

Visual	Audio	Backup
<p>On map, open on Koch brothers. Start in NYC, cut to shot of NYC skyline.</p> <p>Citation: The New York Times, 6/17/14; The New Yorker, 8/30/10</p>	<p>The Koch brothers... out-of-state oil billionaires.</p>	<p><b>David Koch lives in New York City and Charles Koch lives in Wichita, KS.</b> The New York Times reported, “Charles Koch lives in Wichita, and David lives in New York City.” [<a href="#">The New York Times</a>, 6/17/14]</p> <p><b>Forbes: David Koch is “New York City's richest resident.”</b> [Forbes, <a href="#">The World’s Billionaires</a>]</p> <p><b>Koch Brothers are oil industry billionaires who are not based in New Hampshire.</b> The New Yorker reported, “With his brother Charles, who is seventy-four, David Koch owns virtually all of Koch Industries, a conglomerate, headquartered in Wichita, Kansas, whose annual revenues are estimated to be a hundred billion dollars. The company has grown spectacularly since their father, Fred, died, in 1967, and the brothers took charge. The Kochs operate oil refineries in Alaska, Texas, and Minnesota, and control some four thousand miles of pipeline.” [<a href="#">The New Yorker</a>, 8/30/10]</p>
<p>Map moves, cut to shot of NH covered bridge. Cut to shot of Brown.</p> <p><b>Super: Scott Brown.</b></p> <p>Citation: NH Journal, 6/11/14</p>	<p>What are they doing in New Hampshire... backing ads to elect Scott Brown?</p>	<p><b>Politico: Americans for Prosperity is “[t]he Koch brothers’ main political arm.”</b> Politico reported, “The Koch brothers’ main political arm intends to spend more than \$125 million this year on an aggressive ground, air and data operation benefiting conservatives, according to a memo distributed to major donors and sources familiar with the group. The projected budget for Americans for Prosperity would be unprecedented for a private political group in a midterm, and would likely rival even the spending of the Republican and Democratic parties’ congressional campaign arms. The group already has spent more than \$35 million on ads attacking vulnerable Democrats in key Senate and House races, according to sources.” [<a href="#">Politico</a>, 5/9/14]</p> <p><b>Americans for Prosperity has already spent more than \$2 million attacking Sen. Jeanne Shaheen.</b> NH Journal reported, “The conservative advocacy group Americans for Prosperity launched another big television ad buy in New Hampshire Wednesday, tying Sen. Jeanne Shaheen to the Affordable Care Act and President Barack Obama. ... An AFP official said</p>

		<p>the ad package, including television, online and direct mail, costs about \$731,000 and brings total AFP spending in New Hampshire to an estimated \$3.8 million since the last week of December. Of that slightly more than \$2 million has been focused on Shaheen.” <a href="#">[NH Journal, 6/11/14]</a></p> <p><b>Roll Call: “Americans for Prosperity Targets N.H. Senate Race.”</b> <a href="#">[Roll Call, 4/23/14]</a></p> <p><b>Politifact: AFP “has spent millions to help Republicans win control of the Senate in the 2014 midterm elections.”</b> <a href="#">[Politifact, 5/8/14]</a></p> <p><b>Koch donor network funneled more than \$44 million to AFP in 2012 election cycle.</b> As FactCheck.org has noted, “In the 2012 election cycle, AFP reportedly raised \$140 million — with more than \$44 million of that coming from a donor network organized by the Koch brothers.” <a href="#">[FactCheck.org, 2/7/14]</a></p> <p><b>Brown to David Koch in 2011: “Your support during the election, it meant a ton. It made a difference and I can certainly use it again.”</b> <a href="#">[Think Progress, 3/7/11]</a></p>
<p>Map moves to TX, cut to shot of gas station/gas pump.  <b>Super: Scott Brown.</b>  <b>Billions in Special Taxpayer-Funded Subsidies to Oil Companies.</b></p> <p>Citation: MassLive.com, 3/29/12</p>	<p>Brown voted to keep giving billions in special taxpayer-funded subsidies to oil companies.</p>	<p><b>Brown repeatedly voted to protect Big Oil’s billions in taxpayer-funded subsidies.</b> During his time in the Senate, Brown voted three times against legislation that would eliminate the billions of dollars in special tax breaks that big oil companies receive. In June 2010, Brown voted against an amendment by Senator Bernie Sanders that would eliminate Big Oil subsidies and use the savings to reduce the federal deficit and invest in energy efficiency and conservation. In May 2011, Brown voted against consideration of the Close Big Oil Tax Loopholes Act, a bill by Senator Robert Menendez that would also reduce the deficit by eliminating tax breaks for big oil companies. Finally, in March 2012, Brown voted against consideration of the Repeal Big Oil Tax Subsidies Act, a bill by Menendez that would eliminate big oil subsidies and use the savings to promote renewable energy. [S. Amdt. 4318, <a href="#">Senate Vote 187</a>, 6/15/10; S. 940, <a href="#">Senate Vote 72</a>, 5/17/11; S. 2204, <a href="#">Senate Vote 63</a>, 3/29/12]</p>

**MassLive.com: Brown voted against ending \$24 billion in oil subsidies.** MassLive.com reported, “Despite an afternoon plea from President Barack Obama asking the U.S. Senate to vote to end \$24 billion in subsidies for the oil industry, the measure failed in a 51-47 vote, mostly along party lines Thursday. U.S. Sen. Scott Brown, R-Mass., was among the GOP legislators who blocked the measure which would have curtailed tax-funded subsidies for several oil companies valued at \$24 billion over a ten-year period.” [[MassLive.com](#), 3/29/12]

**Big Oil companies are receiving billions in subsidies.** According to the Joint Committee on Taxation (JCT), repealing just one major industry-specific subsidy for big oil companies, the limitation on deduction for intangible drilling and development costs, would generate approximately \$2 billion in revenue from 2012-2022. Eliminating the Section 199 deduction for big oil companies would save more than \$14 billion during the same time period. The JCT analysis was based on Senate legislation that would apply to any “major integrated oil company,” which is defined in the U.S. code as a company that produces at least 500,000 barrels of oil a year and has gross receipts in excess of \$1 billion per year. [Joint Committee on Taxation, “[Estimated Budget Effects of S. 2204](#),” 3/23/12; S.2204; [U.S. Code Section 167\(h\)\(5\)\(B\)](#)]

***The Koch Brothers claim that they oppose oil subsidies...***

**Koch Brothers spokesmen have repeatedly claimed Koch consistently “opposes subsidies of any kind.”** [[Politico](#), 4/22/14; [KochFacts.com](#), 6/6/13; [KochFacts.com](#), 7/11/12; [KochFacts.com](#), 4/11/12; [WashingtonPost.com](#), 5/20/11]

***But in reality, the Koch Brothers have fought to protect taxpayer-funded subsidies for oil companies:***

		<p><b>Center for Public Integrity: Koch lobbyists “have successfully fought to preserve the [oil] industry’s tax breaks and credits.”</b> According to the Center for Public Integrity, “Oil is the core of the Koch business empire, and the company’s lobbyists and officials have successfully fought to preserve the industry’s tax breaks and credits. ... Koch’s decision to pour millions into lobbying Washington has put them high on the list of corporations whose lobbyists work the corridors of the nation’s capital. Last year, Koch Industries ranked in the top five — roughly on a par with BP and Royal Dutch Shell — in lobbying expenses among oil and gas companies, according to the Center for Responsive Politics.” [<a href="#">Center for Public Integrity</a>, 4/6/11]</p> <p><b>CPI: Koch lobbyists “have worked to preserve the [Section 199 manufacturing] deduction” for oil companies.</b> According to the Center for Public Integrity, “Meanwhile, Koch has lobbied to preserve some of the oil industry’s coveted tax breaks and credits. One benefit is known as the Section 199 deduction, approved by Congress several years ago to help the hard-pressed U.S. manufacturing sector. In light of the oil and gas industry’s hearty profits, the Obama administration and members of Congress have sought to end the Section 199 subsidy for energy firms and save the U.S. Treasury \$14 billion over 10 years. But Koch lobbyists and trade associations have worked to preserve the deduction.” [<a href="#">Center for Public Integrity</a>, 4/6/11]</p> <p><b>CPI: Koch representatives have also supported the “last-in, first-out” tax break for the oil industry.</b> According to the Center for Public Integrity, “Another industry tax break that drew the support of Koch representatives is the venerable ‘LIFO’ (last-in, first-out) accounting rule. It allows energy companies effectively to raise the value of their existing inventory (and thus pay lower taxes on profits from sales) when the price of oil soars. Under LIFO, the oil in a company’s inventory, no matter what it actually cost, is valued at the cost of the last-acquired (usually highest-cost) barrel. The LIFO</p>
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		<p>rule has been a target in recent years for both Democrats and Republicans in Washington, who would like to raise revenue without raising taxes.” [<a href="#">Center for Public Integrity</a>, 4/6/11]</p> <p><b>CAP: Koch Industries make billions from oil subsidies, spend millions to keep them in place.</b> According to the Center for American Progress, “Koch Industries reaps billions in these century-old tax breaks, and spends millions lobbying specifically to ensure they stay in place.” [<a href="#">Think Progress</a>, 9/10/12]</p> <p><b>Americans for Prosperity opposed the Close Big Oil Tax Loopholes Act.</b> Americans for Prosperity opposed S.940, which it described as a bill that “would increase taxes on oil and gas companies,” and included that vote in its Key Vote Scorecard for the 112<sup>th</sup> Congress. [<a href="#">Americans for Prosperity, Key Vote Scorecard, 112<sup>th</sup> Congress</a>]</p> <p><b>Americans for Prosperity defended the industry-specific deduction for intangible drillings costs, which it falsely claimed is “not a subsidy.”</b> On their website, Americans for Prosperity wrote, “The domestic oil industry is being singled out and attacked because some people don't like the product they sell or the profits they make. Senator Max Baucus along with many others wants to increase taxes on oil and gas producers, claiming they don't need government subsidies. ... Americans for Prosperity opposes any changes in the tax code that target specific industries for tax increases because some people don't like their product or profit.” One such tax credit AFP pointed to is the deduction for intangible drilling costs, which AFP claimed is “the equivalent” of tax credits for research and development by non-energy companies, and therefore “not a subsidy as critics claim.” [<a href="#">Americans for Prosperity</a>, 5/11/11]</p> <ul style="list-style-type: none"><li>• <b>The nonpartisan Joint Committee on Taxation listed “expensing of intangible drilling costs” among “industry specific incentives” for the oil and gas sector.</b> In a May 11, 2011 report, the nonpartisan Joint</li></ul>
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		<p>that are similar to grants or other types of subsidies.” Additionally, a separate Pew article stated, “[b]y reducing the revenue that would otherwise have been collected by the government, tax expenditures are similar to government spending,” and the Sunlight Foundation similarly noted: “It’s commonly accepted in the world of tax policy wonks that by reducing revenues that would otherwise have been collected by the government, tax expenditures have a similar effect on the federal deficit as government spending.” [<a href="#">Center for American Progress</a>, 5/5/11; <a href="#">Media Matters for America</a>, 4/10/12; <a href="#">Tax Policy Center</a>, 7/17/09; <a href="#">Pew Charitable Trusts</a>, 4/3/12; <a href="#">Pew Charitable Trusts</a>, 12/3/12; <a href="#">Sunlight Foundation</a>, 1/27/11].</p> <ul style="list-style-type: none"><li>• <b>Prominent Republicans recognize that tax expenditures are subsidies.</b> In a March 28 article, Think Progress documented that “Numerous Republican leaders have noted that a tax break is the same as a direct government [payment] or subsidy, in a different form. This includes President Ronald Reagan’s chief economic advisor, Martin Feldstein, former Senate Budget Committee Chair Pete Domenici (R-NM), House Ways and Means Committee Chair Dave Camp (R-MI), and Speaker of the House John Boehner (R-OH).” Think Progress included quotes for each of these Republicans in the article. [<a href="#">Think Progress</a>, 3/28/12].</li><li>• <b>The deduction for intangible drilling costs is the single-biggest oil industry subsidy.</b> According to a White House budget analysis, if the United States “Repeal[s] expensing of intangible drilling costs,” it would save the government \$2.3 billion in fiscal year 2015 and \$14.35 billion over the next 10 years. Both figures are greater than the revenue effects of eliminating any other subsidy for the oil and gas industry. [<a href="#">Federal Receipts</a>, WhiteHouse.gov]</li></ul> <p><b>AFP-Virginia: “AFP opposes using the tax code</b></p>
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		<p><b>to attack oil and natural gas producers.”</b> In a post on their website, the Virginia chapter of Americans for Prosperity stated: “AFP opposes using the tax code to attack oil and natural gas producers that are simply using the same tax deductions that are broadly available to everyone else, just because these energy producers are politically unpopular.” [<a href="#">AFP-VA</a>, 5/13/11]</p>
<p>Map moves to Washington, DC, cut to shot of U.S. Capitol building, portraits of Koch brothers, adding Brown.</p>	<p>Out of state billionaires, trying to elect an out of state politician.</p>	<p><b>David Koch lives in New York City and Charles Koch lives in Wichita, KS.</b> The New York Times reported, “Charles Koch lives in Wichita, and David lives in New York City.” [<a href="#">The New York Times</a>, 6/17/14]</p> <p><b>Koch Brothers are oil industry billionaires who are not based in New Hampshire.</b> The New Yorker reported, “With his brother Charles, who is seventy-four, David Koch owns virtually all of Koch Industries, a conglomerate, headquartered in Wichita, Kansas, whose annual revenues are estimated to be a hundred billion dollars. The company has grown spectacularly since their father, Fred, died, in 1967, and the brothers took charge. The Kochs operate oil refineries in Alaska, Texas, and Minnesota, and control some four thousand miles of pipeline.” [<a href="#">The New Yorker</a>, 8/30/10]</p> <p><b>Brown moved to New Hampshire in summer of 2013 and didn’t become registered NH voter until December 2013.</b> The Christian Science Monitor reported, “On Friday, Brown noted that his well-traveled pickup – now adorned with “Live Free or Die” New Hampshire license plates – was approaching 300,000 miles. He’ll need it if he’s too overcome any perception that he’s a newcomer to the Granite State. (He moved to his family’s vacation home there last summer and registered as a New Hampshire voter in December.)” [<a href="#">Christian Science Monitor</a>, 3/15/14]</p> <p><b>U.S. News: Brown is a former MA senator who “lost and then drove across the state line for a second chance.”</b> According to U.S. News &amp; World Report, “It was less than two years ago that Brown was casting votes as the senator from Massachusetts. And while it’s not</p>

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		<p>uncommon for a politician to run outside his or her home state (see: Hillary Clinton, Robert Kennedy), Brown’s not just a man who relocated to a state to run for Senate: He’s a former senator from Massachusetts who ran for re-election, lost and then drove across the state line for a second chance. A Suffolk University/Boston Herald poll in March summed it up when it asked voters to identify words they most associated with Brown. ‘Carpetbagger’ was one of the terms most often cited.” <a href="#">[U.S. News &amp; World Report, 4/10/14]</a></p>
<p>Map expands out to include NH for close.          Cut to shot of Brown.  <b>Super: Scott Brown.</b>  <b>Good for Big Oil.</b>  <b>Bad for New Hampshire.</b></p>	<p>That’s good for big oil. But bad for New Hampshire.</p>	
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