

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

August 10, 2009

10:27 a.m.

MEMBERS PRESENT

Senator Linda Menard, Chair
Senator Kevin Meyer, Vice Chair
Senator Hollis French
Senator Joe Paskvan
Senator Albert Kookesh

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Johnny Ellis
Senator Fred Dyson
Representative Lindsey Holmes
Representative Nancy Dahlstrom

COMMITTEE CALENDAR

Confirmation of Craig E. Campbell, Lieutenant Governor Designee
CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

CRAIG CAMPBELL

Lieutenant Governor Designee

POSITION STATEMENT: Made opening statement regarding his appointment as lieutenant governor.

PAUL KENDAL, Clean Electric
Anchorage, AK

POSITION STATEMENT: Supported forwarding Mr. Campbell's name.

ROBERT GOODMAN, representing himself
Anchorage, AK

POSITION STATEMENT: Opposed Mr. Campbell's appointment.

CLYDE BLAXLEY, retired private citizen
Anchorage, AK

POSITION STATEMENT: Opposed Mr. Campbell's appointment.

BETTY WILLIAMS, parent of a former Alaska Guardsman

POSITION STATEMENT: Opposed Mr. Campbell's appointment.

RICHARD WILLIAMS, parent of former Guardsman

POSITION STATEMENT: Opposed Mr. Campbell's appointment.

ACTION NARRATIVE

[10:27:11 AM](#)

CHAIR LINDA MENARD called the Senate State Affairs Standing Committee meeting to order at 10:35 a.m. Present at the call to order were Senators Meyer, French, Paskvan and Menard.

Confirmation hearing for Craig Campbell, Lieutenant Governor Designee

CHAIR MENARD announced the business before the committee to be the confirmation hearing for Craig Campbell as Lieutenant Governor.

SENATOR MEYER said he has a potential conflict of interest because his wife works for General Campbell as a special assistant.

CHAIR MENARD said she expected him to vote on the floor.

CRAIG CAMPBELL, Lieutenant Governor Designee, made an opening statement and introduced his family. He said the record reflects how well he ran the Department of Military and Veterans Affairs.

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He moved to Alaska in 1981. At first he was in the National Guard part time and had jobs in the private sector doing airport work. He is a licensed pilot and loves the aviation aspect of being in Alaska. One of the reasons he got out of the military in 1984 is that he became interested in public service. He first ran for the Eagle River Assembly in 1986 and served for 9.5 years. He moved on to the board of the Matanuska Electric Association and then worked for the Municipality of Anchorage for 2.5 years to make it more user friendly for those who wanted to develop while protecting the environment.

10:35:40 AM

SENATOR FRENCH said since he is in line to potentially become the next governor of Alaska, he wanted him to explain why he said the federal government "bribed" the state into receiving the stimulus funds.

MR. CAMPBELL acknowledged that he used the word "bribed" because he is very conservative and was very concerned that taking money from the federal government would require the state to do something that it wouldn't necessarily do otherwise. He would argue that seatbelts to some degree should be an individual's choice, also. But it is tied to road money and a lot of other things that we want, so therefore, we require seatbelts to be worn as opposed to allowing the choice. He said he thought the word "bribed" described accepting something to do something that we wouldn't do just to get the money.

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SENATOR FRENCH said many people think the word "bribed" is connected to illegality, and he wanted Mr. Campbell in his new role to use a less inflammatory, more neutral, term. He was disturbed about the message it sent back to Washington D.C. given the tens of thousands of jobs in this state that are dependent on federal spending.

MR. CAMPBELL replied that in his experience the federal government will not pay any attention to the fact that he said it.

SENATOR FRENCH said the ISER report notes that one third of Alaskan jobs can be traced to federal spending. Federal spending in Alaska more than doubled between 1995 and 2005; and in 2006 it was \$9.25 billion. Federal spending here has stopped growing and many Alaskans are worried that the economy, estimated to be \$450 million to \$1.25 billion is vulnerable, which could cost the economy anywhere from 7,000 to 20,000 jobs in the future. Senator French said he has a big stake in the Anchorage economy and that concerns him and he hoped it would concern the top policy makers in the state.

The word "bribe" is not a good word to use because it connotes illegality and something illicit. The fact that this state has long been dependent on federal dollars from its very inception, if not before, should put us in the position of being willing to have the discussion on honest and tough policy decisions without veering into terms like that that are so charged. "So, that's my request to you before I vote on your confirmation."

MR. CAMPBELL replied that he accepted his guidance. With that, he said he too supports federal funding in Alaska, but he wants to make sure it is in Alaska's best interest. He wants to expand jobs beyond the federal economy.

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CHAIR MENARD recognized Senators Johnny Ellis and Fred Dyson; Representatives Lindsey Holmes and Nancy Dahlstrom.

[10:49:19 AM](#)

SENATOR PASKVAN asked if he supported privatization of such things as public police and fire, public libraries, public schools. "What is your attitude as far as privatization of government?"

MR. CAMPBELL replied that police should be public; some aspects of fire could be privatized. Schools should have a variety of choices. The public education system must be paid for by the public, and we must have them, but private schools systems should be encouraged because that provides diversity and choices. Libraries have both public and private functions. With today's technology there is much more access to information than just going to a library; so there is an open discussion as to how much needs to be a public library aspect and "resources from other aspects that you can have as a library function."

[10:51:03 AM](#)

SENATOR PASKVAN asked why he differentiates between police and fire within the realm of public safety.

MR. CAMPBELL replied that the fire department provides some functions such as the ambulance service that can be done by other private sectors. He was not suggesting that the fire fighters should be privatized.

SENATOR PASKVAN asked if he believed that public libraries should be subsidized by the people of Alaska.

MR. CAMPBELL replied that to the extent we have public libraries, public dollars should be used.

SENATOR PASKVAN asked if he would ultimately not want to have public libraries.

MR. CAMPBELL replied, "I think I have already answered that question. I think I said I do believe in public libraries and that there is a role for the public to pay for libraries."

10:53:05 AM

SENATOR PASKVAN asked if he would continue to advocate for barriers to gay Alaskans who are working in schools, the health care field or food service.

MR. CAMPBELL replied those issues had been already been resolved in the State of Alaska and he didn't have any conflicts with the way they had been resolved.

SENATOR PASKVAN asked if the oil and gas industry should be taxed beyond what it takes for government to monitor the industry.

MR. CAMPBELL replied that oil industry taxes should be fair to the industry and to the citizens of Alaska. The people of Alaska own the resources and industry needs to pay its fair share of what it extracts from Alaska. He felt today's tax system had reached a good balance. The oil industry is making profits from the sale of the state's resources; so he has never suggested that their taxes be restricted.

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SENATOR PASKVAN said that the oil industry is developing some non-state resources and asked if there should be taxation beyond what it takes to regulate or monitor the industry if the resource comes from a non-state owned site - income taxes, for instance - because they are using our roads and those types of things.

10:56:01 AM

MR. CAMPBELL replied that he doesn't look at a local, state, federal or excise tax versus sales and income tax. He looks at the tax burden against the citizen. In some states that burden is over 50 percent, and he didn't think that was right. We should try minimizing the tax burden on citizens, and allow them to invest their money where they want. "That's what makes a prosperous society." But he didn't think oil industry taxes should be limited to the lowest level just for the purposes of monitoring it.

CHAIR MENARD asked if he should have to step in as governor what would be his first action.

MR. CAMPBELL replied that he would call an election to legally declare the next governor.

CHAIR MENARD said in case of a tragedy.

[10:58:51 AM](#)

MR. CAMPBELL replied he works closely with the governor and would soon become acquainted with his policies and wouldn't change them.

SENATOR FRENCH asked if he would support a school voucher program.

MR. CAMPBELL answered yes.

SENATOR FRENCH asked if the current oil tax system needs changing.

MR. CAMPBELL answered no.

[10:59:57 AM](#)

SENATOR PASKVAN said he had previously asked him for information and his response was "I'm not going to give you any." So, he wanted to know if that was the type of working relationship he wanted to have with the Legislature in general or just how would he address that issue.

MR. CAMPBELL denied that he said he wouldn't provide information. He clarified that Senator Paskvan asked for a lot of information that he didn't have and didn't keep track of, and he remembered directing him to other services for it. He said it wasn't his intent to "brush you off," but rather to give him guidance on where he could find the unbiased information.

[11:02:13 AM](#)

CHAIR MENARD closed the question period and opened up public comments.

[11:02:39 AM](#)

PAUL KENDAL, Clean Electric, Anchorage, said he has no differences with Mr. Campbell; he sounded like an honorable man when he had a discussion with him on the phone. He hoped the Lieutenant Governor would keep in mind that Alaska is at the forefront of a "new day and era." Over 50 manufacturers of electric vehicles "are breaching within the next three years." He said the electrification of America is well on its way, and he would be very concerned if he heard any leaders talking about

privatizing energy. He hoped Mr. Campbell would realize that energy is integral to our very existence.

ROBERT GOODMAN, representing himself, Anchorage, said he has over 40 years of military experience in the personnel and administration field with 32 years of it in the Alaska National Guard (ATG). Because of General Campbell's record, most believe him to be an honorable man who performed in a superior manner. His list of accomplishments is great, and "General Campbell gives a superb presentation no matter what the subject." He always stayed within his budget even at a great expense to the Territorial Guard members.

MR. GOODMAN said he, too, believed in General Campbell at one time. "That all changed when on 6 January 2006 I called him for help to obtain the ATG veterans their discharges in the least amount of time." He said on December 3, 2005 only 68 discharges had been issued and Mr. Goodman, himself, had provided 74 percent of them. All veterans due money should have had their discharge in hand. General Campbell said he didn't have the funds for the veterans and that it wasn't one of his priorities.

These were World War II veterans in their "80s plus" years; 53 percent of them were from the Nome Kotzebue area. All of them should have been "I.D.ed" and discharged by December 31, 2005 and submitted for pay due of approximately \$2,300,000 as of August 9, 2009. If General Campbell submitted them for pay as their discharges were issued, this would not have happened. He talked to the Governor and since that time General Campbell has been "deceitful and deceptive and has shown a complete lack of integrity when dealing with me concerning the ATG issue."

MR. GOODMAN said when the person at the top lacks integrity it affects the whole organization down the line. It took him 6.5 years to identify 54 veterans. He said these WWII veterans still have not been paid their state retirement pay of as much as \$6,200, which could have been paid shortly after General Campbell signed the request of discharge. On October 18, 2004 Senator Lisa Murkowski presented the first discharge to Sam Herman. General Campbell stated at the time that it was a disgrace that members passed away without being recognized.

MR. GOODMAN said that Mr. Campbell had access to the names and addresses of all the ATG veterans who could have been entitled to benefits, but it took him approximately 6.5 years to identify 54 people due approximately \$2 million. He had with him 18

signatures from people from the Bush that have authorized him to act on their behalf.

He said that General Campbell violated the state military code by appointing an officer as assistant Attorney General who didn't have five years of service in the Alaska National Guard and by reassigning the commander of the State Defense Force under the Assistant Attorney General.

[11:11:24 AM](#)

CLYDE BLAXLEY, retired private citizen, Anchorage, said he took umbrage with Mr. Campbell's attitude toward taxes and what government should pay for. Mr. Campbell referred to taxes as a burden to citizens, their children and future generations, but to him, that is "a misplaced concept."

MR. BLAXLEY said, "But taxes are meant to pay people for services that they received. My experience has been that government services are not provided to people until they ask for them. And then the services come down the pike, then the taxes are used to pay for these services. So, it's not really a burden...." He said he was very willing to pay for the services he gets and he was sorry that Mr. Campbell looked at it differently.

[11:13:55 AM](#)

MR. CAMPBELL said he didn't mean to convey that he didn't believe in government and that people should not be taxed. The burden he refers to is where in some states citizens pay over 50 percent of what they make in various taxes. He is concerned about the point at which government is providing more than it should provide.

In regards to the Alaska Territorial Guard issue, he said that in 2000, Senator Stevens passed a law allowing the Territorial Guard members into the military for discharge purposes. It had been 60 years since WWII and they hadn't even been recognized as veterans. When that passed, nothing had been done until he became the commissioner and he hired Mr. Goodman to start the program, which he did. Then he didn't believe the terms were good enough for him and left his service. He brought in others who have been excelling. In the first two years of the program they brought in about 75 members, but since that period they have brought in about 1,500 members. He has three staff working on it; they have outreach across the state. Whenever Troopers are traveling they advertise, and the tribal councils in the communities are helping with receiving the discharge packets.

They have the names of all 6,600-plus veterans and are trying to contact their families.

He said it was unfortunate when the federal government decided it was not going to pay the discharge benefits, and that required a lot of effort to straightening out - especially for Senator Begich who pushed hard to get the federal government back to paying the retirement benefits to those in the ATG.

11:16:45 AM

SENATOR FRENCH asked the steps in finding, locating and processing the Alaska Territorial Guard members.

MR. CAMPBELL replied it is a very difficult process. It happened so long ago that it's hard to put all the paperwork together. The first 75-100 were the easy ones to be found. About 300 are still living. Making sure you contact them and then the language issue of being able to communicate what you need to get for background information. Most don't have a social security number or the DD214 or any of the forms the Army would normally expect. So they go through a process of getting all collateral information from the individual to show they were there. Pictures help. They try to build the case through an application process that validates that the individual with all reasonableness did service in the Alaska Territorial Guard. They are vetted against the list of all known members who were in the Guard. A board processes and certifies that. When it is certified it goes to him for verification and to forward to the Army.

Few are still living and then it goes into the families. They still try to get certificates because it may provide some benefits for the families. It becomes even more difficult for the families to try to find any substantiation that their loved one had been in the ATG.

SENATOR FRENCH asked what timeframe he was working with.

MR. CAMPBELL replied that initially he was optimistic and thought it could be done in a few years; but now he is less optimistic because the longer it takes the more difficult it is to get the paperwork. This program will continue until applications are no longer filed. He remarked three years ago when money became the issue, he didn't go for a supplemental, but the legislature added \$50,000 to his budget every year. That has been used to process and employ people to do the ATG

outreach program. That has added up to \$150,000 and that will continue to be his budget.

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SENATOR KOOKESH joined the meeting.

[11:20:29 AM](#)

BETTY WILLIAMS, parent of a former Alaska Guardsman, said she is testifying for her son because he still fears retaliation from Generals Campbell and Kakas even though he is retiring. Her son who is a real war hero is the recipient of more than 50 awards and honors and it wasn't for sitting behind a desk plotting retaliation. "He is retiring because he is fed up with the treachery from Generals Campbell and Kakas."

Her son served two tours in Afghanistan with bravery and honor. Many from the Guard sent anonymous concerns into Andrew Halcro's column stating that Mr. Campbell was a politician first and foremost and that the Guard was at its lowest morale in years. He has a pattern of covering up for cronies; he lacks integrity and doesn't follow regulations. "He's an inept man, if you want to get down to the truth. Morale in the troops is extremely low."

[11:24:38 AM](#)

RICHARD WILLIAMS, parent of former Guardsman, said "The main thing is that General Campbell has no character whatsoever." He wrote a letter to Senator Murkowski in response to a Congressional complaint and lied about officers on the complaint. He falsified records, imprisoned one, and slept with others. Mr. Williams recommended an investigation.

[11:28:17 AM](#)

SENATOR MEYER moved to forward Mr. Campbell's name on to the full body for confirmation as Lieutenant Governor. There were no objections and it was so ordered.

[11:28:43 AM](#)

There being no further business to come before the committee, Chair Menard adjourned the meeting at 11:28 a.m.