FRANK R. WOLF
10TH DISTRICT, VIRGINIA

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TRANSPORTATION-HUD

STATE AND FOREIGN OPERATIONS

CO-CHAIR—TOM LANTOS
HUMAN RIGHTS COMMISSION

Congress of the United States
House of Representatives

241 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–4610
(202) 225–5136

13873 PARK CENTER ROAD
SUITE 130
HERNDON, VA 20171
(703) 709–5800
(800) 945–9653 (IN STATE)

110 NORTH CAMERON STREET
WINCHESTER, VA 22601
(540) 667–0990
(800) 850–3463 (IN STATE)

wolf.house.gov

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The Honorable Barack H. Obama
The President
The White House
Washington DC 20500

Dear M~~r. President~~: PRESIDENT

During your October 23, 2012 debate with Governor Romney, you forcefully stated that sequestration "will not happen." Despite your assurance on national television to the American people, we are now less than a month away from sequestration and I am deeply concerned that your administration is failing to exhibit any urgency in addressing this issue.

Sequestration will lead to a hollow military force and a government unable to nimbly respond to the needs of its citizens. I hope that you will not stand by and allow this to happen. The idea of "sequestration" was proposed by your chief of staff and nominee to be Secretary of the Treasury, Jack Lew. I write today to ask that you immediately send a written proposal to the Congress to prevent sequestration.

I am not advocating that spending reductions scheduled for our discretionary military and non-military accounts simply be waived – far from it. Our nation is nearly $16.5 trillion in debt, and, when added to our unfunded obligations and liabilities, we are facing roughly $71 trillion in future unsustainable spending commitments. Unless we change course, every penny collected by the federal government will be consumed by spending on entitlements and interest on the debt by 2025. We are spending $4.2 billion each week on interest payments to finance our debt, and this money is going to nations such as China, one of our strongest competitors which is actively spying on both our public and private sectors and has an abysmal human rights record. Our current path is simply unsustainable and is not the firm foundation our children and grandchildren expect and deserve.

I have repeatedly advocated and voted for the only bipartisan fiscal solution that has been proposed: the recommendations of the Simpson-Bowles Commission, which would have reduced the deficit by more than $4 trillion, with two-thirds of the savings coming from spending reductions, and one-third through tax reform. More importantly, it would have reduced enough spending to completely "turn off" the need for the sequestration cuts. While you walked away from this bipartisan proposal, I was one of 38 bipartisan members of Congress to vote for it last year.

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In addition to voting for bipartisan solutions like the Simpson-Bowles recommendations, I have worked to make the difficult but necessary cuts to our nation's discretionary spending. During the 112th Congress, as chairman of the Commerce-Justice-Science Appropriations subcommittee, I reduced spending from nearly $64 billion to nearly $52 billion for these agencies, nearly a $12 billion reduction. The House Appropriations Committee recognized the need to lead by example and started the process of reducing unnecessary spending. As subcommittee chairman, I still managed to continue investing in our nation's critical counterterrorism and research and development programs. In fact, I am proud that I was able to make these substantial cuts while funding the National Science Foundation's basic research programs and the Federal Bureau of Investigation's national security work at all-time high levels. This is the type of thoughtful and deliberate allocation of resources we can achieve through a careful process, rather than sequestration.

But a real fiscal solution cannot be reached by focusing only on reductions to discretionary spending accounts, which account for roughly 15 percent of all federal spending. Since Fiscal Year 2010, Congress has enacted $95 billion in cuts from discretionary accounts, which has resulted in a 10-year savings of more than $917 billion.

While these discretionary cuts have made substantial progress in reducing the deficit, no similar reductions in spending have been made to entitlement programs or tax earmarks and other spending through the tax code. Unfortunately, sequestration would just continue the process of discretionary spending reductions, which have already been substantially reduced, while essentially leaving all other spending – the real drivers of the deficit – on autopilot. This is the area of the budget that must be reformed in order to preserve and protect it for future generations. These programs are broke. Everyone is to blame, and therefore we all need to be part of the solution. Simply put, if we do nothing, within 25 years, every Social Security recipient, regardless of age, will face an across-the-board cut of 25 percent.

Fortunately, there are bipartisan solutions on the table proposed by your Simpson-Bowles Commission. One of the commission's suggestions to save Social Security was to gradually raise the full Social Security retirement age by one month every two years, to slowly raise the full retirement age from 67 to 69.

What 50-year-old in McLean wouldn't be willing to work *just one more month* to help ensure a sound program for future generations? And I know a 40-year-old in Winchester is willing to start planning now so that they can be prepared to make the commitment to work just six more months. And, since most 30-year-olds in Clarke County believe Social Security won't even exist when they're ready for retirement – I know they'd be willing to work 11 more months to ensure that they receive benefits. That's the same reason I believe parents in Manassas will work today to prepare their four-year-olds to retire at 69, instead of 67.

I have repeatedly advocated for this bipartisan Simpson-Bowles proposal, despite my misgivings with certain sections, because I believe it is the only proposal that truly can receive the bipartisan support and embrace by the American people. Large proposals of the magnitude that are necessary to address our debt must be bipartisan in order to receive support from the

American people. For example, consider the national tone that erupted after your health care reform was signed into law on a party-line-vote. Imagine how different the discourse would be if this legislation would have incorporated minority views.

It has been frustrating that you have never fully embraced your own commission's recommendations. This commission was based on legislation introduced by Senators Conrad and Gregg, that, in turn, was based off of my bipartisan SAFE Commission Act, which I first introduced in 2006 during the Bush Administration, and since partnered with Democratic Representative Jim Cooper of Tennessee.

I agree with Alan Greenspan's analysis "one of the worst mistakes [you] ever made was not embracing the [Simpson Bowles] proposal right away." Your leadership would have made a difference. I still believe this proposal is the path forward. I will still advocate for many of the policies presented in this document, because it was a comprehensive approach that recognized that everyone, even the advocates of "political sacred cows," must be asked to contribute to deficit reduction efforts.

Today, I am offering a bipartisan amendment to H.R. 444, Require a PLAN Act. This amendment would require you to incorporate the Simpson Bowles recommendations into your budget submission to Congress. I am disappointed that this amendment is even necessary, as I would hope you would have done this on your own initiative. It is also equally troubling that, for the fourth time in five years, you have again failed to meet your statutory deadline for filing your annual budget request.

The threat of sequestration is already having an impact on our economy. The economy unexpectedly shrank in the fourth quarter for the first time since 2009, due in large part to reductions in federal defense spending. Contractors – not just the Boeings, Booz Allens and Lockheeds of the world, but the small, women- and minority-owned subcontractors – are already feeling the pinch.

In addition, federal agencies are already being forced to prepare for this uncertainly. For example, temporary workers are not being rehired, positions sit unfiled and federal employees face the threat of 22 days of furloughs. That's one day a week for the remainder of the fiscal year where they won't get paid.

FBI agents will be pulled out of the field off of active investigations. According to a recent *Washington Post* article, "New federal grants for medical research are being postponed, resulting in layoffs now and costly paperwork later. And military leaders, who are delaying training for active and reserve forces, are trying to negotiate millions of dollars in penalties that the Defense Department is incurring from canceled contracts."

These are the same federal employees who have already been asked to contribute $103 billion to the deficit reduction efforts through your two-year pay freeze and decision to partially pay for a 10-month extension of a short-sighted payroll tax holiday by requiring new federal

employees, and those with less than five years of credible experience, to spend the rest of their careers paying higher pension contributions.

Today, *National Journal Daily* reported that it appears that damning news articles may be the only hope to avert sequestration. This is not the way a great nation should act. I am willing to look at all options and find a solution – a solution that truly deals with entitlements and is a long term, not piecemeal, approach. Efficient contracts are not designed to be signed on two-month, six-month, or for that matter, one-year basis; they are multi-year endeavors.

Under the Constitution, there is only one person who is elected to serve all of the American people: the president. Unlike the Congress, which is elected just by one district or state, your office, as the chief executive, must strive to represent all Americans, including the parts of the country that will be devastated by the thoughtless cuts enacted through sequestration.

Yet over the last month, you have used your "bully pulpit" not to bring the American people and Congressional leadership together on a sequestration solution, but instead to start "national conversations" about guns and immigration. While there may be merit to addressing these issues, the looming sequestration deadline should make resolving this crisis the most important item on your agenda. But both your recent actions and your words do not represent the seriousness of the task at hand.

Mr. President, House Republicans are just a majority of the minority – we control one half of one of three branches of the government. Your leadership is needed. I have always strived to represent my constituents in an honest and open manner. Let's dispense with the straw man arguments. We all bear responsibility for the situation before us, and thus must consider all options, even those that are not ideal. I know you appreciate the severity of the situation. I'm prepared to give full consideration should you propose a serious bipartisan solution.

I suggest you start with the recommendations of your own Simpson-Bowles Commission, which you have thus far failed to support. Its time has come and I hope you will embrace its bipartisan solutions and call on Congress to adopt it.

Best wishes.

Sincerely,

Frank R. Wolf
Member of Congress

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