SCOMM
80:17

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HJR 63

Revision Date: March 4, 1992 **Department Affected:** None
Title: Support military at Ft. Richardson **BRU:** None
Component: None
Sponsor: Representative R. Phillips
Requestor: House Special Committee on Military and Veterans Affairs **COMPONENT SERIAL NO.** 0 0 0 0

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					
CAPITAL	0					
REVENUE	0					
FUND SOURCE:	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER	0					
FUND SOURCE:	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Thomas W. Wright, Committee Staff **Phone:** 465-4527
Division: House Special Committee on Mil. and Vet Affairs **Date:** March 4, 1992
Approved by Commissioner: Representative Ivan M. Ivan, Chair
Agency: House Special Committee on Mil. and Vet. Affairs **Date:** March 4, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Alaska State Legislature

Member
House Finance Committee

Randy Phillips
State Representative
House District 15

Session
State Capitol
Juneau, AK 99801
(907) 465-4949

Interim
P.O. Box 142
Eagle River AK 99577
(907) 694-4949

Memorandum

TO: Representative Ivan Ivan, Chairman
House Special Committee on Military & Veteran Affairs

FROM: Representative Randy Phillips REP

DATE: February 5, 1991

RE: Sponsor Statement in Support of:
House Joint Resolution No. 63
Supporting the continuation of the current military presence at Fort Richardson in Alaska.

Fort Richardson.has long been an intregal part of the economic and social fabric of the Anchorage area.

The soldiers, their immediate families, army retirees and civillian employees of Fort Richardson account for almost 14,000 of the citizens living in the Anchorage area. In addition to those persons directly employed at Fort Richardson, thousands of other Alaskans earn their living in private businesses that are supported by Fort Richardson personnel and military spending.

Not only is Fort Richardson economically important to Alaska. It is also located in one of the most strategically important locations on U.S. soil. Alaska is located at a crossroads. Soldiers stationed at Fort Richardson can be quickly deployed to trouble spots in Europe, Asia and the Pacific Rim. As the U.S. military withdraws from bases in the Phillipines, South Korea, Europe and other areas throughout the world, Fort Richardson becomes increasingly important to national security. At this time, when President Bush has promised to cut defense spending by $50 billion over the next few years, it is imperative that the remaining defense spending be allocated to those areas where it can be most effective both from an economic

standpoint and a defense standpoint. Fort Richardson is one of those places.

If you have any questions or comments do not hesitate to call me at 4949. Your cooperation is appreciated.

Alaska State Legislature

Randy Phillips
State Representative
House District 15

Session
State Capitol
Juneau, AK 99801
(907) 465-4949

Interim
P.O. Box 142
Eagle River AK 99577
(907) 694-4949

Member
House Finance Committee

Memorandum

TO: Representative Ivan Ivan, Chairman
House Special Committee on Military & Veteran Affairs

FROM: Representative Randy Phillips RP

DATE: January 30, 1991

RE: House Joint Resolution No. 63
Supporting the continuation of the current military presence at Fort Richardson in Alaska.

Thank you for the prompt scheduling of HJR63 before your committee. The back-up materials for this resolution will be to your committee in the next few days.

If you have any questions or comments do not hesitate to call me at 4949. Your cooperation is appreciated.

Alaska State Legislature

House of Representatives

Rep. Ivan, Chair
Rep. Davidson
Rep. Foster
Rep. Gonzales
Rep. Gruenberg
Rep. M.W. Miller
Rep. Parnell

State Capitol
Juneau, Alaska 99801-1182
(907) 465-4527

Special Committee on Military & Veterans Affairs

SUMMARY OF HOUSE JOINT RESOLUTION 63

House Joint Resolution 63 supports the continuation of the current military presence at Fort Richardson and urges the President, Congress and the U.S. Army to maintain its current level of military and civilian manpower. There is a committee substitute before the committee.

7-LS1831\D
Lauterbach
3/3/92

CS FOR HOUSE JOINT RESOLUTION NO. 63 (MLV)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

Offered:
Referred:

Sponsor(s): REPRESENTATIVES R.PHILLIPS, M.A.Miller

A RESOLUTION

Supporting the continuation of at least the current level of U.S. military presence at Fort Richardson and Elmendorf Air Force Base in Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS changing world conditions and relationships have lead to pressure on the Congress and the President to reduce defense spending; and

WHEREAS reductions in defense spending would probably result in some cuts in personnel stationed at bases around the country because a very significant portion of defense spending is related to personnel costs; and

WHEREAS the U.S. Army and U.S. Air Force have been reviewing the need for a continued presence of the present complement of military personnel at Fort Richardson and Elmendorf Air Force Base in Alaska; and

WHEREAS changing world conditions and relationships have lead the U.S. Army and U.S. Air Force to reduce their presence in the Philippines, South Korea, and the other areas; and

WHEREAS, although military reductions have occurred in Europe and the Far East, Alaska's strategic importance should continue to grow in order to defend the interests of the United States in the Arctic and the Pacific Rim regions; and

WHEREAS in 1990, the military services in Alaska stood as the third largest industry in the

state, accounting for 16 percent of the state's labor force and 13 percent of the state's payroll with expenditures on behalf of the military services in Alaska having an estimated $2,700,000,000 effect on Alaska's economy; and

WHEREAS Fort Richardson and Elmendorf Air Force Base represent the largest concentration of military personnel in Alaska; and

WHEREAS the military personnel at Fort Richardson and Elmendorf Air Force Base and their families contribute significantly to the state's economy and their presence is vital to the social fabric of the Anchorage area;

BE IT RESOLVED that the Alaska State Legislature urges the President, the Congress, the U.S. Army, and the U.S. Air Force to maintain at least the current level of military presence at Fort Richardson and Elmendorf Air Force Base in Alaska.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable Dan Quayle, Vice-President of the United States and President of the U.S. Senate; the Honorable Dick Cheney, Secretary of Defense; the Honorable Robert C. Byrd, President Pro Tempore of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S. House of Representatives; Michael P. W. Stone, Secretary of the Army; Donald B. Rice, Secretary of the Air Force; General Carl E. Vuono, Army Chief of Staff; General Merrill A. McPeak, Air Force Chief of Staff; the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Anchorage · Star of the North
Chamber of Commerce

February 6, 1992

To: House Special Committee on Military & Veteran Affairs
From: The Anchorage Chamber of Commerce
Re: HJR 63

The Anchorage Chamber of Commerce strongly supports HJR 63. The Military represents a vital sector of the Anchorage and Statewide economy. Fort Richardson personnel contribute to the quality of life in Anchorage as well as the economy.

The Anchorage Chamber of Commerce has adopted as one of its Federal priorities: Support of Alaska's Congressional delegation as needed to keep Alaska Military facilities open and at current or greater levels of personnel.

Alaska serves as a strategic military position and Fort Richardson is a key to military operations in Alaska. The Chamber supports and urges passage of HJR 63 as currently written.

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 1
To Jerry Burnett	From Carol Heyman
Co. Rep. Phillips	Co. ACC
Dept. Attic - House	Phone # 272-2401
Fax # 465-2778	Fax # 272-4117

437 E Street, Suite 300, Anchorage, Alaska 99501-2365 Phone: (907) 272-2401 Fax: (907) 272-4117
Founded 1915

FEB-6-92 THU 11:29 ANCH CHAMBER COMMERCE P.01

A1·1/13

ALASKA HISTORICAL LIBRARY

IMPACT OF MILITARY SPENDING ON THE ECONOMY OF ALASKA

FISCAL YEAR 1987

PREPARED BY:

DCS/COMPTROLLER
HEADQUARTERS ALASKAN AIR COMMAND
ELMENDORF AIR FORCE BASE ALASKA

A
6
774.
4
87 ALASKA HISTORICAL LIBRARY

PREFACE

The Air Force, Army, Navy, Marines, Air National Guard, Army National Guard, Reserves, United States Coast Guard, Army Corps of Engineers, and Canadian Forces have a significant economic and social impact on the state of Alaska. The 33,936 active duty military and civilian employees, and 48,732 dependents account for approximately 15 percent of Alaska's population.

Measured in economic terms, the military services' total impact in Alaska is approximately $2.6 billion. This pamphlet highlights various aspects of the dollar expenditures and resources for Fiscal Year 1987.

For the purposes of this report, the term "military services" refer to Air Force, Army, Navy, Marines, the Air National Guard, Army National Guard, Reserves, United States Coast Guard, Army Corps of Engineers, and Canadian Forces. The National Guard, United States Coast Guard, and Canadian Forces are included even though they are not branches of the Department of Defense during peacetime. Additionally, the terms "Retiree" or "Retired" refer to the retirees of the military services. The term "Civilian" or "Civil Service" is used in the same manner.

The Directorate of Cost, Deputy Chief of Staff Comptroller, Headquarters Alaskan Air Command, Elmendorf Air Force Base, has prepared this pamphlet to provide federal, state and local officials, military personnel, and community leaders with information on the economic impact of the military services on the state of Alaska.

The contents of this report were obtained through research and assistance from each military organization, the State Department of Labor, Department of Commerce and Economic Development, and the University of Alaska's Institute of Social and Economic Research (ISER).

We would like to express our sincere appreciation to all military and civilian personnel and agencies whose participation made this report possible.

TABLE OF CONTENTS

PAGE

Preface i

Table of Contents ii

Military Organizations 2

Military Installations 6

Population 9

Labor Force and Employment 11

Retirees 14

Wages and Salaries 15

Military Expenditures 16

Summary 20

LIST OF TABLES

PAGE

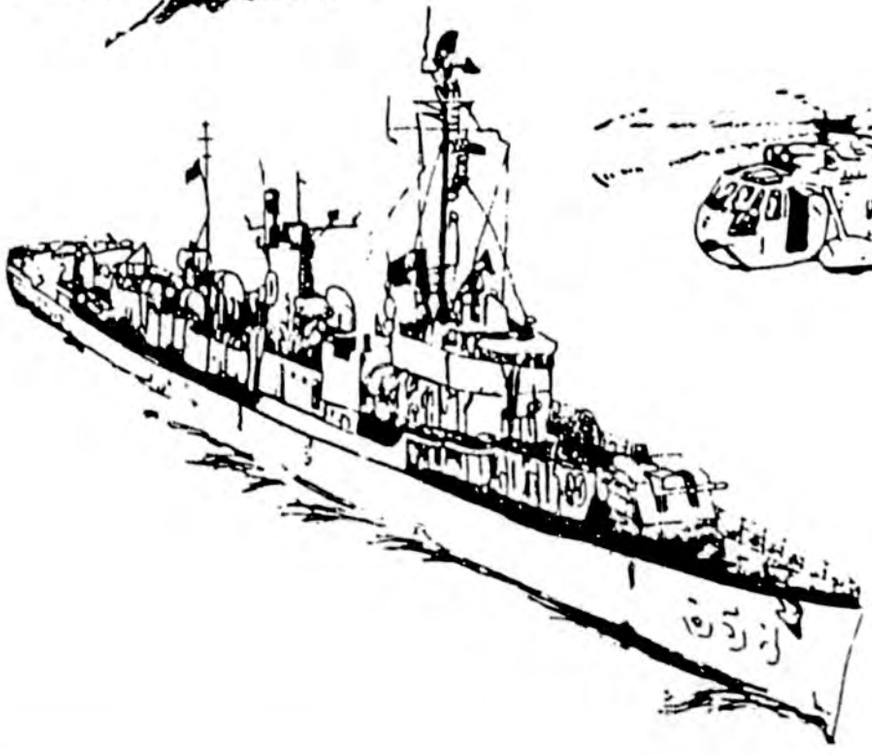
1. Military Installations 7
2. Military Population by Service 9
3. Military Labor Force by Service and Employment Category 11
4. Alaska Labor Force by Employment Category 13
5. Retirees and Pay by Service 14
6. Military Related Wages and Salaries by Service and Employment Category 15
7. Military Expenditures by Service 16
8. Military Expenditures in Alaska by Spending Category 17
9. Military Expenditures for Five Year Period 18

LIST OF FIGURES

PAGE

1. Map of Military Installations 8
2. Map of Military Related Population by Region 10
3. Regional Distribution of Military Labor Force 11
4. Labor Force History 12
5. Regional Distribution of Retiree Pay 14
6. Regional Distribution of Military Wages and Salaries 15
7. The Multiplier Effect 17
8. FY87 Military Expenditures 19

MILITARY ORGANIZATIONS



MILITARY ORGANIZATIONS

AIR FORCE

The Air Force is the largest of the military services in the state and serves as the senior military organization. The Alaskan Air Command (AAC), with headquarters at Elmendorf Air Force Base, is the largest component in Alaska and provides support to all other Air Force units in the state. AAC's largest subordinate units are the 21st Tactical Fighter Wing at Elmendorf Air Force Base and the 343rd Tactical Fighter Wing at Eielson Air Force Base. Other units are the 5073rd Air Base Group at Shemya Air Force Base, the 5072nd Combat Support Squadron at Galena Airport, the 5071st Combat Support Squadron at King Salmon Airport, and the thirteen long range radar stations located throughout the state. AAC provides combat-ready air forces to preserve the sovereignty of United States' lands, waters, and air space.

Other major Air Force components in Alaska include the Strategic Air Command with its KC-135 tanker fleet and other activities, the Military Airlift Command with its fleet of C-130 Hercules cargo aircraft and the Air Weather Service, the Tactical Air Command with its E-3 Airborne Warning and Control System (AWACS) aircraft at Elmendorf Air Force Base and radar installations along the northern seacoast, the Air Force Space Command performing missile warning and space surveillance, the Air Force Communications Command providing major communications networks throughout the state, and the Electronic Security Command.

ARMY

The principal Army unit in the state is the the 6th Infantry Division (Light) and United States Army Garrison, Alaska, which has its headquarters at Fort Richardson. The division's mission is to defend Alaska, to include providing initial defense of the Aleutians, and to be prepared to deploy rapidly anywhere in support of United States' national interest and objectives. The major subordinate units of the divison include the 1st Brigade at Fort Richardson, 2nd Brigade at Fort Wainwright, and the 6th Combat Aviation Brigade with aircraft at both forts. The Division Support Command provides support to divisional elements at both posts. A United States Army Reserve "roundout" force, the 205th Light Infantry Brigade (Separate), is headquartered at Fort Snelling, Minnesota, and serves as the division's third infantry brigade.

Garrison elements are stationed at both forts as well as at Fort Greely, near Delta Junction, which is also home to the Northern Warfare Training Center and the Cold Regions Test Center, both tenant agencies. Other tenant organizations include the United States Army Health Service Command with its medical and dental facilities at all three posts, the United States Army Information Systems Command headquartered at Fort Richardson, and the Cold Regions Research and Engineering Laboratory at Fort Wainwright. The division provides advisory assistance to Alaska Army National Guard units throughout the state and commands the state's Reserve forces; specifically the 813th Engineering Battalion and the 1984th General Hospital Unit.

MILITARY ORGANIZATIONS

NATIONAL GUARD

Headquarters for the State Adjutant General, the Army National Guard, and the Air National Guard are located in Anchorage; and principal subordinate units are in Anchorage, Nome, Kotzebue, Bethel, and Juneau. The "Guard" has both state and federal responsibilities. During peacetime, the Guard trains and maintains a force which is frequently called upon to assist in natural disasters. It can be called upon to preserve peace and order and is integrated into the federal military establishment in time of war.

COAST GUARD

The 17th Coast Guard District encompasses the entire state of Alaska or 33,000 miles of coastline—more than all other states combined. As the nation's smallest military service, the United States Coast Guard performs its many missions in Alaska with 2,300 military and civilian employees at 39 units. District headquarters is located in Juneau, and the largest Coast Guard base and air station in the country is located at the former Navy base in Kodiak. Major responsibilites in Alaska include enforcing the 200-mile fisheries conservation zone where the majority of the fish caught are sold to foreign countries. Search and rescue in the often harsh climate of Alaska is another major task performed by Coast Guard units. The service maintains aids to navigation including LORAN C radio beacons, lighthouses, and buoys; and ensures the safety of shipping and the marine environment as required by law. Military readiness responsibilities increased with the appointment of the District Commander as Maritime Defense Zone, Sector Alaska Commander.

MILITARY ORGANIZATIONS

NAVY/MARINE CORPS

The Navy and Marine Corps have commands and detachments located in Anchorage and on Adak Island, in the Aleutians. Commands located in Anchorage include the Naval Security Group Activity; Military Sealift Command Office; Naval Reserve Center; Personnel Support Detachment, Company E, 4th Recon Battalion, 4th Marine Division; as well as several other small detachments. Naval Air Station Adak is host command for many organizations including the Naval Security Group Activity; Naval Facility; Naval Investigative Service Office; Naval Electronics Center Detachment; Company I, Marine Support Battalion; and Marine Corps Barracks. The Marine Corps Barracks provides security forces for the United States Naval Station Adak, Alaska, and assists in the training and supervision of, as well as providing the nucleus for, a joint ground defense force.

ARMY CORPS OF ENGINEERS

The Alaska District Corps of Engineers (COE) has both a military and civil works mission in the 49th state. The Alaska District COE plans and designs military structures, runways and roads, utilities, and other facilities for the Army, the Alaskan Air Command, and the Alaska National Guard (Army and Air Force). Among its civil works responsibilities are engineering and design of flood control projects, erosion control measures along streams, protection of navigable waterways from obstruction, and regulation of the discharge of dredged and fill material to prevent water pollution.

US Army Corps of Engineers

CANADIAN FORCES

The two Canadian Forces (CF) detachments in Alaska provide personnel in support of the North American Aerospace Defense Command (NORAD) mission. Twenty-nine of these personnel are stationed at Elmendorf Air Force Base performing duties with either the Alaskan NORAD Region or 962nd Airborne Warning and Control Squadron (AWACS). Three CF personnel perform operational duties with 13th Missile Warning Squadron at the Clear Air Force Station Ballistic Missile Early Warning system site. Except for a small administrative overhead, all CF personnel are fully integrated into United States Air Force units.

INSTALLATIONS

Manned installations of the Department of Defense and the United States Coast Guard are established at more than 30 locations throughout the state. These include large bases employing several thousand people and numerous outposts with fewer than 100 people. In addition, a large number of installations such as radio relay sites are not manned on a regular basis. Due to limited housing at most remote locations, assigned personnel are not accompanied by their families.

The following table and map illustrate the primary military installations located within each of Alaska's nine geographic regions. These regions coincide with the regions used by the University of Alaska's Institute of Social and Economic Research in their economic research publication.

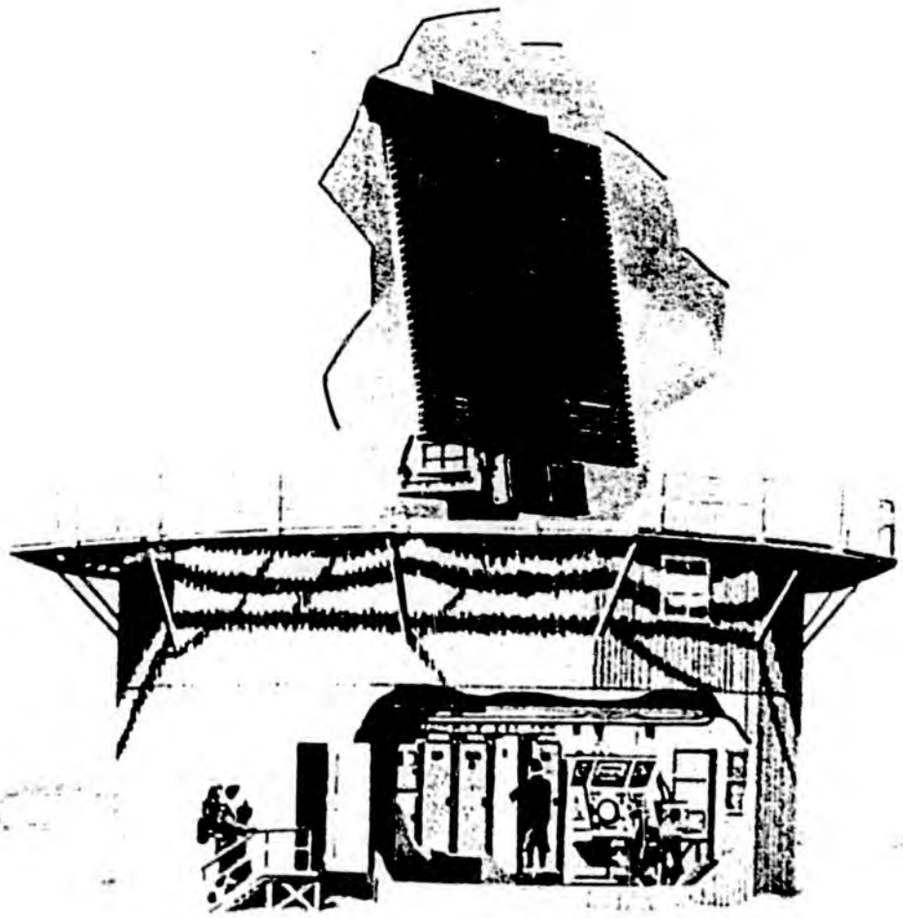


Table 1

MILITARY INSTALLATIONS BY REGION

I. NORTH SLOPE

Air Force Stations:
- Cape Lisburne

Distant Early Warning Sites:
- Point Lay
- Wainwright
- Barrow
- Lonely
- Oliktok
- Barter Island

II. NORTHWEST

Air Force Stations:
- Kotzebue
- Tin City

Army National Guard:
- Nome
- Kotzebue

III. SOUTHWEST

Air Force Stations:
- Cape Newenham
- Cape Romanzof
- Cold Bay
- King Salmon
- Sparrevohn
- Tatalina

Shemya Air Force Base

Army National Guard:
- Bethel

Coast Guard LORAN:
- Attu
- St. Paul Island

Naval Installations Adak:
- Navel Air Station
- Naval Security Group Activity
- Naval Facility

IV. SOUTHEAST

Army National Guard:
- Ketchikan
- Sitka

Coast Guard LORAN Station:
- Shoal Cove

Marine Safety Detachments:
- Ketchikan
- Sitka

Coast Guard Units:
- Air Station-Sitka
- Group/Base Ketchikan

Coast Guard Cutters:
- Planetree
- Woodrush
- Elderberry
- Cape Carter
- Naushon
- Cape Hattaras

V. SOUTHCENTRAL

Coast Guard LORAN Station:
- Narrow Cape

Marine Safety Office:
- Valdez

Marine Safety Detachments:
- Kenai
- Kodiak

Coast Guard Units:
- Air Station Kodiak
- Support Center Kodiak
- Communications Station Kodiak

Coast Guard Cutters:
- Firebush
- Ironwood
- Sedge
- Sweetbrier
- Cape Jellison
- Yocona
- Storis
- Mustang

Army National Guard:
- Kodiak
- Kenai
- Wasilla

Coast Guard Aviation Support:
- Cordova

VI. ANCHORAGE

Air Force Base:
- Elmendorf

Air National Guard:
- Kulis

Army Corps of Engineers:
- District Office Elmendorf AFB

Army Post:
- Fort Richardson

Army National Guard:
- Camp Carroll
  - Other Armories and Support Facilities

Army Reserve:
- Fort Richardson

Coast Guard Units:
- Marine Safety Office
- Caption of the Port
- Recruiting Office

Naval Security Group:
- Elmendorf AFB

Naval Reserve Facility

VII. INTERIOR

Air Force Stations:
- Clear
- Fort Yukon
- Galena
- Indian Mountain
- Murphy Dome

Coast Guard LORAN:
- Tok

VIII. FAIRBANKS

Air Force Base:
- Eielson

Army Posts:
- Fort Greely
- Fort Wainwright

Army National Guard:
- Fairbanks Armory

Army Reserve:
- Fairbanks

IX. JUNEAU

Army National Guard

Coast Guard:
- 17th District Office
- Recruiting Office
- Marine Safety Office

PRIMARY MILITARY INSTALLATIONS IN ALASKA

Figure 1

POPULATION

Population figures include active duty military personnel, part-time Guard and Reserve personnel, Civil Service employees, Nonappropriated Fund (NAF) and Exchange personnel, retired personnel, and dependents. The total full-time military related population (dependents included) is 82,668 or 15 percent of the estimated Alaska population of 537,080 people. Adding part-time Guard and Reserve members and retirees brings the total military related population to 96,400 or 18 percent of the state population.

Table 2

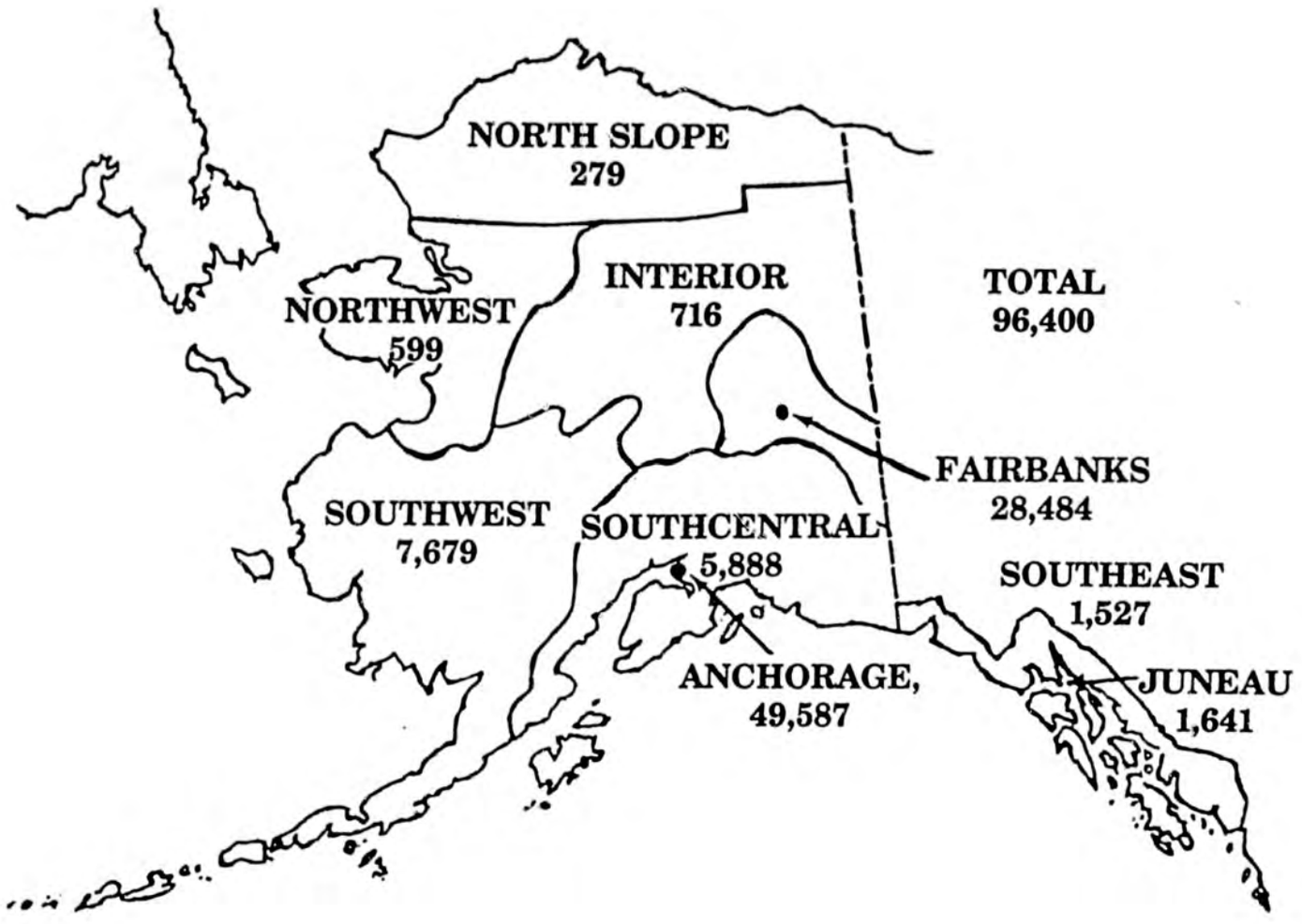
MILITARY SERVICES POPULATION IN ALASKA

AS OF SEPTEMBER 1987

	MILITARY	CIVIL SERVICE	NAF/EXCH	DEPENDENTS	TOTAL
ACTIVE DUTY					
AIR FORCE	11,382	1,827	1,331	20,527	35,067
ARMY	9,053	2,506	785	18,649	30,993
NAVY	2,444	187	325	2,530	5,486
MARINE CORPS	187	–	10	79	276
NATIONAL GUARD	395	523	–	2,007	2,925
COAST GUARD	2,023	251	56	3,351	5,681
CORPS OF ENGRS	26	593	–	1,544	2,163
CANADIAN FORCES	32	–	–	45	77
TOTAL	**25,542**	**5,887**	**2,507**	**48,732**	**82,668**
PART-TIME GUARD AND RESERVE					
NATIONAL GUARD	3,560	–	–	–	3,560
RESERVES	541	–	–	–	541
TOTAL	**4,101**				**4,101**
RETIRED (ALL SERVICES)					
TOTAL RETIRED	5,093	4,538	–	–	9,631
TOTAL POPULATION	**34,736**	**10,425**	**2,507**	**48,732**	**96,400**

POPULATION BY REGION

Figure 2



MILITARY LABOR FORCE

The Army and Air Force represent approximately 79 percent of the total military labor force and 11 percent of the state's total estimated labor force of 245,000 people.

Table 3

MILITARY LABOR FORCE AND EMPLOYMENT

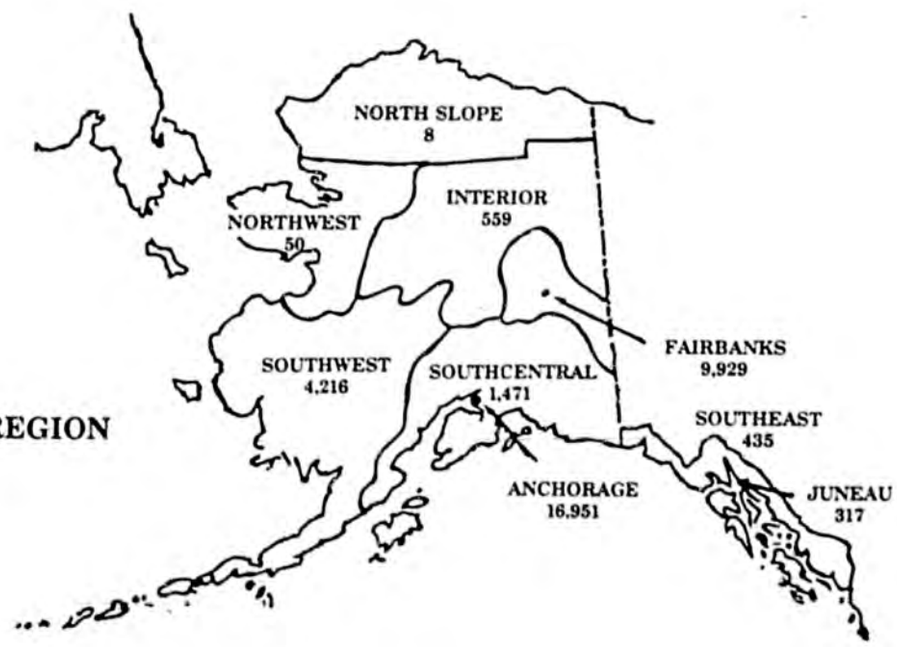
AS OF SEPTEMBER 1987

	MILITARY	CIVIL SERVICE	NAF/EXCHANGE	TOTAL
AIR FORCE	11,382	1,827	1,331	14,540
ARMY	9,053	2,506	785	12,344
NAVY	2,444	187	325	2,956
MARINE CORPS	187	–	10	197
NATIONAL GUARD	395	523	–	918
COAST GUARD	2,023	251	56	2,330
CORPS OF ENGRS	26	593	–	619
CANADIAN FORCES	32	–	–	32
TOTAL	**25,542**	**5,887**	**2,507**	**33,936**

The figures exclude 3,560 part-time National Guard and 541 reservists.

Figure 3

MILITARY LABOR FORCE BY REGION

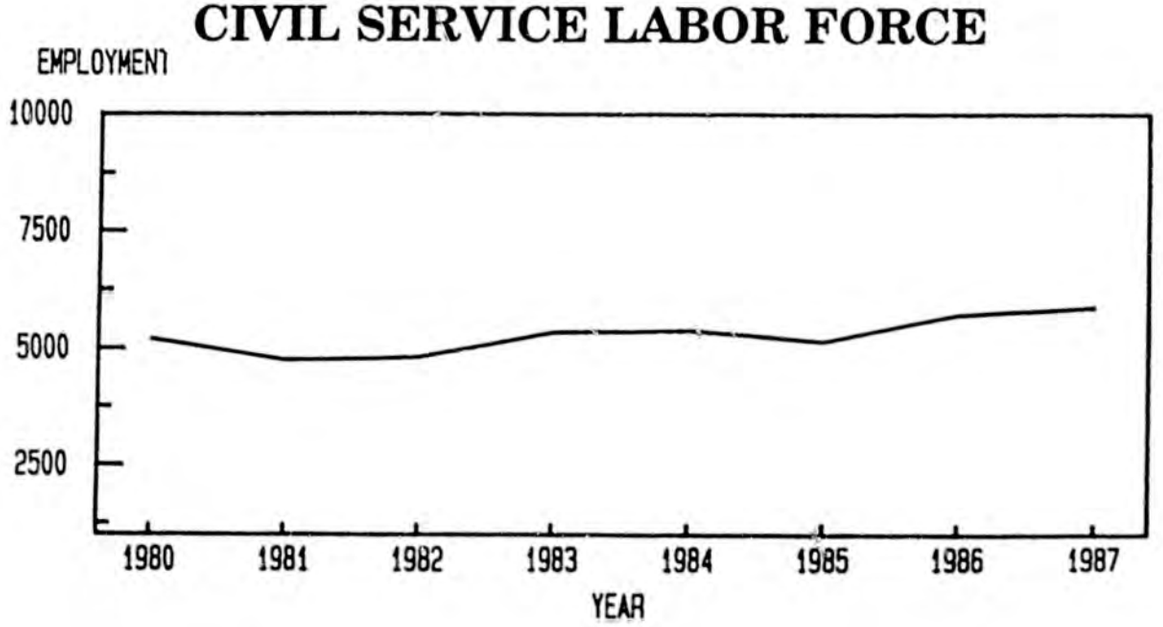


MILITARY LABOR FORCE

The military labor force has a stabilizing influence with minimal annual or seasonal employment fluctuation which characterizes the state's construction, fishing, and mining industries. Since 1980, the trend of the military labor force has been very consistent. However, in 1985, one can see the beginning of an increase in the labor force which is consistent with the recent increased military presence in Alaska.

Figure 4

LABOR FORCE HISTORY



ALASKA LABOR FORCE AND EMPLOYMENT

The military services' work force consists of approximately 34,000 people or 14 percent of the state's total work force of 245,000 people. The other federal agencies, and state and municipal governments employed approximately 24 percent.

Table 4

WORK FORCE IN ALASKA

SEPTEMBER 1987 ESTIMATE

GOVERNMENT	THOUSANDS	PERCENT
MILITARY	34	14
OTHER FEDERAL GOVT	11	5
STATE	19	8
LOCAL	28	11
SUBTOTAL GOVERNMENT	**92**	**38**
INDUSTRY		
TRADE	44	18
SERVICES	42	17
CONSTRUCTION	14	6
TRANSPORTATION	19	8
MANUFACTURING	15	6
FINANCE, INSURANCE, REAL ESTATE	11	4
MINING	8	3
SUBTOTAL INDUSTRY	**153**	**62**
TOTAL LABOR FORCE	**245**	**100**

RETIREES

Military and Civil Service retirees make up approximately 10 percent of the total military related population of 96,400 in the state of Alaska. These retirees contribute approximately $130.4 million in payroll to the economy of Alaska, accounting for 7 percent of the total military related expenditure in Fiscal Year 1987.

Table 5

RETIREES AND PAY BY SERVICE

($ millions)

AS OF SEPTEMBER 1987

	NUMBER RETIREES	RETIRED PAY
AIR FORCE	2,765	35.4
ARMY	1,499	19.2
NAVY	428	5.0
MARINE CORPS	72	.7
COAST GUARD	329	5.0
SUBTOTAL SERVICES	**5,093**	**65.3**
CIVIL SERVICE	4,538	65.1
TOTAL	**9,631**	**130.4**

Figure 5

RETIREE PAY BY REGION

($ millions)

WAGES AND SALARIES

These figures include pay for active duty military; part-time Guard and Reserve personnel; and full-time, part-time, and seasonal civilian personnel. The military services earned 13 percent of the state's estimated $6.0 billion wages and salaries.

Table 6

MILITARY WAGES AND SALARIES BY SERVICE

($ millions)

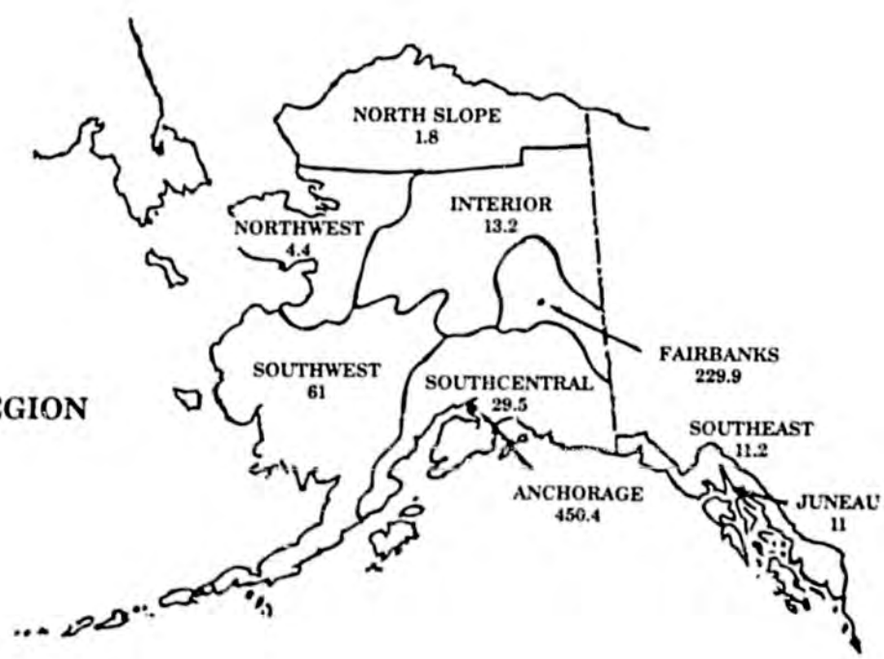
FY87

	MILITARY	CIVIL SERVICE	NAF/EXCHANGE	TOTAL
AIR FORCE	273.5	72.9	17.1	363.5
ARMY	200.4	78.0	10.1	288.5
NAVY	24.2	6.0	3.2	33.4
MARINE CORPS	2.1	–	.2	2.3
NATIONAL GUARD	27.2	22.3	–	49.5
COAST GUARD	38.1	8.9	1.6	48.6
CORPS OF ENGRS	.6	24.3	.3	25.2
CANADIAN FORCES	1.4	–	–	1.4
TOTAL	**567.5**	**212.4**	**32.5**	**812.4**

Figure 6

WAGES AND SALARIES BY REGION

($ millions)



MILITARY EXPENDITURES

The Fiscal Year 1987 expenditures of the military services in Alaska were approximately $1.9 billion dollars. Spending for pay was 50 percent of the total, 11 percent was spent for construction, 34 percent for operations and maintenance, and 5 percent for other procurement.

The costs of construction and most of the operations and maintenance for the Marines are included in the Navy figures. Military construction performed by the Army Corps of Engineers is credited to the appropriate service. The construction figures represent expenditures for major construction projects. Additional construction expenditures for minor construction, repairs, and alterations are included in operations and maintenance.

Table 7

TOTAL MILITARY EXPENDITURES BY SERVICE

($ millions)

FY87

SERVICE	PAY	CONSTRUCTION	OPERATIONS & MAINTENANCE	PROCUREMENT	TOTAL
AIR FORCE	363.5	85.4	283.8	61.0	793.7
ARMY	288.5	54.0	239.0	1.8	583.3
NAVY	33.4	52.1	18.2	25.4	129.1
MARINE CORPS	2.3	–	.1	–	2.4
NATIONAL GUARD	49.5	1.9	27.3	8.0	86.7
COAST GUARD	48.6	11.5	60.4	2.3	122.8
CORPS OF ENGRS	25.2	–	16.4	6.9	48.5
CANADIAN FORCES	1.4	–	.1	–	1.5
TOTAL FOR SERVICES	**812.4**	**204.9**	**645.3**	**105.4**	**1,768.0**
RETIREMENT	130.4	–	–	–	130.4
TOTAL EXPENDITURES	**942.8**	**204.9**	**645.3**	**105.4**	**1,898.4**

MILITARY EXPENDITURES

While not all of the $1.9 billion spent impacts on the Alaska economy directly, our research indicates that about 76 percent, or $1.4 billion, was spent in Alaska contributing to the local economy as shown below.

Table 8

MILITARY EXPENDITURES IN ALASKA

($ millions)

FY87

	EXPENDITURES	PERCENTAGES SPENT IN ALASKA	AMOUNT SPENT IN ALASKA
MILITARY & CIVIL SERVICE PAYROLLS	779.9	86	670.7
OPERATIONS & MAINTENANCE	645.3	73	471.0
CONSTRUCTION	204.9	52	106.5
NAF/EXCHANGE PAYROLLS	32.5	95	30.1
OTHER PROCUREMENT	105.4	60	63.2
RETIREMENT	130.4	82	107.0
TOTAL	**1,898.4**		**1,448.5**

$1.4 BILLION SPENT IN ALASKA

"Multiplier" Impact

Economists recognize a compounding phenomenon which is related to large expenditures and have given it the technical name "multiplier." Simply stated, military funds, salaries, and wages spent in Alaska cause an increase in the Alaska employment which, in turn, increases the spendable income of Alaskans. At some point on the scale of magnitude this significant expenditure begins to generate new money from other sources, and new industry and services are created that facilitate spending the original expenditures.

The University of Alaska's Institute of Social and Economic Research ran an experiment and calculated a multiplier of 1.8 for Federal Government spending in Alaska. The significance of this figure is that an original expenditure of $1,898.4 million actually has a $2.6 billion impact on the Alaska economy.

$2.6 BILLION TOTAL ECONOMIC IMPACT

Figure 7

EFFECT OF THE MULTIPLIER

$1,448.5 MILLION X 1.8 = $2.6 BILLION

MILITARY EXPENDITURES FIVE YEAR HISTORY

The following table shows the approximate total military expenditures for Fiscal Years 1983-1987, of which approximately 76 percent is spent in Alaska. Retirement pay was included in this table for the first time in Fiscal Year 1985.

Table 9

MILITARY EXPENDITURES FY83-FY87

($ millions)

	FY83	FY84	FY85	FY86	FY87
PRIMARY EXPENDITURE					
MILITARY PAYROLL	464.4	469.9	503.1	516.0	567.5
CIVILIAN PAYROLL	168.7	182.1	189.7	181.5	212.4
OPERATIONS & MAINTENANCE	380.0	362.6	389.1	493.3	645.3
CONSTRUCTION	141.2	135.1	204.0	180.3	204.9
SUBTOTAL APPROP FUNDS	**1,154.3**	**1,149.7**	**1,285.9**	**1,371.1**	**1,630.1**
OTHER					
EXCHANGE & NAF PAYROLLS	24.8	24.1	32.8	35.7	32.5
OTHER PROCUREMENT (Military Family Housing, Investment Equipment, Claims)	219.0	161.0	136.9	149.5	105.4
SUBTOTAL OTHER	**243.8**	**185.1**	**169.7**	**185.2**	**137.9**
RETIREMENT	*	*	113.1	122.3	130.4
TOTAL MILITARY EXPENDITURES	**1,398.1**	**1,334.8**	**1,586.7**	**1,678.6**	**1,898.4**
APPROXIMATE AMOUNT SPENT IN ALASKA	**1,043.4**	**1,008.4**	**1,191.9**	**1,277.7**	**1,448.5**

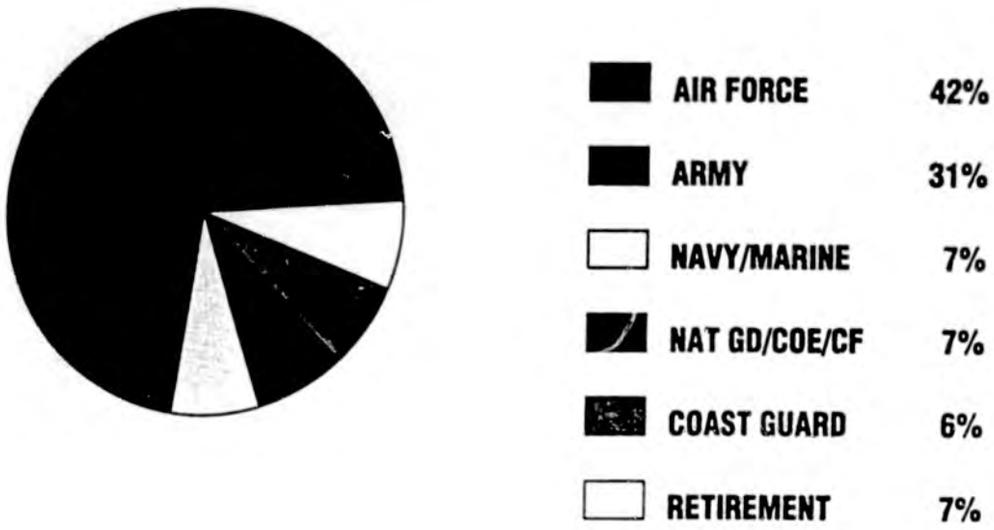
*Data not collected prior to FY85.

MILITARY EXPENDITURES

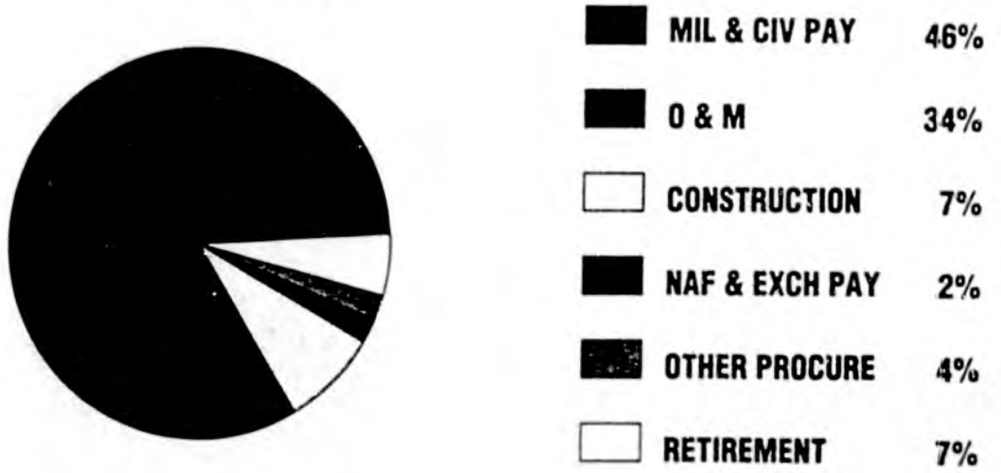
Figure 8

FY87 MILITARY EXPENDITURES

TOTAL MILITARY EXPENDITURES BY SERVICE
$1.9 BILLION



TOTAL EXPENDITURES IN ALASKA BY CATEGORY
$1.4 BILLION



SUMMARY

The military's impact on Alaska's economy took on increasing importance as the economic decline continued throughout Fiscal Year 1987. In a period when more people were leaving Alaska than arriving, the military population and contribution to the Alaska economy continued to increase. During Fiscal Year 1987, the military personnel, civilian employees, and dependents represented 15 percent of the total Alaska population. The military work force represented 14 percent of the state's total work force in Fiscal Year 1987 and earned 13 percent of the state's estimated $6.0 billion in wages and salaries. Military spending in Alaska was approximately $1.4 billion, creating a total economic impact of $2.6 billion.

The military services played a major role in the growth and development of Alaska since its purchase from Russia in 1867. For most of Alaska's history, the military and other government agencies were the largest sector of Alaskan industry in overall contribution to the state economy. During Fiscal Years 1974-1976, this leadership went to the construction, service, and transportation sectors during the extraordinary surge in activity brought on by the Trans-Alaska pipeline. During Fiscal Years 1977-1986, trade (retail and wholesale) and services were the industry leaders, accounting for approximately 34 percent of the total work force. Local, state, and federal government in Fiscal Year 1987 comprised 38 percent of the state's work force, with the military consisting of 14 percent of this total. Gross spending of $1.9 billion in Fiscal Year 1987 shows an increase in military spending of 10 percent over Fiscal Year 1986. This trend should continue as the military services increase their presence throughout the state because of its strategic location. However, the growth could be adversely affected as Congress continues to grapple with mounting federal deficits.

During Fiscal Year 1987, each of the various branches of the military contributed to the economic growth of Alaska. For example, large exercises such as BRIM FROST 87 and AMALGAM BRAVE 87 brought hundreds of people and aircraft to Alaska on temporary duty assignments.

The United States Air Force continued as the major military employer with 14,540 military and civilian employees throughout the state. The 21st Tactical Fighter Wing at Elmendorf Air Force Base upgraded to the F-15C/D Eagle, received additional fighters, and activated the new 54th Tactical Fighter Squadron. At Eielson Air Force Base, the Alaska Air National Guard's 168th Air Refueling Squadron was activiated in Fiscal Year 1987, flying KC-135 Skratotanker aircraft. Additionally, the Air Force announced transmit and receive sites of an Over-the-Horizon Backscatter radar will be constructed (beginning in 1989) at Gulkana and Tok, Alaska. The operations center will be located at Elmendorf Air Force Base.

The United States Army's 6th Infantry Division (Light) continued growing toward full strength during Fiscal Year 1987 with the activation of the 2nd Brigade at Fort Wainwright. Medical, supply and transportation, and infantry battallions were also activated at the Fairbanks' post as well as a military intelligence battallion at Fort Richardson. Four hundred contractor built and managed housing units, known as "801 housing," were completed at Fort Wainwright.

The United States Navy continued its growth at Adak Island in the Aleutians including the opening of new housing to accommodate increased military strength. Construction of the Navy's Over-the-Horizon radar facility on the Aleutian island of Amchitka continued through 1987. Most visible to the Alaska civilian population were the visits to Alaska waters by United States Navy vessels such as the USS Enterprise and the visit to the port of Seward by the ballistic missile submarine USS Alaska. With increased Navy activity in the North Pacific, Alaska can expect more frequent visits by Navy vessels. Further, in Fiscal Year 1987 the United States Navy began investigating the possibility of homeporting Navy ships somewhere in Alaska.

The United States Coast Guard continued to play a large role in the military's contribution to the economy. In Fiscal Year 1987, the 17th Coast Guard District, headquartered at Juneau, implemented a realignment to assign more people to patrol functions without cutting back other Coast Guard services.

The military services engage in numerous other activities benefiting Alaska communities which are difficult to measure in dollar value. For example, military search and rescue activities in Alaska have become legendary. In Fiscal Year 1987, the Rescue Coordination Center at Elmendorf Air Force Base coordinated 216 missions involving 249 people, saved 63 lives, and assisted 77 other people. During Fiscal Year 1986, the United States Coast Guard conducted 1,944 missions, saving 528 lives. They assisted 2,929 people and saved property valued at $114,373,000. This level of activity continued throughout 1987. Often, services are provided to benefit both the military and civilian communities. Examples include providing airstrip maintenance, radio and navigation aids on joint-use airstrips in the outlying areas of Alaska, and joint agreements for fire protection. Additionally, the military cooperates with various agencies in activities such as railroad and fish hatchery operations, and in public health and social services. Instances of emergency support range from natural disaster relief to the loan of generators to the city of Bethel when its power plant burned.

The military services, being a large sector of the Alaska population, work force, and economy, will continue to play a significant social and economic role in Alaska's future.