



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

January 30, 2024

The Honorable Lina Khan
Chair
Federal Trade Commission
600 Pennsylvania Ave, NW
Washington, D.C. 20580

The Honorable Jonathan S. Kanter
Assistant Attorney General for the Antitrust Division
U.S. Department of Justice, Antitrust Division
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Re: Koch Industries' planned acquisition of OCI Global's Iowa Fertilizer Company

My role as Iowa's Auditor of State is to bring attention to waste, fraud, and abuse of taxpayer dollars. When taxpayers are left on the hook for \$550 million, you can bet I'll do just that.

I am writing in opposition to the sale of the OCI Nitrogen Iowa fertilizer plant in Wever, Iowa. In a highly consolidated industry, the plant's construction was pitched to taxpayers as a project that would encourage future competition and growth for the region.

Then-Governor Terry Branstad's administration put together a package totaling more than half a billion dollars in state, federal, and local incentives to secure the deal. Less than a decade later, OCI Global is cashing out, with Koch Industries seeking to reap the benefits by buying the plant. But the fact that it wouldn't be owned by Koch was a justification for the massive commitment of tax dollars in the first place.

If this acquisition by Koch Industries is allowed to proceed, the cost of fertilizer to farmers will likely increase due to further industry consolidation. That hurts Iowa producers. It also negates the original intent of the deal that OCI Global reached with Iowa taxpayers to increase competition in the industry. Reneging on a deal may not seem like a big deal to a big corporate entity like OCI or Koch Industries, but for most Iowans, our word is our bond.

In 2013, promoting the largest tax incentive package in Iowa history, Governor Branstad said, "the Koch Brothers don't want the competition [...] We want competition." I agree with the former governor. This deal should be rejected.

Sincerely,

Rob Sand
Auditor, State of Iowa