



A vision for giving

Koch Industries' recent \$1 million donation to relief efforts in Japan was just the latest among many charitable contributions.

From India to Indiana, Koch Industries and Koch companies have a long history of supporting their communities and worthy causes in a variety of ways.

What each donation has in common is a thoughtful, deliberate process that reflects a vision and strategy for enhancing communities.

Focus areas

"We have a very cohesive and coordinated approach," said Susan Addington, community relations manager for Koch Companies Public Sector.

"In fact, we apply a decision-making framework to our donations, just like any Koch company would when making a business decision."

The millions of dollars in charitable contributions made by Koch companies every year are intentionally focused on education, the environment and at-risk youth. Cultural, human services-related and other civic projects are also supported.

"Our overall vision is to help transform lives for the better," Addington said. "In keeping with our MBM® philosophy, we also look for organizations that are willing to experiment and drive change."

Getting schooled

Koch-supported foundations have provided thousands of scholarships and funding for at least 174 colleges and universities.

One of Flint Hills Resources' largest contributions is to the Science Museum of Minnesota, funding its popular "Camp-In" program, which serves more than 1,000 students from across the state.

"Students get the chance to actually spend the night in the museum," explained Jake Reint, director of public affairs for Koch Companies Public Sector. "Most kids think it's pretty cool to sleep next to a dinosaur."

In Texas, FHR's Summer Connections partnership with Del Mar College and the Corpus Christi Independent School District is now in its fifth year. That program promotes reading skills and vocational opportunities for at-risk youth.

Koch Industries sponsors the Kansas Science Olympiad for more than 1,000 middle and high school students. Koch foundations have also funded numerous continuing education programs for hundreds of Kansas teachers.

Best of both

Several Koch-funded programs combine an emphasis on education with the environment.

Georgia-Pacific, a major sponsor of the Georgia Aquarium, also sponsors Water Ways, an outdoor program to help elementary school students understand how water is used and the importance of water conservation.

In Corpus Christi, FHR set aside 130 acres of environmentally sensitive wetlands to give thousands of schoolchildren

a chance to learn about wetland ecology and wildlife management. INVISTA has a similar program at its Victoria, Texas, site.

In Kansas, KII just announced a series of Green Schools Grants for K-12 schools to fund innovative and effective projects that help improve the environment, make schools a healthier place and reduce the use of natural resources.

Shared values

Even before it became a Koch company in 2005, Georgia-Pacific's charitable investments were quite similar to those of Koch Industries.

GP's Atlanta home office has a long association with Habitat for Humanity, the Salvation Army Angel Tree program and student mentoring programs in local schools, as does Koch's headquarters in Wichita.

One of GP's newest success stories is the Youth Entrepreneurs™ program in Atlanta, which has found a vibrant home in that city's public high schools. (See story, page 7.)

Other Koch companies, large and small, are also making thoughtful, strategic contributions around the world.

"When you add it all up, we have touched hundreds of thousands if not millions of lives," concluded Meredith Olson, business manager for Koch Companies Public Sector.

"But Koch's biggest contribution of all is in providing nearly 70,000 good jobs that supply products and services that make people's lives better."

Postal Pipeline

On March 1, the *Wall Street Journal* published an opinion editorial by Charles Koch, chairman and CEO of Koch Industries, Inc.

Following are some responses to that op-ed (which is available online at kochind.com under "Perspectives on current issues.")

As residents of Wisconsin, we have been witness to the vilification of you and your brother, David. Clearly, this is an example of excessive behavior and the tyranny of the minority.

Your support for Scott Walker and the programs he fosters is crucial to success in Wisconsin. We recognize our state will be a pivotal war ground this entire year.

The editorial you wrote in the *Journal* is clear and provides common sense replies to the emotional attacks you have received.

We recognize the importance of what you and your team are doing for America. Let's keep up the fight and our efforts to bring back fiscal sanity.

Steve and Nancy Einhorn
Capital Midwest Fund
Milwaukee, Wisc.

I write to congratulate you on your succinct, straightforward and careful analysis of the grave economic circumstances our country now faces.

You and your family have built an outstanding company and contributed so much to American institutions. May I say I believe monetary reform should be added to your inspired agenda.

Lewis L. Lehrman
Greenwich, Conn.

You are to be complimented on your March 1 editorial, with which we totally agree. It was an excellent exposé of what is wrong with our country.

We are a supplier to Georgia-Pacific. Over the years GP has been our largest and best customer. Our family-owned small business was founded by our father, who grew up in a railroad boxcar during the Depression.

Like Koch Industries, we behave consistently, have sound old-fashioned principles and live up to our commitments. We too have been vilified, as we support hard work and traditional values.

For some reason, folks do not seem to understand that our country and most of our states are broke and there is no more money.

There is no free lunch. As Ayn Rand said when a government goodie was offered: "At whose cost?"

Kim C. Woodard
Kimwood Corp.
Cottage Grove, Ore.

As a father, U.S. citizen and as a vendor to Koch, I want to thank you for all you are doing to educate our elected officials and the citizens of this great country.

I read your op-ed piece today and appreciate your continued efforts to light the fire of change even in the face of vile attempts to smear the Koch name.

If you saw how "dog-eared" my *Science of Success* book is, you would understand my great pride in serving Koch Industries and its affiliates.

Keep fighting the good fight.

Jeff Provost
Deloitte & Touche LLP
Kansas City, Mo.



Charles Koch's 2007 business bestseller, *The Science of Success*, is now available as an e-book download or audiobook from most major booksellers.

I frequently pass your facility in Houston, Texas, on my way home. The marquee outside that location posts snippets that I consider extremely positive and motivational.

I searched the Internet and discovered they were part of your Corporate Vision Statement, which contains such intrinsic value that even a casual passer-by can benefit.

Thank you for placing sensible, valuable statements out for the world to see. I admire the group that developed and published such an intuitive Corporate Vision.

David Avery
Houston, Texas



Koch Heat Transfer Group's marquee in Houston. Previous postings have included: Stop, Think and Ask; Embrace change, envision what could be; and Find fulfillment in your work.

Letters and other submissions become the property of Koch Industries, Inc., and may be reproduced in whole or in part, including your name, for any purpose and in any manner. Letters may be edited for length or clarity.

Discovery April 2011 | Volume 17 | Number 2

Editorial Board

Philip Ellender
Rich Fink
Jeff Gentry
Dale Gibbens
Greg Guest
Mary Beth Jarvis
Charles Koch
Jim Mahoney
Dave Robertson

Questions? Comments?

Contact: Rod Learned
316.828.6136
rod.learned@kochps.com

Publication Design:

Deanna Crockett
Koch Creative Group

www.kochind.com
©2011, Koch Industries, Inc. Koch is an EOE/M/F/D/V



Brussels - GP's Aqua Tube™ technology is flushed with success in Europe.

Barcelona - Koch history comes to life in a popular series of panels covering the years 1900 through 2009. The panels debuted in 2003.

Savli - Koch-Glitsch and INVISTA are both expanding their presence in India.

Belgium – One of Georgia-Pacific's most popular new products is not built to last. In fact, it's designed to disappear on a moment's notice.

It's called Aqua Tube™, and has been introduced in Belgium, Spain and Portugal under the Colhogar, Lotus and Moltonel brand names. Other European markets will follow in coming months.

"Aqua Tube is a fully flushable, biodegradable center tube for rolls of bathroom tissue," explained Tarek Hallaba, president of GP's consumer business for Europe, the Middle East and Africa.

When an Aqua Tube is dropped in water, it will dissolve and immediately disappear when flushed. It can also be recycled or composted like other paper products.

"It took more than five years of development to perfect this product – and I do mean perfected. We've tested and flushed more than 9,000 rolls without a single failure or problem. The tube is fully biodegradable and septic-proof."

Hallaba says that Aqua Tube is likely to be such a popular and appealing product "that we expect it to become standard on all toilet paper rolls in the very near future."

To watch a video of the Aqua Tube in action, visit www.aquatube.be/eu/press.aspx.

India – On March 16, hundreds of Koch-Glitsch employees celebrated the opening of their new shop extension and office building in Savli.

According to Jatin Parikh, general manager for Koch-Glitsch in India, the extension will allow the company to nearly double its production of mass transfer

equipment designed in Savli, especially trays and internals. At least 100 new jobs are expected as a result of the new facilities.

"Now we need to capitalize on this investment by producing state-of-the-art products while maintaining the highest environment, health and safety standards," Parikh said.

Savli, in the Indian state of Gujarat, is 500 kilometers (about 311 miles) north of Mumbai, where Koch-Glitsch engineers design products for global markets.

INVISTA Apparel is another Koch company expanding its presence in India. It has plans to move to a new office in Gurgaon, close to the international airport of New Delhi, this summer.

Spain – Several Koch companies with sites in Europe and Asia recently ordered or added to a series of historic panels showing the remarkable growth and diversity of Koch Industries.

These panels are reproductions of the eight-foot-long originals that were unveiled in 2003 at KII's headquarters.

The original nine-panel series began with the year 1900 and ended with 1999. The newest panel, covering 2000 through 2009, was created last year. There are plans to produce a new panel every decade.

To-date, panels have been installed in Switzerland for Koch Supply & Trading; in Italy and Luxembourg for Koch Chemical Technology Group; and at INVISTA sites in Germany, the U.K., Switzerland, Turkey, India, Italy and China.

"We see these panels as more than just a chronology," said Anita Cai, communication and public affairs manager for

INVISTA in China. "They illustrate the many business ventures and experiments our shareholders have been involved with during the past 110 years.

"These historic panels remind us that we are part of one of the world's largest industrial companies with a truly global reach."

Orders for the panels can be placed at orders@kochcreativegroup.com.

China – INVISTA is once again moving forward with its plans to build the most energy-efficient and technologically advanced nylon intermediates plant in the world.

Construction of the plant was delayed during the global economic downturn, but an increase in demand for nylon 6,6 intermediates and polymers – including airbag fiber – has renewed the project.

"We are very encouraged by the increased demand for our products in China," said Warren Primeaux, president of INVISTA Intermediates. He views the unexpected delay in the project as a blessing in disguise.

"The changes in timing have given us an opportunity to make significant advances in our technology. We are eager to incorporate that state-of-the-art technology into our new plant."

INVISTA is currently engaged in project engineering, a process that will most likely be completed by the end of this year. An environmental impact assessment is an important part of that process.

If all goes as expected, construction at the Shanghai Chemical Industry Park will begin next year. A phased-in production schedule is expected in 2014.

Knowledge sharing in action

When Charles Koch wrote *The Science of Success*, his 2007 book about Market-Based Management®, he devoted an entire chapter to knowledge processes, one of the five dimensions of MBM®.

“A knowledge process,” he wrote, “is the method by which we develop, supplant, share and apply knowledge to create value.”

Knowledge is also the sixth MBM Guiding Principle, which reads (in part): “Seek and use the best knowledge and proactively share your knowledge while embracing a challenge process.”

“To succeed in an uncertain future,” Koch wrote, “a company must draw on the knowledge dispersed among its employees.”

With close to 70,000 employees with diverse expertise and experience working at hundreds of locations, KII has a wealth of dispersed knowledge waiting to be shared. This is a true competitive advantage.

The challenge often lies in finding ways to overcome the language barriers, varying business priorities, distances and diverse backgrounds that can complicate that process.



Conferences, such as this gathering of Koch EH&S professionals, can be a vital means of knowledge sharing.

Progress and opportunity

Tim Go, Koch Industries’ managing director of operations, has spent much of the past year promoting improved knowledge sharing across all Koch companies.

“Over the past few years,” Go said, “we’ve made tremendous progress with formal knowledge sharing thanks to many successful initiatives and experiments.

“We’ve tried a lot of things, including best

practice teams, better measures, scheduling cross-company conferences and implementing websites that enable better communication.

“As a result, we’ve seen better knowledge sharing within a site, between sites, within a company and also cross-company.”

Go is quick to emphasize that informal knowledge sharing can be just as important as a highly structured program rollout. “Informal knowledge sharing, where knowledge is shared spontaneously, is probably our biggest opportunity.”

Because of knowledge sharing, employees across all Koch companies have helped generate millions of dollars in additional value by eliminating waste and increasing productivity.

This list of success stories includes everything from engineers and operators to cowboys and consul generals.

Cross-country

Being oceans apart doesn’t mean there has to be a gulf in knowledge sharing.

Erwin Platvoet, director of engineering for John Zink’s process burner design team in Tulsa, Okla., flew to the Netherlands last year to help Koch Supply & Trading solve a problem at its Rotterdam refinery.

“KS&T had been having some issues with run time,” explained Jim Goodman, president of John Zink. “They kept having to shut down the furnace due to carbon buildup.”

Erwin is a subject matter expert when it comes to furnaces, but his knowledge goes way beyond that. After looking at the Rotterdam unit and its operating data, he was able to suggest some simple modifications.

“Thanks to his knowledge, they were able to better balance the input between their furnace burners, which resulted in more efficient heat distribution. When they made those modifications, the improvement was immediate.”

KS&T is now able to run the Rotterdam refinery more reliably while using less energy. Those improvements will likely

mean hundreds of thousands of dollars in efficiency gains each year.

From Wichita to Wiltshire

Similarly, when a British consul general in Chicago wanted to meet with Koch representatives in Wichita, employees at KII’s headquarters turned to employees in Europe for knowledge and assistance.

Madalène Goossens, who is based in the Netherlands, recently joined the Koch Companies Public Sector team.

“When we were advised about the consul general’s visit,” Goossens said, “we created a detailed listing of all Koch company operations and business interests in the U.K.”

“Most people – including Her Majesty’s government – don’t realize how substantial Koch’s presence is in Europe.

“At least nine Koch companies,” including Georgia-Pacific, FHR, INVISTA, Koch Fertilizer and Koch Chemical Technology Group, “employ thousands of people who work at more than 20 sites in the U.K.”

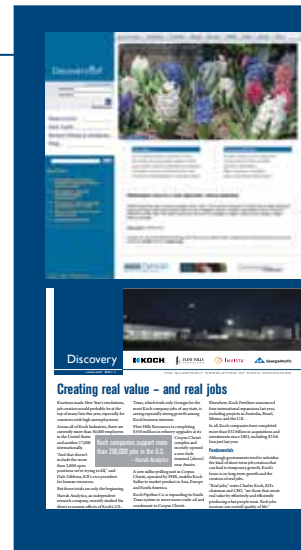
“We often rely on Wichita for specialized knowledge, especially about MBM-related topics or the background of various Koch companies,” Goossens said. “So it was nice to be able to return the favor.”

Life or death

Cowboys appreciate the value of knowledge sharing every bit as much as consul generals. They know it can make the difference between life and death.

Just ask Bob Kilmer, manager of the Matador Ranch in Texas.

“A few years ago,” recalled Kilmer, “there was a near miss at the Beaverhead Ranch that almost resulted in fatalities. Two employees, working on the 440-volt electrical system for a center-pivot irrigation system, were almost electrocuted.”





Koch company intranets, websites, e-mails, newsletters and other publications all promote knowledge sharing.

As a result of that near miss, the Beaverhead Ranch developed a protocol for working on electrical equipment. That protocol was immediately adopted by the employees at the two other Koch ranches.



This streaming video tool, developed at Georgia-Pacific, enables thousands of employees to watch important videos simultaneously without compromising Internet access. Both the tool and the videos are examples of knowledge sharing.

“They also sought knowledge outside the company,” Kilmer added. “They set up a meeting with the local power company representative to learn how his professionals deal with electricity.”

Kilmer also points to the importance of the Matador Cattle Company Safety committee, established by Larry Angell (who recently retired from Koch) in 2000. It is now led by James Palmer, manager of the Spring Creek Ranch in Kansas.

The members of the committee – chosen by employees at each Koch ranch – range from cowboys and camp men to farm crews. During their monthly conference call, they discuss a broad range of safety, environmental and compliance issues.

“The knowledge sharing by this committee has really helped us build our safety program,” Palmer said. “We’ve now gone more than three years without a lost time or reportable incident.”

What’s more, the ranchers routinely share knowledge about markets, feed prices, weather trends and various operating procedures. All of these have the potential to affect ranch operations, regardless of location.

Speak easy

Tim Go believes knowledge sharing is a valuable concept for all employees, but it won’t happen at all if employees don’t make the effort to share.

“Those who think knowledge is power are sometimes slow to share with others,” admits Go. “But an even bigger problem lies with those who never speak up at all.

“We believe it’s a mistake to keep important knowledge to yourself, or to share knowledge only after someone asks for your help.”

“You must proactively share your knowledge and viewpoints with those who would benefit,” Koch wrote. “Otherwise, knowledge cannot become as powerful a tool for spurring growth and improvement.”

“I think some employees are reluctant to fully share their knowledge because

they know we value humility and they don’t want to appear boastful,” said Tim Davies, a senior business consultant for the MBM team.

“So they tend not to speak up unless they’re specifically asked for their opinion.

“What we need is for more people to be proactive about sharing their knowledge. That way we won’t miss as many opportunities and we can create more value.”

The key, Davies adds, is to share knowledge that really makes a difference, not just an endless stream of opinions.

“If knowledge sharing does not lead to effective action,” Davies said, “it has not been successful. We also must make the effort to apply what we’ve learned so we can create real, long-term value.”

Sharing with society

The importance of knowledge sharing extends far beyond the boundaries of business, a point that Charles Koch emphasized in his book.

“Knowledge is more than just numbers and measures,” Koch wrote. “In a free society, knowledge is also created and shared through verbal exchanges.

“Societies that value freedom and prosperity protect their citizens’ rights to free speech, which greatly facilitates the discovery and dissemination of knowledge.”

No wonder, then, that Charles and his brother David have made it a point to share their knowledge regarding the importance of economic freedom, which history and theory have shown to be essential for the well-being of society as a whole.

Outstanding performance

Here's a headline about Koch you may not have read lately: Since 2009, Koch companies have received 300 stewardship awards in recognition of outstanding environmental and safety performance.

That total includes multiple awards from the U.S. Environmental Protection Agency, the Occupational Safety and Health Administration, the National Safety Council and at least 10 states.

From Guangdong province in China to Ontario province in Canada, Koch companies have also earned numerous international awards.

As one might expect, three of the biggest Koch companies – Georgia-Pacific, INVISTA and Flint Hills Resources – have earned the most awards. Since 2009, FHR has garnered 58 awards, INVISTA 27 and Georgia-Pacific 22.

On an awards-per-employee basis, the winner among all Koch companies is probably Koch Pipeline. On March 29, KPL's 250 employees celebrated 10 years (7 million work-hours) without a single lost-time incident.

Since 2009, Koch companies have received 300 stewardship awards.

Two weeks later, KPL received the 2010 Distinguished Safety and Environmental Performance Award from the American Petroleum Institute. It is API's highest safety and environmental performance award for pipeline operators.

Koch cowboys are safe workers, too. Even though the National Safety Council says agriculture is America's most hazardous industry, employees of the Matador

Cattle Company have worked three years without a lost-time incident.

All the right reasons

When Koch-Glitsch Wichita celebrated earning OSHA VPP Star status, Bob DiFulgentiz, president of Koch Chemical Technology Group, made an important observation:

“The organizational discipline and culture required to attain VPP Star status in safety is the same discipline and culture required to excel in the other areas of operational excellence.

“Those areas include delivering on time, short cycle times, producing a quality product and good productivity.

“We didn't do this to get a flag or a shirt or a lunch. We did it to improve our business.”

www.kochehs.com



Georgia-Pacific box plants in 14 states, including this one in Lebanon, Tenn., earned Safety Excellence, Lowest Incident Rate and Perfect Plant Awards from the Fibre Box Association in 2010.



Matador Cattle Co's 130,000-acre Texas ranch recently won the Outstanding Rangeland Stewardship Award from the Texas Section Society for Range Management and Texas & Southwestern Cattle Raisers Association.



Following a visit by representatives from the National Safety Council and Safe Communities America Network, the city of Beatrice, Neb., home to a Koch Nitrogen facility, is receiving a Safe Communities designation.



Flint Hills Resources has won 29 stewardship awards since 2009. Two of the most recent were from the Wisconsin Safety Council and the Minnesota Pollution Control Agency.



Noteworthy

Twenty years ago, the Charles G. Koch Foundation funded an experimental education program at Wichita North High School.

It was an eight-week course designed to teach students what it takes to start a business.

From that modest beginning, the program blossomed into a yearlong course of study that is now offered at 29 high schools in the Midwest, plus another 10 in Atlanta.

That program, now called Youth Entrepreneurs™, provides junior and senior high school students with in-depth, hands-on training in the fundamentals of entrepreneurship. YE programs make a special effort to reach at-risk kids.

“We’ve got three goals,” explained Kylie Stupka, executive director of Youth Entrepreneurs for Kansas and Missouri.

“We want to give kids the knowledge necessary to start their own business, help them understand how to apply that knowledge (whether they end up as an employee or an owner) and encourage their college education.”

Stupka says that Liz Koch, Charles’ wife, “has been our very best supporter over the years. She was key to the start of YE, is deeply involved with our programs and was instrumental in introducing Youth Entrepreneurs to Atlanta.”



Liz Koch (center) has actively supported the Youth Entrepreneurs™ program since its inception.

To learn more about YE and volunteer opportunities, visit yeks.org or gp.com/yeatl.

Too True

“Eternal vigilance by the people is the price of liberty.”

- Andrew Jackson



A 1941 trade show...



...and a display 50 years later.



Koch’s newest and oldest company

Koch companies have acquired some very old businesses over the years. The C. Reiss Coal Co. was incorporated in 1888 and the Matador and Beaverhead ranches date back to 1879 and 1865, respectively.

But the newest Koch company – J&H Bunn Ltd. – is easily the oldest of all.

Bunn, one of Britain’s largest independent fertilizer distributors, was established in 1816 in Great Yarmouth, Norfolk, on Britain’s east coast.

Family firm

When James Bunn founded the company, its best-seller was horse feed. It also provided general agricultural supplies and later specialized in the sale of herring guts as a fertilizer for sugar beet crops.

An innovative company, J&H Bunn began blending its own fertilizers in the 1960s, pioneered the ‘delivered-and-spread’ concept in the 1970s and introduced large-format packaging in the 1980s.

When Wallace Bunn died in 1964 without heirs, descendants of the other directors retained ownership. Shareholders from those families agreed to an acquisition by a Koch Fertilizer subsidiary on March 16 this year.

Bunn is now the first Koch business with a Royal Warrant.

These warrants, which take years to earn, are coveted by manufacturers and retailers. They include the Royal

Arms and a description of the service or product provided to a member of the royal family.

Because Sandringham Estate, Queen Elizabeth’s country retreat in Norfolk, has used Bunn fertilizer for years, a Royal Warrant was issued to J&H Bunn Ltd. in 1996.

Embracing change... and tradition

Compared to Bunn, Koch Fertilizer is a relatively new enterprise. Its predecessor, Koch Nitrogen, was established in 1989.

“There’s a lot to like about Bunn, its history and what it brings to the company,” said Steve Packebush, president of Koch Fertilizer. “It has an excellent distribution network across Britain that includes seven dry bulk import terminals.

“And the fact that it gives us a significant stake in the ground for European business is just the beginning.

“We believe we can leverage Bunn’s fertilizer blending platform (the company produces about 20,000 grades of blends) and agronomic capabilities globally.”

Packebush is also impressed with Bunn’s outstanding customer focus, “which is very much in keeping with our MBM

Guiding Principles,” and its commitment to innovation, which is a core capability for all Koch companies.

“Our vision is to profitably leverage this blending and agronomic capability so we can grow Koch Fertilizer not just in the U.K., but across Europe and globally.”



By Appointment to HM The Queen
Manufacturers of Agricultural Fertilisers
J & H Bunn Ltd Great Yarmouth

Chairman and CEO, Koch Industries, Inc.

My brother David and I have a long history of supporting the principles that help societies prosper. I have been actively doing so for nearly 50 years, as has my brother for more than 40.

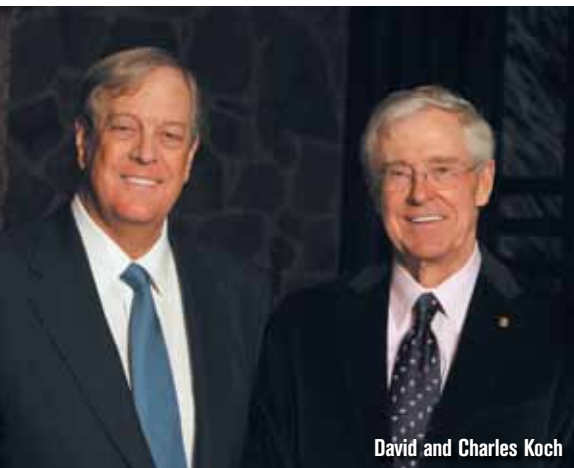
In recent years, we have stepped up our efforts to deal with the enormous threats to the future well-being of the people of this country. This has prompted some extreme criticism. From the White House to fringe bloggers, we are now being vilified, mischaracterized and threatened.

Given what we've seen so far, we have no reason to believe such attacks and criticisms will stop. In fact, they may increase as next year's elections draw near.

Our response

Most of these political and media attacks are, in a perverse way, an indicator that we are having a positive effect on both public awareness and policymaking.

As a Koch company employee, you should know that we are determined to continue these efforts to advance economic freedom and prosperity. If anything, we will be working at it even harder.



David and Charles Koch

We do so because we believe economic freedom is essential for improving the well-being of society as a whole, especially for our most vulnerable.

History and sound theory are clear on this point. If we allow our government to waste scarce resources and take over from consumers more and more of the decisions on how to use resources, then the vast majority will suffer a lower standard of living.

For evidence, look at what the federal government's ethanol policies have done to fuel and food prices. Both are more expensive than they would be otherwise. And who can least afford those higher prices? The poor, of course.

It's important to remember that the role of business is to effectively and efficiently convert resources into products and services that consumers value higher than their alternatives. Satisfying the wants and needs of customers, not policymakers, should be the focus of every business. We believe that customer focus is essential not only for business success, but for a strong and growing economy.

Corporate welfare

It is ironic that our government made a point of reforming its welfare policies for individuals, but refuses to do so for corporations. As a result, we see many businesses – especially large ones – focused on profiting by the political means.

Cap-and-trade proposals, the health care bill, federal bailouts and so-called “green” subsidies are all examples of corporate welfare that favor a few businesses at the expense of most others. Such programs especially hurt consumers and taxpayers.

Some critics accuse us of lobbying for regulations or policies so we can increase our profits at the expense of others. In reality, we lobby against such policies.

We work for a level playing field, where everyone has to compete on equal terms. We need to move off the one we're on, where our government picks winners and losers.

Some critics argue that we benefit from certain regulations or policies. They conveniently ignore the fact that political distortions infect every part of the economy.

We do not operate in a pure market economy. We were compelled to be in the ethanol business because its use is mandated. Given that, we chose to be in it in the most competitive way we could.

We draw the line at promoting rules that undermine economic freedom and prosperity. This is why we oppose ethanol subsidies and mandates even though some

of our businesses would benefit from them.

Real jobs – real value

There should be no doubt about our contributions to the economy in general. Koch companies employ nearly 50,000 Americans in supplying goods and services that make people's lives better. In total, we support more than 200,000 U.S. jobs.

For decades, Koch Industries, like many companies, has worked to build sustainable businesses that are the backbone of our economy. Since 2003 we have invested more than \$42 billion to grow our businesses and make our facilities safer, more environmentally friendly, more efficient and more productive.

As a major labor union official recently noted, many of our manufacturing jobs are among the best-paid and most productive in the U.S. These are real jobs creating real value for real people.

And yet, these are the very same businesses (and jobs) that the White House and its allies are trying to harm for political purposes.

What you should do

As I wrote in *The Science of Success*: “Sitting back and excusing yourself from action because you lack authority is unacceptable.”

Just as “entrepreneurs must persuade investors, lenders, customers and others to... support their vision,” we need voters, leaders, policymakers and businesspeople to support the principles of economic freedom.

If we don't, and we all depend on the government for everything, who is going to provide all the goods and services the government is promising everyone?

A recent cartoon strip illustrated this well. The king announces that, from now on, there will be free health care, free housing, free clothing, free food and jobs for everybody. To which a peasant responds: “If we're given all that, why do we need jobs?”

Substantial information about Koch Industries' positions and actions – including the consistent support of free enterprise, innovation and good environmental stewardship – is available at kochviewpoint.com.