



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

December 20, 2012
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 6684 – Spending Reduction Act of 2012 (Rep. Cantor, R-VA)

The Administration strongly opposes H.R. 6684, the "Spending Reduction Act of 2012." The bill's unbalanced provisions fail the test of fairness and shared responsibility. At the same time that the House is advancing a bill to extend tax cuts for wealthy individuals while raising taxes on 25 million students and working families, H.R. 6684 would impose deep budget cuts that cost jobs and hurt middle class and vulnerable Americans – especially seniors, veterans, and children. The President has made clear that the Congress can and must act to avoid the sweeping impacts of sequestration by passing a balanced deficit reduction package.

The bipartisan Budget Control Act of 2011 (BCA) included a sequestration mechanism with mutually disagreeable cuts to both defense and non-defense funding. This sequestration, scheduled to occur on January 2, 2013, would have destructive effects on national security; on important domestic investments such as education, research and development, and rebuilding the Nation's crumbling infrastructure; and on core government programs from air traffic control to law enforcement. The threat of these destructive cuts under the BCA was intended to force action by the Congress on deficit reduction.

In contrast, the approach put forward in this bill, virtually identical to earlier legislation, eliminates the defense portion of the pending sequester and does so in a way that imposes far greater cuts in the non-defense part of the budget than the existing sequester would entail. H.R. 6684 would do nothing to address the reductions in discretionary spending and the sequestration in mandatory programs after 2013.

Rather than pursuing a comprehensive, balanced deficit reduction package to replace sequestration, H.R. 6684 undermines the intent of the BCA to bring both sides to compromise by proposing a short-term, one-sided solution. This approach sharply undermines critical domestic priorities, such as efforts to prevent hunger and support low-income families and communities; to make health care more affordable through the implementation of the health care law; to protect consumers and implement the Wall Street Reform Act; and to support homeowners struggling to stay in their homes. The Administration strongly opposes both the principles of this approach and specific legislative proposals included in the bill.

If the President were presented with H.R. 6684, he would veto the bill.

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