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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

PACIFIC SHIPYARDS)	CIVIL NO. CV 02-00088 DAE KSC
INTERNATIONAL, LLC,)	
Plaintiff,)	DECLARATION OF BRIAN
)	ASHTON IN SUPPORT OF TDX'S
v.)	MOTION TO RECONSIDER
)	JANUARY 31, 2003 ORDER
TANADGUSIX CORPORATION AND)	GRANTING DEFENDANTS'
MARISCO, LTD.,)	MOTION TO DISMISS SECOND
Defendants.)	AMENDED COMPLAINT

I, Brian Ashton, declare as follows:

1. This declaration responds to Tanadgusix Corporation's ("TDX") recent communications with me regarding the current proceedings for investigating possible fraudulent actions by TDX in their efforts for acquisition of the Ex-Competent ("dry-dock"). I willingly make the following statements and observations. All statements are based on verbal communications with the Alaska State Agency for Surplus Property ("SASP") and TDX Corporation.

2. I am the previous General Manager of Screeners Company, Inc. ("SCI"). SCI assisted in connecting qualified organizations with available surplus federal property. This job required that I communicate with the SASP, which operates the surplus property program delegated by the United States General Services Administration ("GSA"). SCI does not oversee eligibility for acquisition, or compliance for continued ownership of surplus federal property as eligibility and compliance is a government function. Due to changes within the excess property program (direct sales of property for liquidation), SCI is no longer in operation.

3. During 2000 and 2001, SCI brought to TDX's attention the potential availability for acquiring the Ex-Competent as TDX was looking for opportunities to diversify their dwindling marine economy. (The State of Alaska has one operational floating dry-dock. Most large ship repair, for ships plying Alaskan waters, is conducted outside our state. In a region currently devastated by economic hardship, marine support infrastructure offers much needed diversification for realizing sustainable marine commerce.) The effort of supporting TDX in the acquisition of the dry-dock took place after Alaska Native Regional Corporation Ahtna, Inc.'s attempts to acquire the property were suspended.

4. SASP made concerted effort to assist TDX in the acquisition of the Ex-Competent through two channels available for such a transfer:

- a. Authorized transfer by the Small Business Administration (SBA) who would certify receipt of the property from GSA and then allocate it to TDX as a qualified 8(a) organization.

- b. Transfer directly from the SASP, with SASP and GSA oversight.

The transfer was conducted via a Conditional Use Agreement, through direct transfer through the SASP (approved by GSA). Failure of the transfer through the SBA appears to have been due to problems arising with the SBA's unwillingness to assist TDX in an 8(a) transfer (in spite of SASP's support for this channel for transfer). SBA had assisted Ahtna Corporation in the same efforts for acquisition, but when SASP declined Ahtna for transfer eligibility, it appears SBA declined the same assistance to TDX. I am not aware of what prudent reasons SBA had for refusal of assistance to TDX.

5. I was privy to discussions among TDX, SASP, and Alaska Ship and Dry-dock regarding bringing the Ex-Competent to Alaska. It was these conversations that indicated Alaska Ship and Dry-dock had serious concerns that bringing another dry-dock to Alaska would compete with the financially challenged AIDEA-owned and financed Ketchikan Shipyard, which has the only large dry-dock in the state.


6. As I was not privy to the content of the Conditional Use Agreement entered into by TDX and SASP, with oversight and approval by GSA, I do not know the details of commitments formally entered into for conditional use of this equipment. For this reason, and the above stated unresolved issues with perceived competition for bringing it to Alaska, I cannot imagine that TDX promised to bring the Ex-Competent to Alaska without a reviewed and approved business plan. To my knowledge, TDX did not promise GSA, SBA or the SASP, before the transfer, that it would bring the Ex-Competent to Alaska.

7. From my observations, it appears SASP endorsed TDX's viable business venture opportunity in Hawaii when it assisted in the initial effort for an SBA transfer. With the subsequent failure of SBA support, and the resistance against relocating the drydock to Alaska (and associated political pressure that was exercised to high levels of state administration) it would seem to be unlikely that GSA was not aware of the intense dialog regarding the transfer challenges with the SBA transfer process and unlikely as well that SASP lost sight of the plan for use of the Ex-Competent in Hawaii. Thus with the transfer being conducted directly through SASP, with GSA review and oversight, I would assume that a qualified

and accepted business plan was reviewed and approved by both SASP and GSA for the transfer.

I declare under penalty of perjury pursuant to the laws of the United States that the foregoing is true and correct.

EXECUTED this 11 day of February 2003, at ^{Wrangell}~~Ketchikan~~, Alaska.



Brian Ashton

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