



July 16, 2018

Dear Member of Congress:

On behalf of Koch Companies Public Sector, I urge you to support House Concurrent Resolution 119, which makes clear that a carbon tax would be detrimental to the American economy. Rather than imposing a carbon tax that would ultimately hurt the very people it is trying to protect, it is important that the government allow energy innovation to progress in line with market demand. At a time when more American families are feeling the benefits of tax reform and a strong, pro-growth economic agenda championed by Congress and the administration, it is important to keep the momentum at full speed.

We share the belief held by Majority Whip Steve Scalise and House Leadership that raising taxes on the energy that American families and businesses rely on every day will not help any hardworking citizens improve their lives. A carbon tax would make energy more expensive and raise the costs of consumer products and services on which people depend. It would also make U.S. producers less cost competitive, driving production and jobs to other parts of the world. Worse yet, this tax would hit hardest the least advantaged among us. We do not support the government creating a new revenue stream on the backs of consumers.

We have known the potential consequences of a carbon tax for years. Countries who have enacted such a tax have seen the costs far outweigh any benefit. In fact, Australia repealed its carbon tax in 2014, two years after its implementation. There's little reason to believe we'd fare any better in the U.S. In 2013, the Congressional Budget Office (CBO) released an assessment titled, "Effects of a Carbon Tax on the Economy and the Environment." It concluded that "[a] carbon tax would increase the prices of fossil fuels in direct proportion to their carbon content. Higher fuel prices, in turn, would raise production costs and ultimately drive up prices for goods and services throughout the economy." The CBO noted that these price increases would disproportionately harm low-income households, which, it said, "spend a larger share of their income on goods and services whose prices would increase the most, such as electricity and transportation."

That same year, the National Association of Manufacturers released an equally critical [report](#) concluding that increased costs of consuming coal, natural gas, and petroleum products "ripple through the economy and result in higher costs of production and less spending on non-energy goods."

Members of Congress and the administration have already accomplished much over the last 18 months to help more Americans improve their lives, but there is still much to do. Just as Koch works to help people improve their lives by providing them with products and services they truly value, our

company's government and public affairs will continue to advocate for principles that bring the greatest well-being to society.

When we allow people, not governments, to make decisions based on what is best for them and their families, everyone benefits. A policy like the carbon tax, which distorts markets and favors one industry over another, will do little to that end.

We thank Majority Whip Scalise and House Leadership for bringing this issue to the House floor. We encourage all lawmakers to join them in support of this resolution.

Sincerely,

A handwritten signature in blue ink, appearing to read "Philip Ellender". The signature is fluid and cursive, with the first name "Philip" and last name "Ellender" clearly distinguishable.

Philip Ellender
President, Government & Public Affairs
Koch Companies Public Sector, LLC