

From: "LEONARD" <LEONARD@HQ.NAVSEA.NAVY.MIL>
To: <ashtonb@screeners.net>
Cc: "Jones Michael A PSVA" <mijones@nif.navy.mil>,
"Gillikin Donald D III PSVA" <gillikin@nif.navy.mil>,
"WON" <WON@HQ.NAVSEA.NAVY.MIL>,
"LEONARD" <LEONARD@HQ.NAVSEA.NAVY.MIL>
Subject: EX-COMPETENT (AFDM-6)
Date: Thu, 19 Oct 2000 10:52:00 -0900
Message-ID: <200010200202.WAA23764@ardent.navsea.navy.mil>
MIME-Version: 1.0
Content-Type: text/plain;
charset="iso-8859-1"
Content-Transfer-Encoding: 7bit
X-Priority: 3 (Normal)
X-MSMail-Priority: Normal
X-Mailer: Internet Mail Service (5.5.2650.21)
Importance: Normal
X-MimeOLE: Produced By Microsoft MimeOLE V5.50.4133.2400

1. We would like for the ex-Competent (AFDM-6) to be removed as soon as practical. However, we believe it would be reasonable for us to allow up to 90 days for the dock to remain at our facility as a tow contract will need to be awarded and the dock rigged for tow.
2. Please call me if you have any questions.

vr/ Walt

-----Original Message-----

From: "Brian Ashton" <SMTP:ashtonb@screeners.net>
Sent: Thursday, October 19, 2000 5:14 PM
To: LEONARD
Subject:

Good Morning Walt,

Can you give us a time-line on when you will require the ex-Competent to be removed from your facility?

Thank you,
Brian Ashton
for Ken Browning
State of Alaska
Property Management
(907) 874-2905

000147

Main IdentityRon@tdx.alaska.com

From: Ken Browning <Ken_Browning@admin.state.ak.us>
To: <ron@tdx.alaska.com>; Brian Ashton <ashtonb@screeners.net>; Jobkar, Jim
<Jim_Jobkar@admin.state.ak.us>
Sent: Thursday, October 19, 2000 1:22 PM
Subject: Competent

Hi Ron, I am requesting from you a proposed timeline for the abatement of the Competent, a financial statement for the last 12 months and a timeline of moving the vessel from the Navy property. We also need a letter from you agreeing to the fees that break down as follows. \$200,000.00 to the State of Alaska and \$50,000.00 to Screeners Inc. This is not a notification of being allocated the vessel but more a getting ready "in case". If you have any questions please give me a call @ 257-9641. Thank you.
Ken

000148

10/19/00



BERING SEA ECCOTECH, INC.

An Aleut Enterprise

October 20, 2000

Mr. Ken Browning
General Services Administration / State of Alaska
2400 Viking Drive
Anchorage, Alaska 99501

Dear Mr. Browning,

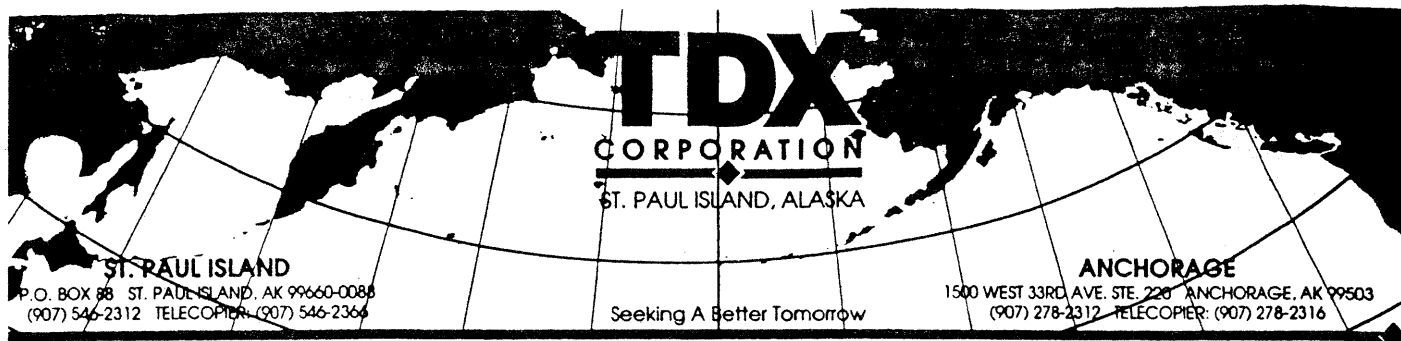
TDX and its subsidiary Bering Sea Eccotech (BSE), are very interested in acquiring the Competent to use in BSE's Business Development Plan under the SBA 8(a) Program. Bering Sea Eccotech agrees to the proposed fees of \$200,000 to the State of Alaska and \$50,000 to Screeners Inc. Bering Sea Eccotech intends to move the vessel from its current berthing in Pearl Harbor to a local dry dock within two weeks of acquiring the vessel. Further more, BSE is fully aware of the potential abatement issues and has the financial resources and the expertise to carry out an abatement plan. However BSE needs to fully evaluate the entire problem and until a complete inspection of the vessel is done, a more thorough time line of abatement will be turned in to GSA, the State of Alaska, SBA and the EPA.

The time line will look something like this. The first month will be identifying all the problems and the second month will be putting an abatement plan together following the guidelines set forth by the EPA. The third through the fifth month will be implementing the abatement plan and the sixth month will be a final inspection and finishing any missed problems that were identified.

Sincerely,

BERING SEA ECCOTECH

William N. Arterburn
CEO



October 20, 2000

Mr. Ken Browning
General Services Administration / State of Alaska
2400 Viking Drive
Anchorage, Alaska 99501

Dear Mr. Browning,

TDX and its subsidiary Bering Sea Eccotech (BSE), are very interested in acquiring the Competent to use in BSE's Business Development Plan under the SBA 8(a) Program. Bering Sea Eccotech agrees to the proposed fees of \$200,000 to the State of Alaska and \$50,000 to Screeners Inc. Bering Sea Eccotech intends to move the vessel from its current berthing in Pearl Harbor to a local dry dock within two weeks of acquiring the vessel. Further more, BSE is fully aware of the potential abatement issues and has the financial resources and the expertise to carry out an abatement plan. However BSE needs to fully evaluate the entire problem and until a complete inspection of the vessel is done, a more thorough time line of abatement will be turned in to GSA, the State of Alaska, SBA and the EPA.

The time line will look something like this. The first month will be identifying all the problems and the second month will be putting an abatement plan together following the guidelines set forth by the EPA. The third through the fifth month will be implementing the abatement plan and the sixth month will be a final inspection and finishing any missed problems that were identified.

Sincerely,

TANADGUSIX CORPORATION

Ron Philemonoff
CEO

000150

20

VESSEL CONDITIONAL TRANSFER DOCUMENT

KNOW ALL MEN BY THESE PRESENTS: That the United States of America (hereinafter called the General Services Administration (GSA) acting by and through the State of Alaska, State Agency for Surplus Property (hereinafter called the SASP) pursuant to the powers and authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended for and in consideration of and in reliance upon the representations of Tanadgusix (TDX) Corporation whose address is P.O. Box 88, St. Paul Alaska 99660-0088, (herein after called the Donee) that the Property hereinafter described is required in the furtherance of the Donee's program and that such Property will be used solely in connection with such programs and more specifically for all the following purpose(s) and plan as set forth in the Donee's "Letter of Intent" dated October 20th, 2000 which Expression of Interest is hereby incorporated herein and made a part hereof, and for no other purposes, does hereby deliver, sell, assign, and transfer all of its rights, title and interest in and to the following described vessel:

"AFDM 6, Ex-Competent"

together with all appurtenances, and accessories attached thereto or installed therein, (all of which are hereinafter referred to as the Property), which has been determined by GSA to have a fair market value of \$5,187,000.00 unto the Donee to have and to hold the said Property, all and singular forever, this donation being made on an "as is, where is" basis without warranty of any kind, and delivery is made at the present location of the Property regardless of where the same may be situated or the condition thereof;

SUBJECT, HOWEVER, to the following conditions and restrictions:

1. The Donee agrees to obtain documentation of the vessel under the applicable laws of the United States and regulations promulgated thereunder and the applicable laws of the several States governing the documentation of said Property and at all times to maintain such documentation. Upon written request and sufficient evidence to justify such action, GSA may waive the requirement for documentation in the case of donated vessels which are to be permanently moored on land and never to be used again on the waterways.
2. The Donee agrees to record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property within 30 days after the receipt of the full-executed Vessel Conditional Transfer Document. If documentation is waived under (1), above, the requirement for registration may also be waived.
3. The Property shall be placed in use for the purpose stated above no later than 12 months after acquisition thereof and used for that same purpose for a 12-month period thereafter.
4. There shall be a further period of restriction beginning on the date the Property has been used for the period prescribed in (3), above. This period will expire after the Property has been used for the purpose stated above for an additional period of 48 months. During this additional period of restriction, the Property shall be used only for the purpose(s) stated above.
5. In the event the Donee does not record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property within 30 days after the date of receipt of the fully executed Vessel Conditional Transfer Document, or in the event the Property is not placed in use within 12 months of receipt and used for a 12-month period thereafter, the Donee shall within 30 days after the date on which the instrument should have been recorded, or within 30 days after the Property has ceased to be used, provide notice thereof, in writing to the SASP, and at the Donee's expense return such Property to the SASP or otherwise make the Property available for transfer, provided the Property is still usable as

determined by the SASP, or otherwise dispose of the Property through the SASP as may be direct by GSA.

6. In the event the Property is not so used or handled as required by (1), (2), (3) (4) and (5) above, title and right to the possession of the Property shall, at the option of the GSA, revert to the United States Government. Upon demand the Donee shall, as directed by the GSA through the SASP, release the Property to such person or agency as may be designated, sell the Property, or otherwise dispose of the Property. Any sale shall be for the benefit and account of the United States Government.
7. During the periods of restriction prescribed in (3) and (4), above, the Donee shall make reports to the SASP on the use, condition, and location of the Property and on other pertinent matters as may be required from time to time by the SASP or GSA.
8. During the periods of restriction prescribed in (3) and (4), above, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the Property, or remove it permanently for use outside the State, without the prior written approval of GSA. The proceeds from any sale, trade, lease, loan, bailment, encumbrance, or other disposal of the Property during the period of restriction set forth in (3) and (4), above, when such action is authorized in writing by GSA, shall be for the account of the United States Government.
9. In the event, during the periods of restriction prescribed in (3) and (4), above, the Property is sold, traded, leased, loaned, bailed, cannibalized, encumbered, or otherwise disposed of without prior written approval of GSA, or is used for a purpose(s) other than the purpose(s) stated, the Donee at the option of GSA shall, be liable for the proceeds of the disposal, the fair market value, or the fair rental value of the Property at the time of such unauthorized transaction or use, as determined by GSA.
10. If at any time, from the date the Donee receives the Property through the periods of restriction prescribed in (3) and (4), above, the Property is no longer suitable, usable, or required by the Donee for the purpose for which required, the Donee shall promptly notify the SASP, and shall, as directed by the GSA through the SASP, return the Property to the SASP, transfer the Property to another Donee or another State Agency, or to a department or agency of the United States, sell the Property, for the account and benefit of the United States with the proceeds remitted promptly to GSA from the donee, or otherwise dispose of the Property as directed by GSA.
11. At the option of GSA, the Donee may obtain abrogation of the terms and conditions set forth in (4) and (6) through (10), above, by payment of an amount determined by and with the written concurrence of GSA.
12. GSA may waive any or may terminate all of the terms and conditions set forth in (4) and (6) through (10), above, and give unrestricted title to the Property in favor of the Donee whenever such action is determined in writing by GSA to be appropriate.
13. The Donee agrees to hold harmless and indemnify the Government for any and all cost, judgment, action, debit, liability costs and attorney's fees or any other request for monies of any type of relief arising from or incident to the transfer, donation, use processing, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the item, material or substance, whether international or accidental.
14. The Donee is aware that the item(s) listed as containing Polychlorinated Biphenyls (PCB's), a toxic environmental contaminate, require(s) special handling and disposal in accordance with U.S. Environmental Protection Agency Regulations (40 CFR part 761) and U.S. Department of Transportation regulations codified in 49 CFR parts 171-180. The Donee certifies that this item will be handled and disposed of in accordance with applicable Federal statutes and regulations and applicable State laws.

D 000072

IN WITNESS WHEREOF, the Donor and the Donee have duly executed this instrument this 24 day of October, 2000.

United States of America, Acting by and through the
Alaska State Agency for Surplus Property
By [Signature]
Title YAO

Donee: [Signature]
By Ren Philym
Title CHARMAN / CEO

Institution or Organization

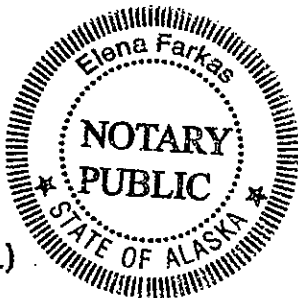
TANADGUSIK (TPK) Corporation

Notarization of State Agency Certification:
CITY of Anchorage
COUNTY of _____
STATE of Alaska

On this 24 day of Oct, 2000, before me appeared Kenneth Brown, to me personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument and that such instrument was executed under duly delegated authority on behalf of the Alaska State for Surplus Property, and acknowledged the foregoing instrument to be the free act and deed of the State of Alaska.

Donee _____ Date _____

Given under my hand and official seal the day and year above written.



(SEAL)

Elena Farkas
Notary Public in and for the
City of Anchorage
County of _____
State of Alaska

My Commission Expires: _____

My Commission Expires
December 28, 2003

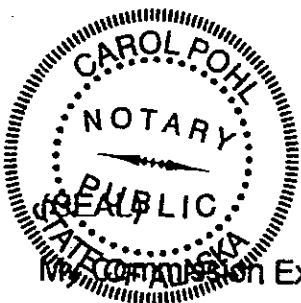
D 000073

Notarization of Donee Certification:

CITY of _____
COUNTY of _____
STATE of Alaska

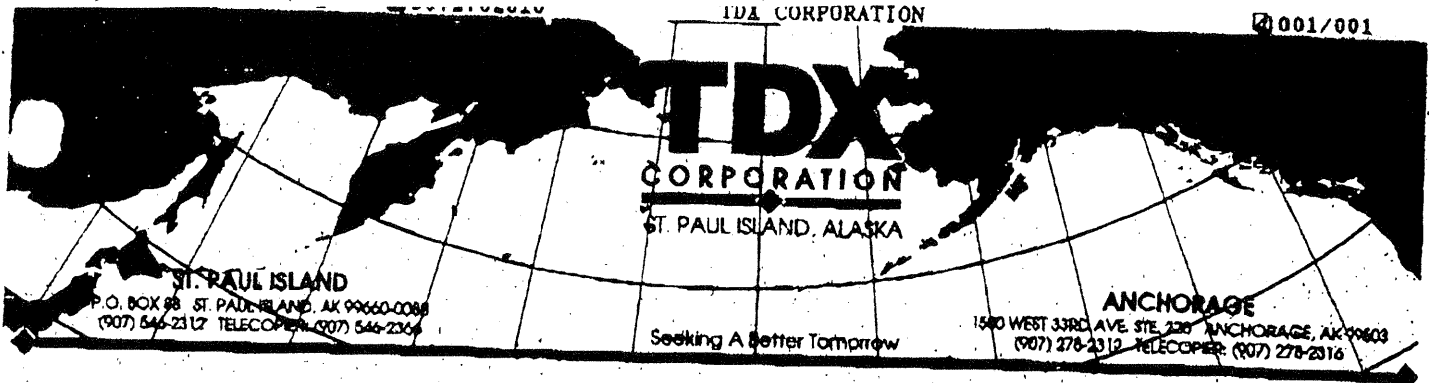
On this 24 day of October, 20 00, before me
appeared RON Philimonoff, to me personally known, who, being by me
duly sworn, says that she/he is the person who executed the foregoing instrument on behalf of
said Tanadgusix Corporation, and acknowledges to me that
she/he was duly authorized to execute the foregoing instrument and that he executed the same
as a free act and deed of said Organization.

Given under my hand and official seal the day and year above written.



Carol Pohl
Notary Public in and for the
City of Anchorage
County of _____
State of Alaska

D 000074



Letter of Understanding between TDX Corporation and Marisco, Ltd.

This is a letter of understanding by and between TDX Corporation (hereafter "TDX") of St. Paul Island, Alaska and Marisco Ltd. (hereafter "Marisco") of Honolulu, Hawaii regarding mutual interests between the corporations in the matter of the drydock barge Ex-Compent. Neither TDX nor Marisco warrants anything beyond what is stated herein, and both corporations recognize the need to develop a more formal business relationship defining their interests and obligations to each other, based on this preliminary letter of understanding.

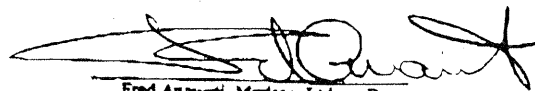
Facts of Agreement: The Ex-Compent is offered for sale to TDX under certain terms from the State of Alaska GSA Surplus Sales Program. TDX intends to purchase the vessel and will be required to own and operate it for no less than the terms identified in the Agreement between TDX and the State of Alaska GSA Sales Program. TDX needs an experienced shipyard operator to best incorporate the vessel into its business development plans, and to make certain repairs and improvements critical to ownership, title transfer terms, and use of the vessel. Marisco is an experienced and successful shipyard operator in Honolulu, Hawaii, with uplands and tidelands space for upgrading, and putting the vessel into service in commercial ship repair services and vessel haulout services for the maritime industry. Marisco is located near the vessel, and wants to do joint venture business with TDX corporation in operating the drydock barge and offering services for sale to maritime industry.

The parties now agree to the following preliminary business plan for using the vessel, subject to mutually agreeable refinements and changes as the business between the parties develops:

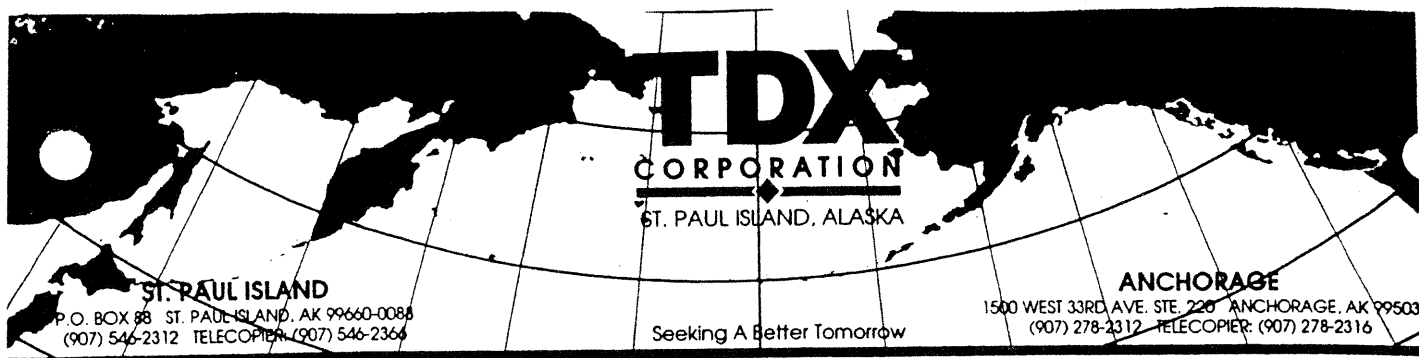
- TDX provides Marisco permission to secure the vessel from the Navy, and tow the vessel to its shipyard in Honolulu as soon as possible following the sale of the vessel and notification by TDX. The parties agree that promptness in fulfilling this task is of primary importance.
- Marisco agrees that the costs of securing and towing the vessel, as well as any repairs and alterations will be paid by Marisco.
- Marisco will provide \$250,000 to TDX to facilitate its interest in using the vessel.
- Upon placement of the vessel at Marisco Shipyard, Marisco will within 6 months perform necessary services to meet stipulations of the sales agreement between TDX and the State of Alaska GSA Surplus Sales, including, as necessary, the removal of hazards and certain other improvements needed to keep the drydock serviceable and safe for commercial operations.
- TDX guarantees that it will leave the vessel at Marisco shipyards for a minimum of five years, and Marisco guarantees that it will maintain it there, which term may be mutually extended by the parties in subsequent agreements.
- TDX, through its subsidiary, Bering Sea Ecotech, Inc. (BSE), will maintain ownership of the vessel for the required term in its purchase agreement, but agrees that the vessel will operate in Marisco's shipyard for the minimum period identified above, and that Marisco may operate and use the vessel for its intended purpose in the course Marisco's normal business operations.
- Marisco will make diligent effort to use the vessel in profit making operations, provide for the maintenance and upkeep of the vessel, and will provide haulout fees and Lay Day fees to TDX. In addition, Marisco agrees that its facilities will be made available for maintenance, repair and alterations on TDX owned vessels at a discounted rate, and that training and employment opportunities will be made available to qualified Aleuts and TDX shareholders.
- Long Term Plan. BSE is an SBA approved 8(a) corporation with an approved business plan to provide Marine Services. It is TDX's long term plan and intention that a diligent effort will be made by BSE to obtain federal contracts to work on US Navy vessels using the experience and facilities of Marisco and the Ex-Compent, and BSE's 8(a) privileges, in a joint venture arrangement between the parties, that will be governed by the rules of the SBA.
- This agreement is preliminary and its terms and conditions may be amended by and between the parties, and additional items of understanding may be mutually added. This letter of understanding is a preliminary attempt to define a business relationship for mutually beneficial purposes between the parties.

Agreement between the parties is evidenced by signature of the undersigned officers of the respective corporations:


Ron Philimonoff, TDX Corporation Date


Fred Anawati, Marisco, Ltd Date

000151



November 2, 2000

Mr. Ken Browning, Property Allocation Officer
State of Alaska Department of Administration
Division of General Services
Property Management Office
2400 Viking Drive
Anchorage, AK 99501

Dear Mr. Browning,

As you are aware, per our letter dated October 9, 2000, Tanadgusix Corporation (TDX) has been very interested in acquiring the AFDM6, Ex-Competent, a drydock barge. TDX took the initiative and diligence to develop a comprehensive business plan, which met all the prerequisites of the Federal Surplus Property Management System. Our business plan ensures that the Ex-Competent will be put back into service and will maximize its potential to provide services for both commercial and federal ship repairs.

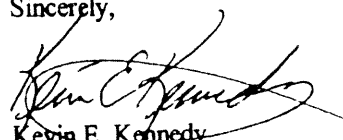
This plan has a schedule, which is critical to its success, that targets key marketing opportunities. If TDX does not receive the Ex-Competent by Monday, November 6, 2000, we will lose our window of opportunity to put the drydock into service. Our joint venture partner informed us that TDX must receive the Ex-Competent soon to get these potential contracts.

This drydock requires substantial renovation to be put back into operation. In order for that to happen, transportation to its berthing location requires a lot of planning and coordination. We have put forth a lot of effort and we are ready to implement our plan.

I cannot overemphasize the importance of the timing to implement our business plan to ensure TDX's success, which is success for the State of Alaska as well. We simply cannot lose this window of opportunity.

Thank you for your assistance and please do not hesitate to contact me, at the numbers listed above, if you have any questions.

Sincerely,


Kevin E. Kennedy
Director of Marine Operations

000153

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION DIVISION OF GENERAL SERVICES

November 6, 2000


TONY KNOWLES, GOVERNOR
Property Management Office
2400 Viking Drive
Anchorage, Alaska 99501
TEL: (907) 279-0596/276-3320
FAX: (907) 278-0352/278-4976

To whom it may concern,

The determination to allocate the AFDM 6 Ex-Competent belongs to the Small Business Administration per General Services Council, Washington D.C. This determination was concluded today after speaking with GSA.

The other alternative for allocation would be through the donation program. Please advise this office of your intentions by the close of business November 7, 2000.

Sincerely,



Jim Jobkar
Property Manager

000160

PMO—"Doing More"

Subject: FW: Transfer of surplus Federal property to an 8(a) participant under 13 CFR 124.405

-----Original Message-----

From: DeVore, Jon M.
Sent: Thursday, November 09, 2000 5:25 PM
To: 'peggy.lowndes@gsa.gov'; 'glynis.bell@gsa.gov'
Cc: Roggenkamp, Susan E.; Johnson, Janet I.; Fishman, David A.; Klein, John W.; Mayronne, Ferguise L.
Subject: Transfer of surplus Federal property to an 8(a) participant under 13 CFR 124.405
Importance: High

To whom this may concern:

The Alaska District Office of the U.S. Small Business Administration understands that your offices of the U.S. General Services Administration (GSA) have directed the State of Alaska Division of General Services (DGS) that SBA must accept ownership of surplus Federal property at part of the disposal of the floating dry-dock from the Dep. of the Navy pursuant to the surplus Federal property program to the Clearwater Group, Inc., an 8(a) participant in the SBA Minority Enterprise Development Program and a subsidiary of an Alaska Native Corporation. Further that you have directed the DGS that SBA must accept the property with terms and conditions that require the SBA accept responsibility for the environmental condition and clean up of the property.

These directives are not consistent with how property has been transferred in the past. Further, this position is not consistent with the Alaska District Office understanding of how the program works. For instance, under that scenario, SBA, a federal agency, would accept transfer of surplus Federal property from the STATE OF ALASKA and then transfer it to an 8(a) concern. This distribution puts SBA as a Federal Agency lower on the distribution priority list than a State. SBA has no authority to decide whom the property goes except to certify that the 8(a) firm is an eligible participant under the 8(a) program pursuant to 13 CFR 124.405. Further it exposes SBA to unacceptable liability and obligations for the property and its condition.

Is there a memorandum of understanding between the GSA and SBA that governs these matters?

What is your legal authority to direct that SBA must accept title and ownership of the property?

This is a matter of great concern that impacts small businesses and involves millions of dollars. Please communicate to the SBA regarding these matters as soon as reasonably possible. Thank you for your time and attention.

Jon M. DeVore
District Counsel
Alaska District Office

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Jon M. DeVore
District Counsel
jon.devore@sba.gov
(907)271-4034

ADA 00408

Subject: [Fwd: FW: Transfer of surplus Federal property to an 8(a) participant under 13 CFR 124.405]

Date: Thu, 16 Nov 2000 07:37:01 -0900

From: Ken Browning <Ken_Browning@admin.state.ak.us>

To: "Jobkar, Jim" <Jim_Jobkar@admin.state.ak.us>

Subject: Re: FW: Transfer of surplus Federal property to an 8(a) participant under 13 CFR 124.405

Date: Wed, 15 Nov 2000 19:47:38 -0800

From: peggy.lowndes@gsa.gov

To: ken_browning@admin.state.ak.us

for your reading enjoyment.

----- Forwarded by Peggy Lowndes/9FBP/R09/GSA/GOV on
11/15/2000 07:45 PM -----

Glynis Lloyd Bell
11/15/2000 01:43 PM

To: jon.devore@sba.gov @ GSAEXTERNAL
cc: Deidre Huber/FBP/CO/GSA/GOV@GSA, David M. Robbins/FBP/CO/GSA/GOV@GSA,
Denise L. Thomas/FBP/CO/GSA/GOV@GSA, Thomas P.
Nugent/FBP/CO/GSA/GOV@GSA, Peggy Lowndes/9FBP/R09/GSA/GOV@GSA, Martha
S. Caswell/MTP/CO/GSA/GOV@GSA, Audrey L. Harris/MTP/CO/GSA/GOV@GSA,
Patrick W. Lamb/9FBP/R09/GSA/GOV@GSA

Subject: Re: FW: Transfer of surplus Federal property to an 8(a)
participant under 13 CFR 124.405 (Document link: Peggy Lowndes)

Jon,

Thank you for including me as an addressee for your email. I am glad to have the opportunity to provide you with GSA's legal interpretation of the personal property program and how the SBA's authorities mesh with GSA's authorities. As I mentioned in a phone call yesterday with Jim Parker of the Washington, DC SBA office, GSA officials will probably need to meet with SBA officials at some point to make sure we all have the same understanding.

First, you asked whether there is an MOU between GSA and SBA that governs the operation of SBA's 8(a) donation program. To the best of my knowledge, there is not. My records indicate that such an agreement was proposed in 1992, but that since the SBA decided to operate its 8(a) donation program using the State Agencies for Surplus Property (SASPs) as SBA agents, the SBA issued guidance to the SASPs instead. GSA has certainly consulted with the SBA as the 8(a) donation program has been developed (primarily with Charles Payne of the DC office), and we welcome the opportunity to provide additional technical assistance as needed.

You also asked what is GSA's authority to direct SBA to accept title and ownership of surplus Federal personal property that is transferred to 8(a) recipients under the SBA's donation program. I do not believe that GSA necessarily has authority to "direct" SBA to accept ownership over any property. Rather, the SBA's own authority, 15 U.S.C. 636(j)(13)(F), mandates that the SBA develop a method to transfer Federal surplus property to 8(a) participants. Based on the guidance provided by the SBA in a February 8, 1999 letter to Deidre Huber of GSA, GSA's understanding is that the method that the SBA adopted is that the SBA requests items of surplus personal property be transferred to SBA via a Standard Form 122 (Transfer

Order Excess Personal Property). If GSA signs the SF 122, transfer to the SBA is authorized, and the SBA (through its agents -- the SASPs) picks up the property and physically transfers it to the eligible 8(a) recipients.

This method of transfer combines 2 different authorities: the Federal Property and Administrative Services Act of 1949, as amended (Property Act) and 15 U.S.C. 636(j)(13)(F).

Section 202 of the Property Act authorizes GSA to transfer Federal property between agencies. (See 40 U.S.C. 483). Once the SBA uses the Property Act process to obtain the right to control the property, the SBA uses the authority of 15 U.S.C. 636(j)(13)(F) to transfer the property to 8(a)'s. Thus, if an item needed for an 8(a) donation is in the custody of the Department of Defense, for example, the SF 122 requests transfer of the property from DOD to SBA pursuant to the authority of the Property Act. SBA then, under its own authority (15 U.S.C. 636(j)(13)(F)) authorizes its agent to pick up the property from DOD and deliver it to an 8(a). When DOD cedes physical custody to the SBA's agent, the SBA becomes responsible for the property in accordance with the Property Act.

The SBA has authorized the SASPs to act as its agents to carry out 15 U.S.C. 636(j)(13)(F). It is important to note that the SASPs are not Federal agencies and have none of the authorities inherent in Federal agencies to possess or dispose of Federal property. Any of the SASPs' authorities to carry out the 8(a) donation program derive solely from SBA designations under 15 U.S.C. 636(j)(13)(F).

Confusion seems to have arisen as to who "owns" Federal surplus property. The law that generally governs Federal property is the Property Act. We do not normally use the terminology that an agency "owns" property, because the Property Act does not use such terminology. Rather, the Property Act states that executive agencies must maintain adequate inventory controls and accountability systems for the property under their control. (See subsection 202(b) of the Property Act, 40 U.S.C. 483(b)).

Based on your message below, I also want to clarify that GSA does not presently have the authority to issue directives to the SASPs as to how the SASPs are to carry out their responsibilities under 15 U.S.C. 636(j)(13)(F). My position is that if the SASPs ask GSA how to manage transfers under the 8(a) donation program, GSA should direct the SASPs to the SBA, because the 8(a) donation program is operated by the SBA. GSA does, however, retain its authority to oversee interagency transfers of property accomplished under our Property Act authority.

In your message below, you also mentioned concerns over liability, and this is an issue with which GSA also grapples in our surplus donation program. To manage this potential liability, GSA requires donees to sign binding donation agreements in which they specifically agree to hold the US Government harmless from any damages arising from or incident to use of the property upon the donee's assumption of physical custody of the property. I will be happy to provide you with copies of this language, if you'd like.

I hope this information is helpful. Please let me know if I may provide any additional assistance.

Glynis Bell

jon.devore@sba.gov on 11/13/2000 11:55:02 AM

To: glynis.lloyd.bell@gsa.gov
cc:

ADA 00410

12/28/00 09:32 FAX 907 2520

LAW GOV AFF/LEGIS

DEC-26

2:25PM;

003/003
PAGE 1/1

U. S. SMALL BUSINESS ADMINISTRATION
ALASKA DISTRICT OFFICE
222 W. EIGHTH AVENUE #67
ANCHORAGE AK 99513-7949
907-271-4001 • 907-271-7446 (FAX) • 907-271-4007 (TDD)

December 20, 2000

VIA TELEFAX and MAIL
907-465-2520

Margie Vandro
Assistant Attorney General
Department of Law
State of Alaska
P.O. Box 110300
Juneau, Alaska 99811

RE: CLEARWATER GROUP, INC. / TRANSFER OF SURPLUS FEDERAL PROPERTY

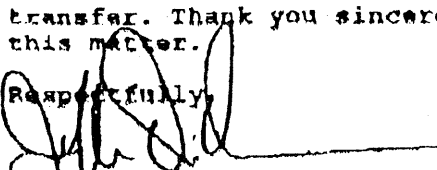
Dear Ms. Vandro:

The U.S. Small Business Administration (SBA) has acknowledged that the Clearwater Group, Inc. pursuant to 15 U.S.C. sec. 636(j)(13)(F) is receiving this Government property from the State Agencies for Surplus Property pursuant to the procedures set forth in 41 CFR Part 101-44 and 13 CFR 124.405 as requested by the State of Alaska. No one from the U.S. General Services Administration (GSA) has informed the SBA to the best of my knowledge that any formal or informal "hold" has been placed on the program.

SBA understands that the Clearwater Group, Inc. is prepared to execute the property transfer documents and tender the required fee. I further understand that for tax purposes and for business opportunity purposes transfer of the property before the end of the year is critical. In the absence of some formal action by the GSA, the Alaska District Office of the SBA is not aware of any impediment to transferring the M/V Ex Competent to Clearwater Group, Inc.

Please let me know if there is any reason not to complete the transfer. Thank you sincerely for your involvement and interest in this matter.

Respectfully,



Jon M. DeVore
District Counsel

cc: Susan Roggenkamp/SBA-ADO-MED
Tom Matthews/Matthews & Zahare

Attachment A

ADA 00406

12/28/00 09:31 FAX 907 465 2520

LAW GOV AFF/LEGIS

002/003

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

GOVERNMENTAL AFFAIRS SECTION
P.O. BOX 110300
DIAMOND COURT HOUSE, 6TH FLOOR
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2520

December 28, 2000

Jon M. DeVore
District Counsel
Small Business Administration
222 W. Eighth Avenue, #67
Anchorage, Alaska 99513-7559

Re: Clearwater Group, Inc.; M/V Competent
transfer issues

Dear Mr. DeVore:

In response to your letter of December 20, 2000, please be advised that I have asked the federal General Services Administration (GSA) for an update on the status of the hold on the transfer of the M/V Competent that we were informed about on December 6, 2000. I believe you and I discussed the December 6th e-mail I received from Peggy Lowndes, GSA, regarding this matter. In that e-mail, Ms. Lowndes informed me of the following action:

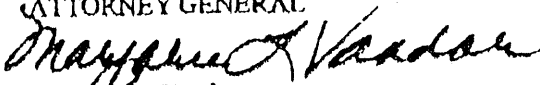
"...our [GSA] Philadelphia office is notifying SBA and the Navy that a hold has been placed on the transfer [of the M/V Competent] until some issues with SBA regarding accountability for transferred property can be resolved. Our headquarters is contacting SBA in Washington DC regarding accountability issues and responsibility for compliance with environmental regulations."

(Emphasis added.) According to her e-mail, a hold was placed on the transfer of the subject property on or before December 6, and to my knowledge remains in place. Therefore, I do not believe there is any action the State of Alaska could take at this juncture that could effectuate a transfer as you indicate in your letter of December 20, 2000.

I will be back in touch when I receive an update on this matter from GSA.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL


By: Marjorie L. Vandor
Assistant Attorney General

MLV:jn

cc: Jim Duncan, Commissioner
Department of Administration

Chris Farns, Director
Division of General Services

ADA 00407

General Services Administration
Federal Supply Service
December 2000

DRAFT
FACT SHEET

Transfer of Surplus Drydock "Competent"

Issue: GSA's Property Management Office has concerns about the transfer of the surplus drydock "Ex-Competent" to the Small Business Administration (SBA) for use by an 8(a) Capital Ownership Development Program (8(a) Program) participant, Clearwater Group Inc.

These concerns are based on a conflict of interpretation of terms and conditions imposed by the signing of a Standard Form 122 (Transfer Order Excess Personal Property) (SF122) and the meshing of SBA's authorities with GSA's under the administration of the 8(a) Program.

Background: Small Business Administrations (SBA) 8(a) Capital Ownership Development Program is authorized pursuant to section 7(j)(13)(F) of the Small Business Act (15 U.S.C. 636(j)(13)(F)). The purpose of the 8(a) Program is to assist eligible small and disadvantaged business concerns to compete in the American economy through business and financial development.

Under this program eligible 8(a) Program participants may receive surplus Federal personal property to be used in the normal conduct of business activities.

SBA's implementing regulations were set forth January 1999, in 13 CFR 124.405, and additional guidance for supporting this program was contained in a February 8, 1999, letter addressed to the FSS Property Management Division. In those guidelines SBA states that it is responsible for determining eligibility of 8(a) Program contractors to participate in the program and enforcing compliance of the use of the property.

Under this program and in keeping with the guidelines issued by SBA, transfers of Federal surplus property from the holding agency to SBA are accomplished through use of a SF122. The SF122 is normally used to transfer accountability for property from one Federal agency to another. A number of executive agencies, such as SBA in this case, have separate statutory authority to subsequently convey property to non-Federal organizations who participate in programs administered by those agencies.

Discussion:

Clearwater Group Inc. an 8(a) Program contractor and a subsidiary of one of the several Alaskan native corporations. requested a transfer of a drydock "Ex-Competent" through the SBA 8(a) Program.

A SF122 was prepared for SBA's signature to execute the transfer of the "Ex-Competent". SBA's Alaska District Office was made aware during this process of the implication and acknowledgements that accompany the preparation and approval of SF122 documents.

GSA's maintains that the signature of the requesting agency on a SF122 and it's approval by GSA effects the transfer of Federal property from one Federal Agency to another. With this transfer comes the accountability and liability for that property. Therefore, by signing a SF122, SBA would be assuming the responsibility, accountability for any property transferred to them using this document. This would be so even if SBA has separate statutory authority under the Small Business Act to subsequently convey the property along with a restricted form of title to the SBA-contractor. It should be noted that the transfer of the property to SBA is done under the authority and provisions of the Federal Property Act while the separate conveyance of the property from SBA to their contractor is done under the purview of the Small Business Act.

SBA's Alaska District Office disagrees with the conditions and responsibilities which are affiliated with the signing of the SF122 and has taken the position that SBA's signing of the SF 122 is merely an acknowledgement of the transfer of the property to the SBA contractor. They claim that SBA's execution of the document only acknowledges the eligibility of the contractor to participate in the program and that SBA will periodically reviews whether the property is being used and maintained by the contractor as agreed. SBA takes the position that they never become responsible or accountable for the property since they never physically have possession. (note: this SBA position is contrary to long standing policies regarding the transfers of property through a sponsoring Federal agency to non-Federal organizations. Even if the sponsoring Federal agency never takes physical possession, it still becomes accountable for the property at the time their transfer request is approved. The fact that they have separate authority to convey the property to the contractor does not relieve them of accountability at the time of the original transfer.)

Region 3 Property Management as well as Central Office and Office of Legal Counsel have been working with SBA to come to an understanding of the assumptions and responsibility that accompany the use of the SF122. However, SBA District Office maintains the position that it has no accountability or responsibility for property transfer to them for use in their program.

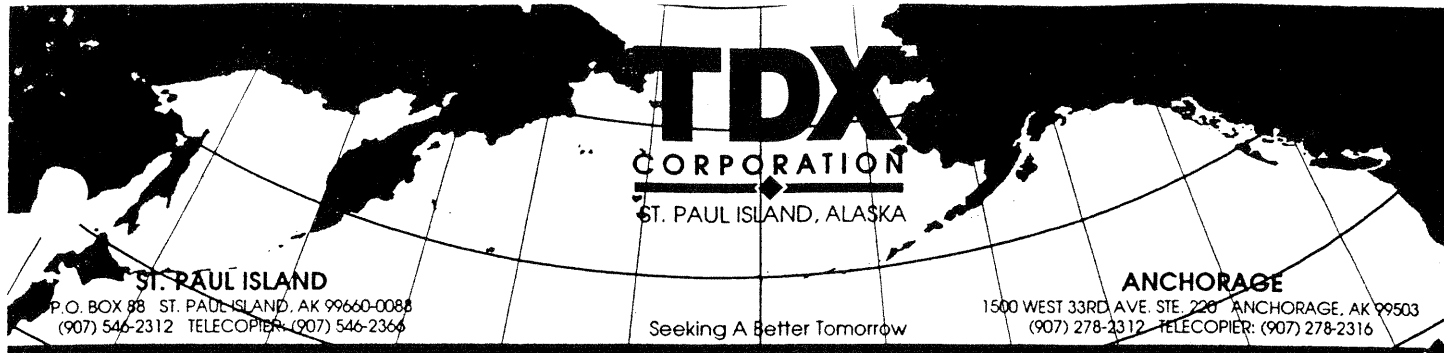
GSA recommends that SBA put a hold on the donation of the Ex-Competent until there is an understanding of the responsibilities and liabilities assumed with the execution of the SF 122. GSA can not direct SBA to accept accountability for the property. However, a signed SF122 by GSA allows a holding agency to drop accountability for the property. If SBA does not accept accountability, the implication would be no agency has accountability for the property. This is not in keeping with intent of the Property Act or 15 U.S.C. 636(j)(13)(F).

Status:

Representatives of the Office of General Counsel and Region 3 have discussed this issue with the SBA Alaska District Office and Headquarters to no effect.

November 28th, Region 3 Property Management received e-mail correspondence from the Clearwater Group, Inc stating: they had been advised by SBA of GSA's intent deny the transfer of the Ex-Competent; the financial losses that would result for their organization given that action; and advising they would have no alternative than to pursue court actions should this occur. It was apparent from their e-mail they were not aware of the issues which resulted in the hold of the transfer to SBA.

Central Office Property Management Office is currently working on a position letter to SBA Headquarters clarifying the intent of the Property Act, GSA's role in carrying out the property act and their position on the use of SF 122's to execute transfers of excess Federal Property from one Federal agency to another.



*misdated
- should be
1/18/01*

01/18/00

Ken Browning
GSA/State of Alaska
2400 Viking Drive
Anchorage, Alaska 99501

Dear Mr. Browning,

This letter will serve to restate and re-confirm the interest of Tanadgusix Corporation in obtaining through the State GSA Program, the AFDM-6, dry dock barge, known to us as the Ex-Competent. TDX is definitely interested in purchase of this vessel through the State, and is prepared and ready to act immediately on its plan to put the vessel into service. We have heard that the Navy is preparing to place the vessel up for bid. The following information is provided in evidence of our readiness to move forward.

1. Letter of confirmation from Sause Bros. Regarding the availability of an insured ISM certified tug operator to remove the AFDM-6 within 7 days of notification.
2. Letter of non-objection from the State of Hawaii, harbor administrator for relocating the barge to a private shipyard at Barbers Point Harbor.
3. Letter of reaffirmation of commitment from Marisco Limited, the shipyard owner, our partner in the State of Hawaii.

We have a viable plan of business for this capital asset, have funds available to pay for its purchase and removal, and will begin immediately the job of removing hazmat and other requirements, plus a few upgrades to the bottom, so that we can put the vessel into service for its intended purpose, namely operating as a dry dock. Based on our projections, this can be accomplished in approximately six months.

TDX is supportive of the State's program of obtaining excess federal properties, as it gives small Alaskan companies like ours the opportunity to improve ourselves economically with capital assets that would be out of our reach in most cases. This is especially important since job opportunities on St. Paul are limited under current economic circumstances. To us it is a privilege that we have access to such a program, one that we believe many Alaskan communities could benefit from. TDX would take extra care to meet program requirements so that the program has examples of success. We are evaluating this vessel for use by our wholly owned SBA 8(a) contracting subsidiary, Bering Sea Eccotech, Inc., in expanding

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and meeting its business plan goals in commercial and federal contracting. As mentioned in our prior letter to your office regarding this vessel, TDX and all its affiliates, will abide by, and provide evidence of, full compliance with the requirements of the program.

Thank you for the opportunity to participate. Please do not hesitate to contact me if you require additional information from us.

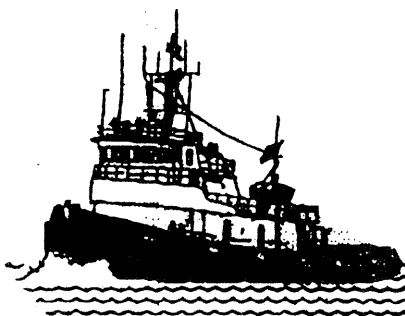
Sincerely,

A handwritten signature in black ink, appearing to read "Ron P. Philemonoff", with a long, sweeping horizontal stroke extending to the right.

Ron P. Philemonoff, Chairman and CEO
Tanadgusix Corporation

cc. Susan Roggencamp, SBA

000179



SAUSE BROS.

155 E. MARKET AVE. • COOS BAY, OREGON 97420
TELEPHONE: (541) 269-5841 • FAX: (541) 269-5866

January 18, 2001

Mr. Fred Anawati
MARISCO
Fax: (808) 682-5848

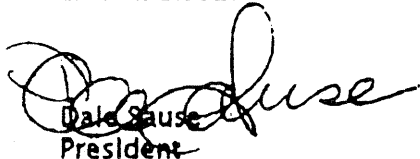
Dear Fred:

This letter shall confirm our conversations concerning towage of the ex AFDM-6 from Pearl Harbor Inactive Ship. We can mobilize our tug within seven days of notification of award to perform and inspection of the drydock.

We, as you know, are ISM certified and can provide all of the necessary insurances for this job. We would propose to use our standard towage contract for this job. Please let us know if you wish us to proceed with inspection.

Sincerely,

SAUSE BROS.


Dale Sause
President

DS:jw

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Document#



SAUSE BROS. OCEAN TOWING CO., INC. • SAUSE BROS., INC. • SOUTHERN OREGON MARINE, INC.



BENJAMIN J. CAYETANO
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
HARBORS DIVISION

79 SO. NIMITZ HWY. • HONOLULU, HAWAII 96813-4838



KAZU HAYASHIDA
DIRECTOR

DEPUTY DIRECTORS
BRIAN K. MINAJI
GLENN M. OKIMOTO

November 2, 2000

IN REPLY REFER TO:

HAR-PM
0496.01

Mr. Fred Anawati, President
Marisco, Limited
91-607 Malakole Road
Kapolei, Hawaii 96707

Dear Mr. Anawati:

Subject: Proposal to Replace Drydock "Big Mike," Harbor Lease No. H-90-10,
Kalaheo Barbers Point Harbor, Oahu

Thank you for your letter of September 8, 2000 requesting our approval to replace your drydock "Big Mike" with another larger capacity lifting dock at the subject location.

We have no objections to the replacement of the "Big Mike," subject to your complying with the following items:

1. Submit drawings and documents for our review. The exact dimensions and capacity of the new drydock will have to be verified.
2. Proposed schedule of the new drydock's arrival to the harbor. Due to the demand for berthing at the harbor, we will not be able to accommodate both drydocks.

To follow up on our earlier request, please submit design/detail drawings of Li'l Perris.

Should you have any questions, please call Mr. Derrick Lining, Property Manager, at 587-1944.

Very truly yours,

Thomas T. Fujikawa
Harbors Administrator

000181



January 18, 2001

KEVIN KENNEDY
TDX Corporation
1500 West 33rd Ave., Suite # 220
Anchorage, Alaska 99503

Mr. Kennedy:

This letter is to reaffirm our commitment and interest in putting the EX AFDM-6 Drydock into service in Hawaii. This endeavor will enable us to employ additional local personnel and some of yours as well. We are indeed willing to work with TDX and the Small Business Administration to fulfill all requirements and obligations.

As you are aware from previous correspondence, we are fully prepared to put the Drydock into operation and utilize it for services to our various clients.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fred Anawati', is written over a horizontal line.

Fred Anawati
President, Marisco Ltd.

03/09/01 FRI 11:31 FAX 807 2780352

GENERAL SERVICES ANC

001

TDX

CORPORATION

ST. PAUL ISLAND, ALASKA

ST. PAUL ISLAND

P.O. BOX 88 ST. PAUL ISLAND, AK 99560-0088
(907) 546-2312 TELEPHONE (907) 546-2365

Seeking A Better Tomorrow

ANCHORAGE

1500 WEST 33RD AVE. STE. 200 ANCHORAGE, AK 99503
(907) 278-2312 TELEPHONE (907) 278-2316

RECEIVED
VIA FACSIMILE

OCT 09 2001

MORISSET, SCHLOSSER
AYER & JOZWIAK
SEATTLE OFFICE

01/19/01

Ken Browning
GSA/State of Alaska
2400 Viking Drive
Anchorage, Alaska 99501

Dear Mr. Browning,

Letter of Intent:

This letter will serve to restate and reconfirm the interest of Tanadgusix Corporation in obtaining through the State GSA Program, the AFDM-6, dry dock barge known to us as the Ex-Competent. TDX is definitely interested in purchase of this vessel through the State, and is prepared and ready to act immediately on its plan to put the vessel into service. St. Paul Island, our home community, is reeling from a collapse in crab stocks and our corporation has been tasked with diversification of opportunity, business survival, and development of employment opportunities for our shareholders. The AFDM-6 will be used to enhance both business and employment opportunities for shareholders, through operations as a platform for shipbuilding and ship services, and operations as a drydock. Aleut shareholders and other Alaskans will be provided the opportunity to develop skills in welding, metalworking, shipbuilding and repair, as well as hazmat management.

The following information is provided in evidence of our readiness to move forward:

1. Letter of confirmation from Sause Bros. regarding the availability and readiness of an insured ISM certified tug operator to remove the AFDM-6 within 7 days of notification.
2. Letter of reaffirmation of commitment from Marisco Limited, the shipyard owner, our partner in the State of Hawaii, where rehabilitation will take place. This rehabilitation, based on our review of the audio gauge review of bottom thickness, would be necessary before the AFDM could be feasibly and safely transported any long distances, without incurring significant liability.

We have a viable plan of business for this capital asset, have funds available to pay for its purchase and removal, and will begin immediately the job of removing hazmat and other requirements, plus a few upgrades to the bottom, so that we can put the vessel into service for its intended purpose, namely operating as a dry dock. Based on our projections, this can be accomplished in approximately six to eight months.

ATTACHMENT 5

000183

TDX is supportive of the State's program of obtaining excess federal properties, as it gives small Alaskan companies like ours the opportunity to improve ourselves economically with capital assets that would be out of our reach in most cases. This is especially important since job opportunities on St. Paul are limited under current economic circumstances. To us it is a privilege that we have access to such a program, one that we believe many Alaskan communities could benefit from.

As mentioned in our prior letter to your office regarding this vessel, TDX and all its affiliates, will abide by, and provide evidence of, full compliance with the terms and conditions of the "Vessel Conditional Transfer Document". TDX will be fully responsible for bring the vessel into service according to its corporate development program, and will retain full control of the operations and management of the vessel

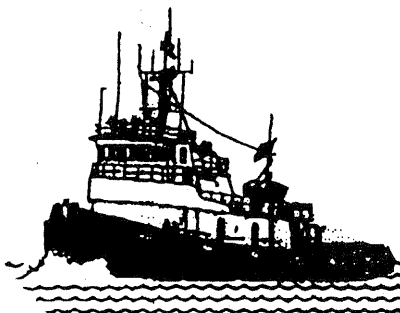
Thank you for the opportunity to participate. Please do not hesitate to contact me if you require additional information from us. I can be reached at (907) 278-2312.

Sincerely,



Ron P. Philemonoff, Chairman and CEO
Tanadgusix Corporation

000184



SAUSE BROS.

155 E. MARKET AVE. • COOS BAY, OREGON 97420
TELEPHONE: (541) 269-5841 • FAX: (541) 269-5866

January 18, 2001

Mr. Fred Anawati
MARISCO
Fax: (808) 682-5848

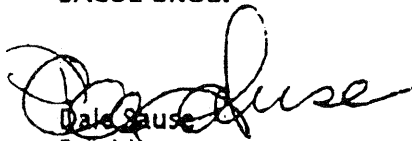
Dear Fred:

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We, as you know, are ISM certified and can provide all of the necessary insurances for this job. We would propose to use our standard towage contract for this job. Please let us know if you wish us to proceed with inspection.

Sincerely,

SAUSE BROS.


Dale Sause
President

DS:jw

000107

Document3



SAUSE BROS. OCEAN TOWING CO., INC. • SAUSE BROS., INC. • SOUTHERN OREGON MARINE, INC.





January 18, 2001

KEVIN KENNEDY
TDX Corporation
1500 West 33rd Ave., Suite # 220
Anchorage, Alaska 99503

Mr. Kennedy:

This letter is to reaffirm our commitment and interest in putting the EX AFDM-6 Drydock into service in Hawaii. This endeavor will enable us to employ additional local personnel and some of yours as well. We are indeed willing to work with TDX and the Small Business Administration to fulfill all requirements and obligations.

As you are aware from previous correspondence, we are fully prepared to put the Drydock into operation and utilize it for services to our various clients.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fred Anawati', is written over a horizontal line.

Fred Anawati
President, Marisco Ltd.

000186

DRY DOCK * SHIP REPAIR
91-607 MALAKOLE ROAD
KAPOLEI, HAWAII 96707

Attachment 1

TO: Joe Hvorecky
GSA Region Three

DATE: January 19, 2001

THRU:

TELEPHONE NO: 257-9632

FROM: Jim Jobkar
Property Manager

SUBJECT: Ex-Competent

Mr. Hvorecky,

At this time we are unable to facilitate the transfer of the Ex-competent via the Small Business Administration's guidelines. Due to pending, unresolved compliance issues, we are instructed to defer any property donations to AHTNA Inc. We are requesting that the current SF 122 be rescinded and the transfer be completed through a SF 123 with TDX Power Inc. as the receiving Donee.

Sincerely,


Jim Jobkar

VESSEL CONDITIONAL TRANSFER DOCUMENT

KNOW ALL MEN BY THESE PRESENTS: That the United States of America (hereinafter called the General Services Administration (GSA) acting by and through the State of Alaska, State Agency for Surplus Property (hereinafter called the SASP) pursuant to the powers and authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended for and in consideration of and in reliance upon the representations of Tanadgusix Corporation (TDX) whose address is P.O. Box 88, St. Paul Alaska 99660-0088, (herein after called the Donee) that the Property hereinafter described is required in the furtherance of the Donee's program and that such Property will be used solely in connection with such programs and more specifically for all the following purpose(s) and plan as set forth in the Donee's "Letter of Intent" dated January 19th, 2001 which Expression of Interest is hereby incorporated herein and made a part hereof, and for no other purposes, does hereby deliver, sell, assign, and transfer all of its rights, title and interest in and to the following described vessel:

"AFDM 6, Ex-Competent"

together with all appurtenances, and accessories attached thereto or installed therein, (all of which are hereinafter referred to as the Property), which has been determined by GSA to have a fair market value of \$5,187,000.00 unto the Donee to have and to hold the said Property, all and singular forever, this donation being made on an "as is, where is" basis without warranty of any kind, and delivery is made at the present location of the Property regardless of where the same may be situated or the condition thereof;

SUBJECT, HOWEVER, to the following conditions and restrictions:

The Donee agrees to obtain documentation of the vessel under the applicable laws of the United States and regulations promulgated thereunder and the applicable laws of the several States governing the documentation of said Property and at all times to maintain such documentation. Upon written request and sufficient evidence to justify such action, GSA may waive the requirement for documentation in the case of donated vessels which are to be permanently moored on land and never to be used again on the waterways.

2. The Donee agrees to record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property **within 30 days** after the receipt of the full-executed Vessel Conditional Transfer Document. If documentation is waived under (1), above, the requirement for registration may also be waived.

3. The Property shall be placed in use for the purpose stated above no later than 12 months after acquisition thereof and used for that same purpose for a 12-month period thereafter.

4. There shall be a further period of restriction beginning on the date the Property has been used for the period prescribed in (3), above. **This period will expire after the Property has been used for the purpose stated above for an additional period of 48 months.** During this additional period of restriction, the Property shall be used only for the purpose(s) stated above.

5. In the event the Donee does not record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property within 30 days after the date of receipt of the fully executed Vessel Conditional Transfer Document, or in the event the Property is not placed in use within 12 months of receipt and used for a 12-month period thereafter, the Donee shall within 30 days after the date on which the instrument should have been recorded, or within 30 days after the Property has ceased to be used, provide notice thereof, in writing to the SASP, and at the Donee's expense return such Property to the SASP or otherwise make the Property available for transfer, provided the Property is still usable as

determined by the SASP, or otherwise dispose of the Property through the SASP as may be direct by GSA.

o. In the event the Property is not so used or handled as required by (1), (2), (3) (4) and (5) above, title and right to the possession of the Property shall, at the option of the GSA, revert to the United States Government. Upon demand the Donee shall, as directed by the GSA through the SASP, release the Property to such person or agency as may be designated, sell the Property, or otherwise dispose of the Property. Any sale shall be for the benefit and account of the United States Government.

7. During the periods of restriction prescribed in (3) and (4), above, the Donee shall make reports to the SASP on the use, condition, and location of the Property and on other pertinent matters as may be required from time to time by the SASP or GSA.

8. During the periods of restriction prescribed in (3) and (4), above, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the Property, or remove it permanently for use outside the State, without the prior written approval of GSA. The proceeds from any sale, trade, lease, loan, bailment, encumbrance, or other disposal of the Property during the period of restriction set forth in (3) and (4), above, when such action is authorized in writing by GSA, shall be for the account of the United States Government.

9. In the event, during the periods of restriction prescribed in (3) and (4), above, the Property is sold, traded, leased, loaned, bailed, cannibalized, encumbered, or otherwise disposed of without prior written approval of GSA, or is used for a purpose(s) other than the purpose(s) stated, the Donee at the option of GSA shall, be liable for the proceeds of the disposal, the fair market value, or the fair rental value of the Property at the time of such unauthorized transaction or use, as determined by GSA.

J. If at any time, from the date the Donee receives the Property through the periods of restriction prescribed in (3) and (4), above, the Property is no longer suitable, usable, or required by the Donee for the purpose for which required, the Donee shall promptly notify the SASP, and shall, as directed by the GSA through the SASP, return the Property to the SASP, transfer the Property to another Donee or another State Agency, or to a department or agency of the United States, sell the Property, for the account and benefit of the United States with the proceeds remitted promptly to GSA from the donee, or otherwise dispose of the Property as directed by GSA.

11. At the option of GSA, the Donee may obtain abrogation of the terms and conditions set forth in (4) and (6) through (10), above, by payment of an amount determined by and with the written concurrence of GSA.

12. GSA may waive any or may terminate all of the terms and conditions set forth in (4) and (6) through (10), above, and give unrestricted title to the Property in favor of the Donee whenever such action is determined in writing by GSA to be appropriate.

13. The Donee agrees to hold harmless and indemnify the Government for any and all cost, judgment, action, debit, liability costs and attorney's fees or any other request for monies of any type of relief arising from or incident to the transfer, donation, use processing, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the item, material or substance, whether international or accidental.

14. The Donee is aware that the item(s) listed as containing Polychlorinated Biphenyls (PCB's), a toxic environmental contaminate, require(s) special handling and disposal in accordance with U.S. Environmental Protection Agency Regulations (40 CFR part 761) and U.S. Department of Transportation regulations codified in 49 CFR parts 171-180. The Donee certifies that this item will be handled and disposed of in accordance with applicable Federal statutes and regulations and applicable State laws.

WITNESS WHEREOF, the Donor and the Donee have duly executed this instrument this 19th day of Jan, 2001.

United States of America, Acting by and through the
Alaska State Agency for Surplus Property

By [Signature]
Title ASD

Donee
By [Signature]
Title Chairman / CEO

Institution or Organization

Transdigm Corporation (TDX)

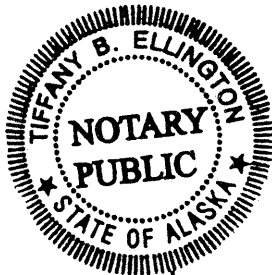
Notarization of State Agency Certification:

CITY of _____
COUNTY of _____
STATE of Alaska

On this 19th day of January, 202001, before me appeared _____, to me personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument and that such instrument was executed under duly delegated authority on behalf of the Alaska State for Surplus Property, and acknowledged the foregoing instrument to be the free act and deed of the State of Alaska.

Donee _____ Date _____

Given under my hand and official seal the day and year above written.



Tiffany B. Ellington
Notary Public in and for the
City of Anchorage
County of _____
State of Alaska

(SEAL)

My Commission Expires: March 8, 2005

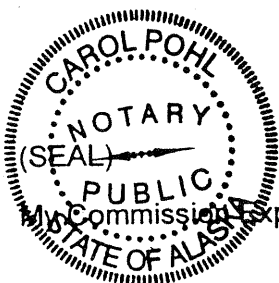
Notarization of Donee Certification:

CITY of Anchorage }
COUNTY of _____ }
STATE of Alaska

On this 19 day of January, 20 00, before me
appeared Ron Philemonoff, to me personally known, who, being by me
duly sworn, says that she/he is the person who executed the foregoing instrument on behalf of
said TDX Corporation, and acknowledges to me that
she/he was duly authorized to execute the foregoing instrument and that he executed the same
as a free act and deed of said TDX Corporation.

Given under my hand and official seal the day and year above written.

Carol Pohl
Notary Public in and for the
City of Anchorage
County of _____
State of Alaska



My Commission Expires: 05/01/04

Dept. of General Services
State Agency for Surplus Property
Form No. GSSP-3 (Rev 3-92)

Distribution Document

STATE AGENCY FOR SURPLUS PROPERTY
2400 VIKING DRIVE
ANCHORAGE, ALASKA
PHONE (907) 279-0596 FAX (907) 278-0352

Document Number
25609

Date: 02/14/2001

Page 1

EXHIBIT A

BILL TO:

BERING SEA ECCOTECH
1500 W. 33RD. SUITE 110
ANCHORAGE, AK 99503

REPRESENTATIVE:

KEVIN KENNEDY

SHIP TO:

address SAME

telephone

purchase order #

billing code

() PICK UP

() SHIP

() WILL CAL

D. number	Description	Serial Number	Quantity	Unit of Issue	Unit Charges	FOR STATE AGENCY USE ONLY		
						Total charges	Take (v) Ship (X)	Unit acquisition cost
002 01	COMPETENT AFDM 6		1	EA	200,000.00	200,000.00		5,187,000.00

above property shall be placed in use for the purpose for which acquired no later than 12 months after acquisition and for a period of 18 months. In the event the above property is no longer needed during the 18 months of required use, the donee, within 30 days of either occurrence, shall notify the State Agency in writing that the property has not been placed in use or no further need exists. Prior approval must be obtained from the State Agency before an item with an acquisition cost of \$5,000.00 or more, or a titled vehicle or aircraft may be disposed of, cannibalized for component parts, or utilized for secondary utilization.

Subtotal	200,000.00
Tax	0.00
Delivery	0.00
Total Amount Due	200,000.00

Page 1

checked by: KEN B

(Customer service clerk)

received only those items marked Take (v) or ship (x)

Signature of person receiving items marked (v) *Kevin E. Kennedy* X Date

ns. received by:

☒ State truck

☐ Commercial

Date

Signature of person receiving items marked (x)

Date

Item(s) number _____ above approved for cannibalization/secondary utilization by: _____

CERTIFICATION

Being the duly authorized agent of the above donee, I accept the property listed hereon and commit the donee to the certifications, terms, and conditions printed on the reverse side of this document.

Signature of authorized official *Kevin E. Kennedy* X Date

EXHIBIT E Page 2 of 3

Exhibit 31

Page 1 of 2

ISSUE AND INVOICE DOCUMENT FEDERAL SURPLUS PROPERTY TERMS AND CONDITIONS

Exhibit 1

THE DONEE CERTIFIES THAT:

(1) It is a public agency, or a nonprofit education or public health institution or organization, exempt from taxation under Section 501 of the Internal Revenue Code of 1986; within the meaning of Section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and the regulations of the Administrator of General Services.

(2) If a public agency, the property is needed and will be used by the recipient for carrying out or promoting for the residents of a given political area one or more public purposes, or, if a nonprofit tax-exempt institution or organization, the property is needed for and will be used by the recipient for educational or public health purposes, and including research for such purpose. The property is not being acquired for any other use or purpose, or for sale or other distribution, or for permanent use outside the State, except with prior approval of the State agency.

(3) Funds are available to pay all costs and charges incident to donation.

(4) This transaction shall be subject to the nondiscrimination regulations governing the donation of surplus personal property issued under Title VI of the Civil Rights Act of 1964, section 606 of Title VI of the Federal Property and Administrative Services Act of 1949, as amended, section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and section 303 of the Age Discrimination Act of 1975.

THE DONEE AGREES TO THE FOLLOWING FEDERAL CONDITIONS:

(1) All items of property shall be placed in use for the purpose(s) for which acquired within one year of receipt and shall be continued in use for such purpose(s) for one year from the date the property was placed in use. In the event the property is not so placed in use, or continued in use, the donee shall immediately notify the State agency, and at the donee's expense, return such property to the State agency, or otherwise make the property available for transfer or other disposal by the State agency, provided the property is still usable as determined by the State agency.

(2) Such special handling or use limitations as are imposed by General Services Administration (GSA) on any item(s) of property listed hereon.

(3) In the event the property is not so used or handled as required by (b) (1) and (2), title and right to the possession of such property shall, at the option of GSA, revert to the United States of America, and, upon demand, the donee shall release such property to such person as GSA or its designee shall direct.

THE DONEE AGREES TO THE FOLLOWING CONDITIONS IMPOSED BY THE STATE AGENCY, APPLICABLE TO ITEMS WITH A UNIT ACQUISITION COST OF \$5,000 OR MORE AND PASSENGER MOTOR VEHICLES, REGARDLESS OF ACQUISITION COST, EXCEPT VESSELS 50 FEET OR MORE IN LENGTH AND AIRCRAFT

(1) The property shall be used only for the purpose(s) for which acquired and for no other purpose(s).

(2) There shall be a period of restriction which will expire after such property has been used for the purpose(s) for which acquired for a period of 18 months from the date the property is placed in use, except for such items of major equipment, listed hereon, on which the State agency designates a further period of restriction.

(3) In the event the property is not so used as required by (c) (1) and (2), and Federal restrictions (b) (1) and (2) have expired, then title and right to the possession of such property shall at the option of the State agency, revert to the State of Alaska, and the donee shall release such property to such person as the State agency shall direct.

d)

THE DONEE AGREES TO THE FOLLOWING TERMS, RESERVATIONS AND RESTRICTIONS:

(1) From the date it receives the property listed hereon and through the period(s) of time the conditions imposed by (b) and (c) above remain in effect, the donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of such property, or remove it permanently, for use outside the State, without the prior approval of GSA under (b) or the State agency under (c). The proceeds from any sale, trade, lease, loan, bailment, encumbrance or other disposal of the property, when such action is authorized by GSA or by the State agency, shall be remitted promptly by the donee to GSA or the State agency, as the case may be.

(2) In the event any of the property listed hereon is sold, traded, leased, loaned, bailed, cannibalized, encumbered or otherwise disposed of by the donee from the date it receives the property through the period(s) of time the conditions imposed by (b) and (c) remain in effect, without the prior approval of GSA or the State agency, the donee, at the option of GSA or the State agency, shall pay to GSA or the State agency, as the case may be, the proceeds of the disposal or the fair market value or the fair rental value of the property at the time of such disposal, as determined by GSA or the State agency.

(3) If at any time, from the date it receives the property through the period(s) of time the conditions imposed by (b) and (c) remain in effect, any of the property listed hereon is no longer suitable, usable, or further needed by the donee for the purpose(s) for which acquired, the donee shall promptly notify the State agency, and shall, as directed by the State agency, return the property to the State agency, release the property to another donee or another State agency, a department or agency of the United States, sell or otherwise dispose of the property. The proceeds from any sale shall be remitted promptly by the donee to the State agency.

(4) The donee shall make reports to the State agency on the use, condition, and location of the property listed hereon, and on other pertinent matters as may be required from time to time by the State agency.

(5) At the option of the State agency, the donee may abrogate the conditions set forth in (c) and the terms, reservations and restrictions pertinent thereto in (d) by payment of an amount as determined by the State agency.

(e)

THE DONEE AGREES TO THE FOLLOWING CONDITIONS APPLICABLE TO ALL ITEMS OF PROPERTY LISTED HEREON:

(1) The property acquired by the donee is on an "as is, where is" basis, without warranty of any kind.

(2) Where a donee carries insurance against damages to or loss of property due to fire or other hazards and where loss of or damage to donated property with unexpired terms, conditions, reservations or restrictions, occurs, the State agency will be entitled to reimbursement from the donee out of the insurance proceeds, of an amount equal to the unamortized portion of the fair value of the damaged or destroyed donated items.

(f)

TERMS AND CONDITIONS APPLICABLE TO THE DONATION OF AIRCRAFT AND VESSELS (50 FEET OR MORE IN LENGTH) HAVING AN ACQUISITION COST OF \$5,000 OR MORE, REGARDLESS OF THE PURPOSE FOR WHICH ACQUIRED. The donation shall be subject to the terms, conditions, reservations and restrictions set forth in the Conditional Transfer Document executed by the authorized donee representatives.

(g)

THE DONEE AGREES TO THE FOLLOWING TERMS AND CONDITIONS IMPOSED BY THE STATE AGENCY APPLICABLE TO ITEMS WITH A UNIT ACQUISITION COST OF UNDER \$5,000: AS NOTED (b) (1).

Exhibit 31
Page 2 of 2

Exhibit E Page 3 of 3

SBA that states the 8 (a)'s status in the program is the certification. The SF 122 transfers property from a federal agency to a federal agency only. Please feel free to contact me with any further questions.

Ken Browning

jon.devore@sba.gov wrote:

Ms. Vandor and Mr. Browning,

Under what legal authority is the State GSA altering the prior executed SF 122 that designated Clearwater, Inc. the recipient of the M/V Ex Competent?

SBA has not executed a SF 122 that certifies Bering Sea Ecotech.

To alter a prior executed SF 122 is a serious matter with legal consequences in my legal opinion. Certainly from the SBA's perspective such a change is not authorized at this time.

Further, if the program was on hold pending resolution of policies issues between the Federal GSA and SBA as you had previously related, how can the State GSA now transfer the vessel? Please be aware the SBA and GSA are attempting to resolve these matters.

Thank you for your attention to these matters.

Respectfully,

Jon DeVore
District Counsel

-----Original Message-----

From: Ken Browning [mailto:Ken_Browning@admin.state.ak.us]
Sent: Friday, February 23, 2001 3:32 PM
To: janet.johnson@sba.gov; jon.devore@sba.gov
Subject: Bering Sea Eccotech

Hi Janet,

A note to inform you that we are prepared to complete the transfer of the dry dock Ex-Competent early next week to the eligible 8 (a) contractor Bering Sea Eccotech. We will complete the distribution document in the beginning of the week. As you know this transfer has to be completed as soon as possible now as the property is very close to the end of the time frame and will be returned to the Navy. We have informed Bering Sea Eccotech that the property is being transferred to them and they are prepared to complete this transfer during the beginning of next week.

Ken Browning

--

Jim Jobkar
Property Manager
Ofc: 907-257-9632
Fax: 907-278-0352

000195

2/27/01

Main Identity

From: "Jim Jobkar" <Jim_Jobkar@admin.state.ak.us>
To: <jon.devore@sba.gov>
Cc: <Ken_Browning@admin.state.ak.us>; <deidre.huber@gsa.gov>; <janet.johnson@sba.gov>; <marjorie_vandor@law.state.ak.us>; <patrick.lamb@gsa.gov>; <peggy.lowndes@gsa.gov>; <Kenneth.Dodds@sba.gov>; <susan.roggenkamp@sba.gov>; <james.parker@sba.gov>
Sent: Tuesday, February 27, 2001 4:07 PM
Subject: Re: FW: Bering Sea Eccotech

Mr. Devore,

The Property Distribution Document that you are referring to was canceled in October, 2000. No money has been exchanged. We are not obligated to transfer to Clearwater Group.

Since Clearwater Group and their parent company AHTNA Inc. are currently being investigated by the U.S. Inspector General and other federal investigative agencies for non-compliance issues (misuse of Federal Surplus Property), the State of Alaska does not believe it is prudent or in the best interests of the state to facilitate the transfer of the M/V ex-Competent to Clearwater, Inc., particularly in light of the present circumstances.

We have a request for donation from another competing agency, Bering Sea Eccotech. We have confidence in their ability to use the property as required under program guidelines. We will proceed with the transfer to Bering Sea Eccotech.

Sincerely,

Jim Jobkar

jon.devore@sba.gov wrote:

Dear Ladies and Gentlemen: I am confused by Mr.. Browning's communications. I also know that SBA is making sincere efforts to address the issues of the 8(a) Surplus property program. But if GSA's position is as Ms. Huber related to me in our conversation on last Friday that the M/V Ex Competent predates the "freeze" on the program and the transfer to the SBA 8(a) program has already occurred and SBA has completed an SF 122 and certified that Clearwater, Inc. is an eligible 8(a) firm and the State of Alaska and Clearwater, Inc. have agreed on the terms of the Property Distribution Document which has been completed, then why is GSA or the State of Alaska not completing the transfer to Clearwater, Inc.? Thank you for addressing my concerns. Respectfully, Jon DeVore District Counsel

-----Original Message-----

From: Ken Browning [mailto:Ken_Browning@admin.state.ak.us]

Sent: Monday, February 26, 2001 10:13 AM

To: jon.devore@sba.gov; Deidre Huber; Janet Johnson; Jim Jobkar; Margie Vandor; Pat Lamb; Peggy Lowndes

Subject: Re: FW: Bering Sea Eccotech

000196

Mr. DeVore

A SF 122 does not certify what donee, 8 (a) contractor, is receiving the property. The letter from the SBA that states the 8 (a)'s status in the program is the certification. The SF 122 transfers property from a federal agency to a federal agency only. Please feel free to contact me with any further questions.

Ken Browning

jon.devore@sba.gov wrote:

Ms. Vandor and Mr. Browning,

Under what legal authority is the State GSA altering the prior executed SF 122 that designated Clearwater, Inc. the recipient of the M/V Ex Competent?

SBA has not executed a SF 122 that certifies Bering Sea Ecotech.

To alter a prior executed SF 122 is a serious matter with legal consequences in my legal opinion. Certainly from the SBA's perspective such a change is not authorized at this time.

Further, if the program was on hold pending resolution of policies issues between the Federal GSA and SBA as you had previously related, how can the State GSA now transfer the vessel? Please be aware the SBA and GSA are attempting to resolve these matters.

Thank you for your attention to these matters.

Respectfully,

Jon DeVore
District Counsel

-----Original Message-----

From: Ken Browning [mailto:Ken_Browning@admin.state.ak.us]

Sent: Friday, February 23, 2001 3:32 PM

To: janet.johnson@sba.gov; jon.devore@sba.gov

Subject: Bering Sea Eccotech

Hi Janet,

A note to inform you that we are prepared to complete the transfer of the dry dock Ex-Competent early next week to the eligible 8 (a) contractor Bering Sea Eccotech. We will complete the distribution document in the beginning of the week. As you know this transfer has to be completed as soon as possible now as the property is very close to the end of the time frame and will be returned to the Navy. We have informed Bering Sea Eccotech that the property is being transferred to them and they are prepared to complete this transfer during the

000197

beginning of next week.
Ken Browning

--
Jim Jobkar
Property Manager
Ofc: 907-257-9632
Fax: 907-278-0352

000193

February 27, 2001

Susan Roggencamp, Assistant District Director
SBA Alaska District Office, 8(a) Business Development
Small Business Administration
Anchorage, Alaska 99503

Dear Ms. Roggencamp,

RE: Request of BSE for Certification to Participate with State Agency for Surplus Property Program in order to obtain the AFDM6-Ex-Competent

Bering Sea Eccotech, Inc. hereby requests the assistance of your office in certifying our ability to participate in Surplus Property Program of the State of Alaska in accordance with 13 CFR 124.405, in order to receive from the program the vessel AFDM6-Ex-Competent.

Bering Sea Eccotech, Inc. meets the program requirements. BSE has participated in the 8(a) program of the SBA since 1997. We are in compliance with respect to reporting requirements. BSE is not debarred, suspended or otherwise declared ineligible under Part 9 of the FAR. BSE has no pending program suspensions or early graduation proceeding. BSE is engaged in business activities making the item useful to it. Specifically BSE in the business of environmental remediation and port services, both of which activities would be usefully assisted by the vessel in question.

Bering Sea Eccotech, Inc. represents and agrees to the following:

1. BSE will use the property for its intended and designed purpose and in accordance with its business plan, namely, in the provision of environmental services and port service, and as a training platform in environmental and port services skills building for shareholders and other eligible persons. We are fully in understanding that substantial hazmat remediation may be required to meet federal requirements.
2. BSE will use the property requested in the normal conduct of its business activities or be liable for its fair rental value from the date of its receipt.
3. BSE will not sell or transfer the property to any party other than the federal government during its term of participation in the 8(a) program, and for one year after it leaves the program.
4. BSE will, at its own expense, return the property to a SASP or transfer it to another participant if directed to do so by the SBA because it has not used the property as intended within one year of receipt.

000199

5. BSE agrees that should it breach its agreement not to sell or transfer the property, it will be liable to the Government for the established fair market value or the sale price, whichever is greater, of the property sold or transferred; and
6. BSE agrees that it will give SBA access to inspect the property and all records pertaining to it.

BSE has followed the proceedings regarding this vessel for many months now, each time deferring when another prior potential recipient asserted its interest. We now understand that the vessel is eligible for transfer and that the State of Alaska is willing to make such transfer pending BSE's certification. BSE has made arrangements for teaming with a competent shipyard operator to transfer the vessel, begin immediate work to remediate hazmat and other environmental contaminants, and place the vessel into service performing ships repairs and environmental services for both public and private clients. We will implement a shipyard services training program for shareholders, Alaskans and low income persons to provide skills and useful employment in connection with business activities.

BSE's current business plan does not specifically address use of the ex-Competent primarily because of the possibility of receiving it and placing it into service is not a current year issue, and up to now, was a remote possibility. A working knowledge of vessels and shipyard services is, however, an essential part of life in a Bering Sea port community, and we are quite familiar with both the shipyard industry and the services typically provided, and have a number of business relationships as well with the industry. If we are certified by your office, BSE will provide a completely updated and detailed plan of business use to SBA at the time of our annual renewal of business plan in April of this year.

The federal surplus program is a good program for Alaskans and represents a major means of economic development for companies like BSE, which are seeking to diversify the options presented to us by a limited geographic opportunity. We have been corresponding with that State Surplus Property Office and they have indicated to us that we are the most qualified current applicant for the vessel pending an SBA certification. We request that SBA act promptly on our request so that we may participate, and so that this unique opportunity will not be lost.

Thank you for any assistance you can render. Please do not hesitate to promptly contact me if there are additional questions about our eligibility to participate or our intentions.

Sincerely,

William N. Arterburn, CEO
Bering Sea Eccotech, Inc.

cc. Ron Philemonoff, TDX
Ken Browning, State of Alaska Surplus Program

000200

Subject: RE: GSA Authorities

Date: Thu, 1 Mar 2001 12:21:11 -0500

From: Kenneth.Dodds@sbagov

To: Ken_Browning@admin.state.ak.us, Kenneth.Dodds@sbagov, deidre.huber@gsa.gov, jim_jobkar@admin.state.ak.us, marjorie_vandor@law.state.ak.us, patrick.lamb@gsa.gov, peggy.lowndes@gsa.gov, jon.devore@sbagov, janet.johnson@sbagov, susan.roggenkamp@sbagov, joe.hvorecky@gsa.gov, lenny.loewentritt@gsa.gov, joseph.jeu@gsa.gov

It does not say SBA is "accountable" for the Ex-Competent after executing the SF 122, but has no authority to direct who receives the property? Is that your understanding? Who does have the authority to direct who receives the property that SBA is "accountable" for?

-----Original Message-----

From: Ken Browning [mailto:Ken_Browning@admin.state.ak.us]

Sent: Thursday, March 01, 2001 12:08 PM

To: Kenneth.Dodds@sbagov; Deidre Huber; Jim Jobkar; Margie Vandor; Pat Lamb; Peggy Lowndes; jon.devore@sbagov; janet.johnson@sbagov; susan.roggenkamp@sbagov; joe.hvorecky@gsa.gov; lenny.loewentritt@gsa.gov; joseph.jeu@gsa.gov

Subject: Re: GSA Authorities

Mr. Dodds,

To answer your first question, the accountability for the property has been transferred from the Navy to the SBA via a SF 122 that was signed by GSA. The answer to your second question is that I am unaware if those conversations have been taking place. I do know that there has been many conversations involving the accountability of the property and the compliance questions. To answer your final question is that yes, correspondence dated 11-09-2000 from Mr. Jon DeVore states "SBA has no authority to decide whom the property goes except to certify that the 8 (a) firm is an eligible participant under the 8 (a) program pursuant to 13 CFR 124.405." I hope this answers your concerns.

Ken Browning

Kenneth.Dodds@sbagov wrote:

Has the Ex-Competent been transferred to SBA or not? Hasn't GSA spent months explaining that they cannot take title to surplus property. ONLY a federal agency can. Isn't that what got us here in the first place? The State of Alaska has authority to direct who receives property that has been transferred to them.

-----Original Message-----

From: Ken Browning [mailto:Ken_Browning@admin.state.ak.us]

Sent: Thursday, March 01, 2001 11:25 AM

To: Kenneth.Dodds@sbagov; Jim Jobkar

Cc: deidre.huber@gsa.gov; jon.devore@sbagov; james.parker@sbagov; jim_jobkar@admin.state.ak.us; joe.hvorecky@gsa.gov; janet.johnson@sbagov; marjorie_vandor@law.state.ak.us; patrick.lamb@gsa.gov; peggy.lowndes@gsa.gov; susan.roggenkamp@sbagov; lenny.loewentritt@gsa.gov; joseph.jeu@gsa.gov

Subject: Re: GSA Authorities

Mr. Dodds,

According to the SBA issued guidelines the State Agency for Surplus Property is not obligated to transfer the property. The SBA has no authority to direct the State Agency to transfer anything.

Ken Browning

Kenneth.Dodds@sbagov wrote:

If the Ex-Competent was transferred to SBA by the SF 122, why is the State of Alaska refusing to deliver the property to Clearwater AS DIRECTED BY SBA? What authority does the State of Alaska have over OUR PROPERTY? IS GSA ordering the State of Alaska to ignore our instructions?

-----Original Message-----

From: deidre.huber@gsa.gov [mailto:deidre.huber@gsa.gov]

Sent: Wednesday, February 28, 2001 4:00 PM

Exhibit 34
Page 1 of 2

To: jon.devore@sba.gov; james.parker@sba.gov
Cc: jim_jobkar@admin.state.ak.us; joe.lvorecky@gsa.gov;
janet.johnson@sba.gov; marjorie_vander@law.state.ak.us;
patrick.lamb@gsa.gov; peggy.lowndes@gsa.gov; Kenneth.Dodds@sba.gov;
susan.roggenkamp@sba.gov; Ken_Browning@admin.state.ak.us;
lenny.loewentritt@gsa.gov; joseph.leu@sba.gov
Subject: Ref: GSA Authorities
Importance: High

Jon Devore,

We have been told that you and/or other SBA staff informed representatives of Bering Sea Ecotech that GSA through its approval of a Standard Form 122 transferred the dry-dock Competent to Clearwater Environmental, Inc. This assertion is untrue and constitutes a serious misunderstanding or misrepresentation of GSA's authority and role under the provisions of the Federal Property and Administrative Services Act as amended. GSA's approval of a Standard Form 122 transferred accountability for this vessel from the U.S. Navy to the SBA which was the ordering agency in block 4 of the SF 122. Such approval by GSA cannot and does not constitute an exercise of SBA's independent donation authority under 15 USC 636(j)(13)(F). The reference to "Clearwater" on the SF 122 document is for informational purposes only and does not in and of itself constitute transfer of title and accountability to Clearwater. An email message from our counsel Clynis Lloyd Bell to you dated November 15, 2000, clearly explains GSA's legal authorities in this regard, as does the fact sheet which was provided to SBA headquarters last month. A copy of that fact sheet is attached for your reference.

To assure that our operational role is clear, any future transfer orders to SBA which may be approved by GSA will contain a statement that approval of a transfer order by GSA only constitutes transfer of ownership to SBA for their use which may include donation via their authority under 15 USC 636(j)(13)(F). We are concerned that your office is making inaccurate representations to third parties regarding GSA's role and position in this matter and we request that such misrepresentations cease immediately.

(See attached file: SBAtet.doc)
Deirdre Haber



susan.roggenkamp@
sba.gov

03/20/2001 04:49 PM

To: joe.hvorecky@gsa.gov
cc: james.parker@sba.gov, delorice.ford@sba.gov,
william.fisher@sba.gov, john.klein@sba.gov, deidre.huber@gsa.gov,
david.robbs@gsa.gov, karen.forsland@sba.gov,
jon.devore@sba.gov, janet.johnson@sba.gov,
susan.roggenkamp@sba.gov, Kenneth.Dodds@sba.gov
Subject: Ex-competent - surplus property

Mr. Joseph M. Hvorecky
Deputy Director, Property Management Division
General Services Administration
Region 3
Box 40657 Mail Code 3FPD
Wanamaker Bldg.
100 Penn Square East, Room 860
Philadelphia, PA 19107-3396

Dear Mr. Hvorecky:

This letter is to advise you that the Small Business Administration (SBA) is canceling the following SF-122, "Transfer Order Excess Personal Property Order", effective immediately.

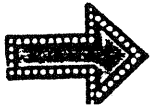
Order No.: 730100-0279-001
Signed by SBA: 10/05/00
Property Ordered: 1945000 Dry-dock; AFDB 6, Ex-Competent
Ship to: Clearwater Group, Inc.

The SBA requests that GSA consider transferring this property to Clearwater Group, Inc., 1760 Abbott Road, Anchorage, Alaska 99507-3443 under a GSA surplus property donation program.

If you have any questions, please contact me by phone at (907) 271-4536, by FAX at (202) 481-5711, or by email at susan.roggenkamp@sba.gov.

Sincerely,

Susan E. Roggenkamp
Assistant District Director for
8(a) Business Development



Joseph M. Hvorecky

03/21/2001 07:34 AM

To: Rafael E. Bernardino/3F/R03/GSA/GOV@GSA
cc: David M. Robbins/FBP/CO/GSA/GOV@GSA, Deidre
Huber/FBP/CO/GSA/GOV@GSA
Subject: Ex-competent - surplus property

Ray - per below, you can now offer the vessel to SASPs - I think you told me California and Alaska SASPs were interested in it?

----- Forwarded by Joseph M. Hvorecky/3F/R03/GSA/GOV on 03/21/2001 07:32 AM -----



susan.roggenkamp@
sba.gov

03/20/2001 04:49 PM

To: joe.hvorecky@gsa.gov
cc: james.parker@sba.gov, delorice.ford@sba.gov,
william.fisher@sba.gov, john.klein@sba.gov, deidre.huber@gsa.gov,
david.robbs@gsa.gov, karen.forsland@sba.gov,
jon.devore@sba.gov, janet.johnson@sba.gov,
susan.roggenkamp@sba.gov, Kenneth.Dodds@sba.gov
Subject: Ex-competent - surplus property

Mr. Joseph M. Hvorecky
Deputy Director, Property Management Division
General Services Administration
Region 3
Box 40657 Mail Code 3FPD
Wanamaker Bldg.
100 Penn Square East, Room 860
Philadelphia, PA 19107-3396

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Susan E. Roggenkamp
Assistant District Director for
8(a) Business Development

TRANSFER ORDER SURPLUS PERSONAL PROPERTY		1. ORDER NUMBER(S) a. _____ b. <u>02-1-0002-02</u>		FORM APPROVED OMB NUMBER 3090-0014		PAGE 1 OF 1 PAGE	
2. TYPE OF ORDER <input checked="" type="checkbox"/> STATE AGENCY <input type="checkbox"/> DOD(SEA) <input type="checkbox"/> FAA		3. SURPLUS RELEASE DATE 09/28/2000		4. SET ASIDE DATE		5. NON-REPORTABLE <input type="checkbox"/> REPORTABLE <input type="checkbox"/>	
7. TO: GENERAL SERVICES ADMINISTRATION (GPRS)* FSS DONATION BRANCH 9(FBP-D) 450 GOLDEN GATE AVE., 4TH FLR SAN FRANCISCO, CA 94105				6. TOTAL ACQUISITION COST \$5,187,000.00			
9. HOLDING AGENCY (Name and address)* OFFICER IN CHARGE NAVYINACTFLT BLDG 8Y ST. JULIENS CREEK ANNEX PORTSMOUTH, VA 23702-5002				8. LOCATION OF PROPERTY OFFICER IN CHARGE BLDG 8Y ST. JULIENS CREEK ANNEX PORTSMOUTH, VA 23702-5002			
				10. FOR GSA USE ONLY			

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages =

To	From
Alaska State Agency	Portsmouth
Phone (907) 278-0382	Phone (215) 656-3946
Fax (907) 278-0382	Fax (215) 656-3946
NSN 7540-01-317-7366 5000-101 GENERAL SERVICES ADMINISTRATION	

11. PICKUP OR SHIPPING INSTRUCTIONS***12. SURPLUS PROPERTY LIST**

LT NO. (a)	IDENTIFICATION NUMBER(S) (b)	DESCRIPTION (c)	DEMIL. CODE (d)	COND. CODE (e)	QUANTITY AND UNIT (f)	ACQUISITION COST	
						UNIT (g)	TOTAL (h)
01	1945DRYDOCK N35355_0216-0001	COMPETENT AFDM 6 WAIPIO HAWAII	A	7	1 EA	5,187,000.00	5,187,000.0

The donee is aware that the item(s) listed as containing Polychlorinated Biphenyls (PCB's) a toxic environmental contaminant, require(s) special handling and disposal in accordance with U.S. Environmental Protection Agency Regulations (40 CFR part 761) and U.S. Department of Transportation regulations codified in 49 CFR parts 171-180. The donee certifies that this item will be handled and disposed of in accordance with applicable Federal statutes and regulations and applicable State laws.

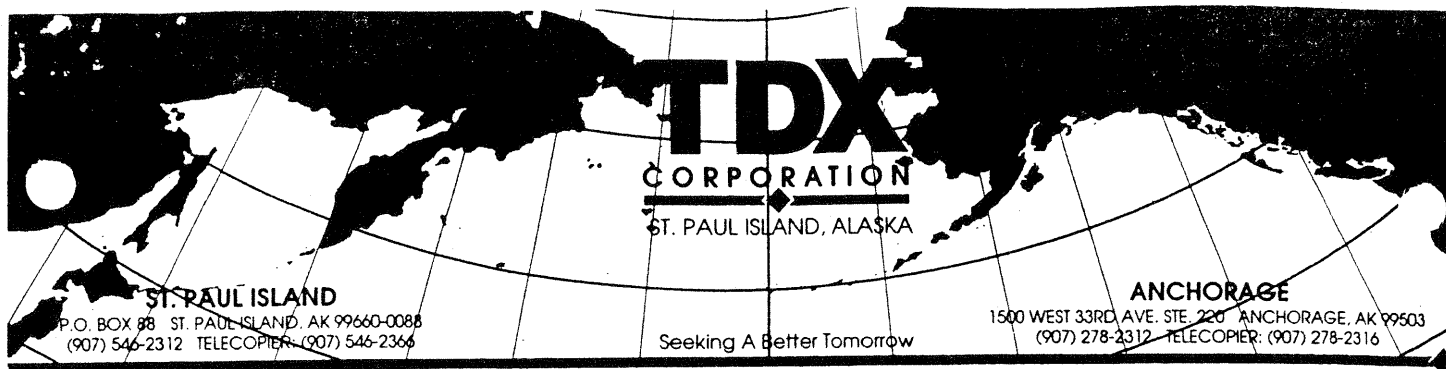
Pick-up Authorized
Jim Lohr
3-23-01

13. TRANSFEREE ACTION Transferor certifies and agrees that transfers and donations are made in accordance with 41 CFR 101-44, and to the terms, conditions, and assurances as specified on this document.	a. TRANSFEREE (Name and address of State Agency, SEA, or public airport)* 02 ALASKA SURPLUS PROPERTY SER. 2400 VIKING DRIVE ANCHORAGE, AK 99501 (907)-279-0596	b. SIGNATURE AND TITLE OF STATE AGENCY OR DONEE REPRESENTATIVE <i>Jim Lohr</i> PROPERTY MANAGER	c. DATE 10/05/2000
		d. SIGNATURE OF HEAD OF THE SEA (School or National Headquarters)	e. DATE
14. ADMINISTRATIVE ACTION I certify that the administrative actions pertinent to this order are in accordance with 41 CFR 101-44 and as specified on this document have been and are being taken.	a. DETERMINING OFFICER (DOD or FAA)*	b. SIGNATURE OF DETERMINING OFFICER	c. DATE
	d. GSA APPROVING OFFICER Deputy Director Property Management Division	e. SIGNATURE OF APPROVING OFFICER <i>Joseph M. Hendry</i>	f. DATE 3-22-01

*Include "21F Card" to all address blocks.
NSN 7540-00-963-2615
Previous editions not usable

123-107

STANDARD FORM 123 (REV 6-87)
Prescribed by GSA
FPMR (41 CFR) 101-44-110



March 30, 2001

Director, NAVSEA Inactive Ships
On-Site Maintenance Office
930151 Waitio Point Access Road
Waipahu, HI 96797-3272

Dear Sir,

Tanadgusix Corporation is the recipient of the recently transferred AFMD6 Ex-Competent. We wish to effect a safe transfer of possession at the earliest possible date. To accommodate this need, we hereby certify and authorize Marisco Ltd. as our official agent in effecting the transfer, and authorize them to take any and all actions necessary to, with the cooperation of your office, safely and efficiently remove the vessel from its current mooring and remove it to a location provided by Marisco for its repair and abatement and preparation for commercial service.

Please afford Marisco Ltd. representatives your cooperation in effecting this transfer.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Ron Philemonoff'.

Ron P. Philemonoff, Chairman and CEO
Tanadgusix Corporation

000209