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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

LAUNCH ALASKA,)	
)	
Plaintiff,)	
v.)	
)	
DEPARTMENT OF THE NAVY,)	
OFFICE OF NAVAL RESEARCH,)	Case No.
)	
Defendant.)	

VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF

Plaintiff Launch Alaska, by and through its undersigned counsel of Gordon Rees Scully Mansukhani, LLP, hereby files its Verified Complaint for Injunctive Relief against Defendant Department of the Navy, Office of Naval Research as follows:

I. PARTIES, JURISDICTION, AND VENUE

1. Plaintiff Launch Alaska is an Alaska nonprofit corporation and is in all ways qualified to maintain this action.

2. Defendant Department of the Navy, Office of Naval Research (hereinafter “ONR”) is a federal agency of the United States.

3. The Court possesses jurisdiction over the subject matter of this Complaint pursuant to 28 U.S.C. § 1331, 5 U.S.C. § 701 *et seq.*, and any other applicable constitutional, statutory, or common law bases.

LAUNCH ALASKA’S COMPLAINT FOR INJUNCTIVE RELIEF

Launch Alaska v. Dep’t of the Navy, Office of Naval Research, Case No.

Launch Alaska's Verified Complaint - FINAL(103673754.1) - 6/30/2025 3:21 PM

Case 3:25-cv-00141-GMS Document 1 Filed 07/01/25 Page 1 of 18

Page 1 of 18

4. The Court possesses personal jurisdiction over the parties named herein.

5. Venue is proper in the United States District Court for the District of Alaska located in Anchorage pursuant to 28 U.S.C. § 1391.

II. GENERAL ALLEGATIONS

Launch Alaska's Mission and Alignment with Federal Priorities

6. Launch Alaska is Alaska's first and largest startup accelerator to operate within the state.

7. Launch Alaska is a nonprofit entity that recruits, supports, and works side-by-side with innovative startup companies to develop technology and develop commercial viability.

8. Launch Alaska's mission is to spur innovation, develop and scale infrastructure and energy technology solutions, and support deployment of these ideas and technologies in challenging environments.

9. Launch Alaska is a partner in the ONR-supported ARCTIC program, which stands for Alaska Regional Collaboration Technology Innovation and Commercialization.

10. In this capacity, Launch Alaska works alongside four other Alaska based organizations to build capacity in energy, transportation, and industrial innovation.

11. Upon information and belief, none of these four entities have received grant termination notices from ONR.

12. The purpose of the ARCTIC program is to support the United States Navy's mission in the Arctic by increasing regional resiliency through research, technology development and deployment, and talent development in energy.

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Case 3:25-cv-00141-GMS Document 1 Filed 07/01/25 Page 2 of 18

Page 2 of 18

13. The United States Navy's Strategic Blueprint for the Arctic specifically references the ARCTIC program as one of the innovative public-private partnerships that is transforming the operational capabilities and regional understanding of Naval forces in the Arctic: *"Public-private partnerships and innovative solutions, such as NavalX tech bridges, leveraging relevant civilian expertise within the reserve components, and the Alaska Regional Collaboration for Technology Innovation and Commercialization (ARCTIC) led by the Office of Naval Research will help transform the operating abilities - and regional understanding - of naval forces."*¹

14. Launch Alaska plays a unique role within the ARCTIC program by developing and deploying innovative technologies and supporting scalable startups addressing challenges in the Arctic and Pacific regions.

15. Since 2016, Launch Alaska's world-class deployment and innovation program has supported over 105 high growth startups through 10 cohorts, led to 90 Alaska projects, more than 73 new Alaska jobs, and over \$764 million in Alaska energy, transportation, and industry technology deployment.

16. Currently, 46 companies are in the Launch Alaska portfolio with technologies spanning micro nuclear and geothermal energy to long-duration energy storage to PFAS remediation.

¹ Available at [ARCTIC BLUEPRINT 2021 FINAL.PDF](#) (last visited June 27, 2025).

17. Given that Launch Alaska operates with a team of just eight employees, the impact of its use of Department of Defense grant dollars to leverage private sector capital and innovation is unmatched.

18. The ARCTIC program leverages Alaska's core competency as a national leader in research, technology development, and deployment for resilient technologies.

19. Energy research innovations developed as a result of the ARCTIC program will help the Armed Forces in Alaska operate more efficiently, while also enhancing adaptability.

20. Investments provided to the ARCTIC program sustain and further advance Alaska's capabilities in the areas of research, workforce and talent development, and commercialization.

21. Launch Alaska operates a structured accelerator designed to support early-stage companies in developing and deploying their technology in Alaska's unique environment.

22. Modeled on best practices in accelerator support, deployment, business development and sales practices, Launch Alaska emphasizes mentorship, project lead generation, and validation with Alaska customers and stakeholders.

23. Launch Alaska plays a critical role in advancing the mission of ONR by addressing key technology development and commercialization needs that resonate strongly with the Department of the Navy's strategic priorities, which include

strengthening maritime dominance, building a culture of warfighting excellence, and enhancing strategic partnerships.²

24. Launch Alaska ensures that innovations resulting from research make their way into the field, which significantly enhances technological capabilities in areas critical to the Navy, notably within the realms of energy innovation and Arctic operations.

25. Situated in the United States' sole Arctic state, Launch Alaska is uniquely positioned to leverage the distinctive challenges and opportunities of the Arctic environment, fostering tailored solutions that directly support Naval initiatives.

26. The synergies between Launch Alaska's focus on advancing energy technologies and the Navy's need for reliable, efficient energy sources in remote operations are well complemented.

27. By bridging the gap between emerging technologies and operational readiness, Launch Alaska not only promotes innovation but also aligns with ONR's commitment to ensuring that Naval forces are prepared to meet the complex demands of the future, particularly in an evolving Arctic landscape that is increasingly becoming central to national security and marine operations.

28. Launch Alaska's work under ONR funding supports science and technology programs under numerous divisions within ONR's Departments, including: Command, Control, Computing, Communications, Cyber, Intelligence, Surveillance, Reconnaissance and Targeting (C51SRT) Code 31, Ocean Battlespace Sensing Code 32, Sea Warfare and

² See, e.g., <https://www.cpf.navy.mil/Newsroom/News/Article/3571696/secnav-del-toro-releases-one-navy-marine-corps-team-advancing-department-of-the/> (last visited June 27, 2025).

Weapons Code 33, Warfighter Performance Code 34, and Naval Air Warfare and Weapons Code 35.

29. As recently as June 10, 2025, the Acting Chief Technology Officer for the United States Navy, Justin Fanelli, remarked in an interview with *Strictly VC* podcast that creative approaches are necessary to ensure innovative technologies reach deployment.³

30. Mr. Fanelli further stated that the Department of Defense is increasingly turning to nontraditional partners that bring private capital, startups, and investors into the defense ecosystem,⁴ i.e., Mr. Fanelli was praising the exact type of work being completed by Launch Alaska under the Grant Award.

31. Importantly, Mr. Fanelli said the following: “We can evaluate more intelligently how game-changing technologies can support us and help us, and, ultimately, in my opinion, **anyone who is supporting this activity is serving the bigger picture purpose**. That is to say, from a mission perspective, I would invite anyone who wants to serve the greater mission, from a solution perspective, to lean in and to join us in this journey.”⁵

32. Launch Alaska has been serving and desires to continue serving the “bigger picture purpose” described by Mr. Fanelli, that is, Launch Alaska’s work has and will continue to promote agency policy and goals.

³ Available at [The U.S. Navy says 'welcome ab... - StrictlyVC Download - Apple Podcasts](#) (last visited June 27, 2025).

⁴ *Id.*

⁵ *Id.*

33. At a recent hearing of the United States Senate held on June 11, 2025, the Chairman of the Joint Chiefs of Staff, General John D. Caine, remarked: “We’re relentless in our pursuit of innovation and technology that allows us to hopefully deter war at every opportunity while ensuring that we’re positioned to win should we be called upon to do so” and “We are relationship entrepreneurs in the joint force, not only working together with our military but our allies and partners, the interagency, and industry to deliver capabilities that we have to have.”⁶

34. In other words, General Caine affirmed that the type of work performed by Launch Alaska under the Grant Award is vital to the mission of Armed Forces, and Launch Alaska’s specific skill set is imperative in allowing the Armed Forces to achieve their modern goals.

35. Launch Alaska’s mission to accelerate the deployment of innovative technologies in energy, transportation, and industry aligns with several of the objectives of President Trump’s Executive Order 14153.⁷

36. Launch Alaska agrees with the President that by developing Alaska’s many natural resources, prosperity and economic growth will be delivered to Alaskans, along with price relief, high quality jobs, energy dominance, and increased energy security.

37. In achieving these goals, Launch Alaska’s approach explores all resources available to communities, including innovative technologies.

⁶ Available at [Pete Hegseth testifies at Senate hearing about Trump's defense budget / full video - YouTube](#) (last visited June 27, 2025).

⁷ **Exhibit 1**, Executive Order 14153, dated January 20, 2025.

38. By supporting projects that enhance Alaska's energy infrastructure, Launch Alaska contributes to Alaska's resource utilization goals, and Launch Alaska's efforts to facilitate project deployment can benefit from expedited permitting processes enabling faster implementation of technology solutions that meet Alaska's and the United States' energy needs.

39. Thus, Launch Alaska's current operations align with and advance the goals and policies of the current Presidential Administration, the Department of the Navy, and the Office of Naval Research.

Launch Alaska's Grant Award from ONR was Arbitrarily Terminated

40. Launch Alaska has received grant funding from ONR to assist in completing the work described herein since October 2016, and Launch Alaska's relationship with ONR has been excellent, characterized by the formation of professional bonds and a shared desire to ensure productive and efficient use of federal grant dollars.

41. Part of Launch Alaska's efforts described in this Complaint have been funded by an ONR grant, first proposed on April 25, 2022, and awarded to Launch Alaska on September 27, 2022 (hereinafter the "Grant Award").⁸

42. The Grant Award totaled \$4,999,860 to be paid in increments of approximately \$1,000,000 over a period of five years spanning October 1, 2022 through September 30, 2027.⁹

⁸ **Exhibit 2**, ONR Grant Award N00014-22-1-2844 dated September 27, 2022.

⁹ *Id.*

43. On March 30, 2023, ONR modified the Grant Award to reflect an incremental payment of \$1,000,000 to Launch Alaska and reflected no concerns with Launch Alaska's use of grant money awarded thus far.¹⁰

44. On November 24, 2023, ONR modified the Grant Award to reflect an incremental payment of \$2,999,860, which reflected the remainder of monies due under the Grant Award.¹¹ Again, ONR reflected no concerns with Launch Alaska's use of grant money as of the date of the second modification.

45. The second modification to the Grant Award also incorporated new terms and conditions into the Grant Award, specifically, "DOD RESEARCH AND DEVELOPMENT GENERAL TERMS AND CONDITIONS (SEP 2023)" (the "Terms and Conditions").¹²

46. As is relevant to the instant Complaint, the revised Terms and Conditions first incorporated into the Grant Award on November 24, 2023, contained a new and additional basis upon which ONR may unilaterally terminate the Grant Award: "If the award no longer effectuates the program goals or agency priorities."¹³

¹⁰ **Exhibit 3**, ONR Grant Award Modification No. 1 dated March 30, 2023.

¹¹ **Exhibit 4**, ONR Grant Award Modification No. 2 dated November 24, 2023. A

¹² *Id.*, at 2 ¶ 29 (capitalization in original).

¹³ DoD R&D General Terms and Conditions, September 2023, at 53, Sec. C(1)(a)(iii), *available at* <https://www.onr.navy.mil/media/document/dod-research-and-development-rd-general-terms-and-conditions-september-2023>. The other bases upon which ONR may unilaterally terminate a grant award are (1) the grantee's material failure to comply with award terms and conditions; or (2) lack of funds for an upcoming increment if the award is incrementally funded. *Id.*, Sec.C(1)(a)(i) and (ii).

47. Should ONR decide to terminate an award under this new basis, that is, when an award no longer effectuates program goals or agency priorities, ONR would necessarily be required to demonstrate the basis for its reliance on such provision.

48. On April 30, 2025, Launch Alaska received a letter from Veronica Y. Lacey, Grants Officer, ONR, informing Launch Alaska that the Grant Award was “terminated in its entirety as it no longer effectuates the program goals or agency priorities as set forth in SECDEF MEMO dated March 20, 2025.”¹⁴

49. The “SECDEF MEMO dated March 20, 2025” and referenced as the basis explaining why the Grant Award no longer effectuates program goals or agency priorities, is a one-page memorandum issued by Secretary of Defense Pete Hegseth stating that Mr. Hegseth desires to “strategically rebuild our military, restore accountability to the Department of Defense (DoD), cut wasteful spending, and implement the President’s orders”¹⁵

50. The SECDEF MEMO makes no mention of the Grant Award, let alone explain why Launch Alaska’s performance under the Grant Award “no longer effectuates the program goals or agency priorities.”

51. The one-page SECDEF MEMO makes one oblique reference to grant awards generally by stating: “We identified over \$360 million in additional grants across the Department which fund research efforts and other activities – in areas of Diversity, Equity,

¹⁴ **Exhibit 5**, Notice of Termination of Grant Award dated April 30, 2024 (the “Notice of Termination”).

¹⁵ **Exhibit 6**, SECDEF MEMO dated March 20, 2025, at 1.

and Inclusion and related social programs, climate change, social science, Covid-19 pandemic response, and other areas – that are not aligned with DoD priorities.”¹⁶

Launch Alaska’s Agency Appeal and Exhaustion of Administrative Remedies

52. Given that the Notice of Termination provided no substantive explanation for why ONR terminated the Grant Award, and review of the SECDEF MEMO referenced in the Notice of Termination also provided no explanation, Launch Alaska filed its administrative Notice of Claim/Appeal on May 1, 2025.¹⁷

53. In its Notice of Claim/Appeal, Launch Alaska stated that the Notice of Termination “provides no information as to *how* or *why* the Award no longer effectuates program goals or agency priorities . . . [and] Launch Alaska is otherwise unable to discern and respond to the Agency’s contention as no substantive reasons for the termination were provided.”¹⁸

54. Launch Alaska argued that ONR’s termination of the Grant Award was arbitrary, capricious, and violated other provisions of federal law.¹⁹

55. On June 12, 2025, ONR issued its Decision on Appeal of Termination of Grant N00014-22-1-2844 to Launch Alaska.²⁰

¹⁶ *Id.*

¹⁷ **Exhibit 7**, Acknowledgment of Notice of Termination and Notice of Claim/Appeal dated May 1, 2025.

¹⁸ *Id.*, at 2.

¹⁹ *Id.*

²⁰ **Exhibit 8**, ONR’s Decision on Appeal of Termination of Grant N00014-22-1-2844 to Launch Alaska.

56. ONR acknowledged that Launch Alaska was requesting that “ONR reverse termination of the Grant” but, ultimately, ONR’s decision was to “sustain[] the termination and [] not reinstate the Grant.”²¹

57. ONR’s Decision provided no additional substantive facts or analysis explaining why the Grant Award was terminated and referred again to the SECDEF MEMO.²²

58. Under the heading “**Rationale**,” ONR provided an argument as to why, in its view, the Administrative Procedure Act does not apply to the termination of the Grant Award (a legal premise for which Launch Alaska disagrees), but provided no actual “rationale” as to how or why Launch Alaska’s performance under the Grant Award “no longer effectuates program goals or agency priorities.”²³

59. ONR specified that its Decision was a “final administrative decision” and “cannot be further appealed within DoD.”²⁴ Launch Alaska exhausted all required administrative remedies prior to filing this suit.

60. ONR’s Decision was inherently arbitrary, capricious, and without legal basis given that ONR failed to cite *any* reasons supporting its position that Launch Alaska’s performance under the Grant Award “no longer effectuates program goals or agency priorities.” An oblique reference to the SECDEF MEMO says nothing about Launch

²¹ *Id.*, at 1 (underscore in original).

²² *Id.*, at 2-3.

²³ *Id.*, at 3.

²⁴ *Id.*, at 4.

Alaska's performance under *this* Grant Award and whether performance under *this* Grant Award continues to effectuate ONR's program goals or agency policies.

Launch Alaska is Suffering Irreparable Harm

61. When Launch Alaska was informed that the Grant Award was likely to be terminated, it immediately tried to prevent this outcome and mitigate any losses.

62. Launch Alaska contacted United States Senator Dan Sullivan for assistance.

63. Senator Sullivan's office contacted ONR and requested additional information on the termination of the Grant Award.²⁵

64. While Senator Sullivan's office was provided slightly more information than Launch Alaska was provided regarding ONR's Decision, ONR still refused to explain how this Grant Award no longer effectuates program or agency goals beyond conclusory references to the SECDEF MEMO.

65. Importantly, in response to Senator Sullivan, ONR indicated that no alternatives lesser than grant termination were considered, and ONR failed to conduct a "programmatic review of the consequences of terminating this project" or perform a "risk assessment or cost-benefit analysis associated with halting the project."²⁶

66. Rather than provide substantive details on the bases for terminating the Grant Award, ONR simply stated: "This termination was directed by OSD [Office of the

²⁵ **Exhibit 9**, Department of Defense Information Paper dated June 3, 2025.

²⁶ *Id.*, at 1-2.

Secretary of Defense].”²⁷ But, of course, the SECDEF MEMO says nothing about the termination of this Grant Award.

67. Senator Sullivan’s office was not able to convince ONR to provide substantive reasons for ONR’s termination of the Grant Award, let alone convince ONR to reinstate the Grant Award, and Launch Alaska has suffered and will continue to suffer harm due to the termination of the Grant Award.

68. Without the funding provided by the Grant Award, Launch Alaska has been forced to pay for budgeted indirect costs (administrative overhead, facilities, etc.) that would have been covered under the Grant Award but which are now unfunded. To cover shortfalls caused by the termination, unrestricted funds have been diverted from other strategic initiatives, effectively preventing those initiatives from proceeding. In addition, the unexpected and unplanned cash shortfalls have severely reduced the financial stability of Launch Alaska.

69. If funding is not restored under the Grant Award in the immediate future, Launch Alaska will be forced to terminate existing contracts, perform widespread staff layoffs, send cancellations to all of the applicants to the 2025 accelerator program, and shut down the accelerator program indefinitely.

III. CAUSES OF ACTION

COUNT I

Injunctive Relief under the Administrative Procedure Act 5 U.S.C. § 701 et seq.

²⁷ *Id.*, at 2.

70. Launch Alaska incorporates all prior allegations as if fully stated herein.

71. Launch Alaska's Grant Award from ONR was properly awarded, and Launch Alaska reasonably relied upon the terms of the Grant Award in structuring its business operations during the five-year period covering the Grant Award.

72. Launch Alaska never materially failed to comply with the terms and conditions of the Grant Award, and, upon information and belief, ONR possesses the funds to continue to incrementally pay grant funds to Launch Alaska under the terms of the Grant Award.

73. When ONR terminated the Grant Award, ONR claimed that Launch Alaska's performance under the Grant Award no longer effectuates ONR's program goals or agency priorities.

74. ONR further relied upon the SECDEF MEMO to explain why Launch Alaska's performance under the Grant Award no longer effectuates its program goals or agency priorities.

75. But, the SECDEF MEMO does not mention Launch Alaska's Grant Award, let alone explain how Launch Alaska's performance under the Grant Award no longer effectuates ONR's program goals or agency priorities.

76. Launch Alaska internally appealed ONR's grant termination through the agency, but ONR continued to generally cite the SECDEF MEMO as providing a basis for termination without additional explanation.

77. ONR's reason for terminating the Grant Award, that is, the SECDEF MEMO which does not mention Launch Alaska's Grant Award, is, by definition, arbitrary,

LAUNCH ALASKA'S COMPLAINT FOR INJUNCTIVE RELIEF

Launch Alaska v. Dep't of the Navy, Office of Naval Research, Case No.

Page 15 of 18

Launch Alaska's Verified Complaint - FINAL(103673754.1) - 6/30/2025 3:21 PM

Case 3:25-cv-00141-GMS Document 1 Filed 07/01/25 Page 15 of 18

capricious, and lacking a legal basis because the explanation does not attempt to link actual activities performed under the Grant Award as impeding or no longer effectuating ONR's program goals or agency priorities.

78. ONR does not make this showing because it cannot.

79. As described herein, Launch Alaska's activities under the Grant Award align with the goals and policies of the current Presidential Administration, the Department of the Navy, and ONR.

80. Because of ONR's arbitrary, capricious, and unlawful decision to terminate the Grant Award, Launch Alaska has suffered and will continue to suffer irreparable harm and requests this Court enter preliminary and permanent injunctive relief in the form of an Order directing ONR to rescind its termination of the Grant Award effective April 30, 2025.

IV. PRAYER FOR RELIEF

a. Launch Alaska seeks preliminary and permanent orders granting injunctive relief in the form of an Order directing ONR to rescind its termination of the Grant Award effective April 30, 2025;

b. Launch Alaska seeks entry of final judgment in its favor and against ONR;
and

c. Launch Alaska seeks an award of attorney's fees and the costs of suit as may be allowed under any statute, rule, or regulation.

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Launch Alaska's Verified Complaint - FINAL(103673754.1) - 6/30/2025 3:21 PM

Case 3:25-cv-00141-GMS Document 1 Filed 07/01/25 Page 16 of 18

Page 16 of 18

DATED this 30th day of June 2025, at Anchorage, Alaska.

GORDON REES SCULLY MANSUKHANI, LLP
Attorneys for Plaintiff Launch Alaska

By: /s/ John R. Crone
John R. Crone
Alaska Bar No. 121109

PLAINTIFF'S VERIFICATION OF FACTUAL ALLEGATIONS

I, Isaac Vanderburg, as Chief Executive Officer of Plaintiff Launch Alaska, hereby affirm and verify that I have reviewed the Complaint and all factual allegations made in this Complaint are true and accurate to the best of my personal knowledge. For all factual allegations for which I do not possess personal knowledge, I believe such facts to be true based on my review of certain information or documents. I make this representation under penalty of perjury.

DATED this 30th day of June, 2025.



Isaac Vanderburg

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 30th day of June, 2025, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared ISAAC VANDERBURG, as Chief Executive Officer of Launch Alaska, individually, known to me to be the person named in and who executed the within and foregoing instrument, and he acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.

(SEAL)



Dana Cupp
Notary Public in and for Alaska
My Commission Expires: 11/20/2026