



Nancy Pelosi  
Speaker of the House

April 28, 2009

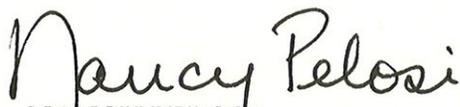
The Honorable John M. Spratt, Jr.  
U.S. House of Representatives  
1401 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Spratt:

As you are aware, the conference report on the budget resolution provides that the Budget Committee Chairman may adjust the baseline and use a "current policy baseline" for four bills – middle-income tax cuts, estate tax, AMT relief and the sustainable growth rate in the Medicare program for physicians. Under the House budget resolution, the Budget Chair can only do so if one of two conditions are met: 1) the House has *already* passed and sent to the Senate a statutory PAYGO bill; or 2) if the statutory PAYGO bill is included as part of the underlying non-offset bill being sent to the Senate.

The House is strongly committed to passing statutory PAYGO. The President asked the Congress "to develop a PAYGO law that would help return the nation to a path of fiscal responsibility". To achieve this objective, the House will attach statutory PAYGO to each of the four bills mentioned above or follow the House PAYGO rule. The House will not consider any conference reports on these four bills or any of them directly from the Senate unless these conference reports or bills include statutory PAYGO, the bills are fully offset under traditional scorekeeping or statutory PAYGO has already been enacted into law.

best regards,

  
NANCY PELOSI  
Speaker of the House

  
STENY HOYER  
Majority Leader