
Alaska's Military Supply Chain: An Analysis

Presented to the Office of Local Defense Community Cooperation



Source: defense.gov

Aknowledgements

This report was written by the following staff at the University of Alaska Center for Economic Development:

Nolan Klouda, Executive Director

Richelle Johnson, Lead Analyst

Ian Mills, Economic Analyst

Julie Gardella, Analyst and Program Specialist

Penny Gage, Economic Development Specialist

We also wish to thank the following individuals for their assistance with this project:

Jim Dodson, Fairbanks Economic Development Corporation

Jomo Stewart, Fairbanks Economic Development Corporation

Timothy Robert, DoD Office of Local Defense Community Cooperation

Executive Summary

The military—defined here to include the U.S. Department of Defense and Coast Guard—spends nearly \$2 billion per year on goods and services in Alaska. The major Army and Air Force installations in Anchorage and Fairbanks account for a large majority of this spending. However, some level of military spending occurs in nearly all boroughs and census areas of the state, and often serves as one of the primary sources of economic activity in small towns like Kodiak or Delta Junction.

Alaska’s Military Supply Chain: An Analysis attempts to identify and analyze the major purchasing trends in defense procurement in the state. This includes overviews of historical trends, geographic breakdowns, types of goods and services, spending by service branch, and vendor characteristics. Of particular interest is the share of contract dollars captured by in-state firms as opposed to those based out of state. We also closely examine where vendors work within the state as well as outside of Alaska.

Historical trends

Military construction and the buildup of personnel in Alaska during the Cold War played a decisive role in the economy in the years before and after statehood. This includes the building of infrastructure that benefited the civilian economy, such as ports, airports, and telecommunications systems in the 1950s and 60s. On a per capita basis, military spending in Alaska was at its highest during the Cold War but declined in the 1990s. Spending increased again during the Global War on Terror in the 2000s and remained at high levels in the later part of the 2010s.

Defense spending in Alaska follows geopolitics

Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars.

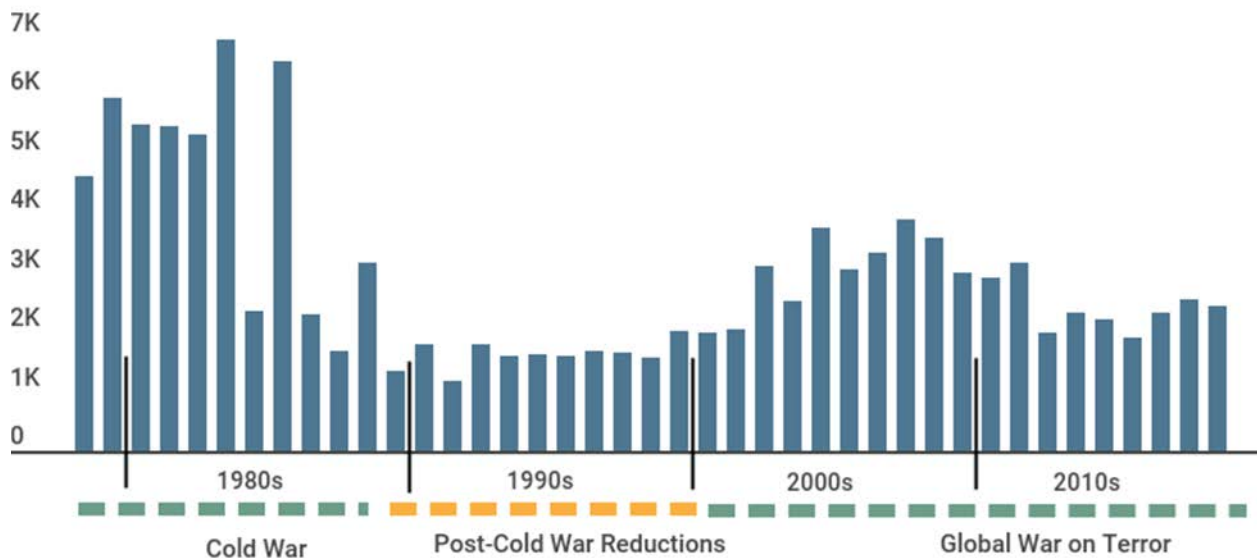


Figure i: Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars

Geographic breakdowns

Nearly four out of every five dollars spent on military procurement in Alaska goes to Anchorage or Fairbanks, with each community hosting an Army and an Air Force installation. Outside of the state’s

two largest cities, spending concentrations are found near the Coast Guard bases in Kodiak and Southeast, the Interior bases in the Denali Borough and Delta Junction, and Southwest Alaska.

Table i: Spending by region in Alaska, three-year and ten-year total spending

Region	FY10-19 Annual		FY17-19 Annual	
	Average	FY10-19 Share	Average	FY17-19 Share
Anchorage/Matsu	1021M	55%	960M	51%
Gulf Coast	90M	5%	73M	4%
Interior	618M	33%	738M	40%
Northern	29M	2%	19M	1%
Southeast	31M	2%	36M	2%
Southwest	62M	3%	42M	2%
Total	1,852M	100%	1,867M	100%

What does the military buy?

Construction is the single largest expenditure category for the military in Alaska. This includes commercial and institutional buildings as well as heavy civil and utility-related construction. In recent years, much of this construction was related to facilities to support the F-35 aircraft stationed at Eielson Air Force Base near Fairbanks. Other large categories include facilities support services, refined fuel, engineering services, and power generation. This report provides a granular breakdown of spending by service branch and geography as well.

An in-depth look at contracts awarded in Alaska

Top sectors for contracts in Alaska, FY 2017 to 2019 totals in real 2018 dollars.

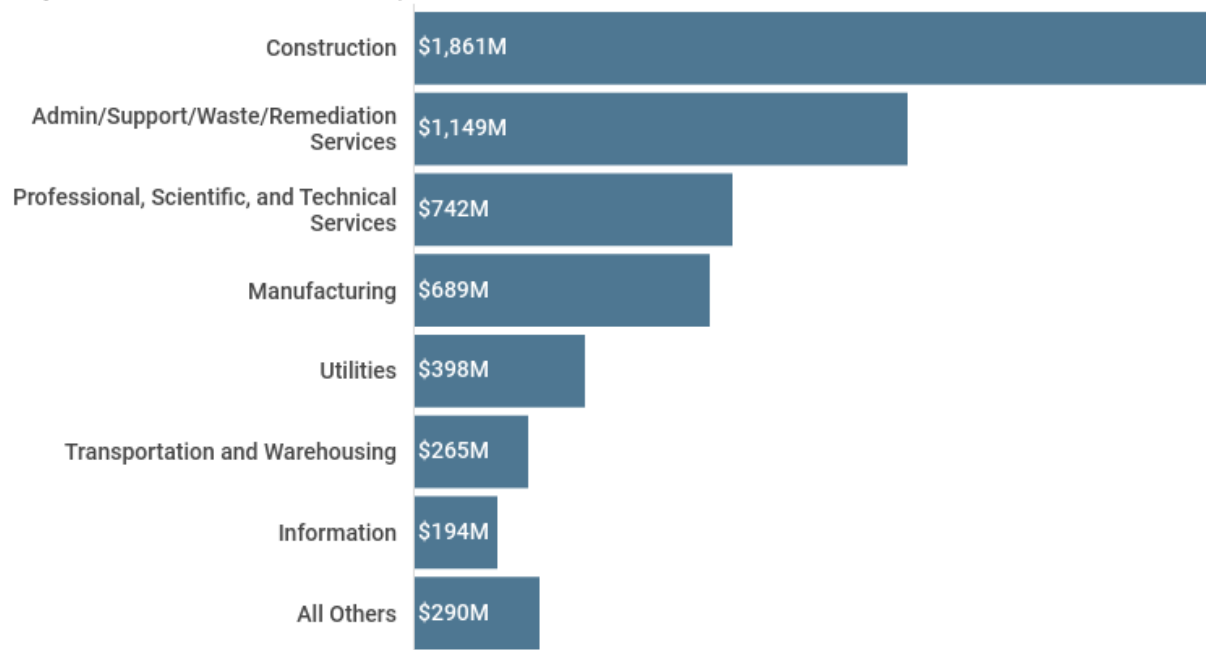


Figure ii: Top sectors for contracts in Alaska, FY 2017 to 2019 in real 2018 dollars

Spending by branch

The Army has the highest dollar value of contracts each year, with a three-year annual average of \$795 million, followed by the Air Force at about \$459 million, Defense Logistics Agency (DLA) at \$308 million, Navy at \$103 million, and Coast Guard with \$69 million. A large portion of Army spending is done through the Corps of Engineers in support of other branches, especially for Air Force installations. Each branch has a different spending profile depending on its role. Construction is the top category for the Army and ranks second for the Air Force. Most of DLA's spending is related to fuel and electricity. Facilities support services is the top category for both the Air Force and Coast Guard.

Table ii: Spending by federal agency (branch) in Alaska, FY 2017 to 2019 average spending

Branch/Agency	Annual Average	Share of Total
Department of the Army	\$795M	42.6%
Department of the Air Force	459M	24.6%
Defense Logistics Agency	308M	16.5%
Department of the Navy	103M	5.5%
U.S. Coast Guard	69M	3.7%
Other DHS	59M	3.2%
U.S. Transportation Command	40M	2.1%
Missile Defense Agency	18M	1.0%
Other DoD	15M	0.8%
Total	1,867M	100.0%

Vendor characteristics

The federal government tracks a variety of socio-economic designations for contractors, such as woman-owned, veteran-owned, and Native American-owned firms. One unique feature of defense contracting in Alaska is the role of Alaska Native Corporations as major contract recipients. They receive nearly half of all contract dollars awarded in the state. Woman-owned firms received about three percent of contract dollars from FY17-19, and veteran-owned nearly four percent.

Do defense contracts go to local and in-state firms?

A key aspect of this analysis is understanding what share of contract dollars go to Alaska-based firms versus those from out of state. More than three quarters of all military spending for work performed in Alaska goes to in-state vendors. This includes 85 percent of all construction and 77 percent of all admin/support/waste/remediation services, the two highest value sectors. Alaska-based firms also earn significant contract revenues from outside of Alaska. Thanks largely to the sophistication of Alaska Native Corporations, Alaska-based contractors earn more outside of the state than within it.

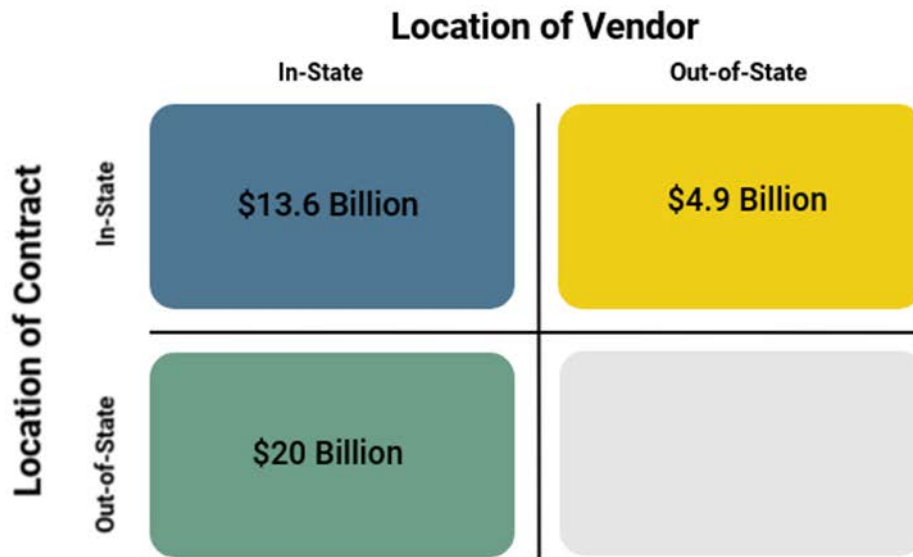


Figure iii: Matrix of vendor and contract performance locations, FY 2010 to 2019 in real 2018 dollars

Within the state, vendors based in Anchorage capture a majority of contract dollars for work performed in Anchorage, and about a third of the dollars for work performed in the Fairbanks North Star Borough. However, Fairbanks-based vendors enjoy relatively stable contract revenues from one year to the next while Anchorage and non-Alaska firms capture more of the one-time spending on large construction projects.

Table of Contents

Executive Summary.....	i
Historical trends.....	i
Geographic breakdowns.....	i
What does the military buy?.....	ii
Spending by branch.....	iii
Vendor characteristics.....	iii
Do defense contracts go to local and in-state firms?.....	iii
Table of Contents.....	v
Table of Figures.....	vii
Table of Tables.....	x
Introduction.....	1
A note on terminology.....	1
Data sources.....	1
What is the history of the military in Alaska?.....	2
Defense infrastructure and economic foundations.....	2
The military and Alaska’s population.....	3
How has military and defense spending in Alaska changed over time?.....	4
Which armed service branches are active in Alaska?.....	6
What does the military buy in Alaska?.....	7
What goods and services does each branch buy?.....	9
What does the Army buy?.....	10
What does the Air Force buy?.....	11
What does the DLA buy?.....	12
What does the Navy buy?.....	13
What does the Coast Guard buy?.....	14
Do Alaska-based firms get most in-state contracts?.....	15
Who are the largest defense vendors working in Alaska?.....	17
Do Alaska firms receive contracts outside the state?.....	19
Who does business with the military in Alaska?.....	22
Spotlight: Alaska Native Corporations.....	24
What do we know about subcontractors in Alaska?.....	27
Does the military fund research and development in Alaska?.....	29

University of Alaska.....	29
Small Business Innovation Research.....	32
How is defense spending distributed across the state?	33
Who gets the contracts performed in Anchorage?	36
Who gets the contracts performed in the Fairbanks North Star Borough?.....	38
Southeast Regional Profile	41
Southwest Regional Profile	46
Northern Regional Profile	51
Interior Regional Profile	55
Fairbanks North Star Borough Subregional Profile.....	60
Denali Borough Subregional Profile	62
Southeast Fairbanks Census Area Subregional Profile	63
Gulf Coast Regional Profile.....	65
Anchorage/Mat-Su Regional Profile	70
Appendix A: Glossary of terms, acronyms, and initialisms	75
Terms	75
Acronyms and Initialisms	76
Appendix B: Top statewide subsectors by vendor’s state of origin and place of performance	77
Appendix C: Top regional industries by locality/non-locality of vendor.....	80
Anchorage/Mat-Su.....	80
Interior	82
Balance of State	84
Appendix D: Top industries by federal agency with total spending and percent in-state capture	86
Army.....	86
Air Force.....	87
DLA.....	88
Coast Guard.....	89
All other DoD and DHS agencies	90
Appendix E: Top vendors by state of origin and place of performance	91
Appendix F: Top PSC codes by vendor’s state of origin and place of performance	94

Table of Figures

Figure i: Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars..... i

Figure ii: Top sectors for contracts in Alaska, FY 2017 to 2019 in real 2018 dollars ii

Figure iii: Matrix of vendor and contract performance locations, FY 2010 to 2019 in real 2018 dollars..... iv

Figure 1: Active duty military personnel in Alaska compared to population, 1954 to 2020 3

Figure 2: Active duty military personnel by region, 2010 to 2020 4

Figure 3: Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars..... 5

Figure 4: Direct defense employment in Alaska, Q1 2020..... 6

Figure 5: Total contract value by defense agency for contracts performed in Alaska FY 2017 to 2019, real 2018 dollars 9

Figure 6: Top detailed industries for Army contracts in Alaska, FY 2017 to 2019 in real 2018 dollars..... 10

Figure 7: Top detailed industries for Air Force contracts in Alaska, FY 2017 to 2019 in real 2018 dollars..... 11

Figure 8: Top detailed industries for Defense Logistics Agency in Alaska, FY 2017 to 2019 in real 2018 dollars 12

Figure 9: Top detailed industries for Air Force contracts in Alaska, FY 2017 to 2019 in real 2018 dollars..... 13

Figure 10: Top detailed industries for Coast Guard contracts in Alaska, FY 2017 to 2019 in real 2018 dollars 14

Figure 11: Defense vendor total contract value for Alaska contracts, FY 2017 to 2019 in real 2018 dollars..... 17

Figure 12: Location of out-of-state vendors awarded Alaska contracts by total value, FY 2017 to 2019 in real 2018 dollars 18

Figure 13: Matrix of vendor and contract performance locations, FY 2010 to 2019 in real 2018 dollars..... 19

Figure 14: Total annual value of out-of-state contracts awarded to Alaska vendors, real 2018 dollars..... 20

Figure 15: Location of business for Alaska vendors awarded out-of-state contracts by total value, FY 2017 to 2019 in real 2018 dollars 21

Figure 16: Defense contract value by gender of vendor owner for contracts in Alaska, in real 2018 dollars..... 23

Figure 17: Alaska contracts dollars awarded to veteran-owned vendors, FY 2010 to 2019 in real 2018 dollars 23

Figure 18: Defense spending in Alaska by dollars awarded to Emerging Small Businesses, in real 2018 dollars	24
Figure 19: Defense spending in Alaska by contracts awarded to Alaska Native Corporations, FY 2010 to 2019 in real 2018 dollars.....	24
Figure 20: University of Alaska DoD and DHS prime contract/grant value by detailed industry, FY 2019 in real 2018 dollars.....	30
Figure 21: Map of Alaska's economic regions.....	33
Figure 22: Contract spending by place of performance annually and ten-year total, FY 2010 to 2019 in real 2018 dollars	34
Figure 23: Total defense contract spending in Alaska per capita by economic region, FY 2017 to 2019 in real 2018 dollars	35
Figure 24: Contracts performed in Anchorage by location of vendor annual and ten-year total, real 2018 dollars.....	36
Figure 25: Top industries for contracts performed in Anchorage by location of vendor FY 2010-2019, real 2018 dollars	37
Figure 26: Contracts performed by vendors from Anchorage annual and ten-year total, real 2018 dollars.....	37
Figure 27: Contracts performed in FNSB by location of vendor annual and ten-year total, real 2018 dollars.....	38
Figure 28: Top industries for contracts performed in FNSB by location of vendor FY 2010 to 2019, real 2018 dollars	39
Figure 29: Contracts performed by vendors from FNSB annual and ten-year total, real 2018 dollars.....	40
Figure 30: Map of Southeast region within Alaska	41
Figure 31: Defense and Homeland Security contract spending in the Southeast region, real 2018 dollars.....	41
Figure 32: Contract spending in Southeast Alaska by Agency, FY 2017 to 2019 in real 2018 dollars.....	42
Figure 33: DoD and DHS contract spending by sector in the Southeast region, FY 2017 to 2019 in real 2018 dollars.....	43
Figure 34: Map of Southwest region within Alaska	46
Figure 35: Defense and Homeland Security contract spending in the Southwest region, real 2018 dollars.....	47
Figure 36: Contract spending in Southwest Alaska by agency, FY 2017 to 2019 in real 2018 dollars.....	47

Figure 37: DoD and DHS contract spending by sector in the Southwest region, FY 2017 to 2019 in real 2018 dollars.....	48
Figure 38: Map of Northern region within Alaska	51
Figure 39: Defense and Homeland Security contract spending in the Northern region, real 2018 dollars.....	52
Figure 40: Contract spending in Northern Alaska by Agency, FY 2017 to 2019 in real 2018 dollars.....	52
Figure 41: DoD and DHS contract spending by sector in the Northern region, FY 2017 to 2019 in real 2018 dollars.....	53
Figure 42: Map of Interior region within Alaska	55
Figure 43: Defense and Homeland security contract spending in the Interior region, real 2018 dollars.....	56
Figure 44: Contract spending in Interior Alaska by agency, FY 2017 to 2019 in real 2018 dollars.....	56
Figure 45: DoD and DHS contract spending by sector in the Interior region, FY 2017 to 2019 in real 2018 dollars.....	57
Figure 46: Map of Gulf Coast region within Alaska.....	65
Figure 47: Defense and Homeland Security contract spending in the Gulf Coast region, real 2018 dollars.....	65
Figure 48: Contract spending in Gulf Coast Alaska by agency, FY 2017 to 2019 in real 2018 dollars.....	66
Figure 49: DoD and DHS contract spending by sector in the Gulf Coast region, FY 2017 to 2019 in real 2018 dollars.....	67
Figure 50: Map of Anchorage/Mat-Su region within Alaska	70
Figure 51: Defense and Homeland Security contract spending in the Anchorage/Mat-Su region, real 2018 dollars	70
Figure 52: Contract spending in Anchorage/Mat-Su Alaska by agency, FY 2017 to 2019 in real 2018 dollars.....	71
Figure 53: DoD and DHS contract spending by sector in the Anchorage/Mat-Su region, FY 2017 to 2019 in real 2018 dollars	72

Table of Tables

Table i: Spending by region in Alaska, three-year and ten-year total spending	ii
Table ii: Spending by federal agency (branch) in Alaska, FY 2017 to 2019 average spending	iii
Table 1: Alaska defense-related infrastructure with background information	2
Table 2: Military procurement spending in Alaska by sector, FY 2017 to 2019 total spending	7
Table 3: Top 10 detailed purchasing industries in Alaska for DoD and DHS, FY 2017 to 2019 total spending	8
Table 4: Share of Alaska-based contract spending going to in-state firms, FY 2017 to 2019 total spending	15
Table 5: Largest dollar values going to out-of-state vendors by detailed industry, FY 2017 to 2019 total spending	16
Table 6: Top 10 sectors for Alaska-based firms performing contracts out-of-state, FY 2017 to 2019 total spending	20
Table 7: Contract values awarded in Alaska by various ownership designations, FY 2017 to 2019	22
Table 8: Subcontract awards to be performed in Alaska in FY19, by detailed industry	27
Table 9: Top 10 defense funded University of Alaska Awards, FY19	30
Table 10: UA Defense Grant Value by Principal Place of Performance, FY 2019	31
Table 11: SBIR and STTR awards to Alaska businesses funding by DoD and DHS	32
Table 12: Regional breakdown in defense procurement spending, ten-year and three-year	34
Table 13: Southeast region in-state/out-of-state vendors, three-year total spending by sector	44
Table 14: Contract spending in Southeast region by borough/census area and year	44
Table 15: Top 10 vendors, Southeast region, total spending over 3 years	45
Table 16: Southwest region in-state/out-of-state vendors, three-year total spending by sector	49
Table 17: Contract spending in Southwest region by borough/census area and year	49
Table 18: Top 10 vendors, Southwest region, total spending over 3 years	50
Table 19: Northern region in-state/out-of-state vendors, three-year total spending by sector	53
Table 20: Contract spending in Northern region by borough/census area and year	54
Table 21: Top 10 vendors, Northern region, total spending over 3 years	54
Table 22: Interior region in-state/out-of-state vendors, three-year total spending by sector	58
Table 23: Contract spending in Interior region by borough/census area and year	58
Table 24: Top 10 vendors, Interior region, total spending over 3 years	59

Table 25: FNSB local/non-local vendors, three-year total spending by sector	60
Table 26: FNSB local/non-local spending, all sectors, by fiscal year.....	61
Table 27: FNSB agency spending, all sectors, by fiscal year	61
Table 28: Denali borough local/non-local vendors, three-year total spending by sector	62
Table 29: Denali borough local/non-local spending, all sectors, by fiscal year	62
Table 30: Denali borough agency spending, all sectors, by fiscal year	62
Table 31: Southeast Fairbanks local/non-local vendors, three-year total spending by sector	63
Table 32: Southeast Fairbanks local/non-local spending, all sectors, by fiscal year	63
Table 33: Southeast Fairbanks agency spending, all sectors, by fiscal year	64
Table 34: Gulf Coast region in-state/out-of-state vendors, three-year total spending by sector	68
Table 35: Contract spending in Gulf Coast region by borough/census area and year	68
Table 36: Top 10 vendors, Gulf Coast region, total spending over 3 years	69
Table 37: Anchorage/Mat-Su region in-state/out-of-state vendors, three-year total spending by sector.....	73
Table 38: Contract spending in Anchorage/Mat-Su region by borough/census area and year	73
Table 39: Top 10 vendors, Anchorage/Mat-Su region, total spending over 3 years	74
Table 40: NAICS code length and associated terminology	75
Table 41: Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	77
Table 42: Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending	77
Table 43: Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending.....	78
Table 44: Alaska vendors, non-Alaska place of performance, FY 2017 to 2019 total spending.....	78
Table 45: Non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	78
Table 46: Non-Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending	79
Table 47: Local vendors, Anchorage/Mat-Su place of performance, FY 2010 to 2019 total spending.....	80
Table 48: Local vendors, Anchorage/Mat-Su place of performance, FY 2017 to 2019 total spending.....	80
Table 49: Non-local vendors, Anchorage/Mat-Su place of performance, FY 2010 to 2019 total spending.....	81
Table 50: Non-local Vendors, Anchorage/Mat-Su place of performance, FY 2017 to 2019 total spending	81
Table 51: Local vendors, Interior place of performance, FY 2010 to 2019 total spending.....	82

Table 52: Local vendors, Interior place of performance, FY 2017 to 2019 total spending.....	82
Table 53: Non-local vendors, Interior place of performance, FY 2010 to 2019 total spending	83
Table 54: Non-local Vendors, Interior place of performance, FY 2017 to 2019 total spending.....	83
Table 55: Local vendors, Balance of State place of performance, FY 2010 to 2019 total spending.....	84
Table 56: Local vendors, Balance of State place of performance, FY 2017 to 2019 total spending.....	84
Table 57: Non-local vendors, Balance of State place of performance, FY 2010 to 2019 total spending.....	85
Table 58: Non-local vendors, Balance of State place of performance, FY 2017 to 2019 total spending.....	85
Table 59: Top industries, Alaska place of performance, Army, FY 2010 to 2019 total spending	86
Table 60: Top industries, Alaska place of performance, Army, FY 2017 to 2019 total spending	86
Table 61: Top industries, Alaska place of performance, Air Force, FY 2010 to 2019 total spending.....	87
Table 62: Top industries, Alaska place of performance, Air Force, FY 2017 to 2019 total spending.....	87
Table 63: Top industries, Alaska place of performance, DLA, FY 2010 to 2019 total spending	88
Table 64: Top industries, Alaska place of performance, DLA, FY 2017 to 2019 total spending	88
Table 65: Top industries, Alaska place of performance, Coast Guard, FY 2010 to 2019 total spending.....	89
Table 66: Top industries, Alaska place of performance, Coast Guard, FY 2017 to 2019 total spending.....	89
Table 67: Top industries, Alaska place of performance, all other DoD and DHS agencies, FY 2010 to 2019 total spending.....	90
Table 68: Top industries, Alaska place of performance, all other DoD and DHS agencies, FY 2017 to 2019 total spending.....	90
Table 69: Top Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	91
Table 70: Top Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending	91
Table 71: Top Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending.....	92
Table 72: Top Alaska vendors, non-Alaska place of performance, FY 2017 to 2019 total spending.....	92
Table 73: Top non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending.....	93

Table 74: Top non-Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending.....	93
Table 75: Level 1 PSC codes, Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	94
Table 76: Level 1 PSC codes, Alaska vendors, non-Alaska Place of Performance, FY 2010 to 2019 total spending	95
Table 77: Level 1 PSC codes, non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	96
Table 78: Top level 2 PSC codes, Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	97
Table 79: Top level 2 PSC codes, Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending	97
Table 80: Top level 2 PSC codes, non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending	97

Introduction

The University of Alaska Center for Economic Development completed this supply chain analysis with funding from the U.S. Department of Defense Office of Local Defense Community Cooperation (OLDCC), formerly the Office of Economic Adjustment (OEA). The purpose of this analysis is to:

- Identify the major firms engaged in Department of Defense (DoD) and Department of Homeland Security (DHS) contracting in Alaska at the prime and sub-contract level.
- Analyze and describe trends in defense and DHS contracting in Alaska over time.
- Quantify the goods and services procured by DoD and DHS in Alaska.
- Determine value of contracts awarded in-state to Alaska-based firms, as well as awards to Alaska-based firms performed out-of-state.
- Analyze trends in DoD and DHS grants, such as research funding at the University of Alaska.

A note on terminology

The world of military procurement is laden with acronyms and specific terminology that can quickly confuse non-specialists. For the sake of simplicity and readability, this report attempts to keep acronyms to a minimum and includes a glossary of terms in the appendices. We use the terms “military,” “defense,” “armed services, and “armed forces” to refer to the Army, Air Force, Navy (including Marine Corps), and Coast Guard. These terms also include agencies that are not part of one of these service branches but serve a clear military function under the Department of Defense, such as the Missile Defense Agency or the Defense Logistics Agency. When drawing a distinction between agencies under the Department of Defense and the Department of Homeland Security (primarily the Coast Guard), we refer to those departments by name.

Unless otherwise noted, all years referred to in this report are federal fiscal years, which begin on October 1st and end on September 30th. Hence, FY19 is the period from October 1, 2018, to September 30, 2019. For the sake of comparability between years, we adjusted procurement values to 2018 calendar-year dollars using the Consumer Price Index (CPI) tracked by the Bureau of Labor Statistics.

Data sources

The most important data source for procurement spending used throughout this report is the Federal Procurement Data System (FPDS). Federal agencies enter key information into the FPDS system when making an award to a vendor or other recipient. FPDS records award amounts, vendor names, NAICS codes, socio-economic flags (such as woman-owned), place of performance, vendor location, and other details referred to throughout this report.

Another source of information used for grants and subcontracts is the federal data website [USASpending.gov](https://www.usaspending.gov). This provides detailed state-level information about awarding agencies, prime contractors, subcontractors, and grant recipients.

What is the history of the military in Alaska?

While there was a minimal military presence in Alaska during territorial days up to World War II, beginning during WWII and continuing through the Cold War, military spending transformed Alaska’s economy and caused significant environmental and societal impacts. The territory’s strategic importance came into sharp focus during the fight against Imperial Japan with the invasion and aerial bombardment of the Aleutians in 1942-43. Less than a decade later, defense planners recognized Alaska as a key linchpin in a global struggle with the Soviet Union.

The Cold War Era, which lasted from the late 1940s to the 1980s, marked a period of high and sustained military spending in the territory, and then state, of Alaska. The establishment of major Army, Navy, and Air Forces bases required the building of roads and infrastructure, and an expanded civilian economy to meet contractual needs and provide basic services. As scholar and former Adjutant General of the Alaska National Guard Laurel Hummel wrote, “...the enormous military undertakings in Alaska during the cold war ensured Alaska's future and set the stage for statehood, which otherwise would likely not have occurred until the discovery of oil on the North Slope in 1968.”

Defense infrastructure and economic foundations

Defense-related infrastructure included a system of roads and highways through Southcentral and Interior Alaska to connect Eielson, Wainwright, Richardson, and Elmendorf to each other and to supply centers. Ports in Seward, Valdez, and Whittier had to be built (or rebuilt) and connected to improved roads or railroad lines. The 1950s and 60s saw the construction of airports, communications infrastructure, highways, and other improvements at the behest of military leaders. These became foundations for non-military commercial activity.

Table 1: Alaska defense-related infrastructure with background information

Improvement	Background
Alcan Highway	Built by the military during WWII as a supply route to connect Alaska to the Lower 48.
Alaska Railroad rehabilitation	The military funded extensive repairs and upgrades beginning in 1949.
Alaska Marine Highway System	Justified largely based on defense.
Alaska Communications System (ACS) and White Alice	Two communications systems consisting of radio towers, microwave relays, ocean cables, and other infrastructure.
Anchorage and Fairbanks international airports	Built at the request of military leaders to free Elmendorf and Eielson airfields for military use.
Ports of Seward, Valdez, and Whittier	Three ports built or improved to serve the logistical needs of the military.
Naval Arctic Research Laboratory (NARL)	A research facility run by the Navy in Utqiagvik (formerly Barrow) which conducted important work on Arctic environments.
University of Alaska Fairbanks Geophysical Institute	Defense-related research needs were a major catalyst to create the institute and fund research there.

The military and Alaska's population

The fortification of Alaska that began during WWII and continued through the early Cold War roughly tripled the territory's population by the time of statehood in 1959. In the early 1950s Alaska hosted as many as 50,000 active-duty personnel, at a time when the territory's entire population was just over 200,000. Accounting for civilian contractors and support personnel, and dependent families, as much as 45 percent of the population had a tie to the military.

The active-duty count in the state stabilized at about 30,000 in the 1960s and gradually declined through the 1970s, 80s, and 90s. After dropping below 16,000 in 1999, the numbers increased to their current level, just above 20,000. As of 2019, active duty servicemembers accounted for about three percent of the state's population. However, total military spending in Alaska created 58,000 total jobs and one in 10 civilian jobs.

Growing Alaska's population

Active duty military personnel in Alaska compared to population, 1954 to 2020.

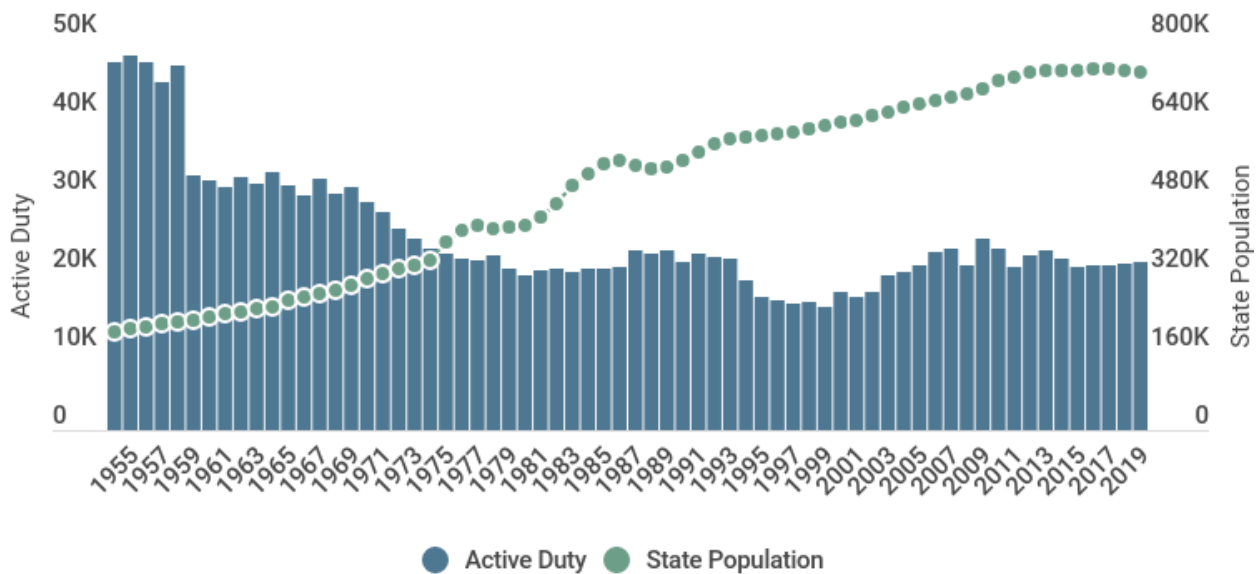


Figure 1: Active duty military personnel in Alaska compared to population, 1954 to 2020

Military activity created jobs and economic opportunity in Alaska, but also came with some negative effects at times, particularly for some Alaska Native communities. For example, many of today's Formerly Used Defense Sites (FUDS) still have soil and water contamination issues that threaten public health near these communities. Communities often wait for decades for contamination issues to be fully addressed and remediated.

Most activity duty live in Anchorage/Mat-Su and Interior

Active duty military personnel by region, 2010 to 2020.

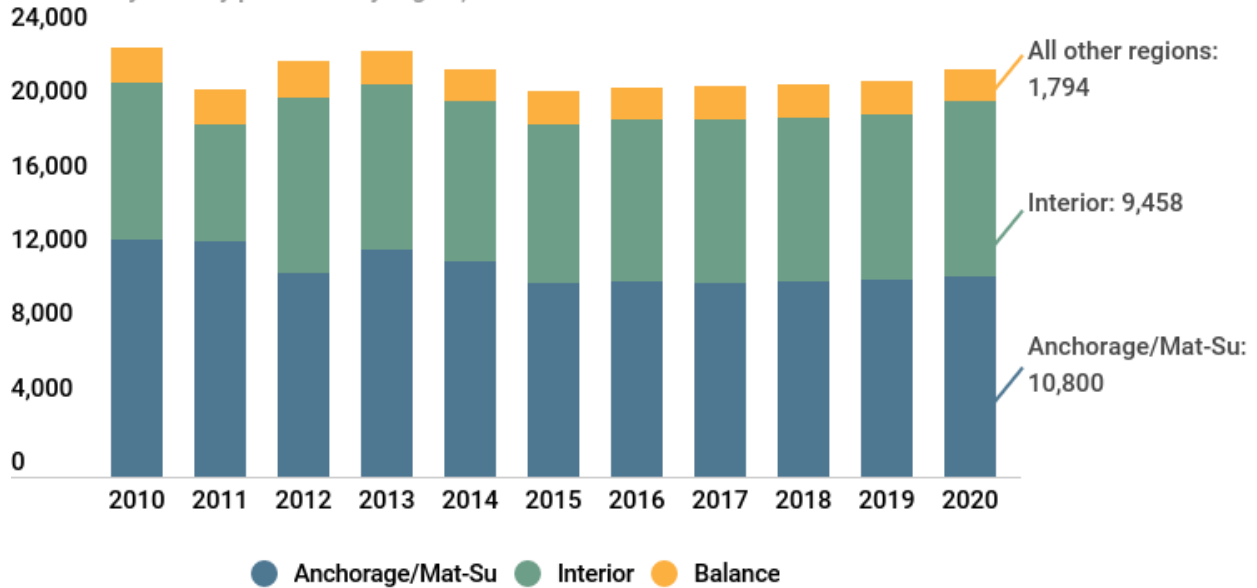


Figure 2: Active duty military personnel by region, 2010 to 2020

How has military and defense spending in Alaska changed over time?

From WWII to the present day, contracting activity in Alaska has followed geopolitical trends. During the Cold War this meant construction of the Distant Early Warning (DEW) Line, permanent installations, and connective infrastructure to shield North America from Soviet advances. Today, Alaska sits at the juncture of the Pacific Rim and the Arctic, two spheres of competition with global powers like China and Russia. In response to this environment, the state is home to 5th generation fighters (F-35 and F-22), a Long-Range Discrimination Radar (LRDR), and expanding Coast Guard presence. Maintaining and building these defense structures required nearly \$2 billion in contract spending in FY 2019.

Defense spending in Alaska follows geopolitics

Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars.

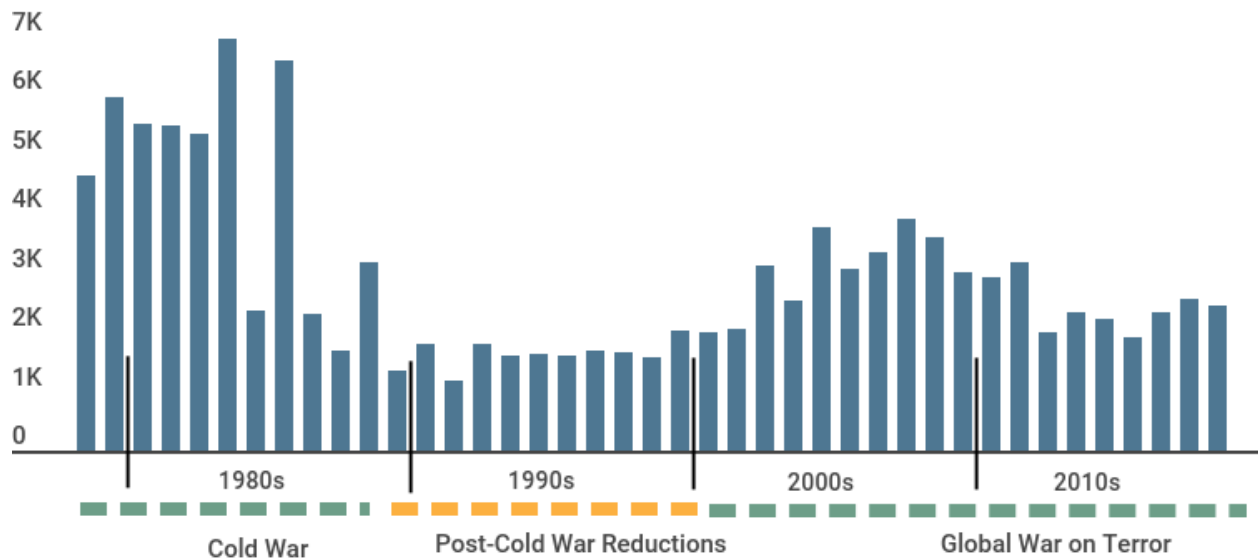


Figure 3: Contract spending per capita in Alaska, FY 1979 to 2019 in real 2018 dollars

The best available contracting data goes back to 1979, and therefore captures the later stages of the Cold War Era to the present. In real (inflation-adjusted) terms, spending in the early 1980s was higher than today, peaking in 1984 at \$3.65 billion (2018 dollars) nearly twice the 2019 level. As Cold War tensions eased in the late 1980s, defense spending fell in Alaska as it did elsewhere. Spending hovered around \$1 billion annually through the 1990s and began to increase again after the 9/11 terror attacks. After reaching a peak in 2008, annual procurement spending has fluctuated between \$1.4 and \$2.5 billion, depending on national policy priorities and the mix of projects occurring in Alaska. Since 2000, major defense projects have included:

- Long-Range Discrimination Radar at Clear Air Force Station
- F-22 bed down at Elmendorf AFB
- F-35 bed down at Eielson AFB
- Missile Defense projects at Fort Greely
- Environmental remediation projects (Port Heiden, Unalakleet, St. Lawrence Island)

Which armed service branches are active in Alaska?

Alaska is home to a diverse spread of defense personnel, including active duty, reserves and national guard members, and civilian employees, totaling 29,558 in the first quarter of 2020. Of the 19,760 total active duty personnel stationed in Alaska, Army and Airforce make up the vast majority and are concentrated in the Anchorage and Fairbanks areas.

Alaska is also home to 1,970 active duty coast guard personnel, stationed across Southeast, Southwest, and Southcentral Alaska.

The remaining balance of defense personnel include a handful of Navy and Marines; however, Alaska lacks a significant presence of both branches and no installations operated by them.

Direct defense employment in Alaska

The DoD and DHS directly employed 29,558 people in Alaska in Q1 2020.

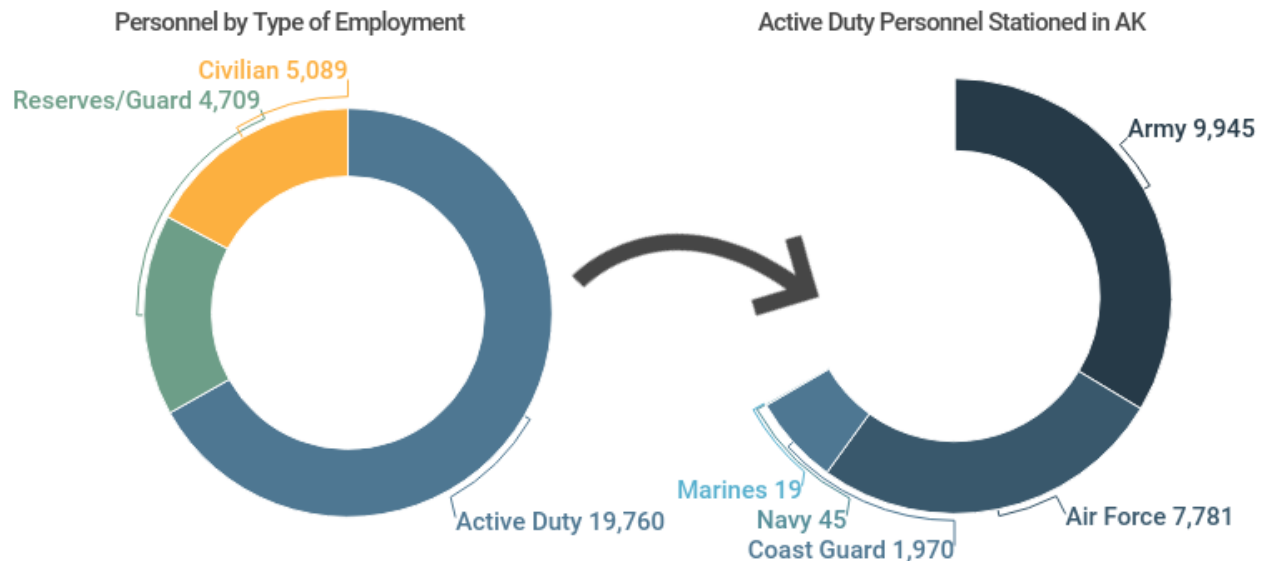


Figure 4: Direct defense employment in Alaska, Q1 2020

What does the military buy in Alaska?

Defense activity in Alaska creates a need for products and services from the private sector to facilitate activity across Alaska. Defense contractors and vendors fulfill defense contracts which vary in size and type. The defense industry works across wide sections of the economy soliciting from a diverse mix of products and services provided by the private sector vendors.

One of the methods for aggregating contract type is by industry sector, as delineated by the North American Industry Classification System (NAICS). NAICS codes utilize a hierarchical structure to categorize industries and define industry activity. “Sectors” contain “subsectors” which in turn are made up of “detailed industries.”

At a high level, the construction sector dominates the Alaska defense contracting space, receiving a total of \$1.8 billion in defense contract dollars between FY17 and FY19. The second-largest category is admin/support/waste/remediation services, a “catch-all” description that includes facilities support services, environmental remediation, security services, and others.

Table 2: Military procurement spending in Alaska by sector, FY 2017 to 2019 total spending

Sector	Total Spending (Real 2018 Dollars)
Construction	\$1,860,633,926
Admin/Support/Waste/Remediation Services	1,148,959,401
Professional, Scientific, and Technical Services	742,102,958
Manufacturing	689,000,803
Utilities	398,231,460
Transportation and Warehousing	265,343,781
Information	193,813,354
Mining, Quarrying, and Oil and Gas Extraction	63,304,856
Health Care and Social Assistance	48,647,260
Accommodation and Food Services	41,615,192
Public Administration	40,611,476
Wholesale Trade	38,723,350
Other Services (except Public Administration)	37,862,010
Educational Services	8,258,608
Real Estate and Rental and Leasing	5,737,261
Retail Trade	2,720,199
Arts, Entertainment, and Recreation	2,475,507
Management of Companies and Enterprises	40,380
Agriculture, Forestry, Fishing and Hunting	9,793
Finance and Insurance	1,962
Total	5,602,069,761

Focusing on more detailed industry categories, Commercial Building Construction was the largest specific focus of defense spending in the construction industry, receiving \$1.2 billion out of the total \$1.8 billion spent on construction in Alaska. Facilities Support Services, and Petroleum Refining ranked

second and third as focus industries for defense related spending, receiving \$0.54 billion, and \$0.51 billion in contract dollars, respectively.

Table 3: Top 10 detailed purchasing industries in Alaska for DoD and DHS, FY 2017 to 2019 total spending

Industry (detailed)	Total Spending (Real 2018 Dollars)
Commercial and institutional building construction	\$1,187,167,109
Facilities support services	542,448,843
Petroleum refineries	515,719,603
Engineering services	373,336,226
Fossil fuel electric power generation	336,117,894
Remediation services	277,850,731
Security guards and patrol services	185,851,342
Other heavy and civil engineering construction	172,834,107
Power and communication line and related structures construction	149,041,930
Water and sewer line and related structures construction	122,993,715

What goods and services does each branch buy?

Each service branch has different needs for operating in Alaska, which is reflected in the procurement data for each. For the purposes of this report, a “branch” refers to one of the five agencies that make up the armed services in Alaska: Army, Air Force, Navy, Coast Guard, and Defense Logistics Agency (DLA). Most of the branches spend large proportions of their procurement budgets on a mix of construction, facilities services, and engineering. The DLA and Navy are somewhat different from the other branches, as the DLA supplies fuel and energy to the other branches and the Navy lacks an installation in the state.

Similar to trends in personnel across Alaska, the Army is the largest branch contracting for services from the private sector. Between FY17 and FY19 the contract value for services purchased by the Army totaled \$2.4 billion. Contract value for services purchased by the Air Force totaled \$1.4 billion during the same period.

Top agencies for Alaska defense contracting

Total contract value by defense agency for contracts performed in Alaska, FY 2017 to 2019 in real 2018 dollars.

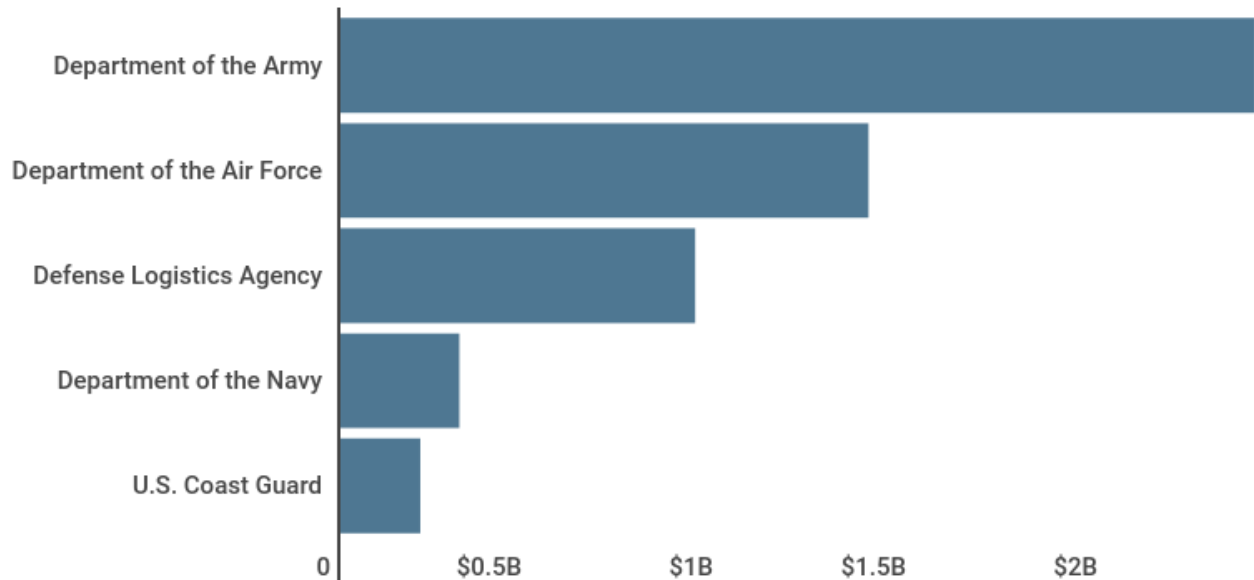


Figure 5: Total contract value by defense agency for contracts performed in Alaska FY 2017 to 2019, real 2018 dollars

What does the Army buy?

As the branch with the largest spending footprint in Alaska, Army spending activity over the three years from FY17 to FY19 was heavily focused on construction services. A large share of this construction spending falls under the Army Corps of Engineers, who often procures and manages construction projects for other service branches, as well as for civilian purposes. From FY17 to FY19, a large share of the Army's construction spending was related to the bed down of the F-35s.

What industries is the Army working in?

Top detailed industries for Army contracts in Alaska, FY 2017 to 2019 in real 2018 dollars.

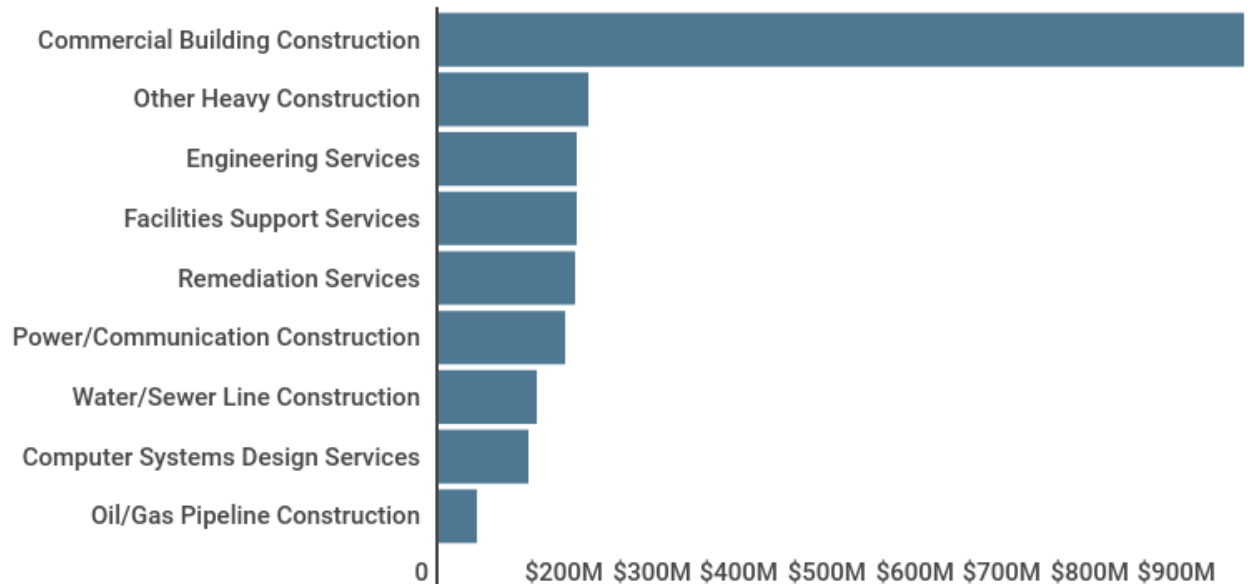


Figure 6: Top detailed industries for Army contracts in Alaska, FY 2017 to 2019 in real 2018 dollars

What does the Air Force buy?

While the top industries the Air Force works in do include construction industries, the Air Force purchases a wider mix of services, which include:

- Facilities support services;
- Telecommunications;
- Remediation services;
- Engineering services;
- Utility administration;
- Natural gas distribution; and,
- Hospital services.

What industries is the Air Force working in?

Top detailed industries for Air Force Contracts in Alaska, FY 2017 to 2019 in real 2018 dollars.

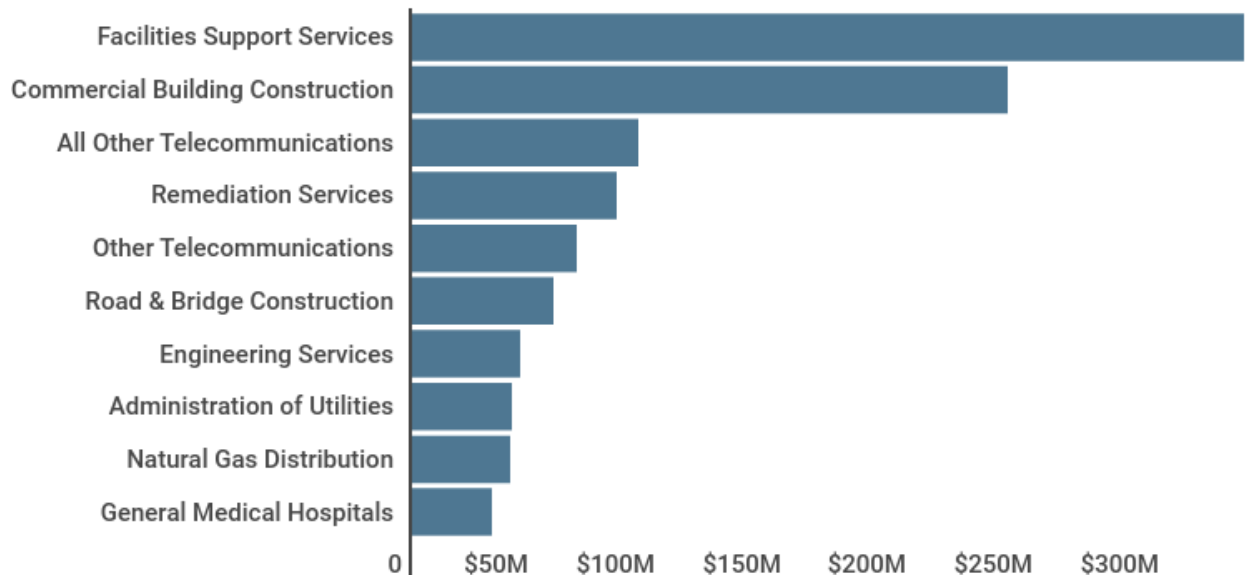


Figure 7: Top detailed industries for Air Force contracts in Alaska, FY 2017 to 2019 in real 2018 dollars

What does the DLA buy?

The DLA is the combat logistics agency for the armed services, other federal agencies, and other government partners. It is the third largest “branch” in Alaska with a total of \$925 million in contract spending between FY17 and FY19. DLA contracting activities are dominated by spending in the petroleum refining and fossil fuel power generation industries, which received \$515 million and \$326 million respectively during that three-year period.

What industries is the Defense Logistics Agency working in?

Top detailed industries for Defense Logistics Agency contracts in Alaska, FY 2017 to 2019 in real 2018 dollars.

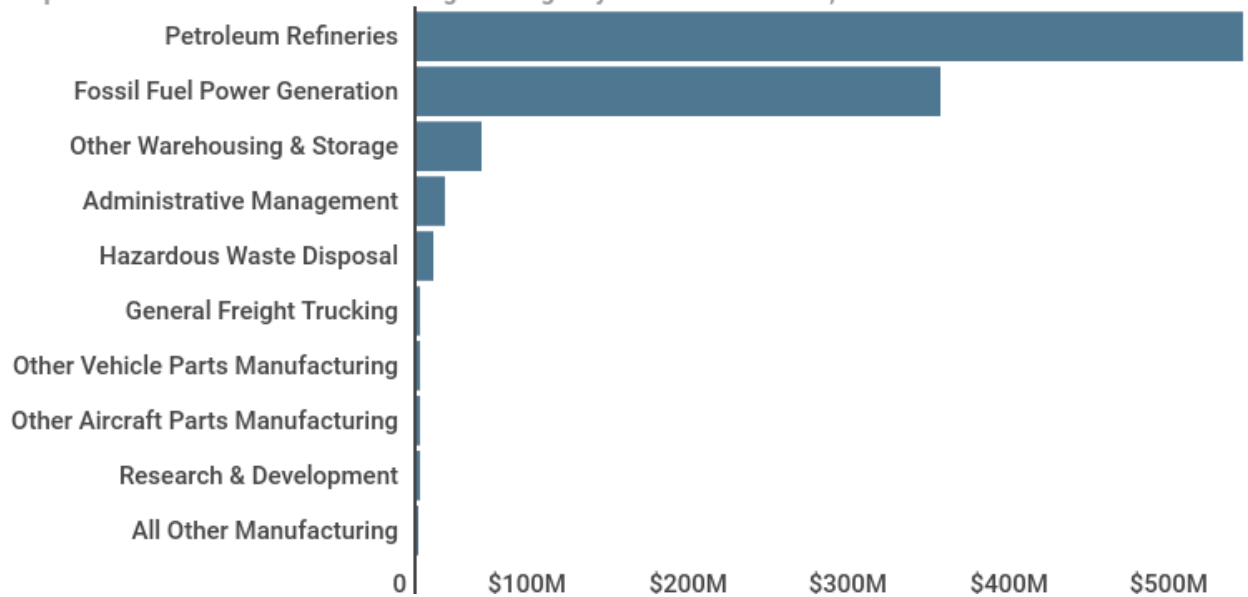


Figure 8: Top detailed industries for Defense Logistics Agency in Alaska, FY 2017 to 2019 in real 2018 dollars

What does the Navy buy?

Despite its minimal personnel presence in Alaska, the Navy spent \$310 million in Alaska between 2017 and 2019. The engineering services industry dominated Navy spending in that period, with \$136 million in contract spending.

What industries is the Navy working in?

Top detailed industries for Navy contracts in Alaska, FY 2017 to 2019 in real 2018 dollars.

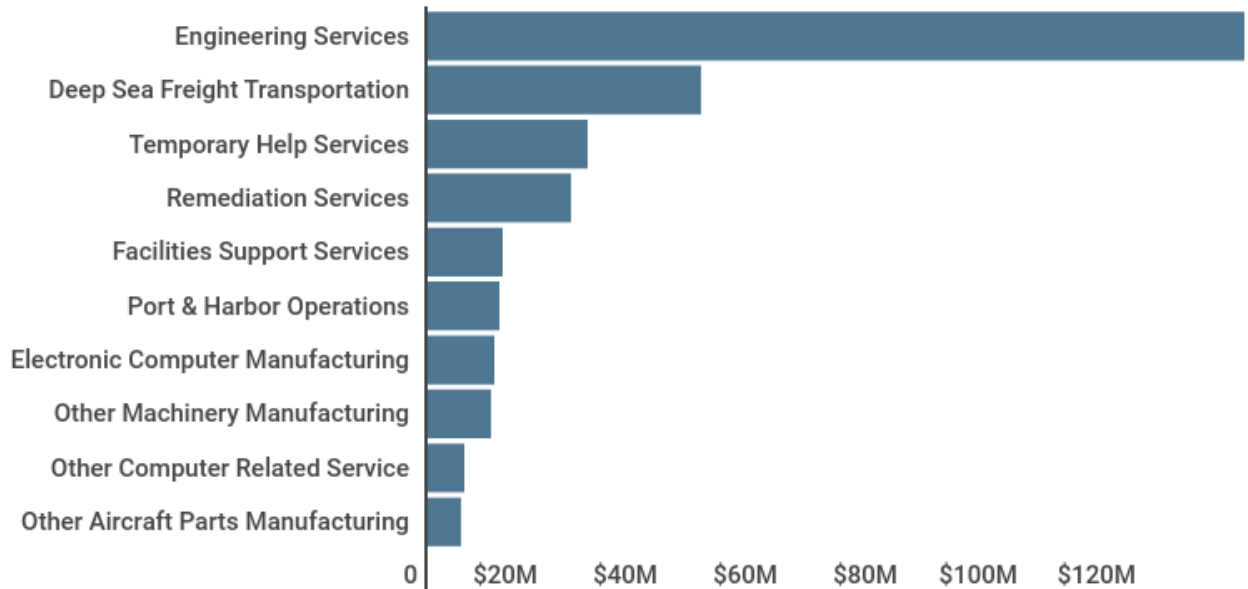


Figure 9: Top detailed industries for Air Force contracts in Alaska, FY 2017 to 2019 in real 2018 dollars

What does the Coast Guard buy?

Between 2017 and 2019, the U.S. Coast Guard spent \$208 million in contract services. Top industries which received the focus of Coast Guard spending included:

- Facilities support services: \$38.9 million;
- Engineering services: \$37.4 million;
- Commercial building construction: \$29.5 million; and,
- Industrial building construction: \$20.9 million.

What industries is the Coast Guard working in?

Top detailed industries for Coast Guard contracts in Alaska, FY 2017 to 2019 in real 2018 dollars.

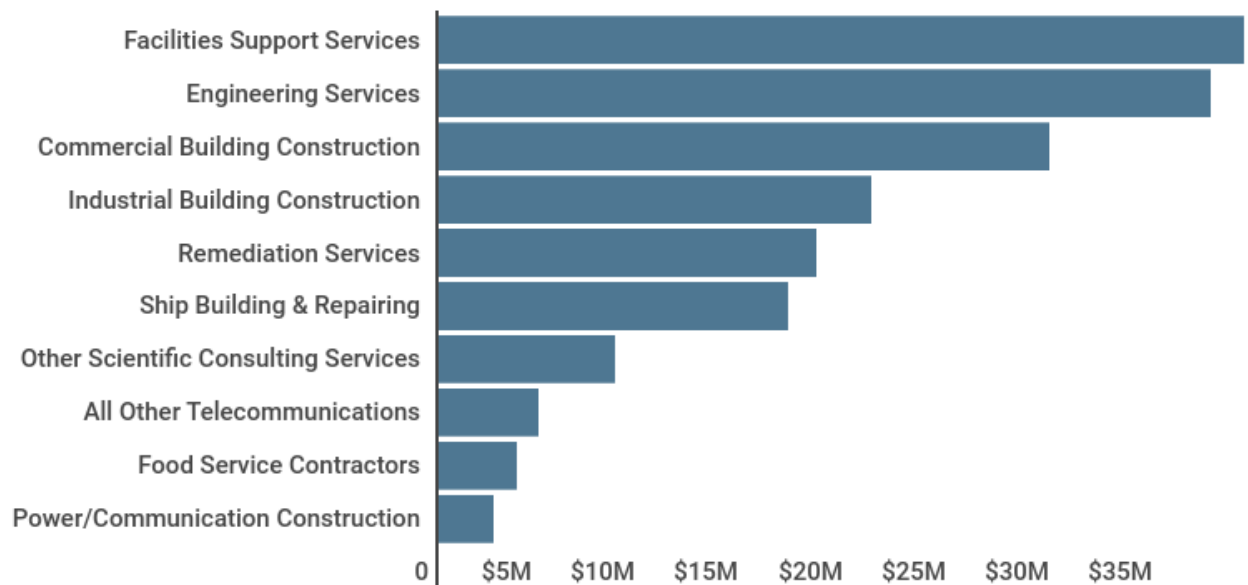


Figure 10: Top detailed industries for Coast Guard contracts in Alaska, FY 2017 to 2019 in real 2018 dollars

Do Alaska-based firms get most in-state contracts?

Many local and state policymakers and economic developers make local capture of government spending a key focus area. In principle, local capture means more contract dollars stay in a given geography, creating more local jobs, and generating larger impacts to local economies as those dollars circulate.

Defense contracts in Alaska are awarded to a mix of in-state and out-of-state vendors. Approximately three of every four defense dollars spent in Alaska go to an Alaska vendor.

In-state vendors are especially strong in the Construction sector which saw about \$1.6 billion in defense contract spending go to in-state vendors, or about 85 percent of the total. Of the \$1.15 billion in defense contract dollars that are spent in the Admin/Support/Waste/Remediation Services sector in Alaska, 77 percent are captured by local vendors. Additionally, of the defense contract dollars spent in Alaska in the Manufacturing sector 88 percent are captured by local vendors. Most of this spending is fuel refineries, which are classified as manufacturing under the NAICS system.

Table 4: Share of Alaska-based contract spending going to in-state firms, FY 2017 to 2019 total spending

Industry	In-State Vendors	Out-of-State Vendors	In-State Capture
Construction	\$1,589,844,428	\$270,789,498	85.4%
Admin/Support/Waste/Remediation Services	880,058,651	268,900,750	76.6%
Professional, Scientific, and Technical Services	484,942,984	257,159,974	65.3%
Manufacturing	607,734,115	81,266,688	88.2%
Utilities	396,937,760	1,293,700	99.7%
Transportation and Warehousing	150,200,585	115,143,195	56.6%
Information	15,431,464	178,381,890	8.0%
Mining, Quarrying, and Oil and Gas Extraction	63,053,671	251,184	99.6%
Health Care and Social Assistance	1,321,128	47,326,132	2.7%
Accommodation and Food Services	25,217,771	16,397,421	60.6%
Public Administration	40,397,567	213,909	99.5%
Wholesale Trade	37,001,411	1,721,939	95.6%
Other Services (except Public Administration)	15,398,570	22,463,440	40.7%
Educational Services	5,180,696	3,077,913	62.7%
Real Estate and Rental and Leasing	4,184,686	1,552,574	72.9%
Retail Trade	648,118	2,072,081	23.8%
Arts, Entertainment, and Recreation	2,224,905	250,602	89.9%
Management of Companies and Enterprises	40,380	-	100.0%
Agriculture, Forestry, Fishing and Hunting	9,793	-	100.0%
Finance and Insurance	4,022	-	100.0%
Total	4,319,808,503	1,282,261,258	77.1%

If policymakers and economic developers hope to increase the share of contract dollars going to in-state firms, several possibilities present themselves. In terms of dollar value, the largest share going to non-

Alaska vendors falls within the Construction sector, even though the in-state capture percent is high. This is followed closely by Admin/Support/Waste/Remediation Services and Professional, Scientific, and Technical Services. On the other hand, Information and Health Care have the lowest capture percentages, suggesting significant opportunities to increase the local capture rate.

Taking a more nuanced view of the contract dollars captured by out-of-state firms, the table below shows the 10 largest detailed industries for non-Alaska firms working in the state. This shows that commercial and institutional building construction saw about \$170 million in contract value going to out-of-state firms between FY17 and FY19. Remediation, engineering, and computer systems all suggest themselves as targets for increasing in-state capture, each with \$100 million or more going to non-Alaska firms.

Table 5: Largest dollar values going to out-of-state vendors by detailed industry, FY 2017 to 2019 total spending

Detailed industry	In-State Vendors	Out-of-State Vendors	In-State Capture
Commercial and institutional building construction	\$1,017,455,048	\$169,712,061	85.7%
Remediation services	143,544,021	134,306,710	51.7%
Engineering services	268,496,487	104,839,739	71.9%
Computer systems design services	3,776,869	102,053,624	3.6%
Facilities support services	451,240,510	91,208,333	83.2%
All other telecommunications	9,085,335	89,814,377	9.2%
Deep sea freight transportation	20,119,798	65,792,085	23.4%
Other telecommunications	-	65,025,318	-
Other heavy and civil engineering construction	131,265,298	41,568,808	75.9%
Nonscheduled chartered passenger air transportation	9,710,562	32,003,136	23.3%

Who are the largest defense vendors working in Alaska?

During the three years from FY17 to FY19, a total of 2,212 unique vendors received prime contracts for work performed in Alaska. Of these, 858 (about 40 percent) were listed in FPDS as having their primary location in Alaska. Despite not being a majority of the active prime awardees, Alaska-based firms capture more than 75 percent of the value of contracts performed in the state. The fact that Alaska firms are so successful in winning and performing these contracts owes a great deal to the advent of Alaska Native Corporations (ANCs). As the figure below demonstrates, eight of the 10 largest in-state-based contract recipients were ANCs.

Top vendors for Alaska contracts

Defense vendor total contract value for Alaska contracts, FY 2017 to 2019 in real 2018 dollars.

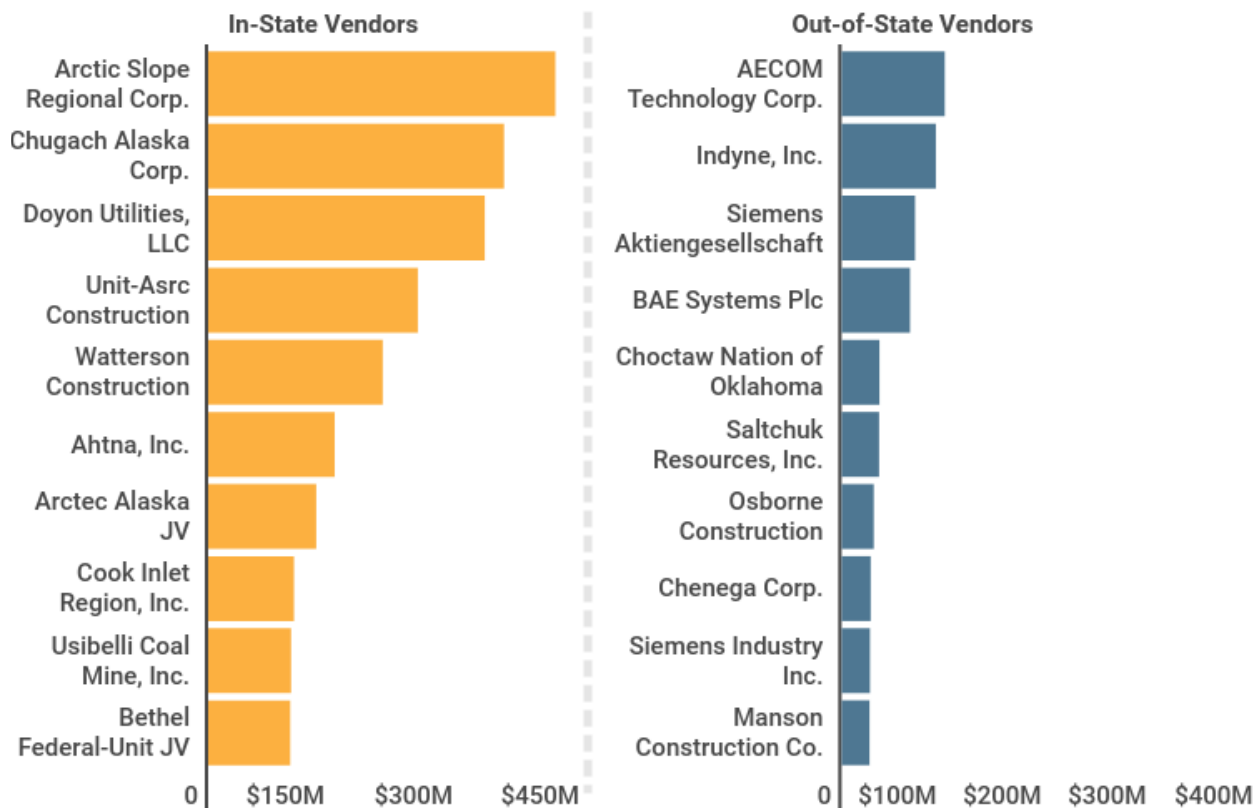


Figure 11: Defense vendor total contract value for Alaska contracts, FY 2017 to 2019 in real 2018 dollars

Arctic Slope Regional Corporation (ASRC) was the largest recipient of contract dollars in Alaska from FY17 to FY19, with over \$400 million in contract value attributed to them as a parent corporation. The FPDS system tracks the parent and subsidiary corporations imperfectly, resulting in ASRC Construction being listed in the graph above separately from ASRC. (Chenega Corporation, also an ANC, is listed as an -out-of-state vendor as a result of contracts running through a subsidiary based in another state.) The only companies based in Alaska that are not ANCs in the top 10 are Watterson Construction and Usibelli Coal Mine.

The largest non-Alaska vendor in terms of contract value in the state was California-based AECOM Technology with just under \$100 million during the three-year time period, followed closely by Virginia-based Indyne, Inc. Most of the other companies in the top 10 are based in either Virginia or Washington State. This is fairly representative of out-of-state vendors working in Alaska as a group. While defense contractors from every state work in Alaska, However, the highest concentration of contract dollars for contracts performed in Alaska from FY17-19 go to vendors based in:

- Virginia: \$331 million in contract value;
- Washington: \$173 million in contract value;
- California: \$503 in contract value;
- Maryland: \$117 million in contract value; and,
- Texas: \$69 million in contract value.

Where are out-of-state vendors located?

Location of out-of-state vendors awarded Alaska contracts by total value, FY 2017 to 2019 in real 2018 dollars.

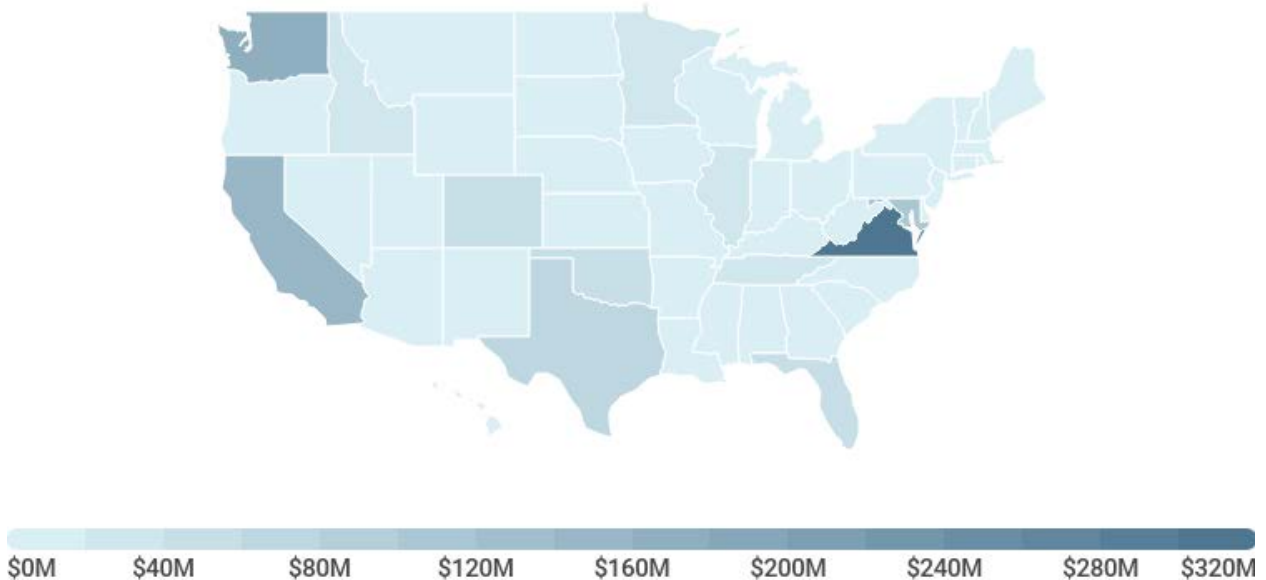


Figure 12: Location of out-of-state vendors awarded Alaska contracts by total value, FY 2017 to 2019 in real 2018 dollars

Of the top out-of-state vendors for Alaska contracts between FY17 and FY19, most out-of-state vendors were businesses prevalent to the nationwide defense industry. However, when the top out-of-state vendors are compared to in-state vendors the contract values awarded to in-state vendors are far greater than the top out-of-state vendors.

Do Alaska firms receive contracts outside the state?

While the defense contract activity local to Alaska plays an important role in the state’s economy, out-of-state defense contracts performed by in-state firms bring money into the state as well. It is difficult to quantify the local impact of these contracts awarded to Alaska vendors. How many of those dollars reach Alaska to circulate in the economy? What is the balance of Alaskans versus non-Alaskans employed to fulfill those contracts? These are all questions that are difficult to answer; however, it can be safely assumed that out-of-state contracts awarded the local vendors do have some impact as profits accrue to companies based in the state. ANCs account for most of this revenue, and their profits fund dividends, scholarships, and cultural programming within the state.

In the last decade total amount awarded to Alaska vendors for out-of-state contracts exceeded the value of all contracts performed in Alaska. Between 2010 and 2019, Alaska-based vendors were awarded \$20 billion in defense contracts outside of Alaska. Over the same period, the value of all contracts performed in Alaska was \$18.5 billion, with \$13.6 billion (74 percent) of that going to in-state firms.

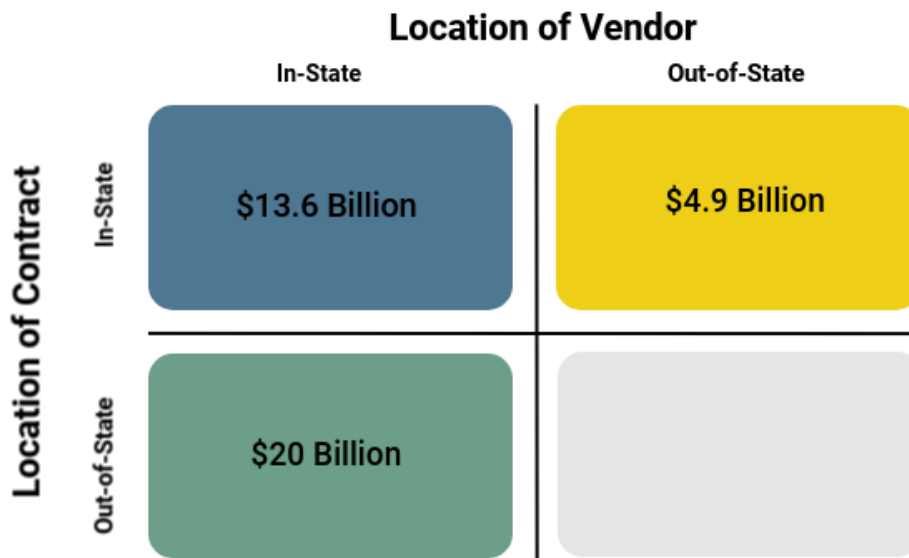


Figure 13: Matrix of vendor and contract performance locations, FY 2010 to 2019 in real 2018 dollars

Over the last decade, out-of-state contract value awarded to Alaska vendors decreased from FY10-13 before increasing by approximately \$600 million between FY13 and FY19. Change in total contract value to Alaska vendors generally mirrors overall trends in defense spending, as well some restrictions on 8(a) contracting. Over the decade, the total defense revenues of Alaska-based firms grew by 10 percent in real terms, or an average of one percent per year. The in-state firms received 59 percent of their defense revenues from contracts outside of Alaska.

Alaska vendors are winning more out-of-state contract dollars

Total annual value of out-of-state contracts awarded to Alaska vendors, real 2018 dollars.

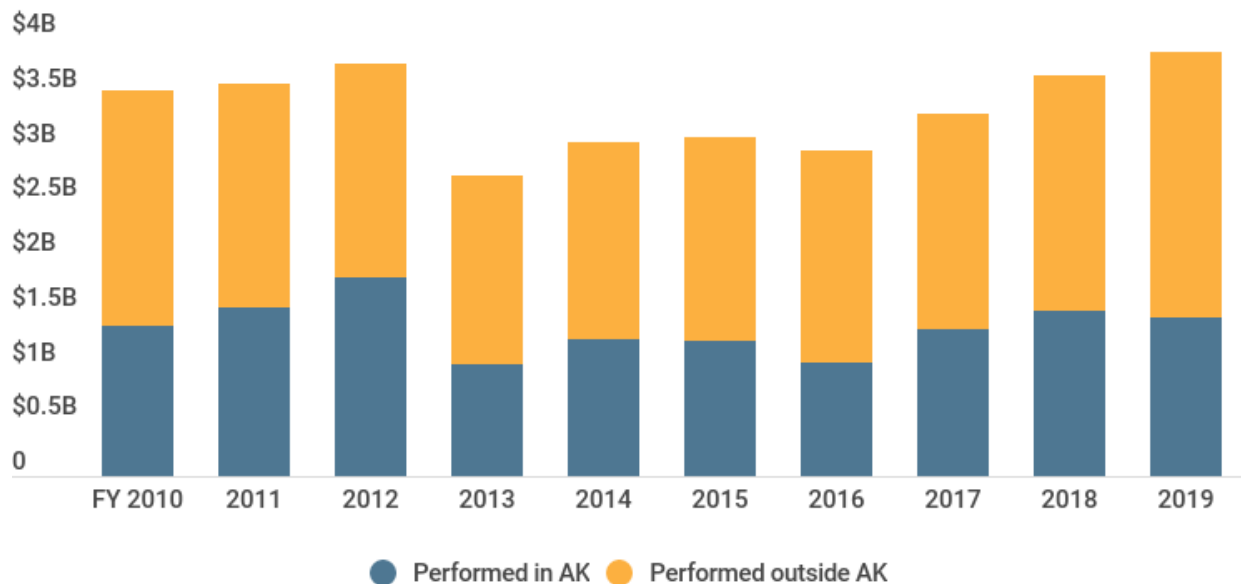


Figure 14: Total annual value of out-of-state contracts awarded to Alaska vendors, real 2018 dollars

Alaska vendors working out-of-state work in a similar mix of sectors to those they perform in-state. Construction and Admin/Support/Waste/Remediation Services are the top two sectors for both in-state and out-of-state contracts. However, while construction dominates the in-state market, it takes a backseat to Admin/Support/Waste/Remediation Services out-of-state.

Table 6: Top 10 sectors for Alaska-based firms performing contracts out-of-state, FY 2017 to 2019 total spending

Sector	Total Spending (Real 2018 Dollars)
Admin/Support/Waste/Remediation Services	\$3,001,837,925
Construction	1,584,041,119
Professional, Scientific, and Technical Services	1,070,192,737
Transportation and Warehousing	398,850,319
Manufacturing	268,142,108
Educational Services	88,771,430
Information	40,519,954
Health Care and Social Assistance	38,027,330
Other Services (except Public Administration)	30,094,732
Wholesale Trade	8,094,192

Alaska vendors are active in nearly all states, plus the District of Columbia and U.S. overseas territories like Guam and Puerto Rico. Unsurprisingly, these companies are most active in states with a large defense presence, where many of them have subsidiaries. Top states for out-of-state contracts between FY17 and FY19 include:

- California: \$721 million;
- Texas: \$642 million;
- Alabama: \$550 million;
- Florida: \$530 million; and,
- Virginia: \$528 million.

Where are Alaska vendors doing business?

Location of business for Alaska vendors awarded out-of-state contracts by total value, FY 2017 to 2019 in real 2018 dollars.

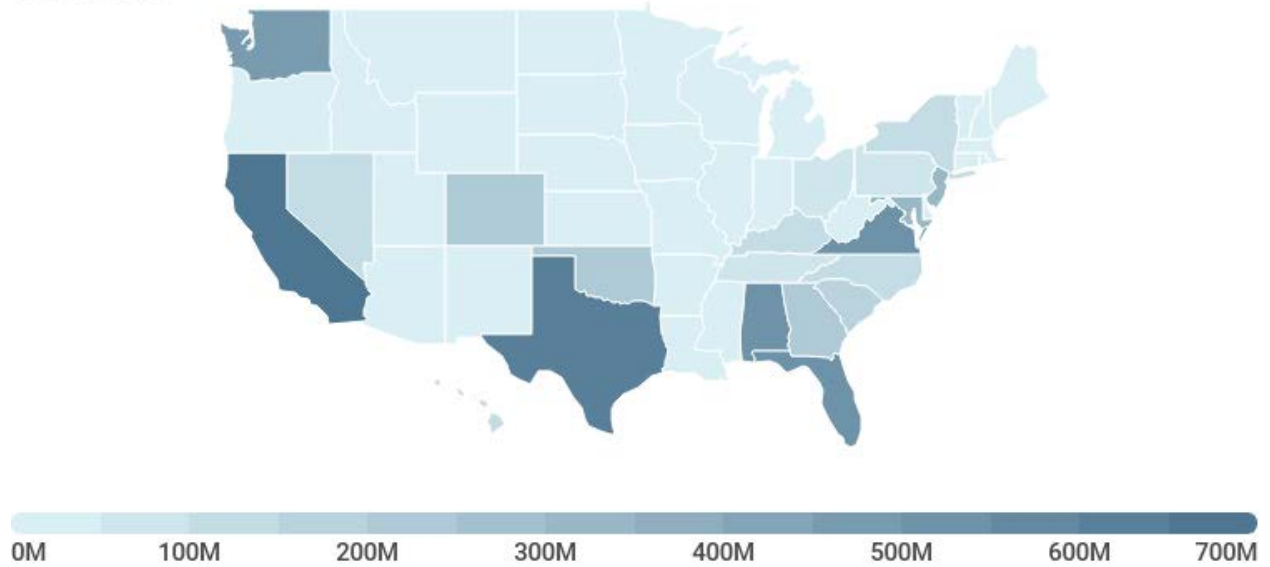


Figure 15: Location of business for Alaska vendors awarded out-of-state contracts by total value, FY 2017 to 2019 in real 2018 dollars

Who does business with the military in Alaska?

Many branches of the armed services have defined procurement goals which target the allocation of defense contract dollars to businesses which carry specific demographics and other socio-economic statuses. Federal programs like the Minority Business Enterprise Program, the Women-Owned Small Business Program, and Veteran-Owned Small Business Program created targets for allocating government contracts more equitably.

Target indicators include:

- Service-disabled veteran small business goal: 3 percent of prime and subcontract awards.
- Women-owned small business goal: 5 percent government wide for contract and subcontract awards.
- Small Disadvantaged Business: 5 percent for contract awards throughout DoD and 10 percent evaluation preference to businesses competing in open solicitations.

It should be noted that not all the businesses working in the defense contracting landscape that meet these criteria participate in a contract preference program. For example, not all businesses considered “Small Disadvantaged Businesses” participate in the 8(a) Business Development program.

Table 7: Contract values awarded in Alaska by various ownership designations, FY 2017 to 2019

Ownership	Amount Awarded	Percent of Total Awarded
Alaska Native Corporation	\$2,652,923,076	47.4%
Asian-Pacific American	41,274,968	0.7%
Black American	56,137,444	1.0%
Hispanic American Owned	22,567,543	0.4%
Minority (any)	2,809,618,784	50.2%
Native American	2,949,219,074	52.6%
Native Hawaiian Organization	10,765,865	0.2%
Other Minority	31,349,921	0.6%
Subcontinent Asian American	10,559,640	0.2%
Tribally Owned	652,684,847	11.7%
Veteran Owned	219,912,710	3.9%
Woman Owned	171,397,719	3.1%
None of the above indicators	2,193,385,690	39.2%

Women owned small businesses are another area of focus for government spending preference programs. Between 2010 and 2019, 3.4 percent of defense dollars awarded for work in Alaska went to women-owned businesses. However, in more recent years, the percentage of dollars awarded to women-owned businesses shrank. Between 2017 and 2019, the total contract value awarded to women-owned small businesses shrank by half a percentage point to three percent of the total defense dollars for contracts performed in Alaska.

Woman-owned businesses are receiving a smaller portion of contract dollars

Defense contract value by gender of vendor owner for contracts in Alaska, in real 2018 dollars.



Figure 16: Defense contract value by gender of vendor owner for contracts in Alaska, in real 2018 dollars

As one of the focus areas for distribution of government dollars, veteran-owned businesses are one of the key socio-economic indicators to track in relation to defense spending. The percentage of defense dollars awarded to veteran-owned businesses in Alaska are not indicative of whether the government is meeting procurement goals; however, it is a measure of the demographics of businesses working in Alaska's defense landscape.

Between 2010 and 2019, four percent of defense contract dollars for work performed in Alaska were linked to veteran-owned businesses.

Veteran-owned businesses receive four percent of contract dollars

Alaska contracts dollars awarded to veteran-owned vendors, FY 2010 to 2019 in real 2018 dollars.



Figure 17: Alaska contracts dollars awarded to veteran-owned vendors, FY 2010 to 2019 in real 2018 dollars

As a priority of government, and defense, contract dollar allocation attributed to small businesses are a key indicator. Small businesses are grouped into numerous categories, which are not necessarily mutually exclusive. One of those categories are Emerging Small Businesses, which between 2010 and 2019 received four percent of the defense contract dollars awarded for work in Alaska.

The percentage of defense contract dollars allocated to Emerging Small Businesses linked to Alaska's defense industry has shrunk in recent years. Between 2017 and 2019, Emerging Small Business were awarded less than one percent of defense contract dollars.

Small businesses receive a shrinking percentage of contract dollars.

Defense spending in Alaska by dollars awarded to Emerging Small Businesses, in real 2018 dollars.

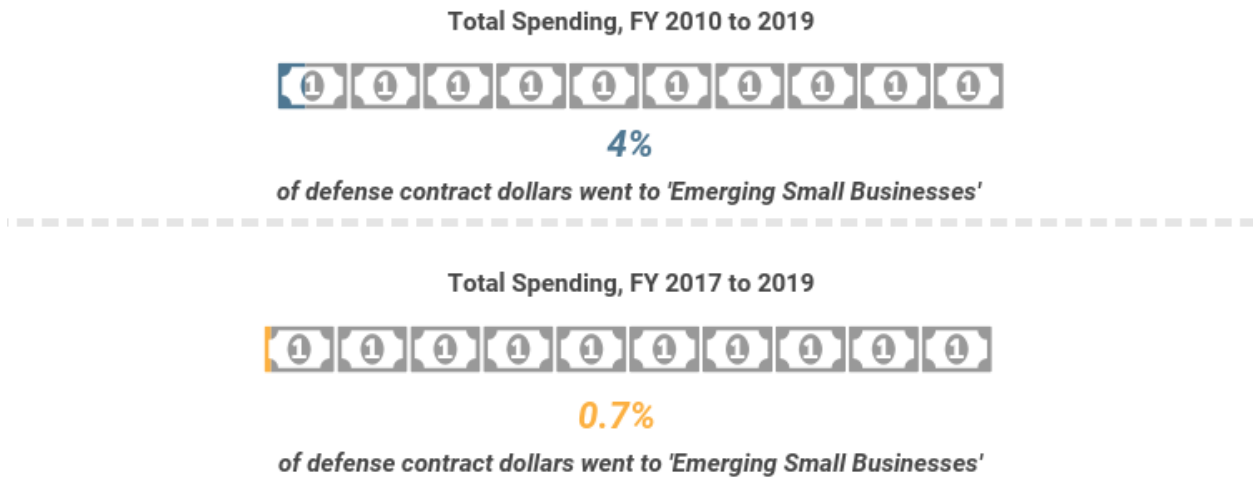


Figure 18: Defense spending in Alaska by dollars awarded to Emerging Small Businesses, in real 2018 dollars

Spotlight: Alaska Native Corporations

Alaska Native Corporations (ANC) play an important role in Alaska's defense contract world. Forty-four percent of the contract dollars for defense work performed in Alaska were awarded to ANCs.

Alaska Native Corporations receive the largest portion of defense dollars

Defense spending in Alaska by contracts awarded to Alaska Native Corporations, FY 2010 to 2019 in real 2018 dollars.



Half of all defense contract dollars in Alaska go to Alaska Native Corporations

Figure 19: Defense spending in Alaska by contracts awarded to Alaska Native Corporations, FY 2010 to 2019 in real 2018 dollars

The prevalence of ANCs in federal contracting and especially in the defense sector is due in part to the Small Business Administration's (SBA) 8(a) program. There are many preconceived notions about this program, its goals, and impacts. Looking at the history and purpose of the program is helpful in understanding why ANCs do so much business with the federal government in Alaska and nationwide.

There are 12 Alaska Native regional corporations across the state and 174 Alaska Native village corporations. The Alaska Native Claims Settlement Act (ANCSA) of 1971 extinguished aboriginal land title

in Alaska and mandated the creation of private, for-profit corporations at the regional and village level, owned by Alaska Native 'shareholders.' These ANCs are not sovereign tribal nations, rather they are private sector entities that were given title to 44 million acres of land across Alaska to manage for the benefit of their shareholders -- only a small portion of Alaska Natives' ancestral lands.¹ ANCs provide benefits to their communities through community development, scholarships, cultural preservation, economic impact, and shared dignity and pride through recognition of land rights. Shares in ANCs cannot be bought and sold by the public like other corporations, only inherited or gifted to certain family members, which maintains Alaska Native ownership.

The SBA Minority Small Business and Capital Ownership Development Program – commonly known as the 8(a) program – was created to support minority and other small, disadvantaged businesses to grow through a program of federal contracting preferences, set asides, and management and technical assistance. Businesses nationwide are attracted to SBA's 8(a) program because it supports the development of small businesses owned and controlled by people historically excluded from social and economic opportunities, so that those businesses can compete in the government marketplace, increasing equity of access.²

The 8(a) program was expanded in 1986 to include a provision that recognized the federal government's unique relationship and obligations to Indian tribes and Alaska Natives, allowing both Indian tribes and ANCs to become eligible for the program. In 1988, Native Hawaiian organizations were also added.³ The 8(a) program has since helped ANCs grow and provide benefit to their indigenous shareholders, as envisioned by Congress with the passage of ANCSA. Alaska tribes have had less success, compared to ANCs due to in part, limits on their bonding capabilities and structural distinctions as sovereign nations.⁴

The federal government's goal is to award at least five percent of all federal contracting dollars to 8(a) 'disadvantaged' businesses every year. Other government-wide procurement goals include five percent of contracts for women-owned small businesses, three percent to HUBZone businesses, and three percent for service-disabled veteran-owned small businesses.⁵

Generally, a small business must meet these requirements to participate in the program:

- Be a small business, as defined by the SBA;
- Not already have participated in the 8(a) program;
- Be at least 51 percent owned and controlled by U.S. citizens who are economically and socially disadvantaged;⁶
- Be owned by someone whose personal net worth is \$750,000 or less;
- Be owned by someone whose average adjusted gross income for three years is \$350,000 or less;
- Be owned by someone with \$6 million or less in assets;
- Have the owner manage day-to-day operations and make long-term decisions;

¹ <https://ancsaregional.com/overview-of-entities/>

² SBA 8(a) Business Development program. <https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program>

³ <https://fas.org/sgp/crs/misc/R44844.pdf>

⁴ Ron Perry. President, National 8a Association.

⁵ <https://www.sba.gov/sites/default/files/2018-02/ANC%20Workbook%20P.pdf>

⁶ https://www.ecfr.gov/cgi-bin/text-idx?SID=ee1595e6b78f39b1563ab8a8440bc7cc&mc=true&tpl=/ecfrbrowse/Title13/13cfr124_main_02.tpl

- Have all its principals demonstrate good character; and,
- Show potential for success and be able to perform successfully on contracts.

Firms owned by ANCs, community development corporations (CDC), Native Hawaiian organizations, and Indian tribes must abide by many of the same regulations as other 8(a) firms, including the maximum of nine years in the program for individual firms and limits on subcontracting. However, some requirements differ for these entities.

As part of its annual review, each 8(a) program participant owned by an ANC (or a CDC, Indian tribe, or Native Hawaiian organization) must submit to the SBA information showing how they have provided benefits to Native members and/or Native member community due to the corporation's participation in the program. This data includes information relating to funding cultural programs, employment assistance, jobs, scholarships, internships, subsistence activities, and other services. The assumption and hope is that profits from ANC and tribal participants in the 8(a) program go toward many shareholders or tribal members, amplifying the benefits of the program and providing for increased tribal sovereignty and nation building.

What do we know about subcontractors in Alaska?

Subcontracts—the contracts awarded and supervised by a prime recipient of a federal contract—make up an important component of the defense supply chain. Large contractors often require specialized services that can be provided by another firm, for example. Subcontracting can also be an important means by which small businesses, who may lack the capacity to perform large multi-million-dollar contracts, can participate in the federal marketplace.

Table 8: Subcontract awards to be performed in Alaska in FY19, by detailed industry

Industry (detailed)	FY19 Amount (Current dollars)
Commercial and Institutional Building Construction	\$179,450,708
Rooming and Boarding Houses	93,966,828
Service Establishment Equipment and Supplies Merchant Wholesalers	13,264,408
Engineering Services	12,058,053
Water and Sewer Line and Related Structures Construction	8,468,512
Facilities Support Services	7,261,525
Remediation Services	3,457,714
Guided Missile and Space Vehicle Manufacturing	1,799,322
Site Preparation Contractors	1,101,973
Computer Systems Design Services	1,036,322
Computer Facilities Management Services	692,964
Ship Building and Repairing	626,727
Other Heavy and Civil Engineering Construction	575,742
Oil and Gas Pipeline and Related Structures Construction	451,223
Wired Telecommunications Carriers	417,827
Research and Development in the Physical, Engineering, and Life Sciences	406,236
Power and Communication Line and Related Structures Construction	368,134
Military Armored Vehicle, Tank, and Tank Component Manufacturing	198,400
Environmental Consulting Services	95,000
Communication Equipment Repair and Maintenance	81,170
Other Computer Related Services	76,901
Advertising Agencies	50,000
Hazardous Waste Treatment and Disposal	31,970
Total	\$325,937,659

As Table 8 above shows, a total of about \$326 million went to subcontracts for work to be performed in Alaska in FY19, according to data published by USASpending.gov. More than half of this total, about \$179 million, fell under Commercial and Institutional Building Construction. Most of the remainder went to Rooming and Boarding Houses (\$94 million). The 21 remaining industries accounted for less than 20 percent of the total subcontract amount for 2019.

Subcontract data is less robust than the prime award data taken from FPDS. While FPDS data is entered by federal agencies when award actions are taken, subaward data is reporting by prime contractors to federal agencies. Some pieces of information are not reported consistently. As one example, there is no vendor name listed for \$266 million of the \$326 million in subcontracts awarded in FY19. The data generally only includes first-tier subcontractors, or those directly under the prime contractor. However, it is not unusual for some contracts to have second or third tier subcontractors, which would not be reflected in the data.⁷

⁷ <https://www.usaspending.gov/about>

Does the military fund research and development in Alaska?

Historically, the U.S. military has been a major patron of technology, research, and development (R&D). Computers, the internet, and satellite telecommunications are examples of innovation developed at least in part for defense applications, and later commercialized in the civilian world. In Alaska, several of the state's R&D assets like research institutes within the University of Alaska System and the Alaska Aerospace Corporation have defense applications and funding. As this report has shown, most defense procurement and contract spending goes to construction and installation support and operations. So how much R&D-related defense funding does Alaska receive?

In terms of contract procurement, the military spent an average of about \$20 million per year in Alaska between FY17 and FY19 on contracts that can be classified as R&D. These include the categories of "research and development in the physical, engineering, and life sciences" and "research and development in the social science and humanities." Nearly all of this was spent by DoD, with very little coming from DHS.

Of the nearly \$61 million in R&D contract spending during the three years, about \$53 million went to the Alaska Aerospace Corporation, a state-owned entity that operates the Pacific Spaceport Complex, formerly known as the Kodiak Launch Complex. Other notable recipients include Katmai Health Services (\$4 million), and Old Harbor Native Corporation (\$1.8 million).

University of Alaska

Both the University of Alaska Fairbanks and University of Alaska Anchorage receive some contractual funding from DoD and DHS, but a larger share of military funding they receive is classified as grant funding. In FY19 DoD and DHS awarded at approximately \$68 million in grants and contracts to the University of Alaska system to fund research and development, as well as other professional and technical services. This data comes from USASpending.gov, and represents dollar amounts awarded during the fiscal year, but not the actual amount spent. In many cases, the amount awarded is for multiple years.

Data on DoD and DHS grants and awards to Alaska universities does not consistently track activities by NAICS or PSC codes. However, some contracts are recorded by NAICS code, giving some detailed information on the work funded at Alaska universities. Of the contracts with recorded NAICS information, the top detailed industries included Research and Development in the Physical, Engineering, and Life Sciences and All Other Professional, Scientific, and Technical Services. These two detailed industries individually encompass approximately a quarter of the funding awarded to higher education entities in Alaska.

Defense-related grants to the University of Alaska

University of Alaska DoD and DHS prime contract/grant value by detailed industry, FY 2019 in real 2018 dollars.

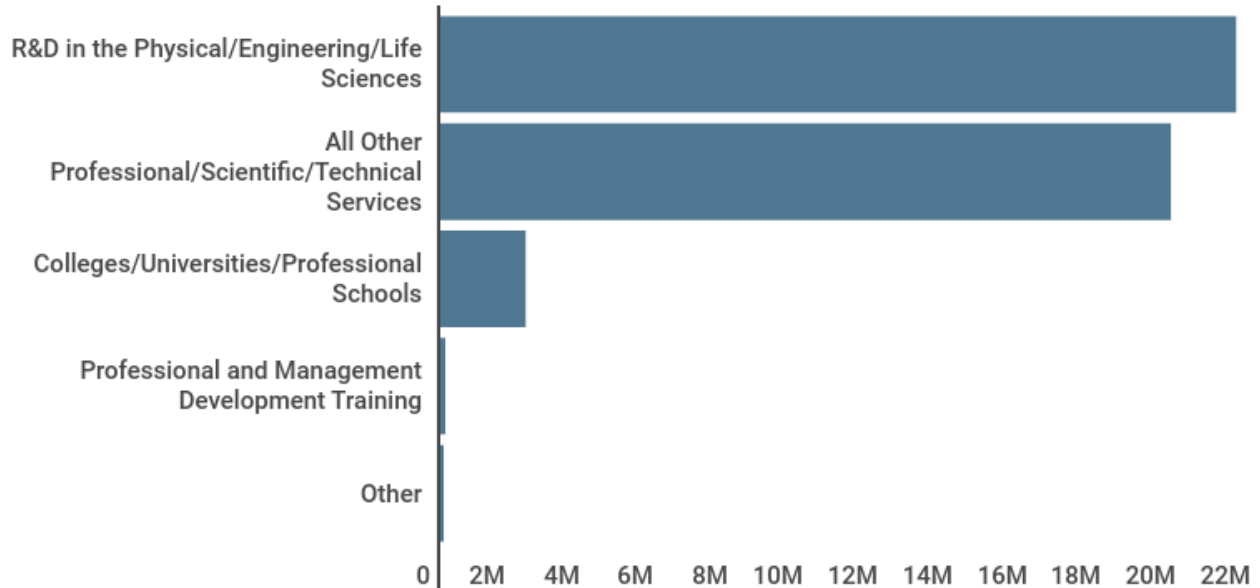


Figure 20: University of Alaska DoD and DHS prime contract/grant value by detailed industry, FY 2019 in real 2018 dollars

More detailed project descriptions provided by the DoD and DHS provides more insight on the type of work and projects funded by the military. Research and development for missile/space systems held the largest award in FY19, followed by Nuclear Arms Control Technology (NACT) operations and maintenance. These two contracts make up a quarter of the value of contracts/awards awarded to higher education in Alaska.

Table 9: Top 10 defense funded University of Alaska Awards, FY19

Individual Project Description	Total Spending (Real 2018 Dollars)
R&D for Missile/Space Systems Advanced Development	\$19,612,026
NACT Waveform Operations and Maintenance	13,690,145
Alaska Regional Collaboration for Technology Innovation and Commercialization	10,748,689
NACT Operations and Maintenance Support	5,903,119
Alaska Hub for Energy Innovation and Deployment	3,948,648
Centers for Homeland Security	3,849,931
UARC Support	1,842,938
Navy-Funded Cruises on R/V	1,720,350
Alaska Center for Innovation, Commercialization, and Entrepreneurship	987,162
Environmental Research Follow-On	963,359

The University of Alaska system hosts campuses across the state, with three main campuses in in Anchorage, Fairbanks, and satellite campuses located in more remote areas of the state. Similarly, defenses funded university activities occur across the state. However, the University of Alaska Fairbanks

receives the majority of the defense funding, hosting approximately 75 percent of the total grants and contracts awarded in FY19 in the Fairbanks North Star Borough.

Table 10: UA Defense Grant Value by Principal Place of Performance, FY 2019

Borough/Census Area	Amount (real 2018)
Fairbanks North Star Borough	\$50,715,468
Statewide	15,474,301
Out-of-state	1,416,397
Anchorage	118,968
Valdez-Cordova	15,202
Ketchikan Gateway	9,461
Total	67,749,798

Small Business Innovation Research

Another mechanism for DoD and DHS to fund R&D is through two programs administered by the U.S. Small Business Administration: Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR). Under the SBIR and STTR programs, federal agencies make competitive grants to small businesses to develop a technologically innovative product. Several federal departments participate in the program, including those under DoD and DHS.

A relatively small number of SBIR and STTR awards have been made in Alaska under the two departments. From 1988 to 2020, only 30 military or defense-related awards were made to Alaska companies—an average of less than one per year.⁸

Table 11: SBIR and STTR awards to Alaska businesses funding by DoD and DHS

Year	Awards	Amount (nominal)
1988	2	\$141,200
1995	1	69,995
1996	1	98,945
1997	1	100,000
2000	2	480,257
2002	1	70,000
2003	3	819,793
2004	1	70,000
2005	2	200,000
2006	3	299,370
2007	2	810,670
2008	1	69,856
2010	2	1,319,620
2011	1	149,267
2012	3	443,177
2014	1	1,132,799
2016	1	149,968
2017	1	916,655
2020	1	139,578

⁸ SBIR and STTR award data, sbir.gov

How is defense spending distributed across the state?

Some amount of military procurement spending occurs across nearly all boroughs and census areas in Alaska. Between FY17 and FY19, 28 of the state's 29 boroughs and census areas recorded DoD or Coast Guard contract spending. However, spending is especially concentrated near the state's major Army and Air Force installations. These are located in the Municipality of Anchorage, the Fairbanks North Star Borough, The Denali Borough, and the Southeast Fairbanks Census Area. Together the Anchorage/Mat-Su and Interior regions account for more than 80 percent of all military contracting.



Figure 21: Map of Alaska's economic regions

It can be noted, however, that defense spending can have an outsized economic impact in smaller communities even if it occurs at lower levels. For example, while the Anchorage/Mat-Su region receives the highest concentration of military contract attention it makes up a smaller share of the regional economy than in the Fairbanks North Star Borough, with its smaller population.⁹

Fairbanks North Star Borough hosts the second highest concentration of defense spending with Eielson Air Force Base and Fort Wainwright located fully within the borough boundaries. The nearby Denali Borough also receives a high concentration of spending as the location of Usibelli coal mine, the fuel source for Interior Alaska military installations' heat and power. Denali Borough is also home to Clear Air Force Base, with centralizes additional defense spending in the region.

⁹ CED, Economic Impacts of the Military in Alaska, 2020.

Table 12: Regional breakdown in defense procurement spending, ten-year and three-year

Region	FY10-19		FY17-19	
	FY10-19 Annual Average	Share	FY17-19 Annual Average	Share
Anchorage/Mat-Su	1,020,829,386	55%	959,704,414	51%
Gulf Coast	90,491,496	5%	73,216,423	4%
Interior	618,227,208	33%	737,777,020	40%
Northern	29,118,194	2%	19,006,862	1%
Southeast	30,942,978	2%	35,878,748	2%
Southwest	62,455,922	3%	41,773,122	2%
Total	1,852,065,183	100%	1,867,356,587	100%

Although areas outside of Anchorage/Mat-Su and the Interior receive a relatively small proportion of spending, the contribution to local economies can still be significant. The Coast Guard bases on Kodiak Island and in Southeast Alaska bring tens of millions of dollars to communities each year, in addition to supporting maritime economic activity.

JBER is the biggest driver of contracting dollars

Contract spending by place of performance annually and ten-year total, FY 2010 to 2019 in real 2018 dollars.

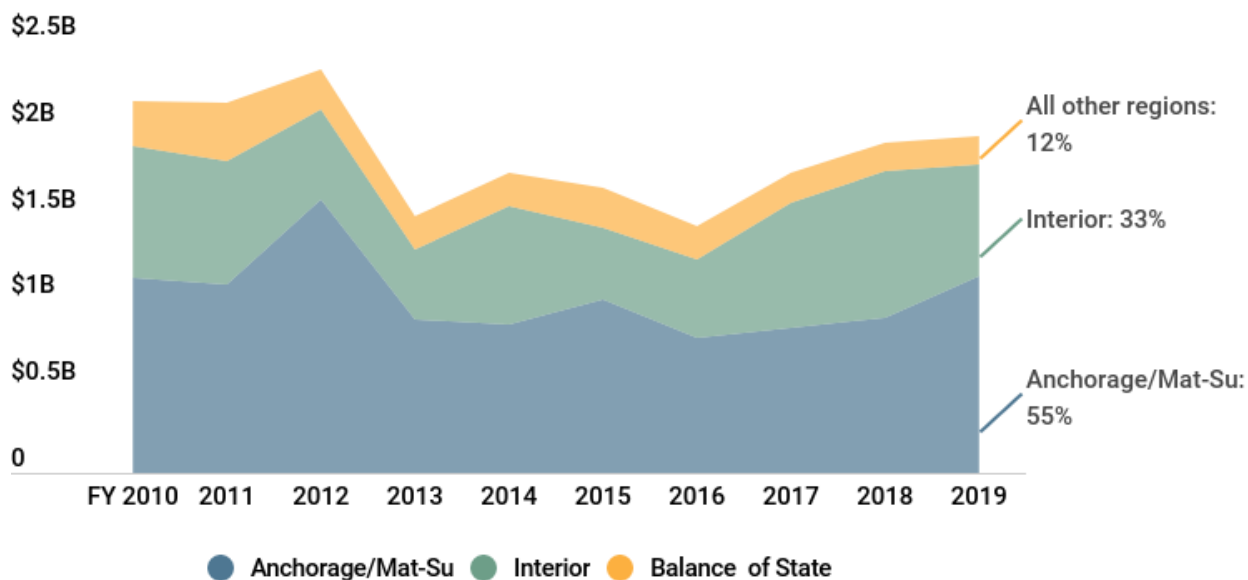


Figure 22: Contract spending by place of performance annually and ten-year total, FY 2010 to 2019 in real 2018 dollars

Another perspective on the concentration of defense spending across the state is comparing contract dollars to regional population, in regions with lower population density, defense dollars can have a bigger impact. However, as a relatively sparsely populated region which receives a significant portion of the defense dollars spent in Alaska, defense contract spending per capita in Interior Alaska is significantly higher than the rest of the state. Anchorage hosts the largest population in the state; therefore, defense contract dollars are more spread out and represent a smaller portion of the local economy.

Interior leads in per capita spending on contracts

Total defense contract spending in Alaska per capita by economic region, FY 2017 to 2019 in real 2018 dollars.

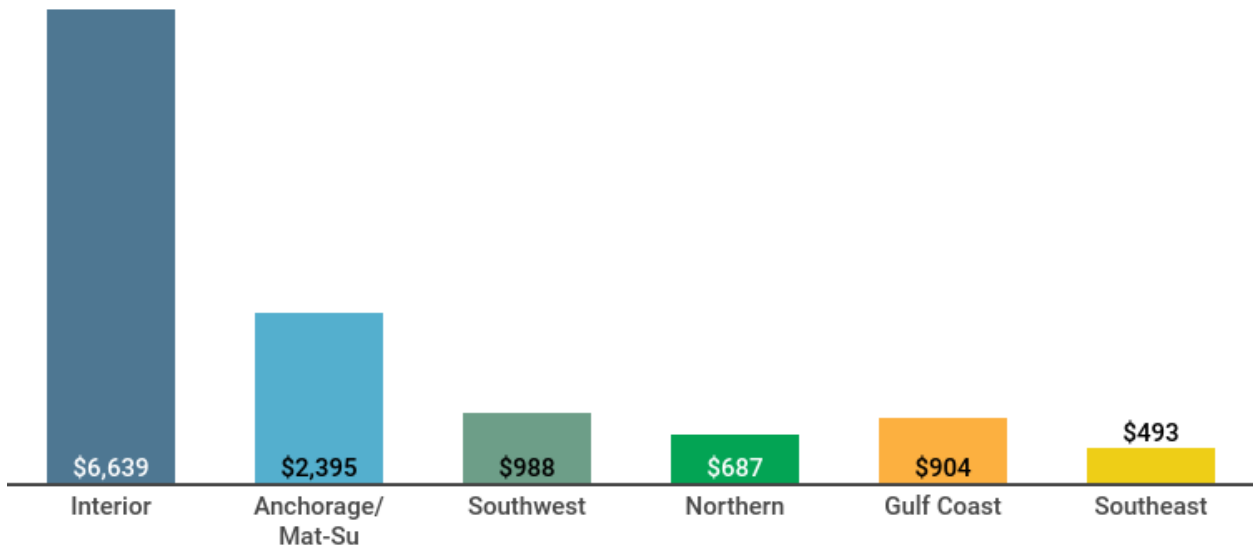


Figure 23: Total defense contract spending in Alaska per capita by economic region, FY 2017 to 2019 in real 2018 dollars

Who gets the contracts performed in Anchorage?

A major topic of interest to decisionmakers and economic developers is whether local vendors are receiving a large enough share of contract dollars awarded by local installations. As the commercial center and largest city in Alaska, and location of its largest installations, Anchorage is home to most of the state’s vendors. From FY10-19, Anchorage-based vendors captured 71 percent of the contract dollars awarded for work performed within the Municipality of Anchorage. Contractors based out of state received most of the remainder, with only 6 percent going to vendors based elsewhere in Alaska.

Who gets contracts performed in Anchorage?

Contracts performed in Anchorage by location of vendor annual and ten-year total, real 2018 dollars.

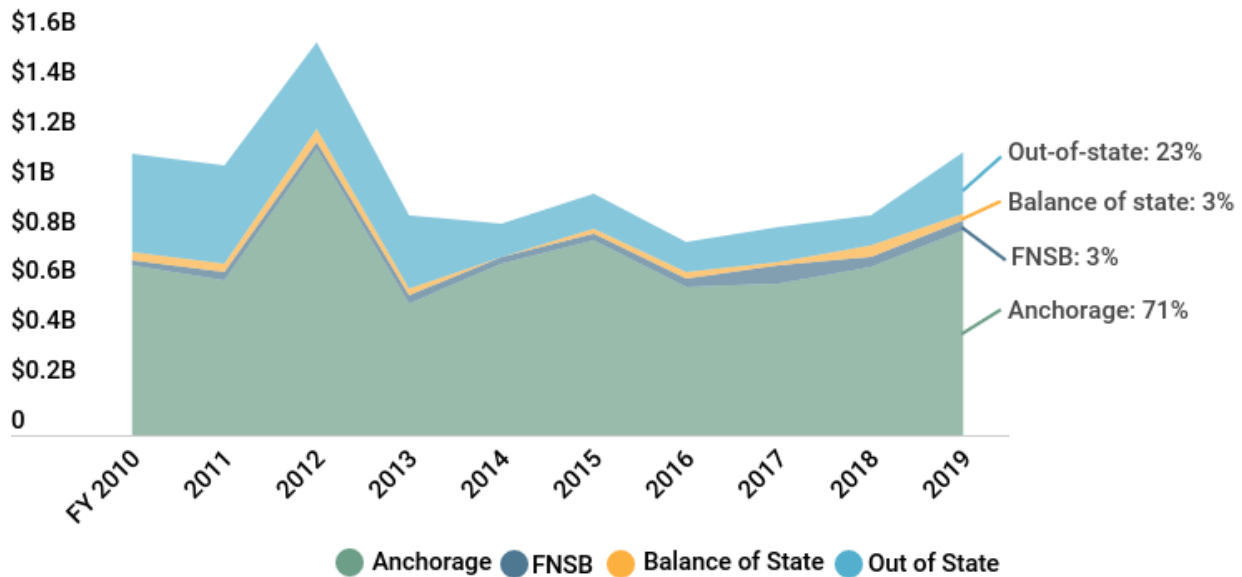


Figure 24: Contracts performed in Anchorage by location of vendor annual and ten-year total, real 2018 dollars

Looking at the top 10 contracting industries performed in Anchorage shows that local vendors win most of the contract dollars in all categories except Fossil Fuel Generation and Remediation Services. Fairbanks-based Doyon, Limited currently operates the JBER utilities. Out-of-state contractors capture the most dollars in Facilities Support Services, Commercial Building Construction, and Remediation Services.

An in-depth look at contracts awarded in Anchorage

Top industries for contracts performed in Anchorage by location of vendor FY 2010-2019, real 2018 dollars.

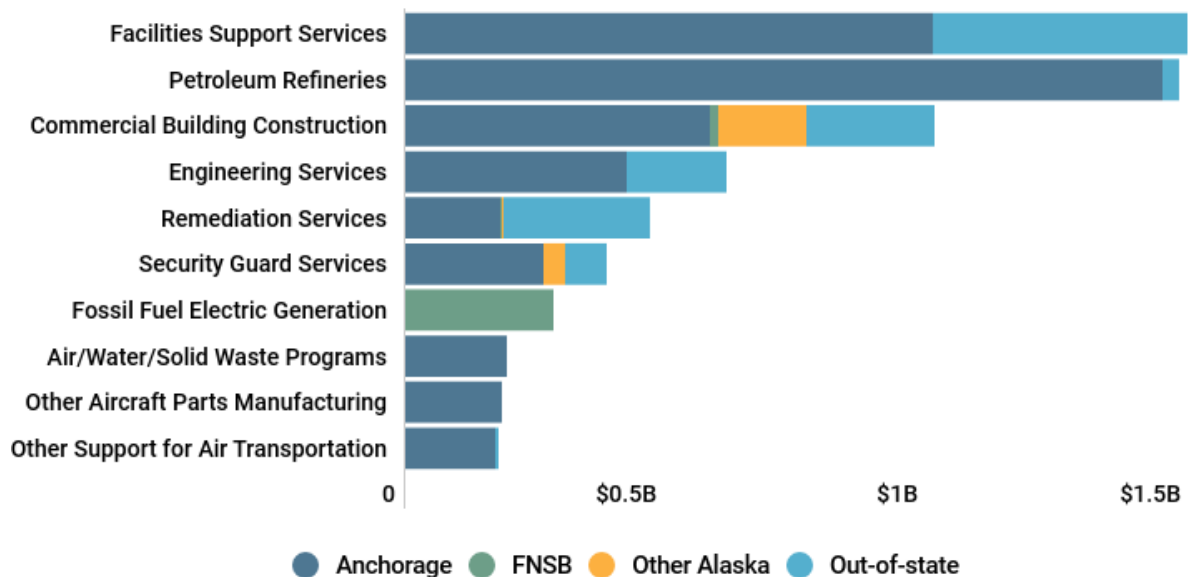


Figure 25: Top industries for contracts performed in Anchorage by location of vendor FY 2010-2019, real 2018 dollars

As home to most of the state’s defense contractors, Anchorage-based vendors also perform non-local contracts based elsewhere in Alaska or out of state. Taken as a group, prime contractors headquartered in Anchorage received almost two-thirds of their defense contract revenue from work performed out of state. Many of these companies are Alaska Native Corporations who operate globally, and Anchorage itself represents a relatively small portion of the defense marketplace—about a quarter of their defense revenues. Only 10 percent comes from other parts of Alaska.

Where do Anchorage vendors do business?

Contracts performed by vendors from Anchorage annual and ten-year total, real 2018 dollars.

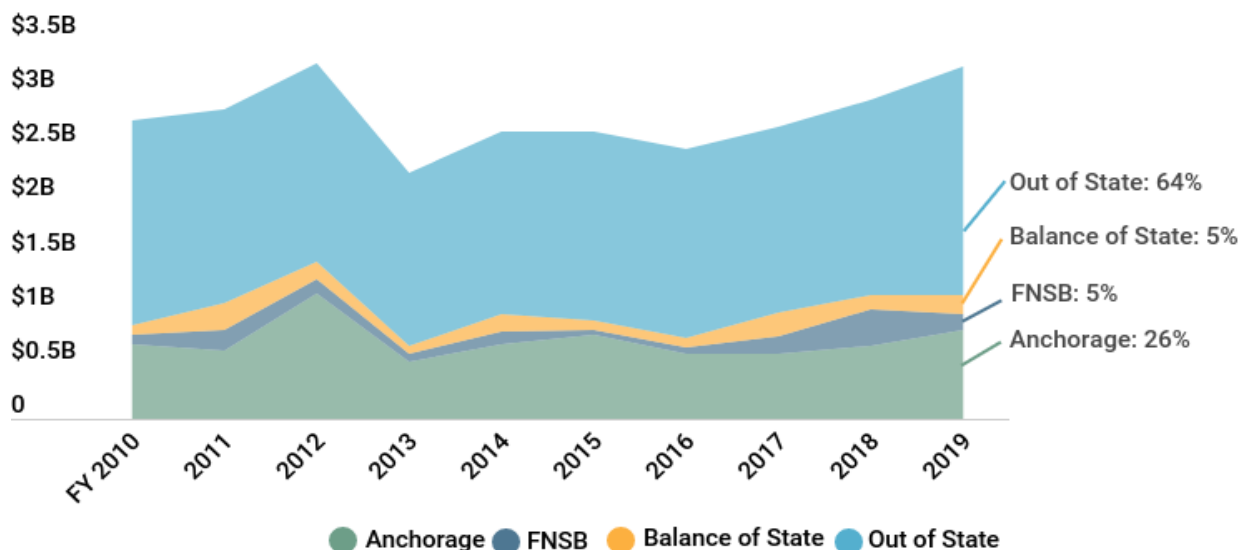


Figure 26: Contracts performed by vendors from Anchorage annual and ten-year total, real 2018 dollars

Who gets the contracts performed in the Fairbanks North Star Borough?

Contractors based in the Fairbanks North Star Borough (FNSB) captured 27 percent of the total defense contract dollars awarded for work performed locally between FY10 and 19. Out-of-state and Anchorage contractors together captured about two-thirds of the contract value. However, locally awarded contract values appear to be much steadier from one year to the next than the contract values performed by non-local contractors. During large spending years like FY10 and FY18, non-locals capture a larger share. During lower spending years, FNSB vendors do not see their contract value decline significantly. This means that while non-locals capture a large share of one-time spending increases, such as for large construction projects, FNSB vendors enjoy more predictable revenues.

Who gets contracts that are performed in Fairbanks?

Contracts performed in FNSB by location of vendor annual and ten-year total, real 2018 dollars.

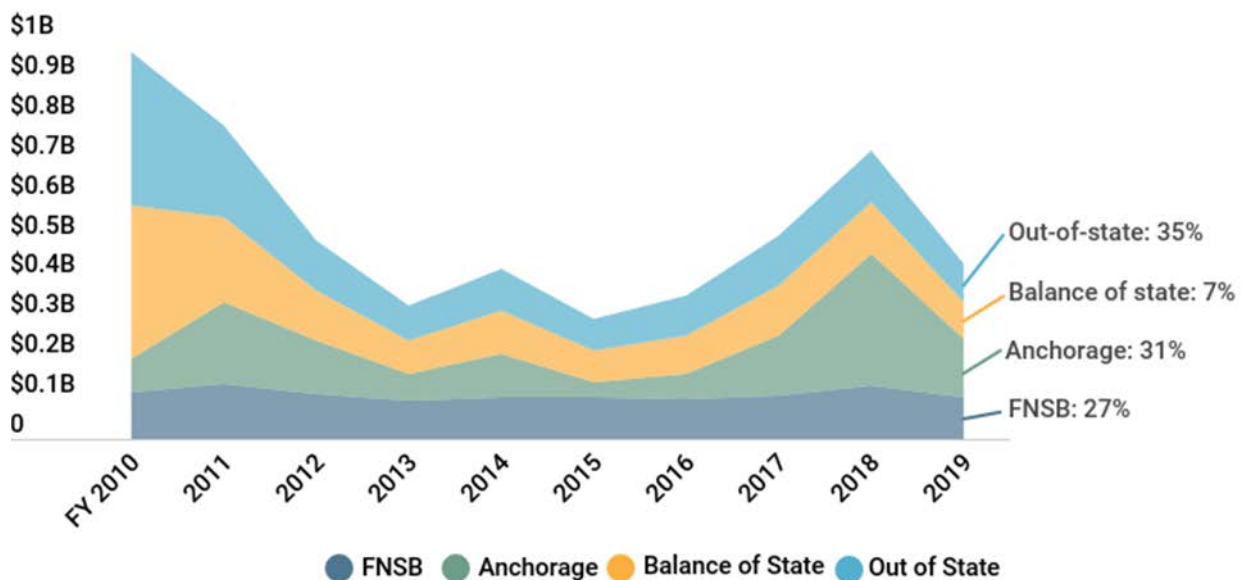


Figure 27: Contracts performed in FNSB by location of vendor annual and ten-year total, real 2018 dollars

A look at the top 10 detailed industries supports this perspective. Out-of-state and Anchorage contractors received a large majority of the Commercial Building Construction contract values, which consist mostly of large one-time spending events. Fairbanks contractors did better in Fossil Fuel Electric Generation and sales of coal, which offer fairly consistent revenues each year.

An in-depth look at contracts awarded in FNSB

Top industries for contracts performed in FNSB by location of vendor FY 2010-2019, real 2018 dollars.

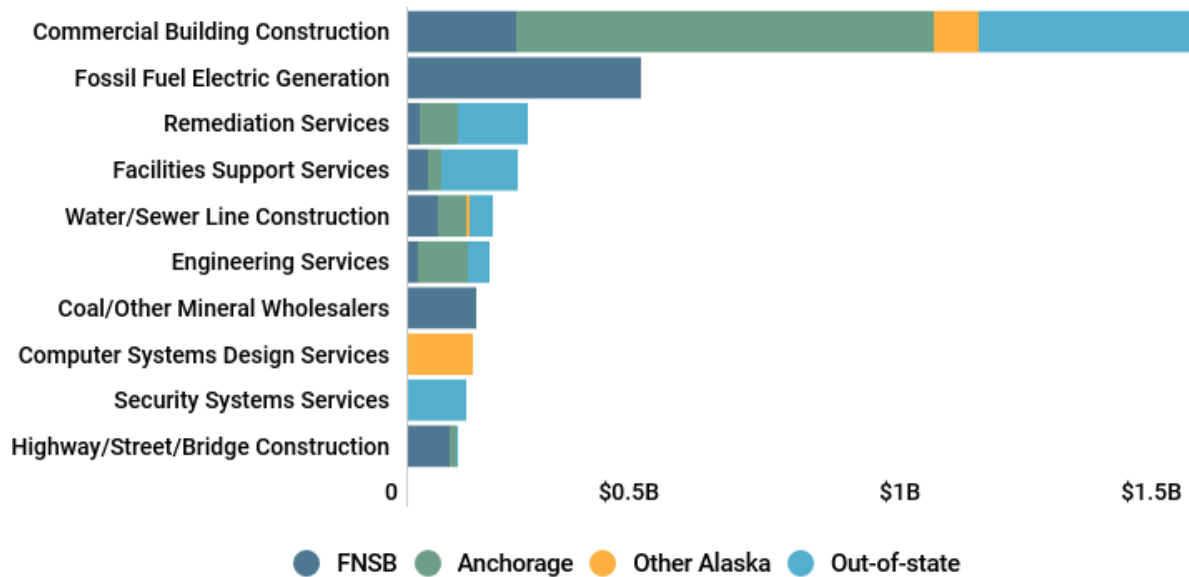


Figure 28: Top industries for contracts performed in FNSB by location of vendor FY 2010 to 2019, real 2018 dollars

While Anchorage-based vendors receive a majority of their defense contract revenues from non-local contracts, FNSB-based vendors have a more local orientation. About 57 percent of their defense contract revenue comes from contracts performed within the FNSB itself. However, this still means a sizable share of contract values are non-local. Almost a fifth of FNSB contract revenue comes from Anchorage, and another fifth from out of state. The remaining 10 percent performed elsewhere in Alaska consists primarily of contracts in the Denali Borough and Southeast Fairbanks Census Area, home to Clear Air Force Station and Fort Greely.

Where do Fairbanks vendors do business?

Contracts performed by vendors from FNSB annual and ten-year total, real 2018 dollars.

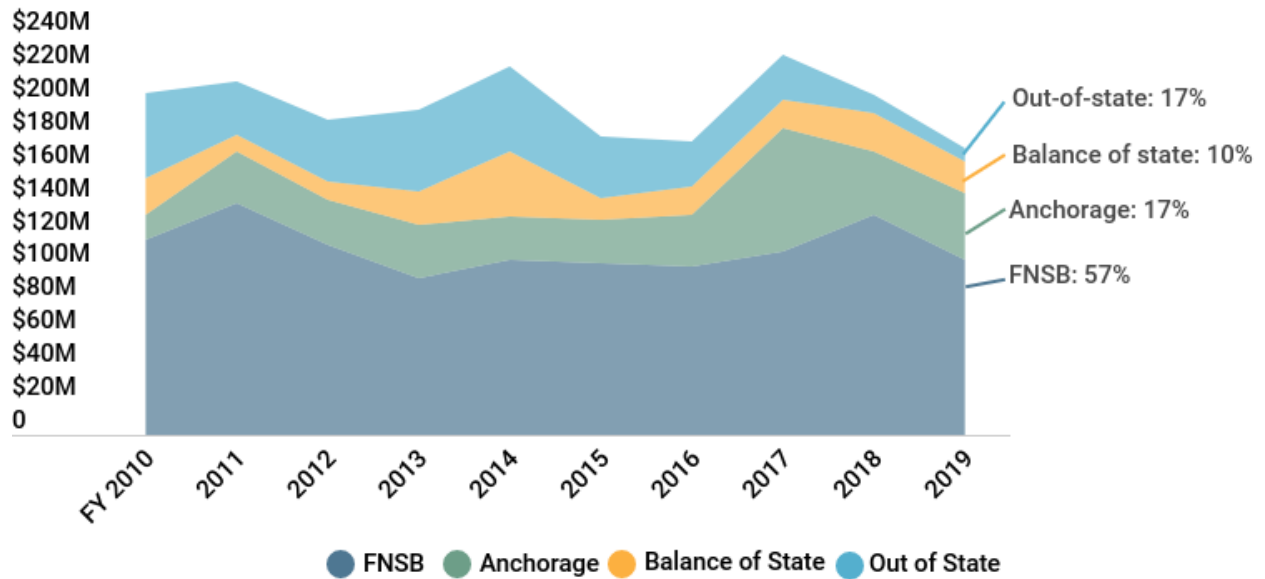


Figure 29: Contracts performed by vendors from FNSB annual and ten-year total, real 2018 dollars

Southeast Regional Profile

With its historical dependence on fisheries and marine transportation, Southeast Alaska hosts a large Coast Guard presence. In 2019, over 600 active-duty personnel were based in the region, primarily at USCG stations in Juneau, Sitka, and Ketchikan. Although the Coast Guard accounts for most of the personnel, contract spending is relatively evenly divided between DoD and DHS agencies most years.



Figure 30: Map of Southeast region within Alaska

Contract spending in Southeast Alaska

Defense and Homeland Security contract spending in the Southeast region, real 2018 dollars.

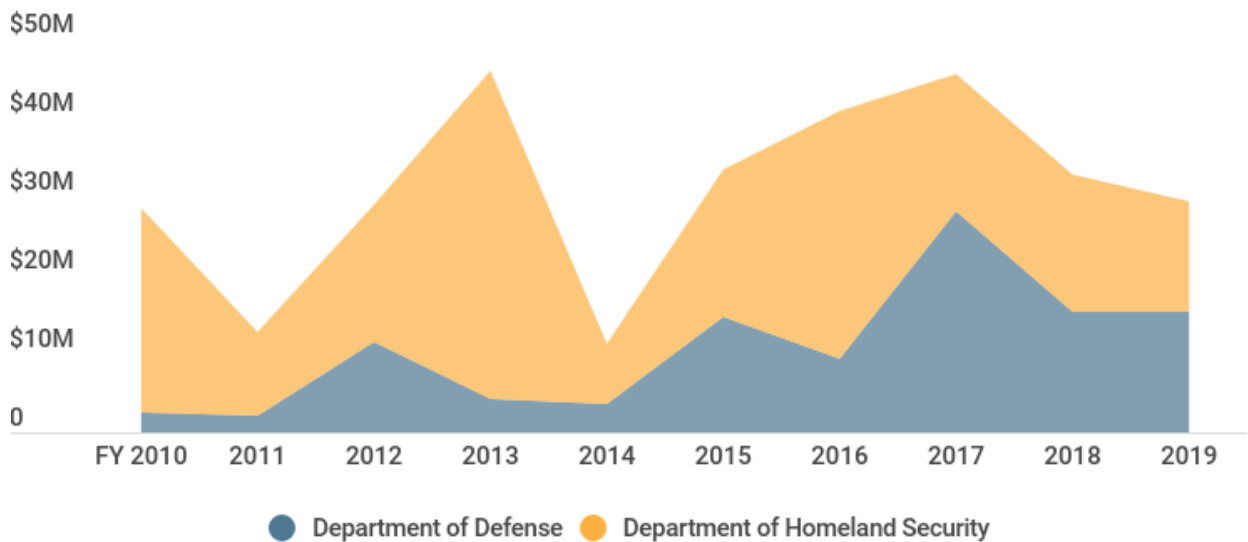


Figure 31: Defense and Homeland Security contract spending in the Southeast region, real 2018 dollars

Although the Coast Guard accounts for most of the personnel and visible military presence in the region, the combined spending of the Army, Air Force, and Navy is comparable to that branch. In FY19, DoD contract spending of \$15.3 million exceeded DHS spending of \$14 million.

Southeast spending by agency

Contract spending in Southeast Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

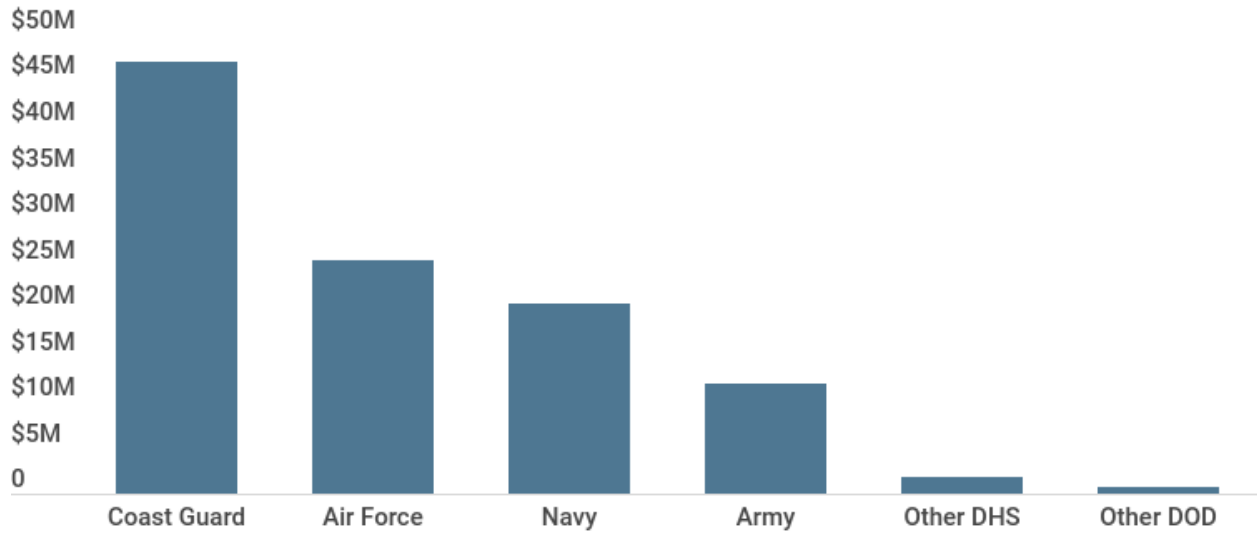


Figure 32: Contract spending in Southeast Alaska by Agency, FY 2017 to 2019 in real 2018 dollars

Of the DoD branches, the Air Force spent the most on contracts, followed by the Navy and then the Army.

Contract spending in Southeast Alaska by sector

DoD and DHS contract spending by sector in the Southeast region, FY 2017 to 2019 in real 2018 dollars.

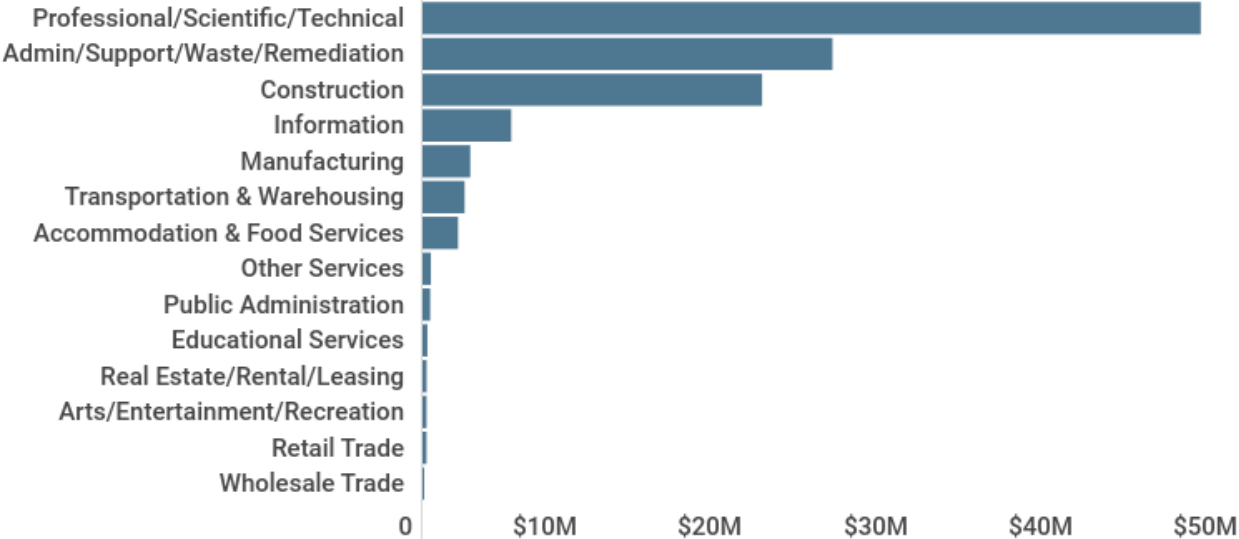


Figure 33: DoD and DHS contract spending by sector in the Southeast region, FY 2017 to 2019 in real 2018 dollars

Professional services were the main driving force in Southeast contract spending over the three-year period, followed by remediation and construction. These top three categories accounted for two-thirds of all military contract spending in the region.

In-state and out-of-state vendors captured roughly equal amounts of contract spending in Southeast Alaska from FY17-19. Contractors based outside the state received more professional services and remediation contract dollars, while in-state contractors dominated in construction and information.

Table 13: Southeast region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Professional, Scientific, and Technical Services	\$20,552,523	\$26,606,776	43.6%
Administrative and Support and Waste Management and Remediation Services	8,746,866	16,094,083	35.2%
Construction	16,938,345	3,634,501	82.3%
Information	5,334,238	40,850	99.2%
Manufacturing	651,701	2,241,961	22.5%
Transportation and Warehousing	983,476	1,564,760	38.6%
Accommodation and Food Services	-	2,151,312	0.00%
Other Services (except Public Administration)	400,317	102,913	79.6%
Public Administration (not covered in economic census)	459,807	3,939	99.2%
Educational Services	266,940	26,286	91.0%
Real Estate and Rental and Leasing	153,916	93,282	62.3%
Arts, Entertainment, and Recreation	243,425	-	100.0%
Retail Trade	197,277	43,854	81.8%
Wholesale Trade	14,513	88,380	14.1%
Total	54,943,345	52,692,898	51.1%

As the state capital and administrative center of Southeast, Juneau received more than half of all military spending in the region from FY17-19. Ketchikan and Sitka also host Coast Guard installations, and each see several million per year in procurement spending as well. The large share of procurement spending running through Juneau likely reflects operations throughout the Southeast region.

Table 14: Contract spending in Southeast region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
Juneau	\$18,697,974	\$18,038,595	\$19,341,456	\$56,078,025
Ketchikan Gateway	9,309,191	9,813,193	6,989,840	26,112,224
Sitka	6,429,367	4,454,814	1,943,448	12,827,629
Wrangell Petersburg	8,954,906	126,565	211,717	9,293,188
Yakutat	1,450,946	-	209,023	1,659,969
Haines	422,979	338,055	517,040	1,278,074
Skagway Hoonah Angoon	25,189	78,158	100,947	204,294
Prince Wales Ketchikan	182,840	-	-	182,840

Table 15: Top 10 vendors, Southeast region, total spending over 3 years

Company Name	Total Contract Value
Haight & Associates, Inc.	\$17,681,843
SAIC, Inc.	17,522,306
Nana Regional Corp., Inc.	11,594,998
Paragon Professional Services LLC	6,443,087
Ahtna Engineering Services LLC	5,665,060
Cook Inlet Region, Inc.	5,544,023
Marine Exchange of Alaska	4,847,561
Motorola, Inc.	3,208,794
Western Marine Construction, Inc.	2,991,706
BSI - TLI JV	2,236,651

Southwest Regional Profile

Southwest Alaska—a vast region that spans from the Gulf of Alaska to the Aleutian Islands and Bering Sea—historically, hosted several important military installations. A naval base on Adak Island, closed in 1997, held as many as 90,000 personnel during WWII.¹⁰ The military used sites on the Alaska Peninsula and the Aleutians during WWII and the Cold War, in some cases leaving soil contamination behind. Today, remediation of these former sites is a major source of procurement spending. The Air Force also operates Eareckson Air Station, and the Coast Guard maintains a presence as well.



Figure 34: Map of Southwest region within Alaska

¹⁰ https://www.bracpmo.navy.mil/brac_bases/other_west/former_naf_adak.html

Contract spending in Southwest Alaska

Defense and Homeland Security contract spending in the Southwest region, real 2018 dollars.

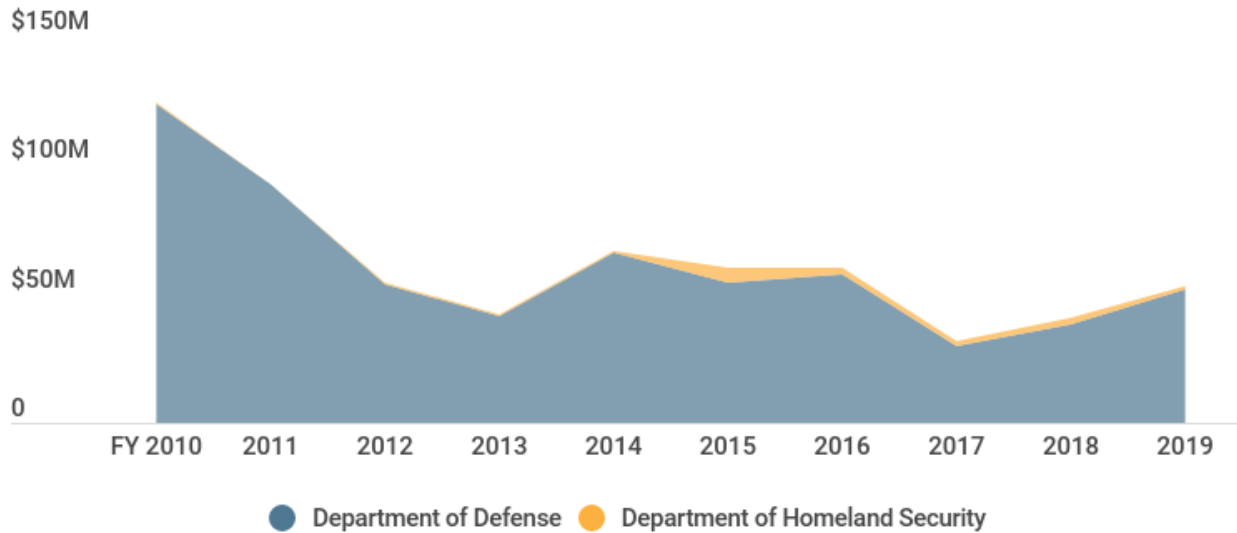


Figure 35: Defense and Homeland Security contract spending in the Southwest region, real 2018 dollars

During the FY17-19 period, Coast Guard contract spending averaged about \$2 million per year. Most of this occurred in the Aleutians West Census Area where the large commercial fishing port of Dutch Harbor is located. However, the DoD agencies together accounted for 95 percent of the \$125 million in contractual spending.

Southwest spending by agency

Contract spending in Southwest Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

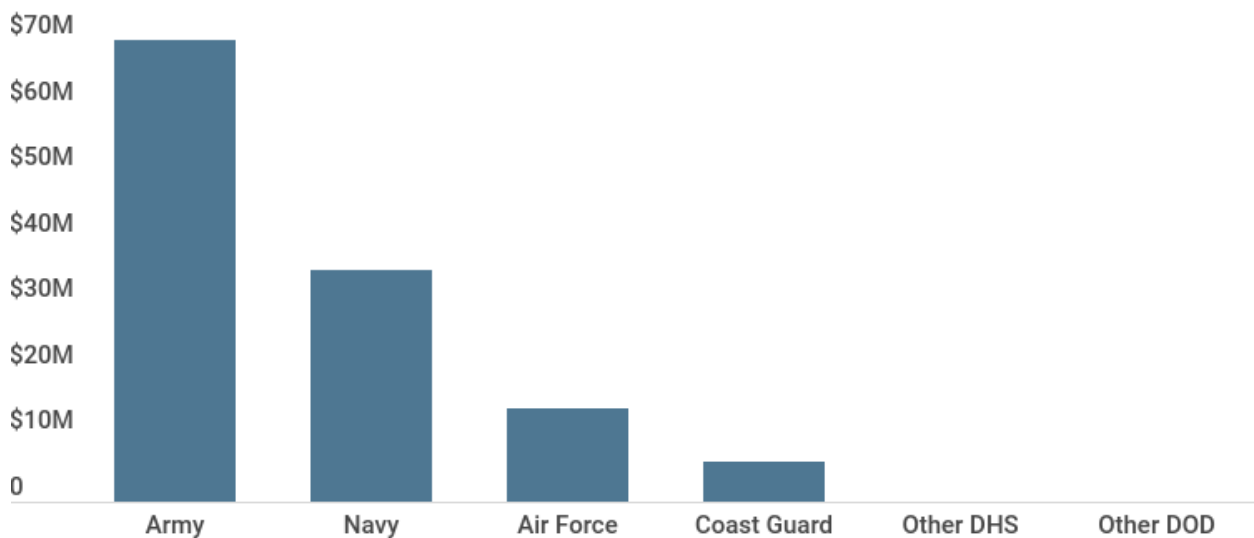


Figure 36: Contract spending in Southwest Alaska by agency, FY 2017 to 2019 in real 2018 dollars

The Army is the largest source of contracts in the region, largely due to remediation and construction projects run by the Corps of Engineers. The Navy also spends significant sums on remediation. Although

the Air Force and Coast Guard retain more personnel in the region, they spend far less on procurement than the other two branches.

Contract spending in Southwest Alaska by sector

DoD and DHS contract spending by sector in the Southwest region, FY 2017 to 2019 in real 2018 dollars.

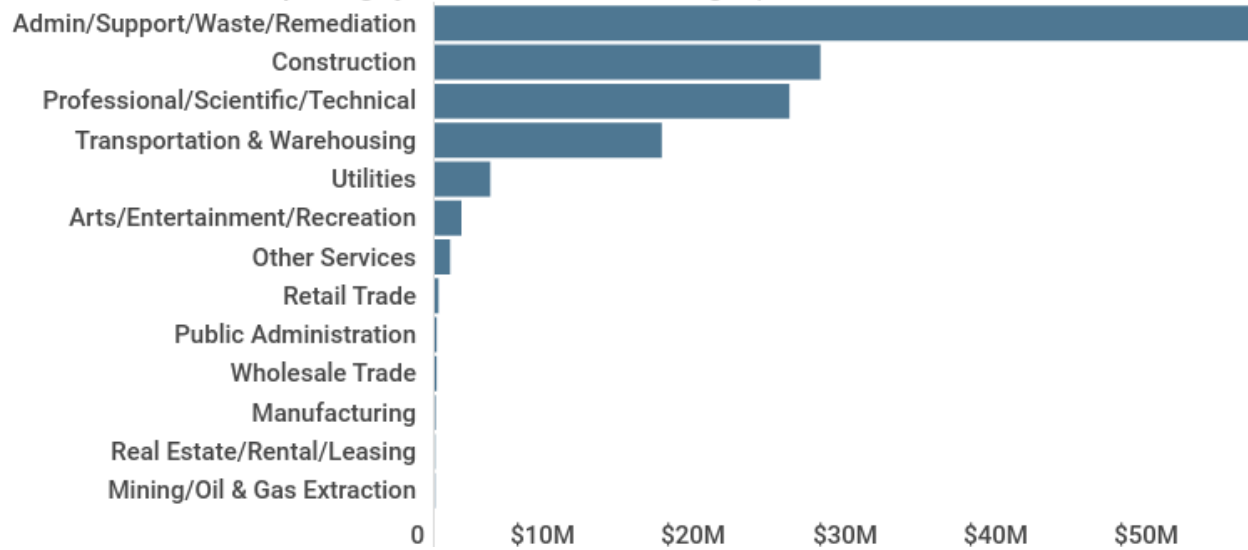


Figure 37: DoD and DHS contract spending by sector in the Southwest region, FY 2017 to 2019 in real 2018 dollars

A majority of contract spending went to Alaska-based contractors between FY17 and FY19. Alaska vendors did especially well with remediation and construction contracts. Non-Alaska firms received more spending on professional services and transportation and warehousing.

Table 16: Southwest region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Administrative and Support and Waste Management and Remediation Services	\$36,084,490	\$18,020,120	66.7%
Construction	18,142,980	7,439,195	70.9%
Professional, Scientific, and Technical Services	11,379,209	12,147,065	48.4%
Transportation and Warehousing	1,043,307	14,019,225	6.9%
Utilities	2,434,521	1,255,908	66.0%
Arts, Entertainment, and Recreation	1,764,027	-	100.0%
Other Services (except Public Administration)	586,199	439,410	57.2%
Retail Trade	257,242	-	100.0%
Public Administration (not covered in economic census)	131,888	-	100.0%
Wholesale Trade	55,592	73,769	43.0%
Manufacturing	26,967	29,875	47.4%
Real Estate and Rental and Leasing	30,222	-	100.0%
Mining, Quarrying, and Oil and Gas Extraction	29,023	-	100.0%
Information	-	2,741	0.0%
Total	71,965,667	53,424,567	57.4%

Aleutians West includes Unalaska/Dutch Harbor, the former Adak base, and Eareckson Air Station, saw the greatest spending in the Southwest Region. The Lake and Peninsula and Bristol Bay Boroughs are the targets of remediation spending. Bethel, Dillingham, and Kusilvak host a smattering of professional services and remediation work, but account for little spending comparatively.

Table 17: Contract spending in Southwest region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
Aleutians West	\$8,182,049	\$33,691,970	\$26,186,496	\$68,060,515
Lake and Peninsula	13,317,834	2,204,025	8,987,648	24,509,508
Bristol Bay	4,129,632	2,191,041	14,364,789	20,685,461
Aleutians East	2,115,746	1,547,875	2,408,678	6,072,299
Bethel	3,346,776	20,985	512,155	3,879,915
Dillingham	610,111	725,371	683,238	2,018,720
Kusilvak	-	46,702	46,245	92,947

Table 18: Top 10 vendors, Southwest region, total spending over 3 years

Company Name	Total Contract Value
Aptim Federal Services, LLC	\$14,495,396
Great Eastern Group, Inc.	13,670,071
Chemtrack Alaska, Inc.	11,710,040
Calista Corp.	9,645,349
Alaska Peninsula Corp.	8,443,121
Ahtna Engineering Services LLC	7,671,705
Western Marine Construction, Inc.	7,157,683
Cook Inlet Region, Inc.	6,389,674
Jacobs Engineering Group Inc.	5,707,631
Ahtna, Inc.	5,659,392

Northern Regional Profile

The Northern Region of Alaska spans from Norton Sound to the Chukchi and Beaufort Seas. The United States' only shoreline on the strategically important Arctic Ocean is found here, along with North America's closest point of contact with Asia. During the Cold War, the military operated telecommunications and radar equipment throughout the region. Like Southwest Alaska, however, much of the procurement spending in Northern Alaska is connected to the cleanup of formerly used sites with soil contamination.



Figure 38: Map of Northern region within Alaska

Contract spending in Northern Alaska

Defense and Homeland Security contract spending in the Northern region, real 2018 dollars.

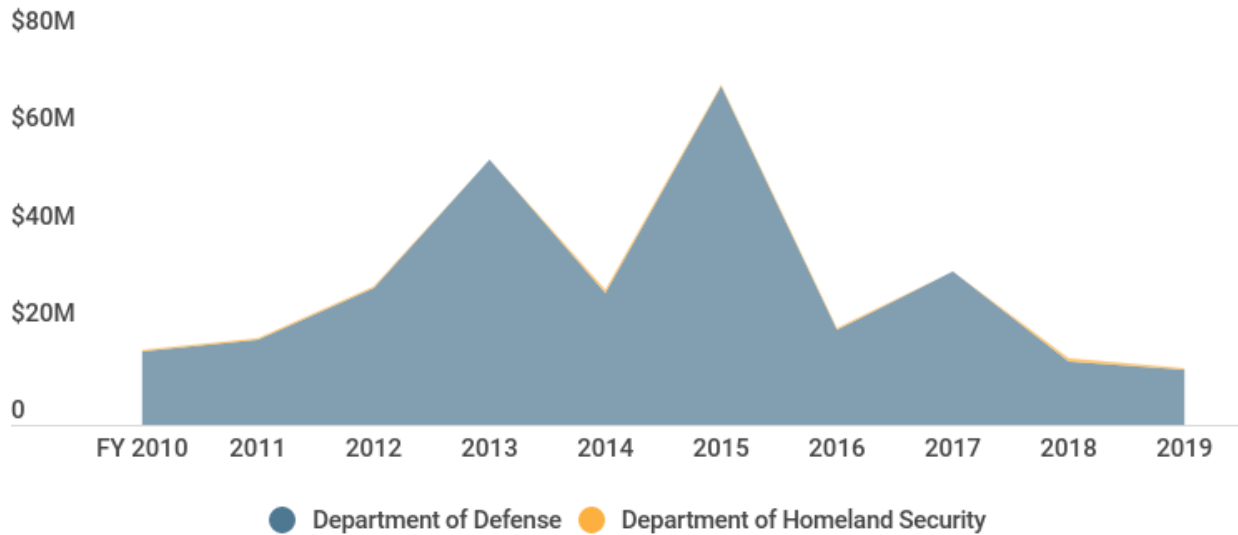


Figure 39: Defense and Homeland Security contract spending in the Northern region, real 2018 dollars

Despite Northern Alaska’s extensive coastline, the U.S. Coast Guard maintains a relatively small presence with little associated spending. DoD agencies, led by the Army, are the largest source of contract spending.

Northern spending by agency

Contract spending in Northern Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

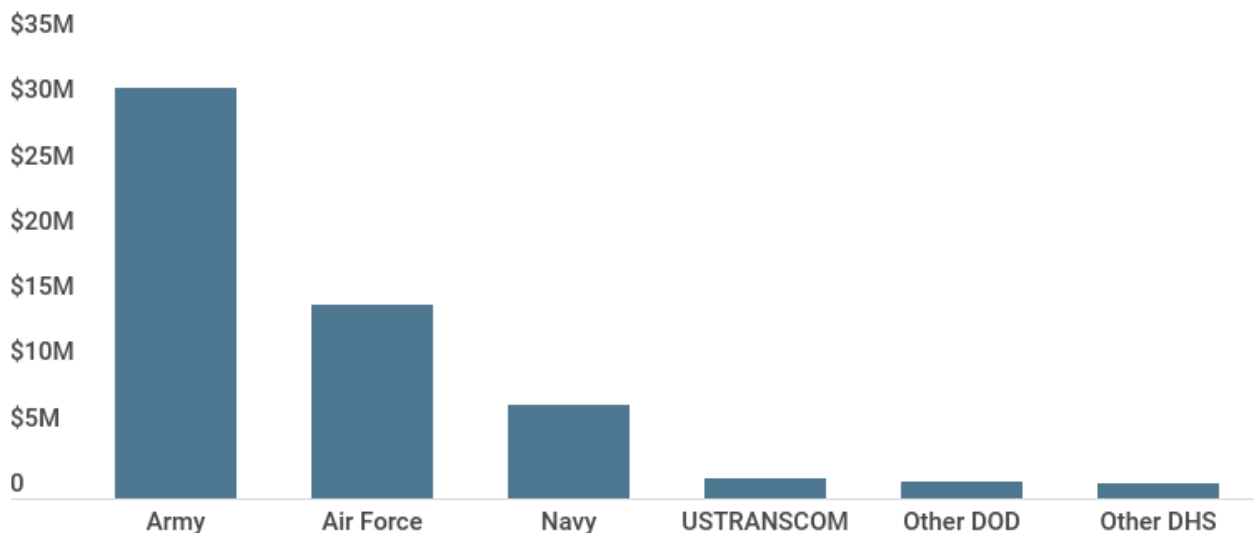


Figure 40: Contract spending in Northern Alaska by Agency, FY 2017 to 2019 in real 2018 dollars

Over half of the procurement spending in Northern Alaska related to remediation, most of it in the North Slope Borough. Professional services and construction account for most of the remainder.

Contract spending in Northern Alaska by sector

DoD and DHS contract spending by sector in the Northern region, FY 2017 to 2019 in real 2018 dollars.

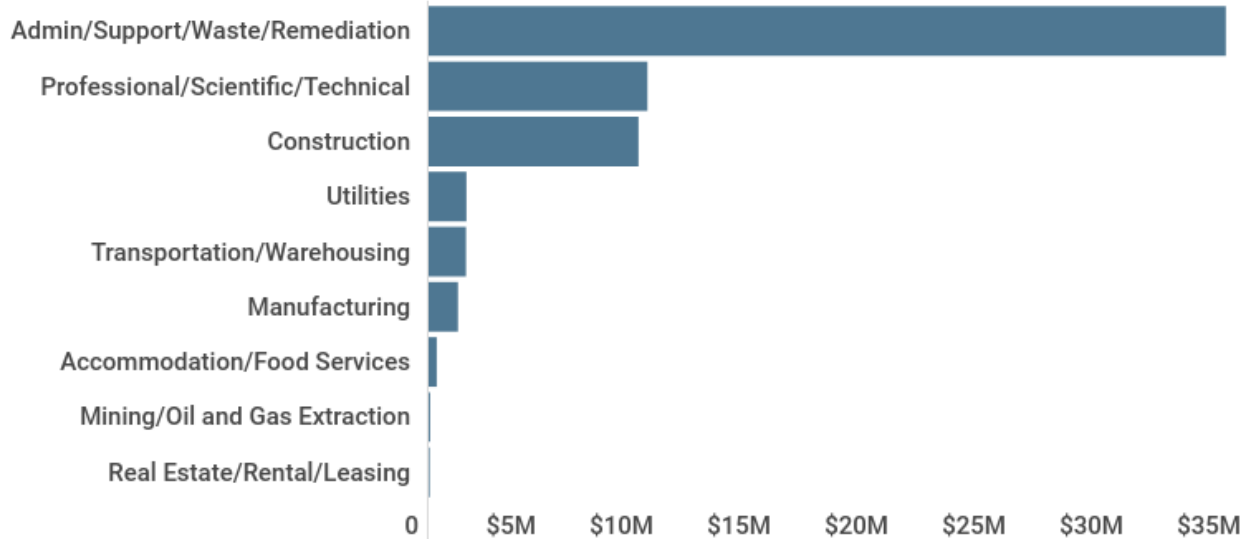


Figure 41: DoD and DHS contract spending by sector in the Northern region, FY 2017 to 2019 in real 2018 dollars

In-state vendors captured a large majority of the contract value performed in the Northern Region during the FY17-19 period. Alaska firms dominated the remediation and professional services contracts, but non-Alaska firms received more of the construction spending.

Table 19: Northern region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Administrative and Support and Waste Management and Remediation Services	\$23,938,933	\$9,990,376	70.6%
Professional, Scientific, and Technical Services	6,645,003	2,667,420	71.4%
Construction	3,538,411	5,394,358	39.6%
Utilities	1,608,456	-	100.0%
Transportation and Warehousing	1,131,434	459,890	71.1%
Manufacturing	1,134,841	113,498	90.9%
Accommodation and Food Services	345,813	-	100.0%
Mining, Quarrying, and Oil and Gas Extraction	61,505	-	100.0%
Real Estate and Rental and Leasing	42,057	-	100.0%
Total	38,446,453	18,625,542	67.4%

Table 20: Contract spending in Northern region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
North Slope	\$21,234,298	\$9,047,978	\$8,786,574	\$39,068,851
Nome	9,933,041	4,079,830	2,340,216	16,353,087
Northwest Arctic	462,133	657,679	478,835	1,598,648

Table 21: Top 10 vendors, Northern region, total spending over 3 years

Company Name	Total Contract Value
Ukpeagvik Holdings, Inc.	\$14,278,753
Olgoonik Diversified	7,276,457
Alaska Marine Excavation LLC	5,680,222
Orion Marine Group, Inc.	5,394,358
Aptim Federal Services, LLC	2,349,164
BSI - TLI JV	2,207,491
Shaw Infrastructure, Inc.	2,040,585
Eagle Eye Electric, LLC	2,016,708
Environmental Compliance Consultants, Inc.	1,903,284
Ukpeagvik Inupiat Corp.	1,761,955

Interior Regional Profile

Along with Anchorage/Mat-Su, Alaska's Interior is a dominant force in defense spending in the state. Four important installations are found in the Interior: Eielson AFB, Fort Wainwright, Fort Greely, and Clear Air Force Station. Military spending is the primary economic engine of the region, with \$2.2 billion spent on contracts alone during the FY17-19 period. Because of the economic importance of the defense sector to the Interior region, this section also includes more granular breakdowns of the Fairbanks North Star Borough, Denali Borough, and Southeast Fairbanks Census Area.

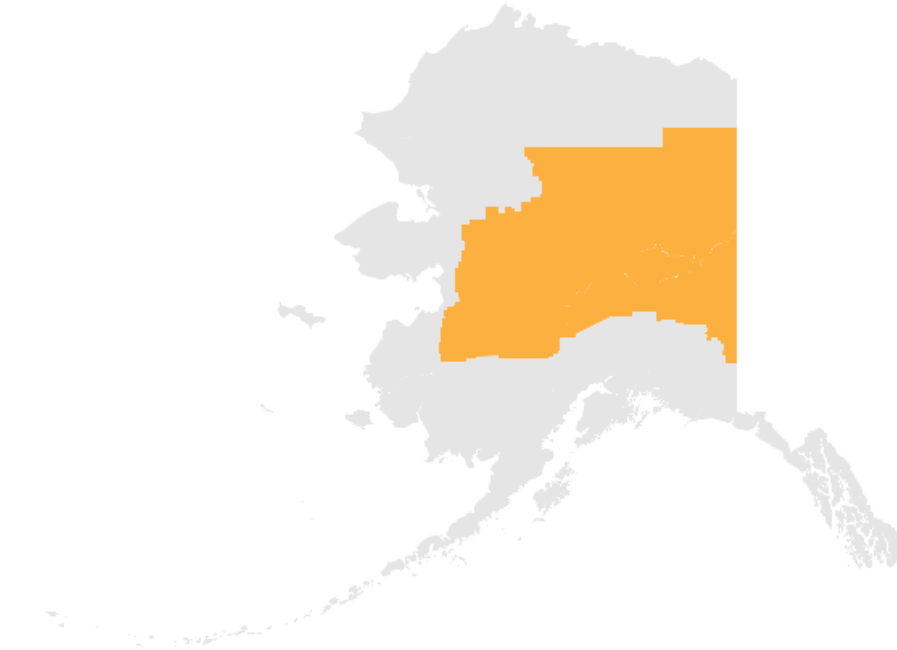


Figure 42: Map of Interior region within Alaska

Contract spending in Interior Alaska

Defense and Homeland Security contract spending in the Interior region, real 2018 dollars.

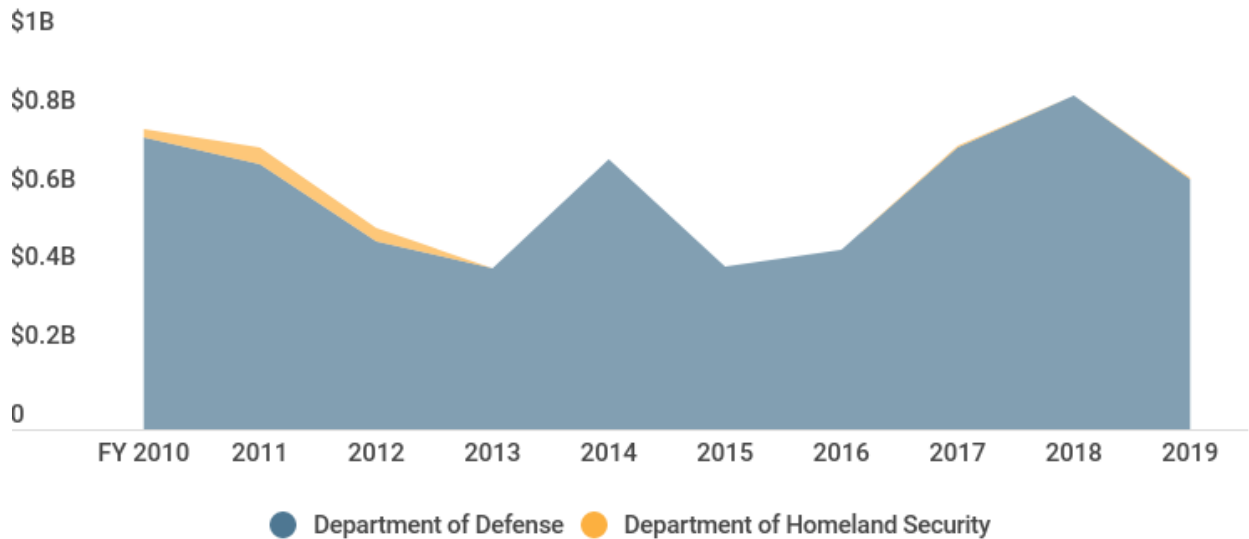


Figure 43: Defense and Homeland security contract spending in the Interior region, real 2018 dollars

With no coastline, DHS spending in the Interior is negligible compared to DoD, which regularly spends \$600 to \$850 million on procurement per year. The Army spends the most in the region, largely due to the Corps of Engineers’ role in construction. Much of the construction in recent years was tied to Air Force projects like the Long-Range Discrimination Radar (LRDR) at Clear Air Force Station and the F-35 bed down at Eielson Air Force Base.

Interior spending by agency

Contract spending in Interior Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

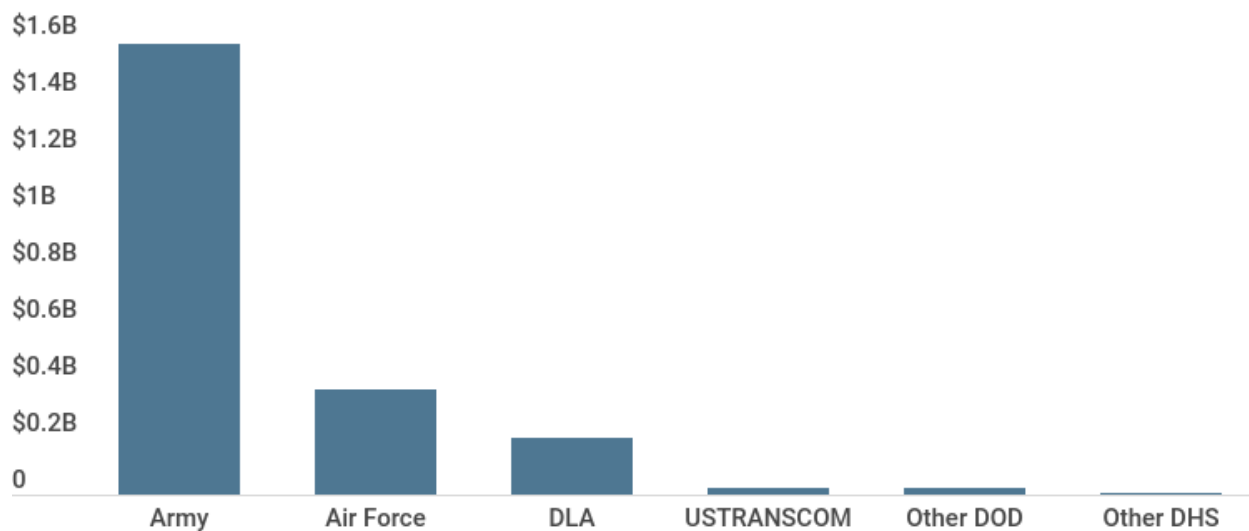


Figure 44: Contract spending in Interior Alaska by agency, FY 2017 to 2019 in real 2018 dollars

Construction alone accounted for a majority of contract spending during FY17-19, due to the timing of the F-35s and the Long-Range Discrimination Radar.

Contract spending in Interior Alaska by sector

DoD and DHS contract spending by sector in the Interior region, FY 2017 to 2019 in real 2018 dollars.

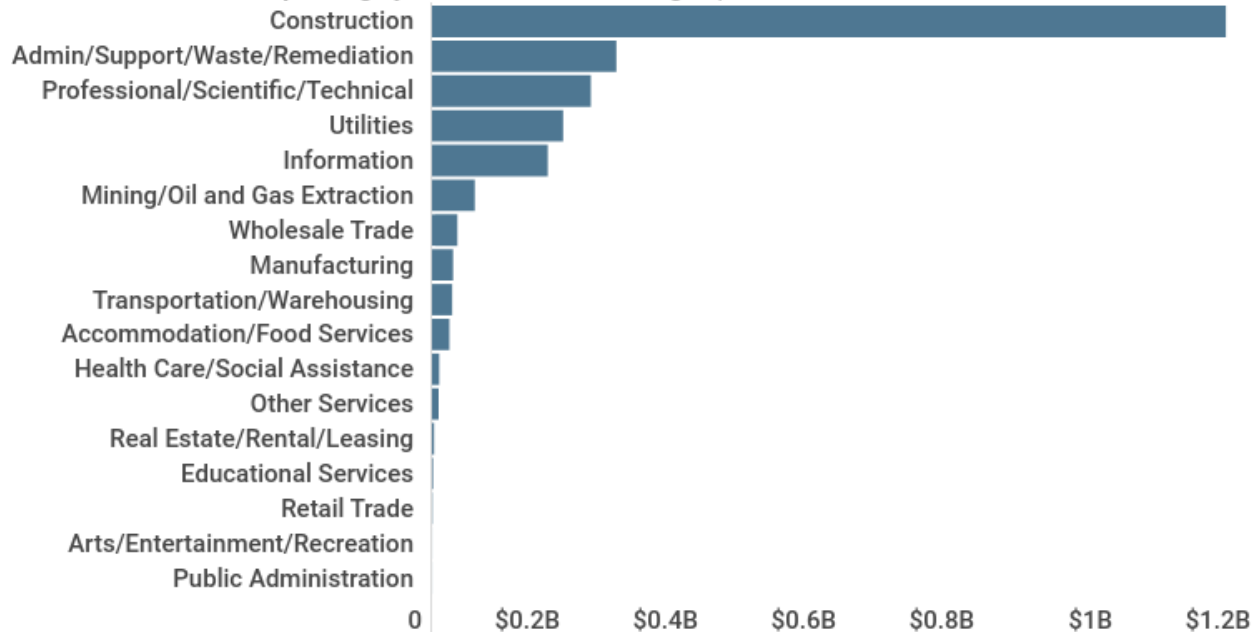


Figure 45: DoD and DHS contract spending by sector in the Interior region, FY 2017 to 2019 in real 2018 dollars

In-state vendors were evidently well positioned to capture a majority of contract funding during the recent construction boom in the Interior. Alaska-based firms received over 90 percent of the construction dollars from FY17 to FY19, and almost three-quarters of all contract spending.

Table 22: Interior region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Construction	\$1,057,701,491	\$91,966,773	92.0%
Administrative and Support and Waste Management and Remediation Services	157,454,055	109,545,037	59.0%
Professional, Scientific, and Technical Services	81,390,867	148,638,233	35.4%
Utilities	189,880,154	-2,515	100.0%
Information	1,223,146	166,450,628	0.7%
Mining, Quarrying, and Oil and Gas Extraction	61,765,624	202,569	99.7%
Wholesale Trade	36,325,142	609,821	98.4%
Manufacturing	10,083,493	20,445,835	33.0%
Transportation and Warehousing	6,463,161	22,723,040	22.1%
Accommodation and Food Services	12,027,298	13,155,589	47.8%
Health Care and Social Assistance	1,246,893	9,219,050	11.9%
Other Services (except Public Administration)	2,865,508	6,579,562	30.3%
Real Estate and Rental and Leasing	2,478,603	521,867	82.6%
Educational Services	1,215,974	281,854	81.2%
Retail Trade	35,458	621,935	5.4%
Arts, Entertainment, and Recreation	84,139	32,178	72.3%
Public Administration (not covered in economic census)	79,966	33,978	70.2%
Total	1,622,320,972	591,027,949	73.3%

Although the Denali Borough and Southeast Fairbanks Census Area account for hundreds of millions in contract spending each year, the Fairbanks North Star Borough still received the majority of Interior spending during FY17-19.

Table 23: Contract spending in Interior region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
Fairbanks North Star	\$446,501,452	\$634,249,408	\$378,339,080	\$1,459,089,939
Denali	212,288,792	102,327,441	102,840,303	417,456,536
Southeast Fairbanks	61,078,948	114,886,189	157,533,775	333,498,913
Yukon Koyukuk	342,261	11,060	2,932,350	3,285,670

Table 24: Top 10 vendors, Interior region, total spending over 3 years

Company Name	Total Contract Value
Watterson Construction Company	\$206,015,027
Doyon Utilities, LLC	182,605,996
Unit-ASRC Construction, LLC	120,194,336
Usibelli Coal Mine, Inc.	97,798,150
Bethel Federal-Unit JV	96,832,223
Indyne, Inc.	89,633,390
Neeser Construction, Inc.	87,721,638
Siemens Aktiengesellschaft	68,565,900
BAE Systems Plc	65,025,318
Chugach Alaska Corp.	62,507,691

Fairbanks North Star Borough Subregional Profile

Because of the outsized importance of the military to the Interior economy, this section includes breakdowns of contract spending for the FNSB, Denali Borough, and Southeast Fairbanks Census Area as well as the Interior as a whole. According to prior research by the UA Center for Economic Development, about one in three civilian jobs in the Interior are related to the military.¹¹ Since these three sub-regions each host an installation (or two in the case of FNSB) a more detailed look is warranted.

Table 25: FNSB local/non-local vendors, three-year total spending by sector

Sector	Local Vendors	Non-Local Vendors	Local Capture
Construction	\$144,908,078	\$670,359,480	17.8%
Professional, Scientific, and Technical Services	23,603,012	159,606,321	12.9%
Administrative and Support and Waste Management and Remediation Services	21,340,639	135,383,383	13.6%
Utilities	144,477,961	115,945	99.9%
Wholesale Trade	6,315	36,942,143	0.0%
Mining, Quarrying, and Oil and Gas Extraction	102,958	28,355,938	0.4%
Transportation and Warehousing	4,215,813	23,233,445	15.4%
Manufacturing	4,664,684	19,734,793	19.1%
Accommodation and Food Services	30,376	13,152,953	0.2%
Health Care and Social Assistance	746,793	9,719,150	7.1%
Other Services (except Public Administration)	1,570,821	7,026,085	18.3%
Information	24,103	4,553,515	0.5%
Real Estate and Rental and Leasing	1,113,804	1,718,105	39.3%
Educational Services	1,155,295	342,637	77.1%
Retail Trade	(10,298)	671,346	-1.6%
Public Administration	83,287	30,832	73.0%
Arts, Entertainment, and Recreation	78,050	32,178	70.8%
Total	348,111,690	1,110,978,250	23.9%

¹¹ CED, Economic Impacts of the Military in Alaska, 2020.

Table 26: FNSB local/non-local spending, all sectors, by fiscal year

Fiscal Year	Local Vendors	Non-Local Vendors	Total Spending (Real 2018 Dollars)	Local Capture
2010	\$117,353,752	\$485,329,526	\$602,683,278	19.5%
2011	139,787,876	437,614,626	577,402,502	24.2%
2012	114,521,536	266,021,708	380,543,244	30.1%
2013	94,594,666	180,573,169	275,167,835	34.4%
2014	105,300,672	259,887,556	365,188,228	28.8%
2015	103,875,817	140,309,022	244,184,838	42.5%
2016	101,340,230	195,987,104	297,327,334	34.1%
2017	110,101,498	336,399,954	446,501,452	24.7%
2018	133,023,060	501,226,348	634,249,408	21.0%
2019	104,987,131	273,351,948	378,339,080	27.8%
Total	1,124,886,239	3,076,700,961	4,201,587,200	26.8%

Table 27: FNSB agency spending, all sectors, by fiscal year

Federal Agency	2017	2018	2019	Total Spending (Real 2018 Dollars)
Department of the Army	\$311,275,392	\$499,194,230	\$248,062,406	\$1,058,532,028
Department of the Air Force	56,164,713	78,594,322	80,371,846	215,130,881
Defense Logistics Agency	57,165,392	44,869,434	38,109,645	140,144,472
USTRANSCOM	12,111,576	5,651,089	6,554,922	24,317,588
Defense Threat Reduction Agency	2,487,854	4,394,702	3,209,341	10,091,898
Not Listed	1,069,182	1,283,898	1,395,452	3,748,531
Defense Information Systems Agency	3,092,526	246,449	(35,347)	3,303,628
U.S. Immigration and Customs Enforcement Washington	1,055,364	94,059	-	1,149,423
Headquarters Services	-	494,309	610,181	1,104,489
Department of the Navy	874,556	-	81,066	955,622
Public Buildings Service	320,829	170,804	109,438	601,071
Missile Defense Agency	696,276	-	(129,871)	566,406
U.S. Coast Guard	196,936	-	-	196,936

Denali Borough Subregional Profile

The Denali Borough is home to Clear Air Force Station, which accounts for an average of about \$100 million a year in contract spending. The Army and Air Force are the largest sources of contracts in the Borough, with construction being the largest category. A large share of the recent contract activity is tied to the construction of the Long-Range Discrimination Radar.

Table 28: Denali borough local/non-local vendors, three-year total spending by sector

Sector	Local Vendors	Non-Local Vendors	Local Capture
Construction	-	\$168,208,851	0.0%
Information	-	154,661,127	0.0%
Administrative and Support and Waste Management and Remediation Services	-	36,483,732	0.0%
Mining, Quarrying, and Oil and Gas Extraction	33,390,551	-	100.0%
Accommodation and Food Services	-	11,999,558	0.0%
Professional, Scientific, and Technical Services	-	8,875,914	0.0%
Manufacturing	-	3,750,113	0.0%
Other Services (except Public Administration)	-	100,186	0.0%

Table 29: Denali borough local/non-local spending, all sectors, by fiscal year

Fiscal Year	Local Vendors	Non-Local Vendors	Total Spending (Real 2018 Dollars)	Local Capture
2010	\$18,983,783	\$80,741,545	\$99,725,328	19.0%
2011	17,896,461	54,026,915	71,923,375	24.9%
2012	21,330,806	51,175,018	72,505,824	29.4%
2013	(489,362)	51,584,062	51,094,700	-1.0%
2014	(7,413)	134,313,188	134,305,775	-0.1%
2015	21,102,085	64,015,870	85,117,956	24.8%
2016	-	68,537,856	68,537,856	0.0%
2017	-	212,288,792	212,288,792	0.0%
2018	16,168,849	86,158,592	102,327,441	15.8%
2019	17,208,207	85,632,096	102,840,303	16.7%
Total	112,193,416	888,473,934	1,000,667,349	11.2%

Table 30: Denali borough agency spending, all sectors, by fiscal year

Federal Agency	2017	2018	2019	Total Spending (Real 2018 Dollars)
Department of the Army	\$153,261,594	\$61,433,468	\$44,554,119	\$259,249,181
Department of the Air Force	59,027,198	40,789,581	58,286,184	158,102,963
Federal Acquisition Service	-	104,392	-	104,392

Southeast Fairbanks Census Area Subregional Profile

The Southeast Fairbanks Census area host Fort Greely, an Army installation near Delta Junction. Fort Greely is a key component of North America’s missile defense system, with the capability to launch interceptor missiles. An average of \$85 million in contracts are awarded each year in the Census Area, primarily by the Army.

Table 31: Southeast Fairbanks local/non-local vendors, three-year total spending by sector

Sector	Local Vendors	Non-Local Vendors	Local Capture
Construction	\$6,084,710	\$160,107,145	3.7%
Admin/Support/Waste/Remediation Services	5,198,332	65,660,657	7.3%
Utilities		45,224,521	0.0%
Professional, Scientific, and Technical Services	12,873	37,930,981	0.1%
Information	-	8,431,466	0.0%
Manufacturing	-	2,075,188	0.0%
Transportation and Warehousing	(13,696)	1,750,639	-0.8%
Other Services (except Public Administration)	5,486	742,492	0.7%
Real Estate and Rental and Leasing	14,985	153,576	8.9%
Mining, Quarrying, and Oil and Gas Extraction	-	118,746	0.0%
Educational Services	-	8,546	0.0%
Arts, Entertainment, and Recreation	-	6,090	0.0%
Retail Trade	-	1,700	0.0%

Table 32: Southeast Fairbanks local/non-local spending, all sectors, by fiscal year

Fiscal Year	Local Vendors	Non-Local Vendors	Total Spending (Real 2018 Dollars)	Local Capture
2010	\$3,489,235	\$50,664,739	\$54,153,974	6.4%
2011	5,043,971	47,734,939	52,778,910	9.6%
2012	2,550,038	52,401,825	54,951,863	4.6%
2013	5,357,014	60,806,372	66,163,387	8.1%
2014	2,526,259	156,402,205	158,928,464	1.6%
2015	1,274,880	60,628,604	61,903,484	2.1%
2016	758,660	69,214,768	69,973,428	1.1%
2017	462,802	60,616,146	61,078,948	0.8%
2018	4,754,578	110,131,611	114,886,189	4.1%
2019	6,069,962	151,463,813	157,533,775	3.9%
Total	32,287,398	820,065,023	852,352,421	3.8%

Table 33: Southeast Fairbanks agency spending, all sectors, by fiscal year

Federal Agency	2017	2018	2019	Total Spending (Real 2018 Dollars)
Department of the Army	\$42,362,295	\$94,872,734	\$132,124,069	\$269,359,098
Defense Logistics Agency	18,473,792	17,544,761	21,434,749	57,453,302
U.S. Customs and Border Protection	67,443	563,093	3,362,352	3,992,887
USTRANSCOM	-	1,727,835	9,192	1,737,027
Defense Contract Management Agency	-		385,269	385,269
Federal Acquisition Service	187,427	168,581		356,008
Defense Information Systems Agency	515	1,915	159,242	161,672
Missile Defense Agency	9,911	7,270	58,904	76,086
Not Listed	6,609	-	-	6,609

Gulf Coast Regional Profile

Alaska's Gulf Coast is made up of Kodiak Island, the Kenai Peninsula, and the areas adjacent to Prince William Sound, including Valdez and Cordova. With strong ties to commercial fisheries and maritime industries, the region hosts Alaska's largest Coast Guard base (Kodiak) but relatively little DoD presence.

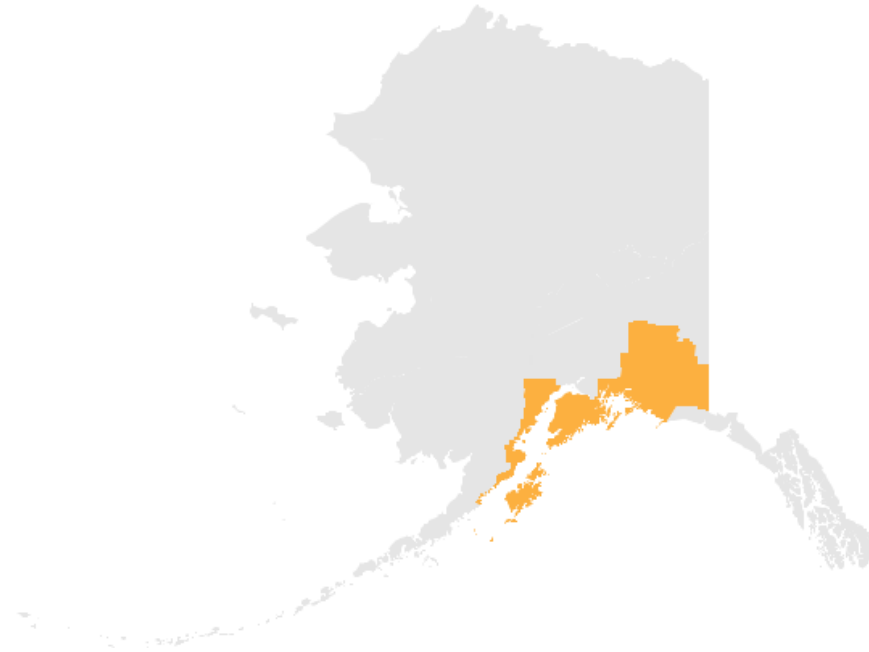


Figure 46: Map of Gulf Coast region within Alaska

Contract spending in Gulf Coast Alaska

Defense and Homeland Security contract spending in the Gulf Coast region, real 2018 dollars.

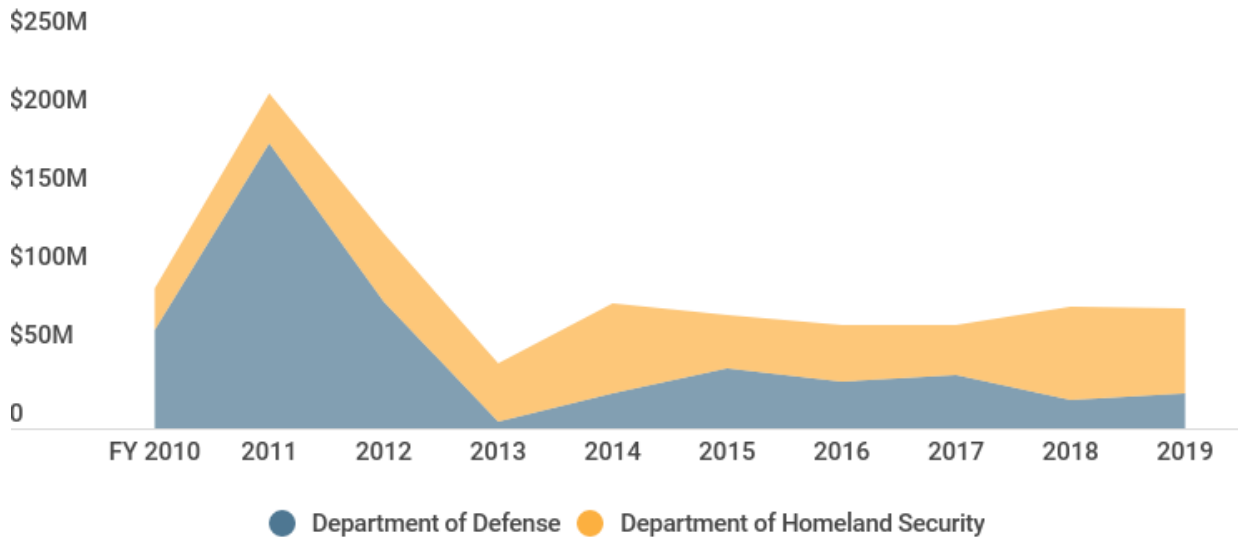


Figure 47: Defense and Homeland Security contract spending in the Gulf Coast region, real 2018 dollars

Together with Southeast Alaska, the Gulf Coast is somewhat unique in the state for having more DHS spending than DoD spending on contracts—again due to the significance of the Coast Guard. The spike in DoD spending in 2011 was the result of purchases of fuel from a refinery in the region.

Gulf Coast spending by agency

Contract spending in Gulf Coast Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

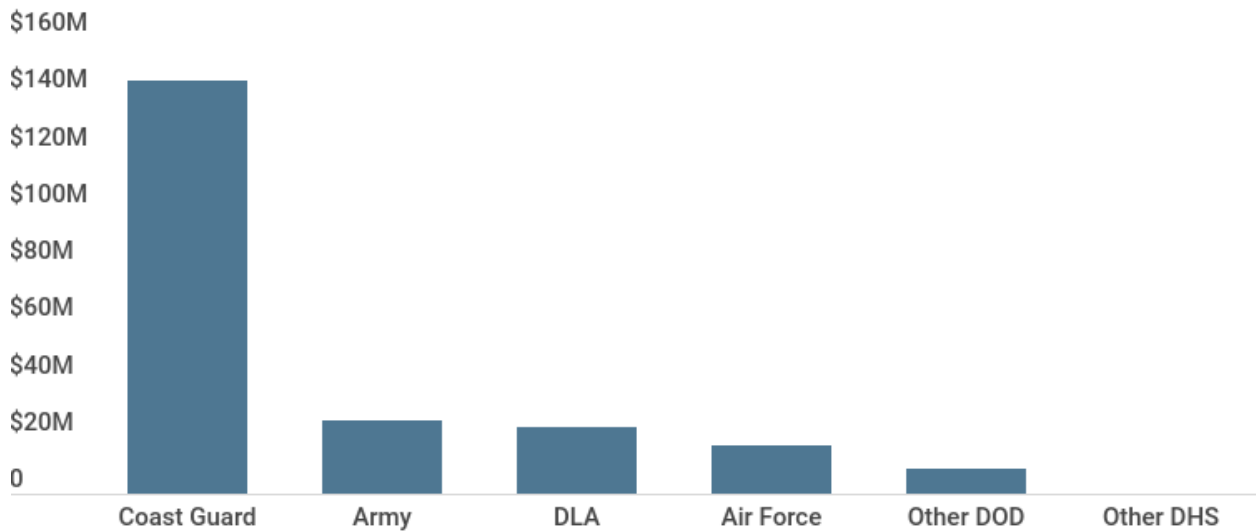


Figure 48: Contract spending in Gulf Coast Alaska by agency, FY 2017 to 2019 in real 2018 dollars

Coast Guard spending is significantly larger than from any of the DoD agencies in the Gulf Coast region. Construction and administrative support services are the largest spending categories for the agency. DoD spending also centers on the same two categories. The “manufacturing” industry category is primarily sales of fuel from refineries.

Contract spending in Gulf Coast Alaska by sector

DoD and DHS contract spending by sector in the Gulf Coast region, FY 2017 to 2019 in real 2018 dollars.

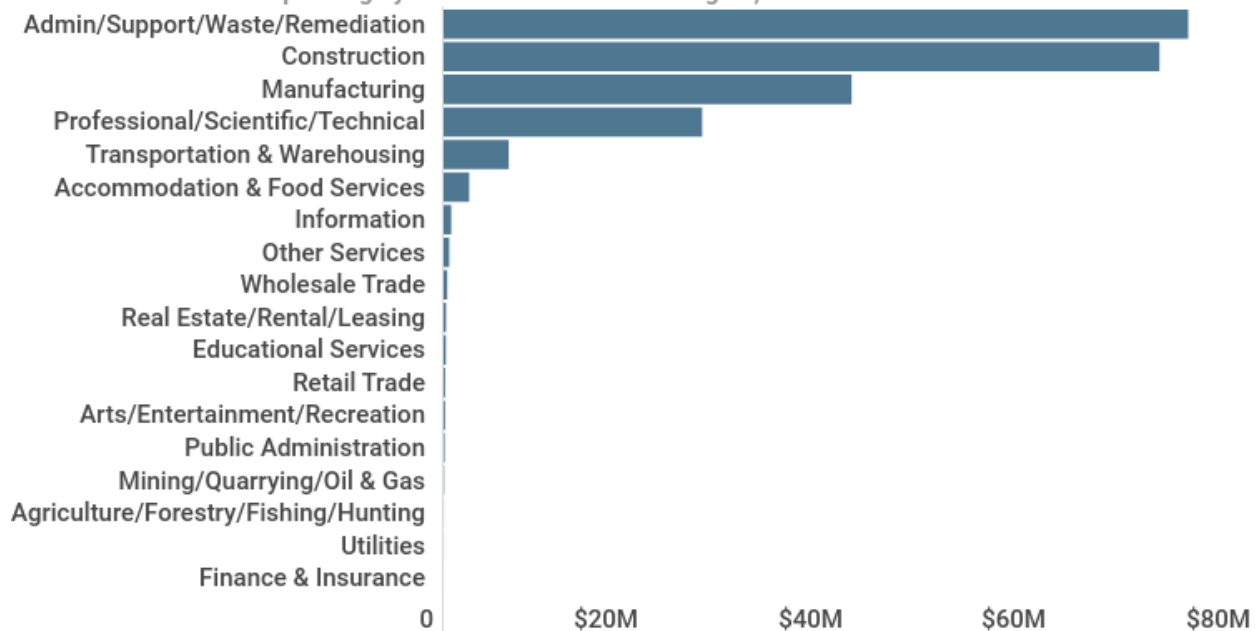


Figure 49: DoD and DHS contract spending by sector in the Gulf Coast region, FY 2017 to 2019 in real 2018 dollars

A majority of spending in the region goes to in-state vendors. However, non-Alaska vendors dominate the top category of Administrative and Support and Waste Management and Remediation Services by about two-to-one.

Table 34: Gulf Coast region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Administrative and Support and Waste Management and Remediation Services	\$23,832,936	\$49,071,488	32.7%
Construction	62,667,507	7,422,988	89.4%
Manufacturing	23,740,114	16,202,610	59.4%
Professional, Scientific, and Technical Services	7,540,140	17,772,936	29.8%
Transportation and Warehousing	1,205,159	5,172,477	18.9%
Accommodation and Food Services	2,429,269	73,586	97.1%
Information	676,276	65,931	91.1%
Other Services (except Public Administration)	493,732	53,046	90.3%
Wholesale Trade	197,848	150,738	56.8%
Real Estate and Rental and Leasing	235,064	-	100.0%
Educational Services	116,197	97,697	54.3%
Retail Trade	30,370	112,345	21.3%
Arts, Entertainment, and Recreation	136,798	-	100.0%
Public Administration (not covered in economic census)	42,185	46,941	47.3%
Mining, Quarrying, and Oil and Gas Extraction	-	45,599	0.0%
Agriculture, Forestry, Fishing and Hunting (not covered in economic census)	9,793	-	100.0%
Utilities	7,641	-	100.0%
Finance and Insurance	4,022	-	100.0%
Total	123,365,051	96,288,382	56.2%

As home to Alaska’s largest Coast Guard base, Kodiak Island sees the most procurement spending in the Gulf Coast region.

Table 35: Contract spending in Gulf Coast region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
Kodiak Island	\$41,901,306	\$61,458,681	\$57,813,531	\$161,173,518
Kenai Peninsula	20,559,319	12,780,695	16,749,105	50,089,119
Valdez Cordova	3,857,299	2,988,149	1,541,182	8,386,631

Table 36: Top 10 vendors, Gulf Coast region, total spending over 3 years

Company Name	Total Contract Value
Choctaw Nation of Oklahoma	\$35,967,201
Harbor Enterprises, Inc.	20,853,428
Cook Inlet Region, Inc.	19,474,241
Afognak Native Corp.	15,849,529
CCI Group, LLC	14,901,939
United Technologies Corp.	8,529,979
Jag Industrial Services Inc.	7,563,009
Brice Civil Constructors, Inc.	6,737,871
Ech Architecture Ps	6,366,510
Ahtna, Inc.	5,989,059

Anchorage/Mat-Su Regional Profile

The Anchorage/Mat-Su economic region is the population center of Alaska, with over half of the state’s population. The largest installation in the state, Joint Base Elmendorf-Richardson (JBER), is within the Municipality of Anchorage. JBER houses the Alaska Command (ALCOM), U.S. Army Alaska (USARAK), and other key commands with significant budgetary authority. Between FY17 and FY19, procurement spending in the region averaged nearly \$1 billion per year—about half of the statewide total.

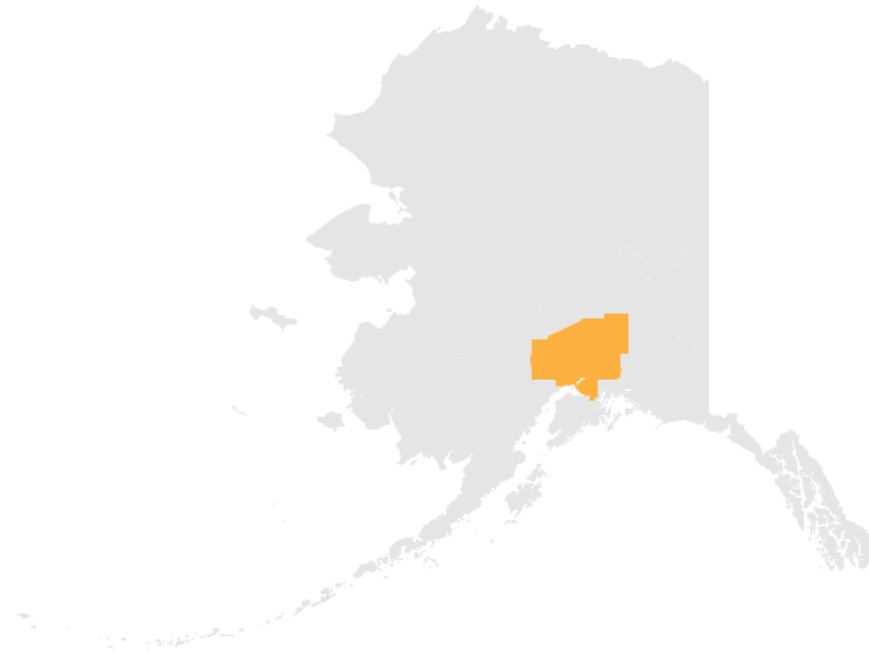


Figure 50: Map of Anchorage/Mat-Su region within Alaska

Contract spending in Anchorage/Mat-Su Alaska

Defense and Homeland Security contract spending in the Anchorage/Mat-Su region, real 2018 dollars.

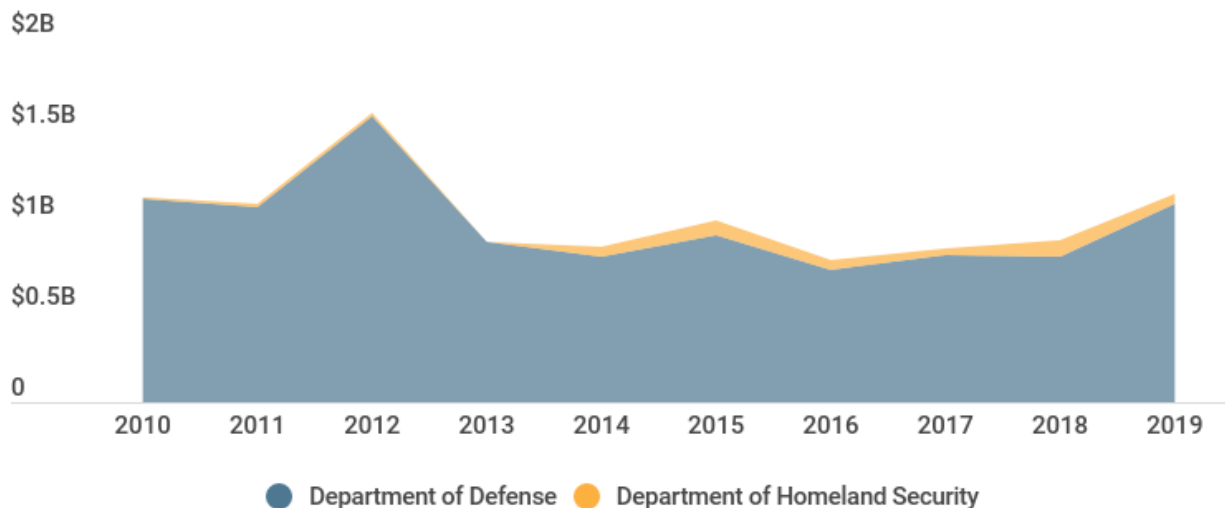


Figure 51: Defense and Homeland Security contract spending in the Anchorage/Mat-Su region, real 2018 dollars

Contract spending in Anchorage/Mat-Su overwhelmingly centers around the Army and Air Force, supported by DLA. DHS spending is relatively small by comparison, but still ranged between \$30 and \$90 million.

Anchorage/Mat-Su spending by agency

Contract spending in Anchorage/Mat-Su Alaska by agency, FY 2017 to 2019 in real 2018 dollars.

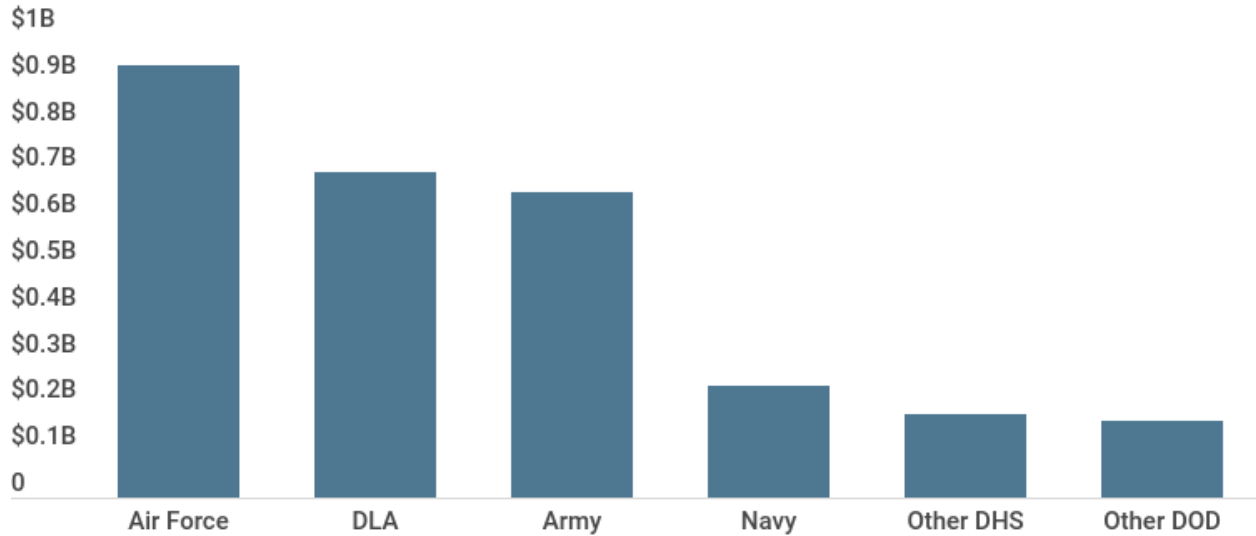


Figure 52: Contract spending in Anchorage/Mat-Su Alaska by agency, FY 2017 to 2019 in real 2018 dollars

Unlike most other parts of Alaska, a majority of DHS contract spending is not on behalf of the Coast Guard. Immigration and Customs Enforcement (ICE) is the largest DHS agency for procurement, due to the presence of a large international airport in Anchorage—described as “other DHS.”

Contract spending in Anchorage/Mat-Su Alaska by sector

DoD and DHS contract spending by sector in the Anchorage/Mat-Su region, FY 2017 to 2019 in real 2018 dollars

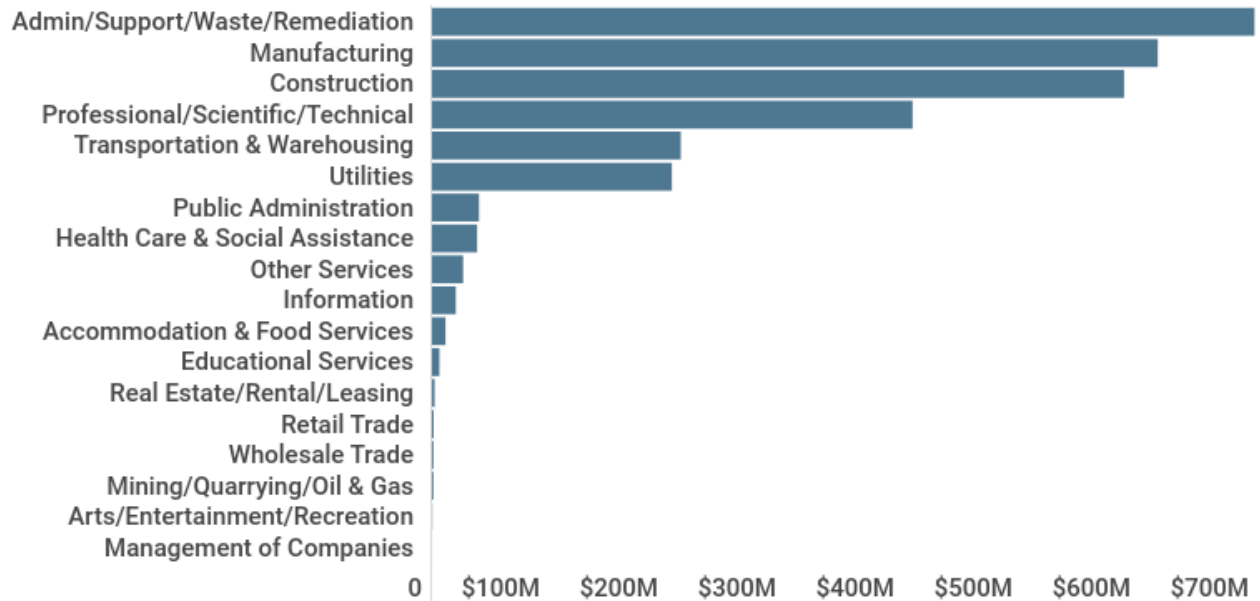


Figure 53: DoD and DHS contract spending by sector in the Anchorage/Mat-Su region, FY 2017 to 2019 in real 2018 dollars

Major spending sectors in the region include administrative services, construction, and manufacturing (due to large purchases of refined fuel). The top four industries each see more than \$100 million in contract spending each year.

Table 37: Anchorage/Mat-Su region in-state/out-of-state vendors, three-year total spending by sector

Sector	In-State Vendors	Out-of-State Vendors	In-state Capture
Administrative and Support and Waste Management and Remediation Services	\$630,001,371	\$66,179,645	90.5%
Manufacturing	572,096,999	42,232,908	93.1%
Construction	430,855,695	154,931,682	73.6%
Professional, Scientific, and Technical Services	357,435,243	49,327,544	87.9%
Transportation and Warehousing	139,374,048	71,203,805	66.2%
Utilities	203,006,988	40,306	99.9%
Public Administration (not covered in economic census)	39,683,721	129,052	99.7%
Health Care and Social Assistance	74,235	38,107,082	0.2%
Other Services (except Public Administration)	11,052,814	15,288,508	42.0%
Information	8,322,823	11,821,739	41.3%
Accommodation and Food Services	10,415,391	1,016,935	91.1%
Educational Services	3,581,585	2,672,076	57.3%
Real Estate and Rental and Leasing	1,244,824	941,590	56.9%
Retail Trade	127,770	1,293,947	9.0%
Wholesale Trade	408,316	799,232	33.8%
Mining, Quarrying, and Oil and Gas Extraction	1,197,520	3,016	99.8%
Arts, Entertainment, and Recreation	-	218,424	0.0%
Management of Companies and Enterprises	40,380	-	100.0%
Total	2,408,919,723	456,207,491	84.1%

In-state vendors, most of whom are headquartered in Anchorage, received over 80 percent of the total contract dollars spent in the region. Six of the top 10 vendors during FY17-19 are Alaska Native Corporations.

Table 38: Contract spending in Anchorage/Mat-Su region by borough/census area and year

Borough/Census Area	2017	2018	2019	Total
Anchorage	\$834,853,549	\$886,719,178	\$1,135,024,967	\$2,856,597,694
Matanuska Susitna	7,956,896	7,026,158	7,532,493	22,515,347

Table 39: Top 10 vendors, Anchorage/Mat-Su region, total spending over 3 years

Company Name	Total Contract Value
Arctic Slope Regional Corp.	\$415,006,172
Chugach Alaska Corp.	286,504,890
Doyon Utilities, LLC	143,811,007
Ahtna, Inc.	134,002,902
Arctec Alaska JV	127,498,736
Unit-ASRC Construction, LLC	127,256,960
AECOM Technology Corp.	94,463,328
CPD Alaska LLC	67,479,613
Afognak Native Corp.	59,237,833
Municipality of Anchorage	57,052,699

Appendix A: Glossary of terms, acronyms, and initialisms

Terms

8(a) Business Development Program: SBA program designating a goal of at least five percent of all federal contracting dollars to small businesses at least 51 percent owned by an economically or socially disadvantaged U.S. citizen.

Alaska Native Corporation (ANC): One of the regional or village Native corporations established by the Alaska Native Claims Settlement Act (ANCSA).

Contractor: Vendor with a standing or long-term contract with the federal government to deliver a product or service. Used interchangeably with “vendor” in this report.

Defense: U.S. military forces dedicated to national security. Used interchangeably with “military” in this report.

Fiscal Year (FY): For federal budgeting purposes, the year that begins on October 1 and ends on September 30.

North American Industry Classification System (NAICS) Code: A number which corresponds to sector or industry. NAICS Codes can be two to six digits in length. The length of the code determines the specificity of the information as shown below:

Table 40: NAICS code length and associated terminology

Number of Digits	Aggregation level
2	Sector
3	Subsector
4	Industry group
5	Industry
6	Detailed industry

Place of Performance: The location of record for the performance of the contract.

Vendor: A company which has contracted with the federal government to deliver a product or service.

Veteran-Owned Business: Business that is at least 51 percent owned, operated, and overseen daily by one or more individuals who previously served in the United States Armed Services.

Woman-Owned Business: Business that is at least 51 percent owned, operated, and overseen daily by one or more women American citizens.

Acronyms and Initialisms

ALCOM: Alaskan Command.

ASRC: Arctic Slope Regional Corporation.

CDC: Community Development Corporation.

DEW Line: Distant Early Warning Line.

DHS: Department of Homeland Security.

DLA: Defense Logistics Agency.

DoD: Department of Defense.

FNSB: Fairbanks North Star Borough.

FPDS: Federal Procurement Data System.

FUDS: Formerly Used Defense Sites.

JBER: Joint Base Elmendorf Richardson.

LRDR: Long-Range Discrimination Radar.

NACT: Nuclear Arms Control Technology.

PSC: Produce and Service Code.

R&D: Research and development.

SBA: Small Business Administration.

SBIR: Small Business Innovation Research

STTR: Small Business Technology Transfer

USARAK: U.S. Army Alaska.

USTRANSCOM: U.S. Transportation Command.

Appendix B: Top statewide subsectors by vendor's state of origin and place of performance

Table 41: Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Construction of Buildings	236	\$2,703,079,853
Administrative and Support Services	561	2,346,223,653
Petroleum and Coal Products Manufacturing	324	1,903,065,597
Professional, Scientific, and Technical Services	541	1,446,624,721
Utilities	221	1,004,022,579
Heavy and Civil Engineering Construction	237	877,424,985
Waste Management and Remediation Services	562	679,788,710
Support Activities for Transportation	488	284,893,430
Transportation Equipment Manufacturing	336	271,929,490
Merchant Wholesalers, Durable Goods	423	260,731,130

Table 42: Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Construction of Buildings	236	\$1,047,300,590
Administrative and Support Services	561	701,092,558
Petroleum and Coal Products Manufacturing	324	516,368,002
Professional, Scientific, and Technical Services	541	484,942,984
Heavy and Civil Engineering Construction	237	475,328,569
Utilities	221	396,937,760
Waste Management and Remediation Services	562	178,966,093
Specialty Trade Contractors	238	67,215,270
Oil and Gas Extraction	211	61,662,665
Warehousing and Storage	493	54,044,305

Table 43: Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Administrative and Support Services	561	\$7,916,402,984
Professional, Scientific, and Technical Services	541	3,556,177,095
Construction of Buildings	236	3,308,197,584
Waste Management and Remediation Services	562	948,658,558
Heavy and Civil Engineering Construction	237	876,964,720
Transportation Equipment Manufacturing	336	702,078,644
Support Activities for Transportation	488	501,120,233
Furniture and Related Product Manufacturing	337	303,986,812
Computer and Electronic Product Manufacturing	334	301,949,373
Telecommunications	517	289,686,477

Table 44: Alaska vendors, non-Alaska place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Administrative and Support Services	561	\$2,764,606,354
Construction of Buildings	236	1,180,542,748
Professional, Scientific, and Technical Services	541	1,070,192,737
Heavy and Civil Engineering Construction	237	289,525,491
Support Activities for Transportation	488	276,759,988
Waste Management and Remediation Services	562	237,231,571
Transportation Equipment Manufacturing	336	178,624,493
Specialty Trade Contractors	238	113,972,881
Warehousing and Storage	493	113,750,604
Educational Services	611	88,771,430

Table 45: Non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Waste Management and Remediation Services	562	\$806,559,820
Professional, Scientific, and Technical Services	541	768,884,477
Construction of Buildings	236	751,020,792
Telecommunications	517	629,565,559
Administrative and Support Services	561	512,275,626
Heavy and Civil Engineering Construction	237	387,489,106
Specialty Trade Contractors	238	107,816,739
Ambulatory Health Care Services	621	98,199,288
Computer and Electronic Product Manufacturing	334	98,152,952
Hospitals	622	94,831,594

Table 46: Non-Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Professional, Scientific, and Technical Services	541	\$257,159,974
Telecommunications	517	177,345,251
Construction of Buildings	236	171,514,866
Waste Management and Remediation Services	562	137,863,751
Administrative and Support Services	561	131,036,999
Heavy and Civil Engineering Construction	237	95,321,305
Water Transportation	483	65,800,540
Air Transportation	481	37,400,357
Hospitals	622	32,082,526
Computer and Electronic Product Manufacturing	334	27,997,678

Appendix C: Top regional industries by locality/non-locality of vendor

Anchorage/Mat-Su

Table 47: Local vendors, Anchorage/Mat-Su place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Administrative and Support Services	561	\$1,496,983,111
Petroleum and Coal Products Manufacturing	324	1,451,752,787
Professional, Scientific, and Technical Services	541	1,091,987,607
Construction of Buildings	236	813,235,273
Heavy and Civil Engineering Construction	237	339,296,463
Transportation Equipment Manufacturing	336	259,339,832
Waste Management and Remediation Services	562	220,348,639
Administration of Environmental Quality Programs	924	199,436,109
Support Activities for Transportation	488	189,872,742
Air Transportation	481	169,262,360

Table 48: Local vendors, Anchorage/Mat-Su place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Administrative and Support Services	561	\$512,142,828
Petroleum and Coal Products Manufacturing	324	483,104,506
Professional, Scientific, and Technical Services	541	356,182,338
Heavy and Civil Engineering Construction	237	193,580,579
Construction of Buildings	236	191,668,938
Waste Management and Remediation Services	562	70,964,143
Utilities	221	56,205,536
Warehousing and Storage	493	52,919,831
Administration of Economic Programs	926	39,565,421
Furniture and Related Product Manufacturing	337	30,921,896

Table 49: Non-local vendors, Anchorage/Mat-Su place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Administrative and Support Services	561	\$644,315,753
Professional, Scientific, and Technical Services	541	382,735,100
Construction of Buildings	236	312,631,030
Waste Management and Remediation Services	562	301,633,482
Utilities	221	287,645,413
Heavy and Civil Engineering Construction	237	116,614,579
Hospitals	622	89,871,382
Air Transportation	481	85,134,555
Blank		84,358,297
Water Transportation	483	45,937,575

Table 50: Non-local Vendors, Anchorage/Mat-Su place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Construction of Buildings	236	\$148,063,354
Utilities	221	146,841,758
Administrative and Support Services	561	76,590,589
Professional, Scientific, and Technical Services	541	50,580,448
Water Transportation	483	45,726,599
Waste Management and Remediation Services	562	36,483,456
Air Transportation	481	30,182,349
Hospitals	622	30,131,588
Heavy and Civil Engineering Construction	237	27,883,889
Computer and Electronic Product Manufacturing	334	16,739,031

Interior

Table 51: Local vendors, Interior place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Utilities	221	\$580,142,576
Construction of Buildings	236	291,870,974
Merchant Wholesalers, Durable Goods	423	210,313,006
Heavy and Civil Engineering Construction	237	169,561,771
Professional, Scientific, and Technical Services	541	87,261,083
Administrative and Support Services	561	70,425,752
Oil and Gas Extraction	211	61,662,665
Waste Management and Remediation Services	562	35,588,382
Specialty Trade Contractors	238	22,719,453
Administration of Environmental Quality Programs	924	17,153,231

Table 52: Local vendors, Interior place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Utilities	221	\$189,702,482
Construction of Buildings	236	105,491,819
Oil and Gas Extraction	211	61,662,665
Heavy and Civil Engineering Construction	237	49,944,364
Merchant Wholesalers, Durable Goods	423	36,135,485
Professional, Scientific, and Technical Services	541	23,615,884
Administrative and Support Services	561	22,636,674
Specialty Trade Contractors	238	8,669,777
Air Transportation	481	4,178,162
Waste Management and Remediation Services	562	4,131,573

Table 53: Non-local vendors, Interior place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Construction of Buildings	236	\$1,750,473,810
Telecommunications	517	605,374,011
Administrative and Support Services	561	534,515,486
Professional, Scientific, and Technical Services	541	414,440,068
Waste Management and Remediation Services	562	399,871,792
Heavy and Civil Engineering Construction	237	328,151,090
Specialty Trade Contractors	238	148,259,311
Ambulatory Health Care Services	621	80,087,434
Petroleum and Coal Products Manufacturing	324	48,362,495
Food Services and Drinking Places	722	37,693,589

Table 54: Non-local Vendors, Interior place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Construction of Buildings	236	\$711,596,425
Heavy and Civil Engineering Construction	237	244,988,063
Professional, Scientific, and Technical Services	541	206,413,216
Telecommunications	517	166,896,879
Administrative and Support Services	561	146,654,294
Waste Management and Remediation Services	562	93,576,552
Specialty Trade Contractors	238	28,977,817
Air Transportation	481	14,902,250
Food Services and Drinking Places	722	13,029,069
Accommodation	721	12,123,442

Balance of State

Table 55: Local vendors, Balance of State place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Waste Management and Remediation Services	562	\$346,444,586
Heavy and Civil Engineering Construction	237	246,512,613
Professional, Scientific, and Technical Services	541	184,055,175
Construction of Buildings	236	137,344,830
Administrative and Support Services	561	81,807,680
Support Activities for Transportation	488	79,140,628
Petroleum and Coal Products Manufacturing	324	74,124,962
Transportation Equipment Manufacturing	336	42,245,235
Computer and Electronic Product Manufacturing	334	31,334,294
Water Transportation	483	21,104,409

Table 56: Local vendors, Balance of State place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Professional, Scientific, and Technical Services	541	81,585,396
Administrative and Support Services	561	71,065,764
Waste Management and Remediation Services	562	57,604,115
Heavy and Civil Engineering Construction	237	31,189,826
Petroleum and Coal Products Manufacturing	324	24,734,418
Water Transportation	483	18,416,317
Transportation Equipment Manufacturing	336	15,925,927
Construction of Buildings	236	8,438,850
Utilities	221	5,298,886
Telecommunications	517	5,186,280

Table 57: Non-local vendors, Balance of State place of performance, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Waste Management and Remediation Services	562	452,450,180
Petroleum and Coal Products Manufacturing	324	336,828,854
Heavy and Civil Engineering Construction	237	276,319,828
Construction of Buildings	236	229,232,515
Professional, Scientific, and Technical Services	541	195,001,237
Administrative and Support Services	561	94,820,419
Transportation Equipment Manufacturing	336	33,781,321
Computer and Electronic Product Manufacturing	334	30,549,919
Specialty Trade Contractors	238	23,307,381
Water Transportation	483	20,902,347

Table 58: Non-local vendors, Balance of State place of performance, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)
Waste Management and Remediation Services	562	104,770,605
Professional, Scientific, and Technical Services	541	82,970,086
Administrative and Support Services	561	59,810,240
Construction of Buildings	236	57,674,529
Heavy and Civil Engineering Construction	237	44,418,753
Petroleum and Coal Products Manufacturing	324	24,421,023
Water Transportation	483	18,336,707
Transportation Equipment Manufacturing	336	15,193,215
Specialty Trade Contractors	238	8,036,130
Food Services and Drinking Places	722	3,810,777

Appendix D: Top industries by federal agency with total spending and percent in-state capture

Army

Table 59: Top industries, Alaska place of performance, Army, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Construction of Buildings	236	\$2,508,990,699	84.1%
Heavy and Civil Engineering Construction	237	986,026,165	63.6%
Professional, Scientific, and Technical Services	541	967,485,134	60.1%
Waste Management and Remediation Services	562	830,016,515	63.3%
Administrative and Support Services	561	697,531,962	75.2%
Support Activities for Transportation	488	228,349,042	99.9%
Specialty Trade Contractors	238	226,477,097	55.1%
Merchant Wholesalers, Durable Goods	423	178,463,739	97.2%
Transportation Equipment Manufacturing	336	156,651,386	98.5%
Furniture and Related Product Manufacturing	337	127,732,875	88.3%

Table 60: Top industries, Alaska place of performance, Army, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Construction of Buildings	236	\$842,613,158	91.2%
Heavy and Civil Engineering Construction	237	403,181,858	81.6%
Professional, Scientific, and Technical Services	541	179,698,103	51.9%
Administrative and Support Services	561	162,936,470	78.3%
Waste Management and Remediation Services	562	124,077,152	70.6%
Specialty Trade Contractors	238	49,538,530	96.3%
Oil and Gas Extraction	211	33,390,551	99.3%
Furniture and Related Product Manufacturing	337	23,827,483	98.8%
Merchant Wholesalers, Durable Goods	423	21,770,041	99.8%
Accommodation	721	12,312,970	91.8%

Air Force

Table 61: Top industries, Alaska place of performance, Air Force, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Administrative and Support Services	561	\$1,214,138,519	90.2%
Construction of Buildings	236	642,723,471	58.9%
Telecommunications	517	592,775,275	0.3%
Waste Management and Remediation Services	562	470,345,323	19.9%
Professional, Scientific, and Technical Services	541	462,554,446	55.1%
Heavy and Civil Engineering Construction	237	238,900,768	94.8%
Utilities	221	154,167,913	97.8%
Merchant Wholesalers, Durable Goods	423	99,015,165	73.6%
Hospitals	622	98,311,002	4.2%
Specialty Trade Contractors	238	94,049,411	96.1%

Table 62: Top industries, Alaska place of performance, Air Force, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Administrative and Support Services	561	\$372,634,327	96.4%
Construction of Buildings	236	235,802,416	62.9%
Telecommunications	517	163,411,711	0.3%
Professional, Scientific, and Technical Services	541	99,081,654	81.7%
Waste Management and Remediation Services	562	87,549,583	37.2%
Heavy and Civil Engineering Construction	237	69,063,810	100.0%
Utilities	221	64,613,754	98.1%
Administration of Economic Programs	926	39,565,421	100.0%
Hospitals	622	31,834,494	-0.8%
Repair and Maintenance	811	29,450,331	38.2%

DLA

Table 63: Top industries, Alaska place of performance, DLA, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Petroleum and Coal Products Manufacturing	324	\$1,915,190,719	99.2%
Utilities	221	844,195,231	100.0%
Administration of Environmental Quality Programs	924	193,988,077	100.0%
Warehousing and Storage	493	146,435,152	83.3%
Professional, Scientific, and Technical Services	541	98,944,320	64.4%
Merchant Wholesalers, Nondurable Goods	424	31,740,701	128.5%
Waste Management and Remediation Services	562	26,897,820	76.2%
Merchant Wholesalers, Durable Goods	423	10,282,911	99.1%
Transportation Equipment Manufacturing	336	8,943,503	93.1%
Textile Product Mills	314	7,099,431	97.6%

Table 64: Top industries, Alaska place of performance, DLA, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Petroleum and Coal Products Manufacturing	324	\$515,432,478	99.9%
Utilities	221	326,417,003	100.0%
Warehousing and Storage	493	40,614,643	99.0%
Professional, Scientific, and Technical Services	541	20,845,647	40.7%
Waste Management and Remediation Services	562	10,261,221	98.5%
Transportation Equipment Manufacturing	336	4,309,887	85.6%
Truck Transportation	484	2,415,459	100.0%
Miscellaneous Manufacturing	339	1,050,055	100.0%
Chemical Manufacturing	325	700,414	100.0%
Merchant Wholesalers, Durable Goods	423	564,311	100.0%

Coast Guard

Table 65: Top industries, Alaska place of performance, Coast Guard, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Construction of Buildings	236	\$242,387,527	68.0%
Professional, Scientific, and Technical Services	541	102,601,617	22.8%
Administrative and Support Services	561	55,896,974	32.9%
Waste Management and Remediation Services	562	53,684,925	33.8%
Transportation Equipment Manufacturing	336	43,709,068	24.5%
Heavy and Civil Engineering Construction	237	38,259,703	57.9%
Computer and Electronic Product Manufacturing	334	30,954,889	1.1%
Telecommunications	517	14,332,942	98.5%
Food Services and Drinking Places	722	11,498,487	50.6%
Specialty Trade Contractors	238	11,245,278	78.7%

Table 66: Top industries, Alaska place of performance, Coast Guard, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Construction of Buildings	236	\$50,471,426	94.0%
Professional, Scientific, and Technical Services	541	48,457,724	23.5%
Administrative and Support Services	561	40,616,460	9.1%
Waste Management and Remediation Services	562	19,253,540	31.9%
Transportation Equipment Manufacturing	336	17,059,642	11.8%
Heavy and Civil Engineering Construction	237	7,129,707	35.3%
Telecommunications	517	5,267,191	98.8%
Food Services and Drinking Places	722	3,810,777	60.6%
Amusement, Gambling, and Recreation Industries	713	2,187,018	100.0%
Specialty Trade Contractors	238	1,904,151	75.0%

All other DoD and DHS agencies

Table 67: Top industries, Alaska place of performance, all other DoD and DHS agencies, FY 2010 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Administrative and Support Services	561	\$890,688,986	79.6%
Professional, Scientific, and Technical Services	541	583,923,682	89.7%
Air Transportation	481	263,011,715	66.6%
Waste Management and Remediation Services	562	105,403,947	21.1%
Water Transportation	483	93,420,074	27.2%
Computer and Electronic Product Manufacturing	334	88,171,384	97.5%
Transportation Equipment Manufacturing	336	78,862,224	99.8%
Construction of Buildings	236	59,998,947	83.0%
Support Activities for Transportation	488	46,819,908	56.6%
Food and Beverage Stores	445	40,719,354	100.0%

Table 68: Top industries, Alaska place of performance, all other DoD and DHS agencies, FY 2017 to 2019 total spending

Subsector	NAICS Code	Total Spending (Real 2018 Dollars)	In-state capture
Professional, Scientific, and Technical Services	541	\$227,565,613	89.8%
Administrative and Support Services	561	210,601,324	83.2%
Water Transportation	483	85,883,671	23.4%
Air Transportation	481	64,172,807	41.7%
Support Activities for Transportation	488	27,603,566	72.1%
Waste Management and Remediation Services	562	23,935,941	25.3%
Computer and Electronic Product Manufacturing	334	16,227,315	99.6%
Machinery Manufacturing	333	11,698,734	98.8%
Construction of Buildings	236	8,971,305	99.5%
Transportation Equipment Manufacturing	336	6,319,958	97.3%

Appendix E: Top vendors by state of origin and place of performance

Table 69: Top Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
Arctic Slope Regional Corp.	\$1,683,618,490
Doyon Utilities, LLC	844,158,484
Chugach Alaska Corp.	700,748,448
Watterson Construction Company	442,660,369
Crowley Petroleum Dist. Inc.	370,549,301
Afognak Native Corp.	363,672,371
Ahtna, Inc.	341,230,154
Arctec Alaska JV	320,497,694
Usibelli Coal Mine, Inc.	270,729,702
Nana Regional Corp., Inc.	248,553,126

Table 70: Top Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
Arctic Slope Regional Corp.	\$409,684,044
Chugach Alaska Corp.	349,121,821
Doyon Utilities, LLC	326,417,003
Unit-ASRC Construction, LLC	247,451,297
Watterson Construction Company	206,015,027
Ahtna, Inc.	149,283,617
Arctec Alaska JV	127,498,736
Cook Inlet Region, Inc.	101,297,443
Usibelli Coal Mine, Inc.	97,798,150
Bethel Federal-Unit JV	96,832,223

Table 71: Top Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
Chugach Alaska Corp.	\$3,401,412,819
Afognak Native Corp.	2,149,046,066
Nana Regional Corp., Inc.	1,567,979,732
Nana Regional Corp. Inc.	649,700,700
Bristol Bay Native Corp.	553,875,187
Calista Corp.	466,504,051
Tatitlek Training Services, Inc.	449,467,965
CCI Construction Services, LLC	409,306,183
Ahtna, Inc.	404,025,108
Bering Straits Native Corp.	389,583,401

Table 72: Top Alaska vendors, non-Alaska place of performance, FY 2017 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
Chugach Alaska Corp.	\$928,341,031
Afognak Native Corp.	656,975,189
Nana Regional Corp. Inc.	530,977,651
CCI Construction Services, LLC	274,397,614
Calista Corp.	271,239,074
Bristol Bay Native Corp.	201,155,465
Tanadgusix Corp.	181,887,642
Bering Straits Native Corp.	174,669,477
T&H Services LLC	131,145,687
Koniag, Inc.	111,635,244

Table 73: Top non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
BAE Systems Plc	\$466,826,325
Jacobs Engineering Group Inc.	178,595,373
Lakeshore Engineering Services, Inc.	160,257,977
AECOM Technology Corp.	136,537,889
Peter Kiewit Sons', Inc.	123,140,425
The Shaw Group Inc.	116,833,436
Siemens Aktiengesellschaft	113,304,635
Manson Construction Co.	102,605,262
Doyon / Akal JV I	101,001,455
Raytheon Company	100,769,040

Table 74: Top non-Alaska vendors, Alaska place of performance, FY 2017 to 2019 total spending

Vendor Name	Total Spending (Real 2018 Dollars)
AECOM Technology Corp.	\$98,064,140
Indyne, Inc.	89,633,390
Siemens Aktiengesellschaft	69,804,797
BAE Systems Plc	65,025,318
Choctaw Nation of Oklahoma	35,967,201
Saltchuk Resources, Inc.	35,619,901
Osborne Construction Company	30,572,779
Chenega Corp.	27,654,213
Siemens Industry Inc.	26,940,184
Manson Construction Co.	26,520,828

Appendix F: Top PSC codes by vendor's state of origin and place of performance

Table 75: Level 1 PSC codes, Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

PSC Level 1 Description	PSC Level 1 Code	Total Spending (Real 2018 Dollars)
Facilities & Construction	4	\$7,410,877,717
Transportation and Logistics Services	7	2,772,089,428
Professional Services	2	919,797,321
IT	1	551,746,318
Human Capital	9	370,898,915
Security and Protection	3	368,328,190
Research and Development	17	302,254,285
Sustainment S&E	14	260,285,852
Clothing, Textiles & Subsistence S&E	15	164,486,381
Office Management	6	142,778,066
Equipment Related Services	18	125,508,939
Medical	10	70,886,198
Industrial Products & Services	5	66,390,468
Travel & Lodging	8	36,408,635
Electronic & Communication Equipment	13	15,401,381
Miscellaneous S&E	16	13,497,438
Weapons & Ammunition	12	7,753,723
Electronic & Communication Services	19	6,238,838
Aircraft, Ships/Submarines & Land Vehicles	11	553,177
Blank		148,817
Total		13,606,330,086

Table 76: Level 1 PSC codes, Alaska vendors, non-Alaska Place of Performance, FY 2010 to 2019 total spending

PSC Level 1 Description	PSC Level 1 Code	Total Spending (Real 2018 Dollars)
Facilities & Construction	4	\$10,300,373,843
Professional Services	2	2,589,701,933
IT	1	1,667,258,006
Transportation and Logistics Services	7	1,407,178,040
Security and Protection	3	1,255,362,213
Research and Development	17	811,805,473
Equipment Related Services	18	802,285,188
Office Management	6	304,145,124
Human Capital	9	253,241,097
Medical	10	150,422,191
Industrial Products & Services	5	121,423,942
Sustainment S&E	14	111,333,154
Electronic & Communication Equipment	13	62,864,760
Miscellaneous S&E	16	50,514,974
Clothing, Textiles & Subsistence S&E	15	37,988,545
Travel & Lodging	8	28,832,278
Electronic & Communication Services	19	27,591,485
Aircraft, Ships/Submarines & Land Vehicles	11	5,795,114
Weapons & Ammunition	12	91,093
Blank		7,792
Total		19,988,216,247

Table 77: Level 1 PSC codes, non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

PSC Level 1 Description	PSC Level 1 Code	Total Spending (Real 2018 Dollars)
Facilities & Construction	4	\$3,346,788,042.62
Professional Services	2	434,682,673.88
Security and Protection	3	176,685,268.12
Medical	10	169,267,705.86
IT	1	166,897,202.97
Equipment Related Services	18	139,704,987.60
Travel & Lodging	8	139,383,875.27
Transportation and Logistics Services	7	115,738,147.42
Office Management	6	74,332,858.23
Industrial Products & Services	5	63,611,115.64
Sustainment S&E	14	27,134,119.48
Electronic & Communication Equipment	13	17,132,967.98
Clothing, Textiles & Subsistence S&E	15	13,049,705.68
Research and Development	17	7,885,507.94
Electronic & Communication Services	19	7,324,414.59
Miscellaneous S&E	16	6,682,612.95
Human Capital	9	4,792,321.07
Blank		1,722,609.42
Weapons & Ammunition	12	1,418,793.19
Aircraft, Ships/Submarines & Land Vehicles	11	45,260.05
Defunct	XX	41,558.43
Total		4,914,321,748.40

Table 78: Top level 2 PSC codes, Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

PSC Level 2 Description	PSC Level 2 Code	Total Spending (Real 2018 Dollars)
Facility Related Services	4.4	\$4,780,732,489.69
Construction Related Services	4.2	2,497,377,727.72
Fuels	7.7	2,402,974,523.79
Management Advisory Services	2.3	498,167,974.94
Specialized educational services	9.4	369,881,316.77
IT Outsourcing	1.5	357,559,056.73
Technical and Engineering Services (non-IT)	2.8	324,730,314.62
Security Services	3.3	313,711,328.41
Technology Base	17.3	211,520,287.13
Transportation of Things	7.4	209,899,400.18

Table 79: Top level 2 PSC codes, Alaska vendors, non-Alaska place of performance, FY 2010 to 2019 total spending

PSC Level 2 Description	PSC Level 2 Code	Total Spending (Real 2018 Dollars)
Facility Related Services	4.4	\$7,422,599,952.68
Construction Related Services	4.2	2,774,249,130.58
Management Advisory Services	2.3	1,742,892,628.03
IT Outsourcing	1.5	1,253,035,621.18
Security Services	3.3	1,236,415,829.87
Logistics Support Services	7.2	1,143,031,744.24
Maintenance, Repair and Overhaul	18.1	722,230,440.49
Technology Base	17.3	696,018,236.62
Technical and Engineering Services (non-IT)	2.8	432,065,267.82
Business administration services	2.1	367,759,081.41

Table 80: Top level 2 PSC codes, non-Alaska vendors, Alaska place of performance, FY 2010 to 2019 total spending

PSC Level 2 Description	PSC Level 2 Code	Total Spending (Real 2018 Dollars)
Facility Related Services	4.4	\$2,229,429,908.95
Construction Related Services	4.2	1,082,600,406.47
Management Advisory Services	2.3	184,243,051.42
Security Services	3.3	172,227,591.19
Technical and Engineering Services (non-IT)	2.8	167,031,054.22
Passenger Travel	8.1	139,383,875.27
Healthcare Services	10.3	131,053,458.86
Quality Control	18.4	87,871,071.58
Transportation of Things	7.4	82,344,548.54
IT Hardware	1.2	80,348,213.94

