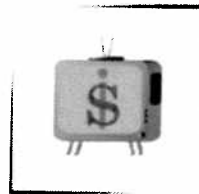




# INDEPENDENT SPENDING IN ALASKA, 2006-2010

By Anne Bauer  
NATIONAL INSTITUTE ON MONEY IN STATE POLITICS

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## OVERVIEW

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The U.S. Supreme Court's January 2010 *Citizens United v. FEC* ruling permitted corporations and unions to spend unlimited amounts of money from their general treasuries to advocate for or against candidates. After the *Citizens United* ruling, the Alaska State Legislature passed a bill allowing corporations and unions to use their treasury funds to pay for independent expenditures that targeted candidates. Prior, those entities were only allowed to fund independent expenditures targeting ballot measures.

From 2006 through 2010, entities and individuals spent \$2.6 million targeting ballot measures and nearly \$1 million targeting candidates. Although no appreciable increase in spending was observed in 2010 when compared to previous elections, the targets shifted radically, from ballot measures to candidates. Nearly \$1 million of the \$1.2 million spent in 2010 targeted candidates, while all but \$158 of the \$2.5 million spent during the three previous elections targeted ballot measures.

**TABLE 1: INDEPENDENT SPENDING COMPARED TO DIRECT CAMPAIGN CONTRIBUTIONS IN ALASKA, 2006–2010**

ELECTION	TOTAL INDEPENDENT SPENDING FOR OR AGAINST CANDIDATES AND MEASURES	TOTAL DIRECT CONTRIBUTIONS TO CANDIDATES AND MEASURES	INDEPENDENT SPENDING COMPARED TO DIRECT CAMPAIGN CONTRIBUTIONS
2006	\$1,930,767	\$14,257,313	14%
2007	\$166	\$172,586	>1%
2008	\$582,432	\$16,994,996	3%
2010	\$1,238,923	\$10,276,910	12%
<b>TOTAL</b>	<b>\$3,752,288</b>	<b>\$41,701,805</b>	

The type of spender changed over the study period as well. Whereas the top spending sector in 2006 was business (\$1.8 million), and tribal governments (nearly \$397,000) in 2008, after the law changed in 2010, policy organizations led the spending with more than \$810,000.

Despite being legally allowed to do so in 2010, corporations reported no independent expenditures, though we cannot know if they gave to policy organizations that do not have to publicly disclose their donors. Conservative policy organizations were among the top spenders in 2010, led by the Republican Governors Association with \$705,807. Unions, spending for the first time in 2010, kicked out the next-largest amount at \$279,068.

Advertising commanded most of the independent spending dollars in the study period 2006–2010, taking 71 percent, or \$2.7 million. Candidate support activities such as phone banks and mailings took up another 24 percent, or \$888,910.

### METHODOLOGY

The National Institute on Money in State Politics collects independent spending reports in states that provide robust disclosure. These states define “independent expenditure” and “electioneering communication” in statute at least as thoroughly as the federal definition. In Alaska, electioneering communications are reported as expenditures on the 15-6 form if independent, and on the candidate's form if for self. (For example, a candidate can make what Alaska defines as an electioneering communication in support of his or her own candidacy). Therefore, only the expenditures reported on the 15-6 form were collected by the Institute.

The Institute used the information provided on disclosure reports filed by individuals and committees to assign an occupation code to the filers. When that information was not provided, staff conducted additional research to determine a filer's economic interest, where possible. The occupation codes are based on the Standard Industrial Classification system used by the federal government.

If an expenditure lists multiple targets, and the amount paid does not specify how much was attributable to each target, the target amount is left blank. Therefore, the total spent on each target may be under-reported.

The Institute does not equate money spent in opposition to one candidate with money spent in support of that candidate's opponent, and instead discusses money spent by race. Only expenditures made with the purpose of influencing state elections were reported.

## **STATE OF DISCLOSURE IN ALASKA**

Alaska stands out among the 50 states as a leader in disclosing independent expenditures. The state requires meaningful reporting about who makes the expenditures, who the expenditures supported or opposed, what the expenditures paid for, and when they were made. The expenditures are reported on a form created specifically for that purpose, making them easy to find. Alaska requires timely filing for reports and then takes the important next step of making that information readily available to the public via an easily navigable online system. Alaska allows organizations and people to make independent expenditures on candidates and ballot measures. One unique feature of reporting in Alaska is that funders can take a neutral position on issues and candidates that draw their spending.

Alaska separately defines independent expenditures from other types of political communications:

- Independent expenditures are defined as "an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion or the request of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy campaign treasurer, or another person acting as a principal or agent of the candidate;"
- Electioneering communications are defined as those that "(A) directly or indirectly identifies a candidate; (B) addresses an issue of national, state, or local political importance and attributes a position on that issue to the candidate identified; and (C) occurs within the 30 days preceding a general or municipal election;"
- Express communications are defined as "a communication that, when read as a whole and with limited reference to outside events, is susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate;"
- Issue communications are those that "(A) directly or indirectly identifies a candidate; and (B) addresses an issue of national, state, or local political importance and does not support or oppose a candidate for election to public office."

Political communications "include advertisements in any media, billboards, handbills, websites, and other communications intended to influence the election outcome."

Electioneering communications are generally reported as independent expenditures. Whether or not express communications and issue communications are reported depends on specific circumstances (Alaska Statute 15.13.110).

## **TOP INDEPENDENT SPENDERS & FUNDERS IN ALASKA, 2006-2010**

At nearly \$1.5 million, ConocoPhillips was the largest independent spender between 2006 and 2010, all of it opposing Measure 2 in 2006. The measure, had it passed, would have imposed a new, temporary, tax on natural gas leases.

**TABLE 2: TOP INDEPENDENT SPENDERS IN ALASKA, 2006–2010**

SPENDER	ELECTION	TOTAL
ConocoPhillips	2006	\$1,473,182
Republican Governors Association	2010	\$705,807
NANA Regional Corporation	2008	\$380,993
Robert Gillam	2008	\$178,808
Northwest & Canada Cruise Association	2006	\$151,135
<b>TOTAL</b>		<b>\$2,889,925</b>

The Republican Governors Association was the largest spender targeting a candidate, putting \$705,807 on TV ads and direct mail opposing Democrat Ethan Berkowitz's 2010 gubernatorial run. No money was spent targeting Republican Governor Sean Parnell, and only \$32,106 was spent supporting Berkowitz. Berkowitz raised 81 percent as much money as Parnell did, and lost the race by a significant margin.

Overall, the third-largest spender was NANA Regional Corporation—a corporation owned and operated by the Inupiat—which spent \$380,993 opposing Primary Measure 4 in 2008. The measure would have created two new water quality standards, specifically regulating the disposal of mining waste. The measure failed by a margin of roughly 24,600 votes of 192,000 cast.

Robert Gillam was the largest individual source of independent expenditures. He spent \$178,808 to support Primary Measure 4 in 2008. Gillam is the founder of McKinley Capital Management, a hedge fund managing funds for institutional investors.

Rounding out the top spenders is the North West & Canada Cruise Association, which spent \$151,135 against Measure 2 in 2006.<sup>2</sup>

## 2010 ELECTIONS IN ALASKA

In all, 24 entities made \$1.2 million in independent expenditures in 2010. Most of that money —\$977,585—targeted candidates. In comparison, candidates raised nearly \$8.5 million in direct contributions.

Prior to 2010, when corporations and unions could not use their treasury funds on independent expenditures that targeted candidates, the 2006 gubernatorial race saw exactly \$157 in independent expenditures. Four years and one U.S. Supreme Court ruling later, the 2010 gubernatorial race between Republican incumbent Gov. Sean Parnell and Democratic challenger Ethan Berkowitz attracted \$737,913 in independent spending for and against—more than any other contest that election.

Berkowitz's campaign raised 81 percent of the amount Parnell raised—\$690,282 for Berkowitz compared to \$851,126 for Parnell. However, independent spending against Berkowitz actually exceeded the amount his campaign raised in contributions. The Republican Governors Association (RGA), which did not contribute directly to Parnell, spent \$705,807 on TV ads and direct mail attacking Berkowitz.

Two unions spent money supporting Berkowitz. The Alaska Public Employees Association spent \$8,655 and the National Education Association Alaska spent \$23,451. Their PACs also contributed to Berkowitz's campaign:

\$1,000 from the National Education Association Alaska and \$2,000 from the Alaska Public Employees Association (the maximum allowed by law). Berkowitz lost the race by a significant margin.

**TABLE 3: ALASKA'S 2010 GUBERNATORIAL RACE**

CANDIDATE	DIRECT CONTRIBUTIONS TO CAMPAIGN	INDEPENDENT EXPENDITURES FOR	INDEPENDENT EXPENDITURES AGAINST	TOTAL
Berkowitz	\$690,282	\$32,106	\$705,807	\$1,428,195
Parnell	\$851,125	\$0	\$0	\$851,125
<b>TOTAL</b>	<b>\$1,541,407</b>	<b>\$32,106</b>	<b>\$705,807</b>	<b>\$2,279,320</b>

Other notable races included:

- House District 7: Several labor unions and labor coalitions independently spent \$72,781 to oppose incumbent Republican Mike Kelly and support Democratic challenger Bob Miller. Miller unseated Kelly.
- Senate District P: This race drew \$55,820 in independent spending. The majority of that went to two women battling for the open seat. Labor organizations spent \$39,180 in support of Democrat Janet Reiser. Planned Parenthood and the Putting Alaska First Committee spent \$14,538 in opposition of Republican Cathy Giessel. Giessel won the seat. As an interesting aside, a third contender with no party affiliation, Phillip Dziubinski, drew \$2,002 in support from the Senate Democratic Campaign Committee. Reiser got no direct support from that group.
- Justice Fabe Retention Election: Alaska Family Action independently spent \$42,392 to oppose Supreme Court Justice Dana Fabe's retention. Fabe raised no campaign funds in that election, but won retention.

## 2008 ELECTIONS IN ALASKA

Six entities made a total of \$582,432 in independent expenditures in 2008.

The NANA Regional Corporation, a Regional Alaska Native corporation with 12,500 Iñupiat shareholders, spent \$380,993 to craft an independent campaign against Primary Measure 4. That measure, which failed, sought to place water quality standards on new metal mining operations; the NANA Regional Corporation feared its Red Dog Mine would be adversely affected. The NANA Corp did not contribute to Alaskans Against the Mining Shutdown, the ballot measure committee formed to oppose the measure. Independent spending, however, paled in comparison to the money raised directly by the committees. Committees in favor of the measure raised \$2.9 million; the committee opposed to it raised \$8.9 million.

## 2007 ELECTIONS IN ALASKA

Two entities made just \$166 in independent expenditures in 2007.

Special Advisory Vote in April, which prompted the legislature to seek a constitutional amendment to prohibit the state from offering benefits to same-sex partners of employees, garnered only \$354 in independent spending. The Juneau National Organization for Women spent \$166 in opposition to the measure, and Focus on the Family spent \$188 in support of it. The measure narrowly passed with 53 percent of the vote, though proponent committees raised significantly less than opponent committees in direct contributions.

## 2006 ELECTIONS IN ALASKA

Twenty-one entities made a total of \$1.9 million in independent expenditures in 2006.

Two ballot measures garnered 98 percent of the independent expenditures in 2006; all of that money was spent opposing the measures.

**TABLE 4: INDEPENDENT EXPENDITURES TARGETING BALLOT MEASURES  
IN ALASKA, 2006**

TARGETED MEASURE	SUBJECT	INDEPENDENT SPENDING TOTAL
General Measure 2	Gasoline Tax	\$1,742,670
Primary Measure 2	Cruise Ship Tax	\$151,135
	<b>TOTAL</b>	<b>\$1,893,805</b>

General Measure 2, vetted by former Governor Wally Hickel and other state politicians as a means of forcing gas companies to build a gas pipeline to transport natural gas to market, was the target of the lion's share of the money, \$1.7 million. The measure, soundly rejected by 65 percent of the voters, sought to "levy a new state tax on certain oil and gas leases overlying large deposits of natural gas."<sup>3</sup> The tax would have been repealed once the pipeline was built and would have provided for a partial tax credit for any taxes paid while the measure was in effect. Oil companies spent nearly as much money in independent expenditures opposing the measure—\$1.6 million—as they contributed to committees running campaigns against it—\$1.7 million. ConocoPhillips Alaska spent \$1.5 million of the oil industry's total independent expenditures, or 85 percent of the overall total spent opposing Measure 2. ConocoPhillips gave \$252,000 to two committees in addition to the money it spent itself. BP Alaska gave \$457,000 to three ballot measure committees in addition to the \$58,219 it spent itself. There were three ballot measure committees opposing Measure 2, and one supporting it. That committee took in a total of \$500. Measure 2 failed by a two-thirds margin. The North West & Canada Cruise Association spent \$151,135 in opposition to Primary Measure 2, which sought to impose a tax on cruise ships. The association's independent expenditures were in addition to providing all but \$13,700 of the \$1.4 million raised by Alaskans Protecting Our Economy, which formed to oppose the measure. The measure passed.

## CONCLUSION

Although the amount of reported independent spending did not appreciably increase in Alaska after the *Citizens United* ruling, both the spenders and the targets changed. In 2010, the majority of independent expenditure money was spent on candidates, rather than on ballot measures as in the past.

The spenders changed from mostly corporations to mostly policy organizations. Corporations reported no independent expenditures themselves, though it is unknown if they gave to policy organizations that do not have to publicly disclose their donors. Labor organizations,<sup>4</sup> however, began spending directly for the first time in 2010, ponying up \$279,068, which is 23 percent of the total spent.

1. Alaska Public Offices Commission, "Form 15-6, Statement of Independent Expenditures," p. 5.

2. The North West & Canada Cruise Association was formerly known as the **Northwest Cruiseship Association**.

3. "Ballot Measure Summary, Measure 2: Natural Gas Taxation," *National Institute on Money in State Politics*, available from: <http://www.followthemoney.org/database/StateGlance/ballot.phtml?m=1>, accessed August 11, 2011.

4. Labor coalition groups such as Putting Alaska First are not included in this total.

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