

FRED UPTON, MICHIGAN
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MEMBER

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
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June 21, 2011

The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Ranking Member Waxman:

Thank you for your letter dated June 14, 2011, regarding my discretionary CutGo policy.

I am pleased to allay your concerns that this Committee may be recklessly expanding the size of government and increasing federal spending. I assure you that we are not.

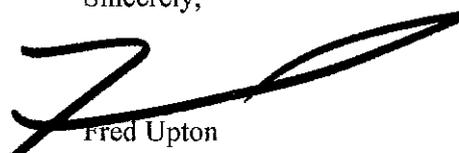
The scheduling of markups on the legislation you cite in your letter (H.R. 1938, H.R. 2054, and H.R. 1391) in no way violates my CutGo policies, which I have summarized in the attached document. None of these bills includes an authorization of appropriations. If they did, and those authorizations were not offset, they would not be scheduled for markup.

I believe that none of these bills will have any significant impact on the federal budget. That was the case with an analogous bill, H.R. 2021, the Jobs and Energy Permitting Act of 2011, which the Congressional Budget Office has now scored as having no significant impact on the federal budget. Such legislation does not violate my CutGo policy.

If CBO later determines that any of these bills will have a significant impact on the federal budget, we will offset the newly authorized spending with reductions elsewhere. Again, such legislation does not violate my CutGo policy, or that of the full House.

Again, I appreciate your concern about the effectiveness of my policies in addressing the United States \$14 trillion national debt.

Sincerely,



Fred Upton
Chairman

Attachment

THE UPTON DISCRETIONARY CUTGO PRINCIPLE

- The Upton Discretionary CutGo Principle (the “Principle”) is very clear.
- No legislation that has a significant impact on the federal budget (as defined by the Congressional Budget Office) will be scheduled for markup unless the spending in that legislation is offset. For instance, a bill that authorizes appropriations of \$100 million for a new program will not be scheduled for a markup unless that authorization is offset by spending cuts to an existing program.
- This Principle mirrors the Discretionary CutGo Protocol adopted by Majority Leader Cantor, so it makes sense to implement it in Committee.
- Many bills processed through the Energy and Commerce Committee change or add to existing laws without authorizing any new or increased appropriations or otherwise having any significant budgetary impact. Unfortunately, CBO does not provide the full Committee (much less its subcommittees) with formal, written cost estimates prior to markups. Thus, in such cases, Chairman Upton will analyze the text of the bill and attempt to obtain an informal CBO estimate of any impact on the budget the bill may have before scheduling the bill for markup.
- There may be instances when an unanticipated need to offset the cost of legislation arises.
- An offset may be included at any stage of the legislative process – after introduction of a bill, and during a subcommittee markup; after a subcommittee markup and during full committee markup; or after full Committee markup and during House floor consideration – to address the need to comply with the CutGo Principle.