Dear Senator:

On behalf of the undersigned organizations, representing hundreds of thousands of Americans, we urge Members to vote against Amendment #2535, proposed by Senators Richard Shelby (R-AL), Roger Wicker (R-MS), Jim Inhofe (R-OK), Mike Rounds (R-SD), and Thom Tillis (R-NC), to the Senate's infrastructure legislation (H.R. 3684), should it receive a vote on the Senate floor. This amendment would increase Pentagon spending by \$50.2 billion without any offsets, thereby worsening a package that is already heavily burdened with excessive, deficit-financed spending.

When the list of "pay-fors" for this infrastructure package was released, many of the organizations on this letter were concerned that the proposed revenue provisions would fall short of projections and further increase the federal deficit. For example, of the \$210 billion supposedly generated from repurposed COVID relief dollars, \$160 billion had already been accounted for in the Congressional Budget Office's (CBO) baseline federal budget projections.

Our fears over a lack of real pay-fors were reconfirmed just yesterday. The CBO cost estimate for Senate Amendment 2137 to H.R. 3684 projected that \$256 billion would be added to the federal deficit over ten years. The University of Pennsylvania Wharton Budget Model paints a similar picture, stating, "even with current government borrowing rates being at historical low values, higher government debt mitigates the positive impact of public investment." Simply put, adding \$50.2 billion in deficit spending to H.R. 3684 would not only saddle taxpayers with future liabilities, it would also have little net economic benefit.

Republicans rightfully derided pushes from progressive Democrats to include long standing policy priorities that were wholly unrelated to infrastructure in this legislative vehicle. Investment in actual infrastructure is overdue and should not be weighed down with unrelated or unnecessary spending. The \$50.2 billion increase in defense spending is better debated in the annual National Defense Authorization Act (NDAA). In this context, lawmakers can engage in more robust discussions on what funding is appropriate and what offsets are available. Including defense spending in this infrastructure proposal opens the door further for Democrats to push for their spending priorities to be included. The focus should remain on traditional infrastructure, especially on policies that encourage more private rather than public dollars to flow toward projects.

As the novel coronavirus spread, there was an understandable need for lawmakers to ensure our economy continued to function and Americans received the support they needed. This resulted in trillions of dollars in spending over the last year and a half. Now, as unemployment has hit a pandemic-era <u>low</u> and Republicans rightfully raise concerns over inflation, lawmakers should be working more urgently and diligently toward greater fiscal responsibility. Today this effort means rejecting Amendment #2535 and avoiding onerous additions to the taxpayer's tab.

Sincerely,















National Taxpayers Union Americans for Prosperity

Council for Citizens Against Government Waste Concerned Veterans for America R Street Institute

Taxpayers for Common Sense

Taxpayers Protection Alliance