United States Senate

COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510–6100

November 20, 2012

The Honorable Harry Reid
Senate Majority Leader
United States Senate
522 Hart Senate Office Bldg
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Republican Leader
United States Senate
317 Russell Senate Office Bldg
Washington, DC 20510

The Honorable John Boehner
Speaker of the House of Representatives
1011 Longworth House Office Bldg
United State House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
235 Cannon House Office Bldg
United States House of Representatives
Washington, DC 20515

Elected Leaders:

It is my understanding that some of the items that may be raised in your fiscal negotiations would increase spending above the levels projected under the Budget Control Act and therefore need to be offset through reductions elsewhere. These items include a one-year continuation of extended Unemployment Insurance (at a cost of $26 billion), the 2 percentage point payroll tax cut (increasing on-budget spending by $90 billion), and a freeze in the reimbursement rates paid to physicians in the Medicare program ($11 billon). Offsets for any of these changes must also be achieved through real savings, not gimmicks like counting baseline savings from future war spending that is not expected to occur.

As you know, the BCA signed into law August of last year required that spending be reduced by $2.1 trillion in exchange for an immediate $2.1 trillion increase in the debt limit. These are reductions in the rate of growth and domestic spending will still increase dramatically every single year, resulting in $8 trillion instead of $10 trillion in new spending overall. Congress must reorganize and reprioritize these cuts, but we must not retreat from the overall amount Congress agreed to and that the President signed into law.

I appreciate your consideration of these matters.

Very truly yours,

Jeff Sessions

Jeff Sessions
Ranking Member
United States Senate Budget Committee