



September 7, 2011

Dear Joint Select Committee on Deficit Reduction Member:

Thank you for your service to the country as a member of the Joint Select Committee on Deficit Reduction or "Super Committee." Taxpayers for Common Sense (TCS) is a national, non-partisan budget watchdog and we are confident that the committee can rise above petty politics and approve a bipartisan proposal to reduce our federal deficit by at least \$1.5 trillion over the next ten years. As you know, the stakes are high; if such a proposal is not adopted in the coming months, Congress will be left on the sidelines as automatic, across-the-board spending cuts take effect next year. We write to suggest both broad principles for operating as a committee and specific suggestions for deficit reduction.

- **It's not too late for statesmanship.** Americans are craving leadership. We recognize there are substantive differences between the two political parties, and that each individual member of the committee comes with strong connection and commitments to specific programs and approaches to deficit reduction. But recent polls reveal the lowest public approval of Congress in the history of polling. The committee has the opportunity to demonstrate that thoughtful members of Congress can make difficult decisions that transcend politics and parochial protectionism. We need statesmanship, not partisanship. We urge each and every one of you to take seriously the charge of starting us down the path to a sustainable fiscal future.
- **Put good policy before ideology.** To secure our fiscal future -- and restore voters' confidence -- committee members have to lay down their ideological arms and commit to making good decisions for the best of the country as a whole. For example, committee members cannot resort to a reflexive defense of the most wasteful tax expenditures that pick winners and losers in the marketplace, like the Volumetric Ethanol Excise Tax Credit, to fulfill a rigid tax orthodoxy. Similarly, committee members must broach the issue of the unsustainable fiscal path of entitlement programs without fear of being accused they are trying to dismantle the nation's social safety net.
- **Transparency in the process will both restore public confidence in Congress and yield better decisions.** Meetings of the committee should be public, broadcast on the Internet, and archived. Committee members should also make public their schedule of meetings with outside interests for the duration of the committee. The back-room conversations that led to the debt ceiling deal and created this committee undermined public confidence.
- **Go after the low-hanging fruit.** There are many common sense reforms the public supports. I have attached our list of "Common Sense Cuts," which would yield taxpayers more than \$900 billion over the next ten years. We believe these can be the lowest of the low-hanging budgetary fruit. Political, not substantive, barriers have prevented money-saving reforms to agriculture commodity payments, tax breaks directed at profitable industries, and wasteful defense spending, all of which have been included in every major deficit reform proposal of the past year and mentioned by people on all sides of the political spectrum from President Obama to Budget Committee Chairman Paul Ryan to Speaker Boehner to Majority Whip Durbin. TCS will continue to release additional suggestions for deficit reduction in the coming weeks, demonstrating that if ideology is left aside, there are solutions.

- **Tackle tax expenditures.** Spending through appropriations and through tax breaks must be held to the highest standard of performance. Since the 1986 tax reform, the code has been littered with special interest provisions that benefit one industry over others, serve at cross or counter purposes, or do not achieve the originally intended goals. These tax expenditures make the code more complex and opaque and create cynicism among the public. Many of these tax preferences return little benefit to the public at large, but are very lucrative to highly profitable companies like those in the oil and gas sector, or research and development tax breaks for tech or pharmaceutical companies. The committee should eliminate many of the most wasteful tax expenditures and set the stage for fundamental tax reform that demands accountability.
- **Don't ignore mandatory spending.** Mandatory spending is dominated by complex programs like Medicare, farm subsidies, and Social Security. To reform these programs and maintain an adequate safety net will require significant adjustments to complex public policy. Comprehensive reform is unlikely and perhaps unwise in the relatively brief window afforded the committee, but certain discrete, common sense budget saving measures can and should be adopted immediately. Examples include eliminating direct payments and crop insurance subsidies in the agriculture sector, or adopting Medicare waste-fighting efforts such as those included in Sens. Carper (D-DE) and Coburn's (R-OK) Medicare and Medicaid Fighting Fraud and Abuse to Save Taxpayers' Dollars Act, or increasing means-testing in Medicare and Social Security.
- **Pave the way for long-term reform.** While likely outside the scope of the panel, the committee should create the momentum for critically needed reforms to tax policy and entitlement programs. Also in the legacy category, we urge you to consider long-term and lifetime savings in the proposals you do recommend. The charge of this committee is reductions in 10 years, but our debt problem is long-term. It is up to the committee members to make sure that policies don't shift long-term liability to taxpayers or shy away from tough decisions like defense spending, entitlements, and tax reform. A few months is a very short period to tackle the fundamental reforms these areas need, but proposals from the Simpson-Bowles fiscal commission, Domenici-Rivlin, Rivlin-Ryan, and the Senate Gang of Six responsibly took on tax reform or entitlements or both.

There are cost-saving reforms available throughout government, and positive, open ways to achieve them. While this committee will not be able to tackle all of them, the greatest legacy this committee should leave is not only an even-handed approach to achieving the targeted \$1.5 trillion in deficit reduction, but also a record of being both transparent and accountable to the American taxpayer and establishing mechanisms to achieve fundamental tax and entitlement reform in the near future. Please contact me or Steve Ellis at 202-546-8500 to discuss this further.

Sincerely,



Ryan Alexander
President

Enclosure