



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

March 3, 2015

Dear Member of Congress:

On behalf of Koch Industries, I am writing to urge you to oppose reauthorization of the Export-Import Bank of the United States. The Ex-Im Bank is yet another example of the government intervening in the market to pick winners and losers. It confers benefits granted by the American people as a whole to a small number of well-connected corporations. It socializes the risk of economic activity while benefiting relatively few companies. We respectfully ask Congress to allow the Ex-Im Bank to expire.

As the official credit export agency of the United States the Ex-Im Bank's liabilities are the liabilities of the American people, and any losses at the Bank are ultimately the responsibility of the taxpayer. In practical application a handful of large companies receive the bulk of Ex-Im's benefits; for example, according to research by Veronique De Ruyg of the Mercatus Center at George Mason University, in fiscal year 2013 64% of the value of Ex-Im loans and guarantees went to just 10 companies (see "The Biggest Beneficiaries of the Ex-Im Bank," April 29, 2014). As the failures of Fannie Mae and Freddie Mac make clear, using taxpayer dollars to subsidize corporations rarely results in benefits for society at large.

We agree with President Obama that Ex-Im is "little more than a fund for corporate welfare," as he stated as a candidate in 2008. And we stand by Congressman Jeb Hensarling of Texas, who notes there is little hope for reform of the social entitlement programs that threaten to bankrupt our country if we are not also willing to reform corporate entitlement programs.

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. 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, the waste of resources and erosion of confidence in the fairness of both government and business in America.

Koch's government and public affairs activities are based on the principles that bring about the greatest well-being in society – freedom and equal rights for every individual (including property rights) – core values that are recognized and valued by most Americans. Koch will continue to lobby for the repeal of subsidies and mandates, and work to provide opportunities for everyone to improve their own lives. We believe history has proven that this is the best course to foster job creation and prosperity for all.

We hope you will join us in opposing the reauthorization of the Export-Import Bank of the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip Ellender".

Philip Ellender
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