

**American Rivers * Clean Water Action * Defenders of Wildlife * Friends of the Earth
League of Conservation Voters * National Audubon Society
Natural Resources Defense Council * Oceana * Physicians for Social Responsibility
Rails-to-Trails Conservancy * Sierra Club * The Wilderness Society**

August 9, 2011

The Honorable Harry Reid
United States Senate
522 Hart Senate Office Building

The Honorable John A. Boehner
U.S. House of Representatives
1011 Longworth House Office Building

The Honorable Mitch McConnell
United States Senate
317 Russell Senate Office Building

The Honorable Nancy Pelosi
U.S. House of Representatives
235 Cannon House Office Building

Dear Leader Reid, Leader McConnell, Speaker Boehner and Leader Pelosi:

As you begin work to set up the bipartisan Joint Select Committee on Deficit Reduction that will recommend further federal savings under the Budget Control Act of 2011, we are writing on behalf of our millions of members to emphasize that any deficit deal must represent a balanced approach that focuses both on cutting wasteful subsidies that harm the public interest and raising significant revenues. Any other approach is quite simply a decision to dismember vital programs that keep our air clean, our water safe to drink, and preserve our natural heritage.

One area where Congress should support reforms that would benefit the American people is by reducing environmentally destructive and economically distorting subsidies. These unnecessary subsidies, which are found both in spending programs and the tax code, harm public health and our natural resources while doling out hard-earned taxpayer dollars to mature industries that need no government assistance. There is no rationale for continuing these subsidies at a time when middle- and lower-income Americans are being asked to make sacrifices and when all federal spending is being subjected to deep cuts.

Cuts to the following subsidies should be a priority for the Joint Select Committee on Deficit Reduction. More detail is provided in the Green Budget that was released by 35 environmental and public interest groups in February, 2011. For additional budget savings we encourage you and the Deficit Reduction Committee to review the Green Scissors 2010 report, which identifies more than \$200 billion in potential taxpayers savings that will protect the environment over the next five years.

- The unique tax treatment for America's richest industry, the oil and gas industry, include the oil and gas percentage depletion allowance, special accounting rules (last in first out), intangible drilling costs that alone cost approximately \$100 billion over ten years.
- Agriculture markets are distorted by commodity programs that give almost 75 percent of federal agriculture support to 10 percent of America's richest and largest agriculture

firms. Reducing Direct Payment subsidies by 50 percent and eliminating ethanol tax credits and subsidies would save taxpayers more than \$50 billion over the next ten years.

- Cutting wasteful water projects of the Army Corps of could reduce the deficit while protecting important water resources.
- The public land grazing program administered by the Forest Service and the Bureau of Land Management is highly subsidized and benefits only 2 percent of the nation's livestock operators. According to the Government Accountability Office, the grazing programs cost taxpayers roughly \$136 million per year to operate, but only earns \$21 million.

We urge you to select members for the Joint Select Committee who are willing to rise above the parochialism that has protected these wasteful programs for so long. We also urge you to provide direction to the members of the Committee to concentrate on these unnecessary and counterproductive subsidies rather than slash natural resource and renewable energy budgets that protect our nation's heritage, enhance public health and are making us more competitive in the emerging renewable energy industries of the 21st century. Finally, we urge you to ensure any final action includes significant revenue increases. Dealing with the deficit without raising significant additional revenues would jeopardize efforts to protect public health and the environment and provide for conservation and recreation.

We look forward to continuing to engage with you on this critical issue that will define the strength of our economy and the health of our nation for decades to come.

Sincerely,

Wm. Robert Irvin, President & CEO
American Rivers

Robert Wendelgass, President & CEO
Clean Water Action

Rodger Schlickeisen, President
Defenders of Wildlife

Erich Pica, President
Friends of the Earth

Gene Karpinski, President
League of Conservation Voters

David Yarnold, President & CEO
National Audubon Society

Frances Beinecke, President

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Michael Brune, Executive Director
Sierra Club

William Meadows, President
The Wilderness Society