



**New
Democrat
Coalition**

**Rep. Ron Kind, Chair
Rep. Gerry Connolly, Vice Chair
Rep. Jim Himes, Vice Chair
Rep. Rick Larsen, Vice Chair
Rep. Allyson Schwartz, Vice Chair**

February 28, 2013

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

The Honorable John Boehner
Speaker of the House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader of the House of Representatives
H-204, US Capitol
Washington, DC 20515

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

We are now just days away from the devastating, across-the-board spending cuts of sequestration taking effect, and, as New Democrats, we strongly urge you to heed the calls of our nation's business leaders to take swift, balanced action to avert this self-inflicted wound on our economy before it does even more damage. The scheduled cuts will significantly reduce America's investments in the very things that help create jobs and grow our economy. In fact, current reductions in spending, coupled with the looming threat of sequestration, already have led to a contraction that is rippling through the economy.

The decline in GDP for the last quarter, its first negative growth since the spring of 2009, should serve as an urgent warning signal. It was precipitated by a 15 percent drop in total federal spending – led by a 22 percent reduction in defense spending, the largest cutback in 40 years. Many of our nation's largest employers partner with the federal government, and either have started to lay off workers or warned that such action is imminent. The prolonged threat of sequestration has impeded the ability of federal agencies to plan for the long-term, creating uncertainty not only for these large employers, but also for the medium- and small-sized companies throughout the supply chain. The economic effect is compounded when you consider

the entire federal civilian workforce, representing middle class families in every community, could be facing furloughs until the end of the fiscal year due to these arbitrary cuts. A study published by George Mason University estimates sequestration will result in the loss of more than 2.1 million public and private sector jobs nationally.

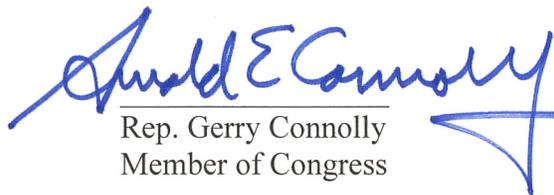
Just like any family or small business, we must take a serious look at our expenses and eliminate those things we can do without, identify opportunities for new revenue and invest in those programs that do create jobs and spur innovation. However, in its latest report on the nation's economic outlook, the nonpartisan Congressional Budget Office said the current "fiscal tightening," including sequestration will stunt economic growth for 2013 by roughly 1.5 percentage points, which once again highlights the risk of a cuts-only approach. We must avoid the sequester and put in place a balanced, long term fiscal plan that puts our federal budget on a responsible course. We are prepared to pick up where prior efforts left off to identify specific spending reductions and revenue options in a formal, bipartisan process. The country simply can't afford more budget games and brinksmanship. It is no way to conduct the nation's business. In fact, Standard & Poor's cited that very inability of Congress to work together in a bipartisan fashion to reduce our nation's debt in a meaningful way in its unprecedented downgrading of America's credit rating, and now the other two ratings agencies are threatening to do to the same.

The choices before us are not easy and will require both parties to get outside of their comfort zones. If we stay on our current course, this reduction in spending across the federal government will continue to be a drag on the economy. The New Democrat Coalition stands ready to work with you in charting a new path in which we join together to strike a balanced approach to reduce our deficits yet also make those strategic investments that will strengthen America's economy for future generations.

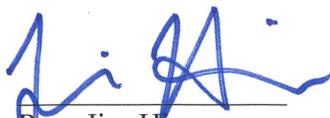
Sincerely,



Rep. Ron Kind
Member of Congress



Rep. Gerry Connolly
Member of Congress



Rep. Jim Himes
Member of Congress



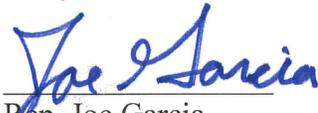
Rep. Rick Larsen
Member of Congress



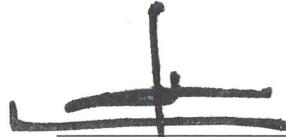
Rep. Elizabeth Esty
Member of Congress



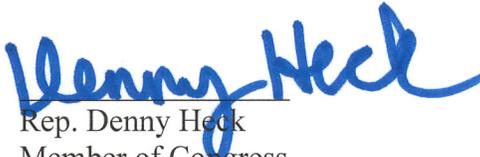
Rep. Bill Foster
Member of Congress



Rep. Joe Garcia
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Rep. Colleen Hanabusa
Member of Congress



Rep. Denny Heck
Member of Congress



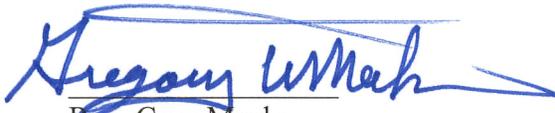
Rep. Derek Kilmer
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Rep. Dan Maffei
Member of Congress



Rep. Carolyn McCarthy
Member of Congress



Rep. Greg Meeks
Member of Congress



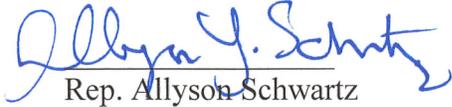
Rep. Jim Moran
Member of Congress



Rep. Patrick Murphy
Member of Congress



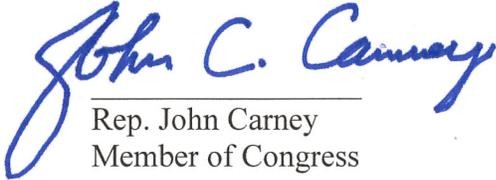
Rep. Bill Owens
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Member of Congress



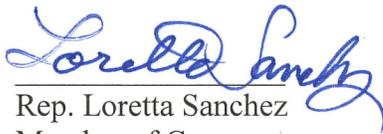
Rep. Pedro Pierluisi
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Rep. Adam Schiff
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Rep. David Scott
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Rep. Juan Vargas
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Rep. Filemon Vela
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Rep. Debbie Wasserman Schultz
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