



November 21, 2011

Majority Leader Harry Reid  
522 Hart Senate Office Building  
Washington, DC 20510

Minority Leader Mitch McConnell  
317 Russell Senate Office Building  
Washington, DC 20510

Speaker John Boehner  
1011 Longworth H.O.B.  
Washington, DC 20515

Minority Leader Nancy Pelosi  
235 Cannon H.O.B.  
Washington, DC 20515

Dear Leader Reid, Speaker Boehner, Leader McConnell, and Leader Pelosi:

It is now clear that the Joint Select Committee on Deficit Reduction will be unable to meet its legal obligation to reach agreement on a \$1.2 trillion deficit reduction package. The impending failure of the "Super Committee" will validate the worst fears about our political system's inability to rise to the fiscal challenge, and it will drive another nail in the coffin of public faith in government.

But failure must have a cost beyond public dismay. Although sequestration is an awful way for a nation bent on success to manage its affairs, we urge you to resist the temptation of Congress to write its own "get out of jail free" card and reject any legislation to repeal sequestration unless it is accompanied by a deal that reaches or exceeds the "Super Committee's" target.

Repeal of sequestration would likely lead to a downgrade of U.S. Treasuries, further weakening the United States' once-stellar rating and guaranteeing higher interest rates for homeowners, consumers, businesses, and taxpayers for the long term. It would roil financial markets already on tenterhooks from the deep recession and the European debt crisis. It could cause another loss of confidence in the U.S. economy just as we seem to once again be breaking free from the recession's gravitational pull.

Equally important, repeal of sequestration would make a mockery of Congress and give further credence to the growing cynicism that is poisoning our political system and our country. Absent a sensible and serious dollar for dollar (or more) alternative, Congress must not break the loud, public, and legal promise it made to the American people only four months ago.

Today, a "failure caucus" that counts interest groups from both wings of the ideological spectrum is cheering the "Super Committee's" demise. The loudest and most powerful of them has ensured there will be no new revenue though the country desperately needs it. But others have sought to keep entitlements sacrosanct even though they are crowding out every other progressive priority.

The inability of the "Super Committee" to even bring a plan up for a vote - despite the templates provided by the Bowles-Simpson Commission, Domenici-Rivlin Commission, Third Way, and others - is a stunning disappointment. But with the expiration of the Bush tax cuts next year, we still hold out hope that a major deal can be accomplished that raises revenue, reduces entitlement spending, invests in America, and puts the nation's long term economy on the path to success. In the meantime, failure must have consequences and it must be sequestration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Cowan", with a long horizontal flourish extending to the right.

Jon Cowan  
President, Third Way