



## How the Koch Brothers Mess With the Texas Environment (Revised)

*By Mary Bell Lockhart*

I'm submitting this article as a revision to my previous one of the same name because, since posting that article, I learned more about how Koch Industries manipulated the oil commodity market.

Remember the old saying "What's good for business is good for Texas?" Perhaps that old saw just won't cut it anymore. The "Billionaire Brothers Koch" apparently believe that what's good specifically for THEIR business is good for YOU, Mr and Ms Texan.

Koch Industries, the second largest privately held US corporation, has subsidiaries in all but a few states. They earn \$100 billion each year marketing a wide array of products. Subsidiaries are all over Texas, including Flint Hills Resources, Koch Pipeline Company, INVISTA, Georgia-Pacific, Koch Supply & Trading, Koch Carbon, Koch Pulp & Paper Trading, Koch Agriculture Company (including the Matador Ranch), Koch Chemical Technology Group, and Koch Nitrogen Company.

They refine and supply oil, gas and chemicals (with a web of pipelines and terminals in every major Texas city), fabrics like nylon, spandex and polyester polymers (e.g., STAINMASTER - carpet and COOLMAX - fabric), construction materials like wallboard, pulp, paper and tissue, and cattle and horses. Furthermore, they trade commodities and derivatives in financial markets.

To distort the information base from which public policy is derived, the Koch brothers have created and/or helped fund foundations and "think tanks" like the Cato Institute, the Heritage Foundation, the Institute for Policy Innovation, and the Texas Public Policy Foundation.

But that's not all: They've injected their ideology into public institutions of higher education such as the Mercatus Center at George Mason University in Virginia. Recently, Charles Koch donated \$1.5 million to Florida State University's economics program with strings attached allowing him approval of professors hired. Individually and through the Association of Private Enterprise Education, the Kochs fund dozens of university programs with similar strings, such as a focus on

specific research benefiting their industries and installing "pre-trained," industry-friendly professors.

But that's not all: They have funded and informed a variety of political advocacy groups, their "boots on the ground," to spread the corporate ideology across the land -- e.g., Americans for Prosperity, Citizens for a Sound Economy, Citizens for the Environment, FreedomWorks, the Independent Women's Forum and, most recently, tea party groups.

But that's not all: After the *Citizens United* Supreme Court decision awarding 1st Amendment personhood rights to corporations, in 2010 Koch Industries directly enlisted their 50,000 employees into political action on behalf of KOCHPAC, supplying them with lists of favored candidates for whom it was "suggested" they campaign and vote. Through this and through campaign and "outside" funding, they succeeded in electing tea party Republicans who are currently wrecking havoc on our state and nation.

The public policies that benefit Koch Industries stretch too far across the political spectrum to cover in one article. However, prime policy goals are the rollback of environmental and safety standards, the weakening of environmental enforcement and prevention of citizen action against polluters.

Through sympathetic appointees and elected officials they have succeeded in weakening the Texas Commission on Environmental Quality (TCEQ), most recently making it harder for citizens to contest permits granted. In 2009, the US EPA stated that TCEQ's pollution rules did not fulfill the requirements of the Clean Air Act and were inadequate for protecting our air and water. The Koch Industries solution is to just do away with the EPA instead of upgrading TCEQ, and they recently succeeded in getting Congress to cut EPA funds.

The Independent Women's Forum attacks public school curricula regarding what they call the "junk science" of man-made global climate change. The Koch-backed political machine is fighting market-based strategies such as "cap and trade" which account for the cost of carbon discharges. Meanwhile, in other countries they profit from trading carbon credits. Their raft of lawyers and lobbyists fought the designation of dioxin and formaldehyde as a cancer risks.

Koch commodity traders invented the speculative oil derivative in 1986 and obtained market deregulation in the 1990s. In 2009 Koch Industries boasted of being one of the world's top five oil speculators. The financial reform bill in 2009 ordered that oil speculation again be regulated but Koch and other oil speculators are fighting it tooth and nail. The price spikes of 2008 and today have not been caused by oil supply problems. Oil company CEO's recently testified to Congress that prices would be 30-40% lower without market speculation.

This anti-environment agenda benefits Koch Industries bottom line. It's costly to meet environmental and safety standards, and Koch Industries has paid millions in penalties for their environmental catastrophes. Some of many examples: In the mid 90s, they paid \$33 million in fines and committed to \$5 million in environmental projects for 300 spills discharging 3 million gallons of oil. In 1999, they were found negligent in the deaths of two Texas teenagers from a leaky underground butane pipeline.

Doing the right thing might have been easier, but Koch Industries instead backs "tort reform" to limit the ability of injured parties to sue for damages and make "losers pay" if they are outmatched by corporate attorneys.

Texans, are these public policies good for you? Does it matter to you that Texas leads the nation in toxic chemicals in water, in carcinogens and carbon dioxide in the air? If Texas was a nation it would rank 7th in the world in total carbon dioxide emissions.

Is it good for your children to NOT learn the science of global climate change? Are you willing to bet THEIR future on the remote chance that all the pertinent organizations and countless reputable climate scientists are wrong?

If you or your family were injured by the actions of heavy industries, is it OK with you that seeking compensation through the courts is curtailed? Will you not get cancer from exposure to dioxin or formaldehyde just because they say so?

When you hear their spokespersons call for the elimination of the "onerous" EPA or "burdensome" financial regulations ask yourself if those agencies and regulations are as much an onerous burden on you as is the haze in Big Bend National Park or the price of gas inflated by unrestrained market speculation.

What's good for Koch Industries is not good for Texas or for the nation. And they are not alone at the trough of public policy that is really corporate welfare. But, unless we rethink old sayings, get the facts, stand up, speak out, and demand government policies that serve the interests of the people, not the corporations, one of these days we may find the formerly great state of Texas listed among the "subsidiaries" of corporations like Koch Industries.