



# AMERICANS FOR LIMITED GOVERNMENT

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9900 MAIN STREET SUITE 303 · FAIRFAX, VA 22031 · PHONE: 703.383.0880 · FAX: 703.383.5288 · WWW.GETLIBERTY.ORG

June 13, 2012

The Honorable Fred Upton  
2183 Rayburn House Office Building  
Washington, DC 20515

Via fax to: 202.225.4986

Dear Congressman Upton:

Pay as you go, a concept familiar to every day Americans who live within their means, but also a rule that Congress is supposed to follow in order to ebb the tide of our rising national debt. The problem of course with this rule is that often the “savings” that a bill will generate to off-set government expenditures are merely theoretical while the government out-lays are all too real.

Take for example the current discussion going on in Congress on User Fees. In order to off-set the cost of the bill, the House has included a provision that makes a minor regulatory change to the FDA review of citizen’s petitions. In theory, if the FDA responds to these petitions in 150 days instead of the current 180 day requirement, the public will enjoy \$620 million dollars of savings from a decrease in bureaucratic delay. The only problem is that that these savings are derived primarily from the review of biosimilar products, products that do not yet exist and the FDA’s very ability to approve these products is based on provisions of Obamacare.

The same House Republicans that voted to repeal Obamacare, voted in favor of a bill that uses the underpinnings of the health care mandate as savings. If the House is able to maintain their budgetary off-set while the final details of this bill are being negotiated, depending on what the Supreme Court rules this month, the user fee bill could transform from a piece of legislation that was going to reduce the national debt to a one that costs hundreds of millions of dollars. It is political maneuvers like this that makes “pay as you go” merely a concept instead of a reality.

As former CBO deputy director Donald Marron has pointed out, when it comes to CBO cost and savings estimates “Everyone should know that any number will be either too high or too low,... In fact, the government’s track record for estimating health-care

program costs is poor.” (January 10, 2010 Daily Caller) This would not be the first time that the savings and costs associated with Obamacare have proved to be born out of an illusory theory on health policy that is subject to change. The healthcare mandate was initially scored at a cost of \$940 billion for 10 years and then suddenly after Democrats passed the bill cost projections nearly doubled to \$1.76 trillion. (Karl Rove, March 29, 2012, The Wall Street Journal)

The deficit will continue to grow if Congress does not pass legislation that makes meaningful policy changes that will curb government spending. To rely on CBO gimmickry and the longevity of the health care mandate is to ignore common sense and conservative fiscal principals.

Sincerely,

A handwritten signature in blue ink, appearing to read "William Wilson", is written over a light blue rectangular background.

William Wilson  
President