recently signed a three year lease on a new location in the Wasilla area in support of these efforts. Also in support of this growth we have hired a new office manager as well as a full time mechanic to service our fleet and equipment. With the success and expansion of our division in the Anchorage area guided by our management leader, Chris Devito, we feel strongly that our growth throughout the GCI coverage areas will continue to expand in the coming years.



For more information on the NUUO line of products please visit www.nuuo.com.

Infrastructure Services

TDXNet Hawaii (CEI)

Dean Hughes - BSG Executive VP

In the last year CEI has finally gotten some vehicles made in this century to work with! This has gotten the attention of many clients in Hawaii and they were quickly swamped with work. Our government clients have freed up some funding for larger projects that CEI is winning but the real significant effort was the VP Shelton Choy's, getting into the very exclusive commercial market. To be in this market you need tools as well as a resume. Things started slow, competing in a dominantly Union arena. CEI started getting some of the less glorious work as a subcontractor, but as they completed their work the Client took notice of the Quality work CEI was doing.



The Client came to CEI to do work directly. Hawaiian Telcom (HT) is in a massive fiber-optic build out in the state of Hawaii. HT has started with 5 major areas and expects 50,000 homes this year. It began with splicing efforts for a local prime, followed by both aerial and underground drop installs for Hawaiian Tele's new fiber program. After getting several crews up to speed on getting fiber to the house, they are now training to do the in-home TV and Internet installs. In addition a side business arose clearing the obstructed ducts from the road to the home, thus a damages dept was created. The client enjoys CEI service so much that it has requested doubling its number of crews and an opportunity to start in the home installations of its new state of the art high speed system that competes with Google's fast fiber.



Field Crews doing drop bury work in Hawaii Kai



Aerial fiber installation at Pearl Harbor

Top Installer of the Month



This month's top installer! Sturlinge Rivera. In just a short time Sturlinge has been able to install more Drops than any other Installer. A friendly competition amongst the installers makes the work productive and fun. There is an actual Gold medal that gets passed on from installer to installer every week.

Technical Services

Division Update

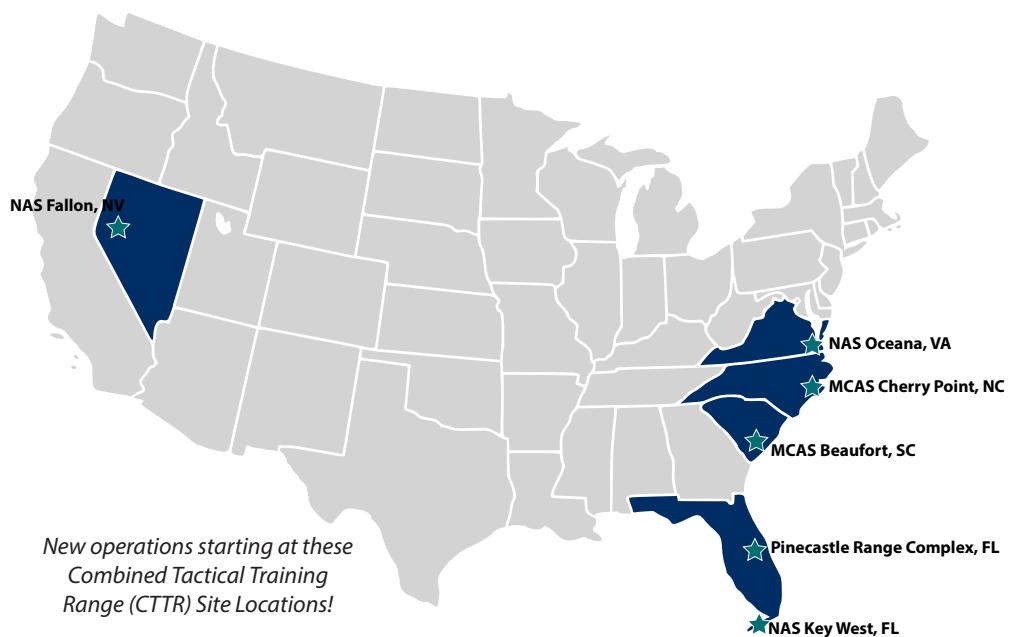
BT Smith - Director

You will notice there are several articles in our newsletter that talk about "increased workload", "new job opportunities", "standing up new operations". Well I can tell you from where I sit, all of those are alive and well within the Technical Services Division. Fact being we have quadrupled our operations tempo since 2011, yes quadrupled and that includes the award of the Navy's Combined Tactical Training Ranges (CTTR) (yes you knew there would be an acronym, just had to be).

So in the next two months we are anticipating adding on operations at Holloman AFB, New Mexico, NAS Fallon Nevada, NAS Oceana Virginia, Cherry Point North Carolina, MCAS Beaufort South Carolina , Pinecastle Training Range and NAS Key West in Florida. Lots of work to be done, and that will involve each and everyone of us.

I am not writing to tell you about our successes, that is just a by product, I am here to remind that as we all "ramp-up" our operations tempo, you must, yes I will say it again, you MUST take the time and thank all of those employees that are giving 100% to get the job done. No matter how successful we are, we must take the time provide our employees with invaluable feedback (read appraisal, both initial 90 day), make time to submit deserving individuals for our Employee Recognition Program. We know we cannot be successful without our outstanding employees, but you must take the time to pat them on the back and thank them for all they do. You know how much it means when your boss does it for you so follow my lead and "Pass it On!". Yes, sometimes a "kick in the pants" can be just as good!

Keep up the good work, and remember employee recognition does not happen by accident!



Technical Services Division - Employee of the Quarter

Mark Scardina

Lead Tech/Field Engineer
Eglin AFB, FL



Job Performance

- Supported pod loads on 574 aircraft sorties this quarter flown on A-10, F-16, F-15C, F-15E, and F-18 aircraft with a 97% effectiveness rate
- After loading a P5 pod on F-16 aircraft S/N 97-0106 performed shake test and found the Lau-129 Launcher was loose, contacted Pro-Super and a Weapons Load Crew. Immediate action was taken, Pro-Sup lauded his actions which prevented a possible damage/loss of both a multi-million dollar combat aircraft and invaluable aircrew
- Supported the P5 SPO and DRS technical personnel during the P5 Control Display Unit's Time Compliance Technical Order (TCTO) Trigger Box Enhancement validation. Performed the written procedures for the new P5 Trigger Box TCTO and Technical Data changes and pointed out areas that needed further clarification
- Worked with P5 SPO personnel on Block 3 software testing, evaluated the new pod reset capability, determined that this feature will reset a GNP-10 but will not reset a DIGS GPS receiver therefore would not be useful in correcting a DIGS drift/spin condition in flight

Self Improvement

- Enrolled in the Engineering Technology Program at Penn Foster College, currently two semesters shy of obtaining Engineering Technology Degree, maintaining a 90% average. This Quarter he completed his Drafting with AutoCAD lessons and project.

For a complete listing of accomplishments visit the Employee Awards web page at: <http://www.bsenv.com/employee-awards.html>

Technical Services

Luke ACTS Radar Operators help Protect Endangered Species

Mark Anderson - ACTS Quality Control Specialist - Luke AFB

In the spring 2014 newsletter, BT mentioned the challenges of standing up operations at Luke AFB. I would like to elaborate on several aspects about Luke AFB and the Barry M. Goldwater Range or (BMGR) as it is referred to locally. First off Luke AFB is here because of the BMGR. The BMGR complex is a vast training range used by U.S. and allied pilots and other forces. The Range consists of 1.7 million acres of relatively undisturbed Sonoran Desert in southwestern Arizona between Yuma and Tucson. Overhead are 57,000 cubic miles of airspace where pilots practice air-to-air maneuvers in two air-to-air ranges and engage simulated battlefield targets at nine air-to-ground ranges. BSEn is now tasked to maintain a majority of equipment and infrastructure that makes this training environment possible. The BMGR complex is the nation's third largest military reservation and has been used by military pilots since September 1941. Because of the Range's size, desert landscape, ideal weather, and isolated location the Range has been and continues to be a critical military asset for our nation's defense and air power readiness. One of the many dynamic functions of this contract is the Range Operations Coordination Center (ROCC) call sign Snakeye.



BSEn employees function as ROCC Radar Operators. Although not an air traffic control agency, Snakeye takes a proactive role in managing access to BMGR and is responsible for approving and or denying range access to any flight or ground party. Through the use of an FAA radar feed, Snakeye provides flight and situational awareness advisories to military aircraft for safety. Snakeye uses all tools available to enhance and maintain safe air and ground range operations. Snakeye also assists in the protection of endangered wildlife such as the Sonoran Pronghorn antelope (*pictured left*). This is accomplished by the daily plotting of sightings received by ground parties, confirming closed targets and advising aircrews of the closed targets.

Only two groups of Sonoran pronghorn species remain: one in Sonora, Mexico, and one in Arizona. The current distribution of pronghorn in Arizona lies predominately

in Pima County. The antelope's present range lies in the Barry M. Goldwater Range, Organ Pipe Cactus National Monument, and Cabeza Prieta National Wildlife Refuge, with occasional sightings in Bureau of Land Management lands. The Sonoran pronghorn numbers are very low, with only 159 (estimated) in Arizona, and 250 (estimated) in Mexico. The possibility of a sonoriensis extinction looms near if adequate protection and planning is not implemented. U.S. Fish and Wildlife has developed a Sonoran pronghorn recovery plan, with the goal of eventually removing the pronghorn from the federally endangered list. As you can see this is just one of the many challenges in managing a military range contract.

Real Thaw 2014

Glenn Wiley - ACTS Site Manager Aviano AB, Italy

Approximately 260 personnel from the 31st Fighter Wing arrived in Monte Real Air Base, Portugal, in support of REAL THAW 14--a two-week close air support exercise hosted by the Portuguese Air Force 29 Jan – 21 Feb 2014. Comparable to Operation Red Flag hosted at Nellis Air Force Base, Nevada, REAL THAW 14 attracted approximately 4,000 military personnel and 44 aircraft from the U.S., Netherlands, Portugal and NATO. This is the first year that members of the 555th Fighter Squadron traveled to Portugal in support of this international exercise. The exercise allowed pilots and maintainers from the 555th Fighter Squadron to practice working alongside NATO partners to increase interoperability and work together in a simulated wartime environment. Alongside the 555FS were Aviano's ACTS employees James "Jimbo" Hoffman Jr. and James Morton. Together they downloaded the P5CTS DRD data and converted it to the required (European Air Group) EAG format so it could be used for integration into the multi-nation playback arena. The 555FS Commander, Lt Col John Peterson lauded the support provided by the ACTS employees, stating "every time we are supported with the P5 personnel it enhances our overall capabilities, another outstanding effort".





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