November 3, 2011

The Honorable Patty Murray
Co-Chair
Joint Select Committee on
Deficit Reduction
448 Russell Senate Office Building
Washington, DC 20510-4704

The Honorable Jeb Hensarling
Co-Chair
Joint Select Committee on
Deficit Reduction
129 Cannon House Office Building
Washington, DC 20515-4305

Dear Co-Chairs Murray and Hensarling:

On behalf of the nation’s mayors, we want to thank you for agreeing to lead the Congressional effort to reduce our federal deficit. As mayors who must balance our city budgets every year, we know that our nation cannot sustain itself unless we begin to reduce the federal fiscal imbalance.

As you address the long-term need to reduce the annual deficit and national debt, we respectfully request that you also consider the immediate priority of job creation. We urge that the Committee not solely rely on non-military discretionary programs, which make up only about 12 percent of the $3.6 trillion annual federal budget, in seeking savings. In addition, we ask that you reject any proposals that would simply shift costs to local governments, which have already absorbed a tremendous fiscal and social burden as a result of the recession.

Any real U.S. jobs agenda must focus on growing our metro economies stronger and more globally competitive. Our 363 metro areas are the nation’s economic engine. They account for nearly 89.8 percent of the nation’s gross domestic product and wages, and 85.7 percent of all jobs. Viewed in any context, our metro areas are global powerhouses, with 37 ranking among the world’s 100 largest national economies.

That is why the nation’s mayors have put forward a Common-Sense Jobs Agenda that could help create jobs quickly and effectively. There are four critical steps that Congress can take to get our economy moving again:

1. Invest in infrastructure jobs now. That begins with passing a comprehensive, fully-funded transportation bill.
2. Provide immediate relief to employers and workers.
3. Stimulate manufacturing, trade, and tourism.
4. Maintain smart investments in key domestic priorities.
In addition, we strongly request that your Committee "do no harm" to the ability of local governments to finance critically needed local investments and manage local interests. Thus, we would oppose elimination of tax-exempt municipal bonds, limitations on the mortgage interest deduction, or auctioning the D Block of the 700 MHz of the spectrum, which should instead be reallocated to public safety. We also request that Congress direct the Federal Government to refrain from imposing costly unfunded federal mandates and provide local government reasonable time to generate the resources needed to meet current requirements.

Given our current fiscal crisis, we know that initiatives to create jobs must move forward hand-in-hand with efforts to reduce federal budget deficits in the long term, with the goal of increasing confidence in the federal government and the U.S. economy. These initiatives include:

- Closing corporate loopholes, resulting in a simpler and fair tax code.
- Repatriating offshore corporate profits, estimated at $1.5 trillion, returning U.S. dollars to U.S. soil where they can be used for job creation while generating federal revenue.
- As our missions in Iraq and Afghanistan are brought to an end, reallocating spending to domestic priorities to strengthen our economy. This amounts to an additional $126 billion annually to rebuild American infrastructure.
- Establishing more equitable tax rates that will ensure that we can adequately invest in our national priorities.

To further discuss our recommendations, please contact CEO and Executive Director Tom Cochran at 202-293-2354 or tcochran@usmayors.org.

The nation's mayors stand ready to work with you to help achieve a balanced approach to both deficit reduction and job creation and we thank you for your service to our nation.

Sincerely,

Antonio R. Villaraigosa  Michael A. Nutter  Scott Smith
Mayor of Los Angeles  Mayor of Philadelphia  Mayor of Mesa
President  Vice President  Second Vice President

Cc: Members, Joint Select Committee on Deficit Reduction