



Grover G. Norquist, President

September 21, 2005

Honorable Mike Pence
U.S. House of Representatives
426 Cannon HOB
Washington, DC 20515

Dear Representative Pence:

On behalf of Americans for Tax Reform (ATR), I am writing to express this organization's strong support in your effort to offset the spending required for Hurricane Katrina relief with reductions in other government spending.

As you know, Hurricane Katrina imposed severe damage to the Gulf Region and the rebuilding process will be costly, but needed. Adding an additional \$200 billion of new spending on top of the \$150 billion planned increase in spending to pay for general government operations will impose a severe burden on American taxpayers.

As such, ATR believes fiscal year 2006 general government spending should be frozen at current levels. This provides roughly three-quarters of the needed offset to fully fund the reconstruction efforts. At the same time, additional savings can be found through your groundbreaking "Operation Offset" recommendations you outlined earlier today. The combined savings of these two initiatives will ensure the money is available to rebuild the Gulf Region while protecting taxpayers from immediate and future escalating costs.

It is also vital that pro-growth tax policies put into place over the past four years remain in place. Washington chatter has begun to call for repealing the very successful 2003 tax cuts which has led to the creation of more than \$10 trillion of new wealth and more than 4 million jobs over the last two years. These tax cuts have increased the income of the nation which makes the nation better prepared to handle national disasters such as Hurricane Katrina. To remove these provisions would only make the nation worse off.

Finally, I would also add that continued pro-growth tax cuts will further help finance the reconstruction effort. While this may seem counterintuitive, Congressional Budget Office documents show a 1 percent increase in Gross Domestic Product above the baseline over ten years increases tax revenues by \$212 billion for the same time period.

Once again I want to thank you for your leadership on this important issue and your leadership on all issues facing American taxpayers. ATR will be working to help make "Operation Offset" a reality.

Sincerely,

Grover G. Norquist