

# United States Senate

WASHINGTON, DC 20510

February 2, 2012

The Honorable Harry Reid  
The United States Senate  
Washington D.C., 20510

The Honorable Mitch McConnell  
The United States Senate  
Washington D.C., 20510

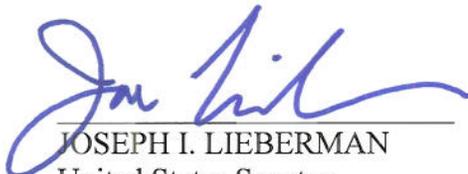
Dear Senator Reid and McConnell:

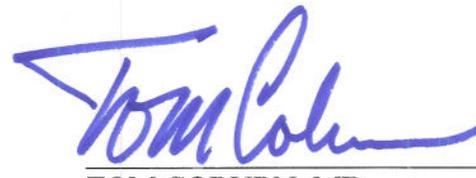
We write out of concern that some members of Congress, including some appointed to the Bicameral Conference Committee working on an extension of the payroll tax cut, are reportedly considering a proposal to “pay for” a repeal of Medicare’s Sustainable Growth Rate (SGR) formula with funds from the Overseas Contingency Operations Fund. While our colleagues may be well-intentioned, we believe this approach is financially misguided and will undoubtedly increase our nation’s debt and deficit in real terms.

As you know, the Congressional Budget Office assumes that the Overseas Contingency Operations costs will remain constant for the next decade, an assumption that is obviously implausible in light of our drawdowns from Iraq and Afghanistan. The funds allocated for OCO or “war savings” are not real, and every member of Congress knows this. The funds specified for Overseas Contingency Operations in future budgets are mere estimates of what our nation’s wars cost may be in the future. And since it is likely that future OCO costs will be significantly less than the placeholders in the Congressional Budget Office’s estimates, it is the height of fiscal irresponsibility to treat the difference between the assumed and actual OCO costs as a “savings” to be spent on other programs.

In that spirit, we will adamantly oppose any effort to use purported OCO savings to pay for the repeal or partial fix of the SGR. We look forward to working with you and other members of Congress to find a financially responsible way to pay for SGR reform that does not further inflate our national debt.

Sincerely,

  
JOSEPH I. LIEBERMAN  
United States Senator

  
TOM COBURN, MD  
United States Senator