



KOCH COMPANIES PUBLIC SECTOR, LLC
Legal, Government, Public Affairs

December 3, 2014

Dear Member of Congress:

On behalf of Koch Industries, I am writing to urge you to oppose the business tax extenders package, H.R. 5771, being considered in the House of Representatives. This package will reinstate corporate subsidies like the Wind Production Tax Credit, which expired on December 31, 2013. We believe this corporate credit, like many others in the current package, distorts the marketplace by allowing the federal government to pick winners and losers arbitrarily. We point to the Wind Production Tax Credit in particular, as it represents 20% of the entire business tax extenders package. That means more than \$9.5 billion in taxpayer dollars being transferred to corporations.

First enacted in 1992, the PTC's initial intent was for the federal government to foster and support a nascent wind energy industry. But over time, like all subsidies and mandates, good intentions have led to harmful unintended consequences, turning a hand-up to an industry in its infancy into a \$23 dollar-per-megawatt-hour hand-out for big companies looking to pad their bottom-line. At a time when our nation is facing monumental economic challenges, this is the antithesis of the path we should be pursuing toward a simpler and less burdensome and wasteful tax code.

As such, we oppose ALL subsidies, whether existing or proposed, including programs that benefit us, which are principally those that are embedded in our economy, such as mandates. The Wind Production Tax Credit is a prime example of how government hides the cost of electricity mandates by rewarding investors while saddling taxpayers and ratepayers with higher electricity costs. The Wind Production Tax Credit artificially distorts the market to give an advantage to a politically-favored industry over other technologies by transferring the actual costs to taxpayers.

We do not believe government should be picking "winners and losers" by subsidizing or mandating certain industries or products. The record at doing so – both here and abroad – is abysmal, causing the loss of jobs and the waste of resources.

Koch's government and public affairs activities are based on the principles that bring about the greatest well-being in society-- freedom and property rights -- core values that are recognized and valued by most Americans. Koch will continue to lobby for the repeal of subsidies and mandates, as we work to make people's lives better. We believe history has proven that this is the best course to foster job creation, opportunity, and prosperity.

The Wind Production Tax Credit expired once for good reason. Let it expire for good. We urge you to oppose the business tax extenders package in its current form.

Sincerely,

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