



August 8, 2011

The Honorable John Boehner
Speaker of the House
U.S. Capitol Building, H 232
Washington, DC
20515

The Honorable Harry Reid
Senate Majority Leader
U.S. Capitol Building, S 221
Washington, DC
20510

The Honorable Mitch McConnell
Senate Minority Leader
U.S. Capitol Building, S 230
Washington, DC
20510

The Honorable Nancy Pelosi
House Minority Leader
U.S. Capitol Building, H 204
Washington, DC
20515

Dear Speaker Boehner, Majority Leader Reid, Minority Leader McConnell and Minority Leader Pelosi,

We are pleased that legislation raising the debt ceiling has been signed into law and applaud your efforts to remain at the negotiating table to find a bipartisan solution in order to avoid default. While this agreement was a significant step forward, we must now turn our attention to the details of the agreement, including the Joint Select Committee on Deficit Reduction that was created in the newly enacted legislation and is tasked with finding \$1.2 trillion in future debt reduction. This committee has a historic opportunity to come to a broad bipartisan solution that will control debt and ensure America's future prosperity.

We hope that this committee of twelve members of Congress can build on the recommendations of the Bipartisan Policy Center's Debt Reduction Task Force, which we proudly co-chaired, as well as the President's Commission on Fiscal Responsibility and Reform. Our plan included important recommendations that we strongly feel should be considered by the committee. The Task Force pushed for the creation of a simpler, pro-growth tax code that lowers rates and raises additional revenues to reduce our mounting debt. We also proposed extensive reform of the entitlement programs, including a complete solvency package for Social Security and an update of the Medicare benefit structure to make coinsurance rates more uniform and provide catastrophic coverage. Our work has shown that a bipartisan compromise on Medicare can retain existing Medicare while moving to a defined contribution plan. Finally, we are concerned about maintaining a strong economy as debt is brought under control. We recommend a large payroll tax holiday up front that would spur the economy and help to produce that growth that is such a vital component to any deficit reduction strategy.

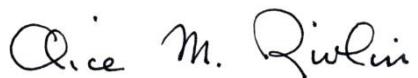
We believe that the Congress, through the cuts they have already approved, fully meets the recommendations our task force made in discretionary appropriations accounts. We strongly urge the Joint Select Committee to now move beyond these accounts and to the real drivers of our debt crisis - - revenues and entitlements.

It is clear that much work still needs to be done in order to restore our nation to fiscal discipline. We strongly believe that America must learn to live within its means, that the current budget path endangers the future economy and that bipartisan action is urgently needed. As the Select Committee on Deficit Reduction begins their work in the coming weeks, we stand ready to help in any way we can, and we urge the group to tackle these challenges in a real, meaningful way.

Very Truly Yours,



Senator Pete V. Domenici
Co-chair, BPC Debt Reduction Task Force



Dr. Alice M. Rivlin
Co-chair, BPC Debt Reduction Task Force