

August 30, 2021

Dear Member of Congress,

We write urging you to ensure any reconciliation package is fiscally responsible and serves the interests of all taxpayers. At Taxpayers for Common Sense, we believe well-crafted federal policy is vital to providing many public goods. From national defense to economic safety nets, infrastructure, and climate adaptation, appropriate federal policy plays a critical role. We also believe our nation's \$28 trillion debt and perpetual annual deficits pose a threat to our ability to maintain current federal investments and meet future needs. If not offset, the \$3.5 trillion target established by S. Con. Res. 14, the budget resolution, would add substantially to that debt. For these reasons we encourage lawmakers to consider key principles when crafting the reconciliation package. We have additional specific suggestions for how particular committees can meet these principles.

- **Ensure the package is a fiscally responsible response in pursuit of legitimate public needs.** The package should be tailored to need, not based on arbitrary topline. In addition, lawmakers should generate enough revenue and savings to offset spending over the long-term. Some investments and savings may not score in the 10-year window, but revenue and offsets, as well as liabilities, outside that window must be in balance. If policies are important enough to receive federal investment, they are important enough to be paid for. A fiscally responsible package will also not include funding for interests already receiving adequate, or excessive, federal investment. Most notably there is no need for additional spending on the Pentagon or income subsidies for agricultural operations.
- **Do not plant fiscally reckless future liabilities.** Lawmakers have an opportunity to fix some past mistakes of federal policies. For example, investing in cleaning up the thousands of abandoned mines currently polluting communities, which exist because of lax federal requirements on their previous owners, is appropriate. Doing so without reforming bonding policy to avoid future industry bailouts, is not. Spending additional taxpayer dollars on the mature biomass and biofuels industries, which are failing to reduce greenhouse gas emissions, could also create even more long-term liabilities for taxpayers. The package should also not create any popular but short-term tax credits and spending programs that appear to hold down costs but will likely be extended or even made permanent by future Congresses.
- **Promote resilience instead of dependence on federal spending.** Lawmakers must focus on policies that foster innovation, increase investment from non-federal sources, and are responsive to markets. The package must not simply subsidize industry revenue or income but support tools and programs that invest in communities and are fiscally sustainable over the long-term. Agricultural conservation programs such as the Conservation Stewardship Program (CSP), Conservation Innovation Grants (CIG), and technical assistance are all tools that can help producers overcome technical barriers or build capacity to help themselves. Policies that simply subsidize income (including unnecessary disaster and other duplicative agricultural income supports) or relieve businesses of routine, expected business costs, such as the Environmental Quality Incentive Program's (EQIP) funding of confined animal feeding operations, must not be included.

- **Do more than provide dollars, also make change.** Lawmakers must not direct money to failed systems that have contributed to current challenges. For instance, invest in real, lasting, climate solutions instead of spending additional taxpayer dollars on programs similar to the Department of Energy's Loan Guarantee Program which backstopped troubled nuclear projects and passed disproportionate risks to taxpayers. Simply allocating money to carbon banks or other agriculture conservation programs without reforming underlying programs and prioritizing program dollars toward the projects with the best return on investment, could result in taxpayer dollars being wasted.

Lawmakers crafting a reconciliation package need to ensure the legislation is in the interests of taxpayers. Including only policies that serve a critical federal interest, are fiscally responsible, and promote resilience is key. We look forward to working with you to implement legislation adhering to these important principles.

Steve Ellis
President