

July 27, 2011

Dear Members of the House of Representatives:

The undersigned associations, which represent a broad swath of the business community and whose members employ millions of Americans, respectfully urge you to raise the federal debt limit. We urge you to vote for the amendment in the nature of a substitute to S.627, The Budget Control Act of 2011.

Failure to increase the statutory debt limit in a timely fashion could have significant and long-lasting negative impact on the U.S. economy. Raising the statutory debt limit is critical to ensuring global investors' confidence in the creditworthiness of the United States. Tough calls on U.S. spending must be made as part of a debate about the budget and we agree that restoring balance to our fiscal position will require that the government spend less and spend more wisely.

This legislation is necessary to extend the debt limit and avoid a default on the obligations of the United States. It would extend the current debt limit in two phases: the first phase would provide for \$1.2 trillion in discretionary spending cuts and an immediate increase of \$1 trillion in the debt limit. The bill would allow for a subsequent increase of \$1.6 trillion in the debt limit once Congress passes legislation to reduce the deficit by an additional \$1.8 trillion. The second stage of spending reduction would be formulated by a bi-partisan Congressional committee and be voted on by the Congress in an "up or down" vote. The bill additionally would require a vote on a balanced budget amendment by the end of the year.

A default on the obligations of the United States would result in immediately higher interest rates, a likely decline in the dollar, a drop in the stock markets, potentially higher oil prices and loss of economic growth and jobs. Longer-term, a default would likely result in a downgrade of U.S. debt instruments resulting in higher interest costs, which will add to the cost of financing our nation's debt.

The nation is now risking unthinkable default. While no legislation is perfect, the current proposal cuts spending immediately by more than the extension of the debt ceiling, provides an enforceable mechanism to produce additional spending reductions with extensions of the debt limit predicated on these cuts, and allows for a vote on significant procedural change to our budgeting process.

In making this recommendation, we remain extremely concerned about the level of the federal debt and large annual budget deficits and remain committed to working with you and the Administration to address our Nation's fiscal challenges. We urge you to vote for this important legislation.

Sincerely,

ABC Mid-Tennessee Chapter

Aluminum Association of America

American Coatings Association

American Council of Engineering Companies

American Fork Chamber

American Iron and Steel Institute

American Lighting Association

American Meat Institute

American Rental Association

American Supply Association

Associated Oregon Industries

Ardmore Chamber of Commerce

Arkansas State Chamber/Associated Industries of Arkansas

Associated Equipment Distributors

Associated General Contractors of America

Associated General Contractors – Maine Chapter

Association of Equipment Manufacturers

Association of Washington Business

Blackstone Valley Chamber of Commerce

Brick Industry Association

Buckeye Valley Chamber of Commerce

Business Council of New York State

Business Roundtable

California Chamber of Commerce

Carol Stream Chamber of Commerce

Cincinnati Chamber of Commerce

Concordia Chamber of Commerce

Carson City Chamber of Commerce

Dakota County Regional Chamber of Commerce

DC Chamber of Commerce

Delaware State Chamber of Commerce

Draper Area Chamber of Commerce

Fairfield Chamber of Commerce

Fentress County Chamber of Commerce

Financial Services Roundtable

Greater Albuquerque Chamber of Commerce

Greater Carlisle Area Chamber of Commerce

Greater Des Moines Partnership

Greater Irving – Las Colinas Chamber of Commerce

Greater Raleigh Chamber of Commerce

Greater Shreveport Chamber of Commerce

Greater Woodland Park Chamber

Haysville, Kansas Chamber of Commerce

Huron County Chamber of Commerce

INDA, the Association of the Nonwoven Fabrics Industry

Indiana Chamber of Commerce

International Franchise Association

Johnson City – Jonesborough – Washington Chamber of Commerce

Joliet Region Chamber of Commerce and Industry

Lakeville Area Chamber of Commerce

Las Vegas Green Chamber of Commerce

Los Angeles Area Chamber of Commerce

Lynchburg (VA) Regional Chamber of Commerce

Marine Retailers Association of America

Metals Service Center Institute

MetroWest Chamber of Commerce

Michigan Chamber of Commerce

Minnesota Chamber of Commerce

Missouri Chamber of Commerce & Industry

Mobile (Al) Area Chamber of Commerce

Monona Chamber of Commerce

Motor & Equipment Manufacturers Association

National Association of Home Builders

National Association of Manufacturers

National Association of Wholesaler-Distributors

National Beer Wholesalers Association, Inc.

National Council of Chain Restaurants

National Electrical Manufacturers Association

National Ready Mixed Concrete Association

National Restaurant Association

National Retail Federation

National Roofing Contractors Association

National Wood Flooring Association

Nebraska Chamber of Commerce & Industry

Nebraska Retail Federation

New Mexico Retail Association

North Carolina Chamber

North Dakota Chamber of Commerce

Nuclear Energy Institute

Outdoor Amusement Business Association, Inc.

Pennsylvania Chamber of Business and Industry

Retail Industry Leaders Association

Rochester Area Chamber of Commerce

Rocky Mountain Chapter, Associated Builders and Contractors

Rowan County Chamber of Commerce

Salisbury Area Chamber of Commerce

Schuylkill Chamber of Commerce

Spring River Chamber of Commerce

Small Business & Entrepreneurship Council

St. Charles (Missouri) Chamber of Commerce

Tempe Chamber of Commerce

Texas Association of Business

Texas Retailers Association

The Prince William Chamber of Commerce

The State Chamber of Oklahoma

Tucson Metropolitan Chamber of Commerce

Tulsa Metro Chamber of Commerce

U.S. Chamber of Commerce

Utah Restaurant Association

Washington Automotive Wholesalers Association

West Virginia Chamber of Commerce

Western DuPage Chamber of Commerce

White Pine Chamber of Commerce

Wisconsin Grocers Association, Inc.