



Sliding Past Sequestration

Two trillion in common sense cuts to avoid the fiscal cliff

Sliding Past Sequestration

In the summer of 2011, Congress sent the President a bill that acknowledged failure. Instead of swallowing hard and coming up with trillions of dollars in deficit reductions, they punted the effort to a “Super Committee” of Republican and Democratic lawmakers from the House and Senate to figure it out. The specter of sequestration – across the board budget cuts hitting defense and non-defense equally – was supposed to be enough of a threat to force action.

It wasn't. The Super Committee flopped.

For seventeen years, Taxpayers for Common Sense (TCS) has mined the budget to highlight wasteful spending, exposing, naming, and killing earmarks like the “Bridge to Nowhere” as well as relentlessly going after wasteful spending in the tax code like the duplicative ethanol tax credit subsidy. Building on our earlier submissions to the Simpson-Bowles deficit commission, TCS offered \$1.5 trillion worth of deficit reduction in our “Super Cuts for the Super Committee,” \$300 billion more than needed to avoid sequestration. But rather than making the hard choices, the Super Committee did nothing and failed to propose even a single dollar of deficit reduction.

With the January 2, 2013 start of sequestration looming, Taxpayers for Common Sense is back on the job. We believe the programs listed here – whether funded through appropriations or the tax code – can be safely eliminated from the budget because they are an inefficient, ineffective, or wasteful use of taxpayer dollars. We have gathered more than \$2.0 trillion in deficit reduction that reflect the values of effectiveness and efficiency in managing taxpayer dollars. **By simply adopting these common sense recommendations, Washington will be \$800 billion beyond its statutory requirement.**

Instead of being fiscal cliff jumpers, Congress can dive into the hard work of cutting spending, finding revenue, and reforming entitlements to turn the country's fiscal situation around. All these common sense cuts are possible if Congress and the President choose to put the country ahead of partisanship or parochial pandering.

Sequestration is bad. It would cut the good along with the bad, the effective and the wasteful. It is irresponsible. But it is clear who is responsible for it – Congress and the President. Not one, not the other, but both. And that's who is going to have to be responsible for defusing the ticking budget time bomb that would cut \$1.2 trillion indiscriminately.

Under sequestration, \$109.3 billion would be cut in the first year (2013), half from defense and nondefense each. In an effort to help forestall sequestration and give Congress the time to pursue a “grand bargain” of spending, entitlement, and tax reform, TCS has also calculated the one year savings associated with the cuts, in addition to the ten-year score normally used. Congress should take this time of great public interest and attention to not only put the budget on sounder fiscal footing going forward, but to also reform the tax code so that it is simpler, flatter, and fairer.

Methodology

In most cases the **calculations are based on savings over a ten-year window**. Based on knowledge and previous history, TCS determined the likelihood that a discretionary appropriation or expiring tax expenditure would continue through the ten-year period. Tax expenditures and programmatic spending estimates were taken from the Joint Committee on Taxation (JCT), Congressional Budget Office (CBO), or federal budget documents. In the Appendix, TCS lists references next to each recommended cut. If ten-year estimates were not available, TCS extrapolated the ten-year estimate from an average of available years. In the case of discrete project spending, TCS used the stated remaining construction costs to calculate savings. When estimating the 10-year cost of some tax credits or other supports that are tied to production levels, we multiplied U.S. Energy Information Administration (EIA) projections by the effective subsidy rate. For instance, the taxpayer cost of the cellulosic ethanol tax credit is based on future production levels, as estimated by EIA.

Using the same sources as the ten year numbers, TCS also estimated the first year deficit reduction from each of the cuts. In some cases the proposal would be phased in, or would only have an impact in the outlying years and no deficit reduction was calculated in the first year numbers. In others the impact was more immediate.

In all cases TCS erred on the conservative side and limited the value of deficit reduction measures.

Baseline: In order to calculate the deficit and deficit reduction, TCS considered what would be in the ten-year budget baseline, which is the predicted amount of spending and revenue for the next ten years and the resulting deficit. This assumes that what is current law will come to pass. Under current law, many tax cuts and programs are going to expire in the next ten years and others are subject to annual appropriations. Realistically, some of the spending will continue as certain programs are going to be funded each year, Medicare payment cuts to physicians aren't going to materialize, certain expiring tax cuts are going to be extended, and legislated savings from efficiency and targeting waste, fraud, and abuse are more vapor than substance. The CBO recognizes this and often comes up with alternative budget scenarios that take these various outcomes into effect. TCS measured the deficit reduction predictions against this likely baseline.

Section I: Sliding Past Sequestration Savings contains spending and tax expenditures that TCS believes would result in deficit reduction according to a likely CBO baseline.

Section II: More Common Sense Cuts contains cuts that may not be in the likely baseline budget, meaning CBO may not count them toward the deficit reduction target. For example, other items include liabilities for taxpayers that could add to the debt in catastrophic scenarios, projects authorized by Congress but that may or may not receive funding in the future, and other cuts whose costs against the baseline are uncertain. Despite that baseline consideration, we recommend that Congress protect the fiscal health of the nation by adopting these reforms as well.

In addition, some budget options will not produce scorable savings in the first year of implementation and so no figures are provided in those cases.

The following report is not an exhaustive list of deficit reduction measures. Absence from this list does not imply TCS support of a particular policy or program.

Section I. Sliding Past Sequestration Savings

Cut: 10-Year | In 2013

Agriculture	\$ 126.6 billion \$11.8 billion
Energy	\$ 129.9 billion \$12.8 billion
General Government	\$ 0.6 billion \$0.06 billion
Infrastructure	\$ 5.3 billion \$ 0.5 billion
National Security	\$ 672.5 billion \$64.2 billion
Public Lands	\$ 18.3 billion \$ 1.7 billion
Tax Expenditures	\$ 946.0 billion \$60.2 billion
Transportation	\$ 187.5 billion \$11.4 billion
Savings total	\$ 2.09 trillion \$ 162 billion

Section II. More Common Sense Cuts

Energy	\$ 4.1 billion
Infrastructure	\$ 4.2 billion
National Security	\$ 3.7 billion
Public Lands	\$ 2.6 billion
Transportation	\$ 13.2 billion
More cuts total	\$ 27.8 billion

SECTION I: SLIDING PAST SEQUESTRATION SAVINGS

Agriculture

Ten-Year Cut: \$126.6 billion

One-Year Cut: \$ 11.8 billion

Cut: 10-Year | In 2013

Commodity Crop Subsidies

Cut: \$56.5 billion | \$5.1 billion

Rather than subsidizing growers of the bulk of foods commonly seen on grocery shelves, a majority of government agricultural subsidies are provided to a handful of commodity crops, and the majority of these subsidies flow to the largest farms. Corn, cotton, wheat, rice, and soybeans rack up 90 percent of the commodity crop subsidies, while fruit, vegetable, and nut producers are left picking the scraps. These subsidies often end up as windfall profits for the wealthiest and largest agro-corporations, crowd out funding for agriculture-related conservation programs, and do little for rural development or the struggling family farm. Because of high commodity prices the “counter-cyclical” payments – intended to support farmers when prices are low – are virtually non-existent. The vast majority of current subsidies are for so-called direct payments, where taxpayers cut checks to owners of farmland that historically grew a certain crop. These payments are made regardless of current crop prices, and there’s not even a requirement that these crops actually be grown on the land receiving payments. Both the current Senate-passed and House Agriculture Committee-adopted farm bills bow to political reality and eliminate a number of outdated or unwise commodity subsidies, including direct payments. Unfortunately lawmakers propose to replace them with other market-distorting programs. Eliminating commodity crop subsidies and not replacing them with other costly entitlements could save taxpayers up to \$56.5 billion over the next ten years.

Reform Federal Crop Insurance Program

Cut: \$50.2 billion | \$4.7 billion

Taxpayer-subsidized crop insurance is now the largest federal support for agriculture, costing taxpayers more than \$11 billion in 2011. Though called “insurance,” it does not operate like any form of insurance most Americans purchase. Instead of insuring agricultural businesses against a potential loss of crops, nearly 80 percent of all insured acres are covered by revenue policies, that allow businesses to lock in an expected amount of revenue (crops X expected price). Thus even in a year with no crop losses, a business could receive an insurance payout if prices dip below expectations. In most places, federal taxpayers pay 100 percent of the premiums for the business’s basic catastrophic coverage while providing subsidies for additional coverage resulting in an average of 60 percent of the premium cost for individual crop insurance policies being covered by taxpayers. So for every \$1 of insurance premiums, farmers contribute 40 cents while taxpayers pay 60 cents. Since 1995, insurance payouts have exceeded farmer contributions by a ratio of nearly two to one, meaning farmers receive \$2 in payments for every \$1 they contribute toward their insurance premiums.

Unlike nearly all other federal agriculture programs, crop insurance covers marginal land—land that is highly erodible or subject to frequent flooding—without any conservation strings attached, so there is an incentive to plant where odds of success are slim, but the likelihood of environmental harm is great. And because 60 percent of the premium is covered by taxpayers, businesses often eschew less costly alternatives for managing their risk and buy more insurance than they would if using their own dollars.

In a time of record deficits and near record commodity prices, taxpayers can ill afford yet another program that privatizes profits while socializing risks. This recommendation would eliminate subsidies paid to crop insurance corporations to sell policies, require those companies to cover more of the risk of losses, and reduce premium subsidies in half, while retaining the program as an interim step to developing a rational farm safety net taxpayers can afford.

Environmental Quality Incentives Program – CAFO**Cut: \$17.5 billion | \$1.75 billion**

The Environmental Quality Incentives Program (EQIP) is a conservation program managed by the USDA's Natural Resources Conservation Service. The program provides technical assistance, cost-share payments, and incentive payments to assist crop and livestock producers with environmental and conservation improvements on land used for agricultural production. The 2008 Farm Bill, however, removed the limitation on the number of animals a producer could have and still qualify for EQIP, enabling many large-scale producers of Concentrated Animal Feeding Operations (CAFOs) to receive taxpayer subsidies for cleaning up the waste that inevitably collects because of their operations. Taxpayers should not be shoveling subsidies to large agribusinesses to help them comply with the inevitable costs of doing their business. EQIP should be eliminated and a program that better manages taxpayer dollars to meet its original conservation goals should take its place.

Market Access Program**Cut: \$2 billion | \$200 million**

The Market Access Program (MAP) should be cut entirely. Since its inception more than two decades ago, MAP has spent \$3.4 billion of taxpayer money subsidizing ad campaigns for corporations like McDonalds, Nabisco, Fruit of the Loom, and Mars.

Foreign Market Development Program**Cut: \$350 million | \$35 million**

The Foreign Market Development Program, or “Cooperator Program,” is a USDA Foreign Agriculture Service initiative that promotes export of agricultural products. The “cooperators” in this program include agricultural trade associations and commodity groups. The program should be eliminated because these organizations can and should fund their own foreign trade promotions.

Alternative Energy

Oil produced from tar sands, electricity produced from solid waste, coal turned into liquid fuel, alternative vehicle fuels, and other alternative forms of energy all benefit from a web of tax subsidies, thanks to an army of lobbyists pushing Congress to support the “next big thing.” But many of these technologies aren’t market-ready, may not perform better than existing technologies, or simply act as a new way to funnel taxpayer money to old, established energy interests. This is especially true for subsidies that help fund new fossil technologies. These alternative energies should not be supported with taxpayer dollars, but rather by the companies that will benefit off of their success.

Cut: 10-Year | In 2013

Election to expense 50 percent of qualified property used to refine liquid fuels (oil shale and tar sands refineries)	Cut: \$6.0 billion \$600 million
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Tax Credit and Deduction for Clean-Fuel Burning Vehicles	Cut: \$5.5 billion \$180 million
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Credit for Alternative Fuel Mixtures	Cut: \$2.2 billion \$220 million
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Credit for Investment in Clean Coal Facilities	Cut: \$2.0 billion \$200 million
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Excess of Percentage Over Cost Depletion, Other Fuels	Cut: \$1.6 billion \$160 million
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FutureGen 2.0	Cut: \$1.0 billion \$1.0 billion
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Industrial CO2 Capture and Sequestration Tax Credit	Cut: \$1.0 billion \$234 million
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Expensing of Exploration and Development Costs, Other Fuels	Cut: \$1.0 billion \$100 million
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Alternative Fuel Vehicle Refueling Property Credit	Cut: \$220 million \$22 million
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DOE Fuel Technologies Program	Cut: \$210 million \$18 million
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Municipal Solid Waste	Cut: \$200 million \$20 million
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Biofuels and Biomass

The biofuels industry has received government support for over thirty years. Corn ethanol has benefited from the trifecta of government support: tariffs to protect foreign competition, mandates to use ethanol, and subsidies to support its production. This mature industry is now producing tens of billions of gallons of ethanol every year so it's time for taxpayer support to stop. While the ethanol tariff and tax credit expired at the end of 2011, corn ethanol, other biofuels, and biomass used to produce electricity are still benefiting from other wasteful subsidies.

	Cut: 10-Year	 In 2013
Volumetric Biodiesel Excise Tax Credit and Renewable Biodiesel Tax Credit	Cut: \$16.2 billion	 \$1.1 billion
Open Loop Biomass	Cut: \$2.2 billion	 \$300 million
Rural Energy for America Program	Cut: \$590 million	 \$26 million
Bioenergy Program for Advanced Biofuels	Cut: \$502 million	 \$38 million
Biomass Crop Assistance Program	Cut: \$400 million	 \$25 million
Biodiesel Fuel Education Program	Cut: \$10 million	 \$1 million

Coal

Coal, the driver of the industrial revolution and the most mature energy source around, still gets special taxpayer-funded subsidies. Whether the government is subsidizing their domestic manufacturing activities or allowing coal companies to treat royalties as capital gains (meaning they benefit from paying a lower tax rate) this hugely profitable industry costs taxpayers billions. Congress should end tax subsidies now for an energy source that's had literally hundreds of years to develop.

	Cut: 10-Year	 In 2013
Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels	Cut: \$2.5 billion	 \$189 million
Expansion of Amortization for Certain Pollution Control Facilities	Cut: \$1.5 billion	 \$187 million
Percentage Depletion Allowance (Coal)	Cut: \$1.3 billion	 \$74 million
Capital Gains Treatment for Royalties on Coal	Cut: \$610 million	 \$13 million
Expensing of Exploration and Development Costs	Cut: \$280 million	 \$86 million

Certain Income and Gains Relating to Industrial Source Carbon Dioxide Treated as Qualifying Income for Publicly Traded Partnerships

Cut: \$92 million | \$2 million***Nuclear Energy***

The government provides cradle-to-grave support to the nuclear industry, an extremely mature and well understood technology that deserves to stand on its own two feet. Taxpayers help pay for basic nuclear energy research, new plant financing, production incentives, and nuclear waste management. And, thanks to the Price-Anderson Act, taxpayers are the ones to foot what could be untold billions in the case of a catastrophic nuclear reactor event. It's time for nuclear power to pay for the cost of doing business and stop spending billions of taxpayer dollars.

Cut: 10-Year | In 2013

Mixed Oxide - Fissile Materials Disposition Construction

Cut: \$5.1 billion | \$453 million

Fusion Energy

Cut: \$4.6 billion | \$475 million

Non-Defense Environmental Cleanup

Cut: \$2.4 billion | \$235 million

Modification to Special Rules for Nuclear Decommissioning Costs

Cut: \$851 million | \$97 million

Nuclear Energy Enabling Technologies

Cut: \$660 million | \$75 million

Treatment of Certain Income of Electric Cooperatives

Cut: \$412 million | \$37 million

Oil and Natural Gas

There are a couple of basic truths about oil and gas companies today: they are highly profitable, heavily subsidized, and well-connected in Washington. While this scenario makes for a very lucrative business model, it continues to needlessly cost taxpayers billions. Subsidies for the oil and gas industry are outdated. Whether it's the oil industry benefiting from billions in mismanaged, royalty-free leases in the late 90s, special tax subsidies for "tertiary injectants" to get the most viscous oil out of a reservoir, or the "intangible drilling costs" provision which effectively allows oil companies to deduct the cost of doing business, these subsidies must end.

Cut: 10-Year | In 2013

Manufacturing Tax Deduction for Oil and Gas Companies (IRC Sec 199)

Cut: \$17.2 billion | \$1.37 billion

Note: This represents only the oil and gas portion of the Section 199 Manufacturing Tax Deduction. TCS opposes the entire deduction.

Percentage Depletion Allowance (Gas & Oil) (Excess of percentage of cost depletion)

Cut: \$12.1 billion | \$727 million

Ending Royalty Relief (Oil)	Cut: \$11.4 billion \$1.35 billion
Intangible Drilling Costs (Expensing of exploration and development costs)	Cut: \$9.5 billion \$1.3 billion
Ending Royalty Relief (Natural Gas)	Cut: \$2 billion \$203 Million
Natural Gas Distribution Lines	Cut: \$1.2 billion \$120 million
Geological and Geophysical Amortization	Cut: \$957 million \$44 million
Ultra-deepwater and Unconventional Natural Gas and Other Petroleum Resources Research and Development	Cut: \$200 million \$50 million
Liberalize the Definition of Independent Producer	Cut: \$177 million \$16 million
Exemption from Bond Arbitrage Rules for Natural Gas	Cut: \$97 million \$8 million
Passive Loss Exemption	Cut: \$86 million \$4 million
Expensing for Tertiary Injectants	Cut: \$55 million \$8 million
Natural Gas Gathering Lines	Cut: \$10 million \$1 million

Research and Development

The government spends billions every year doing research that should be done by private industry. Oil and gas companies have every financial incentive to explore new drilling techniques. Nuclear companies are well established and can fund their own research. Biofuels companies have benefited from thirty years of government support and can fund their own research into the next phase of biofuels. Taxpayers should and do pay for basic research into the most nascent and least understood energy technologies, but these mature industries should pay for the research from which they will ultimately benefit.

	Cut: 10-Year	 In 2013
Department of Energy Fossil Energy Research and Development	Cut: \$6 billion	 \$534 million
Biological and Environmental Research- Biological Systems Science	Cut: \$3.1 billion	 \$311 million
Department of Energy Biomass and Biorefinery R&D	Cut: \$2.1 billion	 \$199 million

Fuel Cycle Research and Development	Cut: \$1.6 billion \$186 million
Reactor Concepts Research and Development	Cut: \$678 million \$115 million
Department of Agriculture Biomass Research and Development	Cut: \$346 million \$40 million

General Government	Ten-Year Cut: \$580 million One-Year Cut: \$ 55 million
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Overseas Private Investment Corporation	Cut: \$580 million \$55 million
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The Overseas Private Investment Corporation (OPIC) is a government-supported agency that subsidizes U.S. companies to invest in risky foreign markets by providing them direct and low-cost financing and insurance. While purported to help American small businesses compete in the global marketplace, OPIC actually provides subsidies to some of the largest multinational corporations in the world, including McDonald's, DuPont, Citicorp, and Coca-Cola, all of which are very capable of obtaining loans and risk insurance in the private sector. Under current OPIC practices, Fortune 500 corporations gain healthy profits from their foreign investments while U.S. taxpayers are held financially responsible for any potential losses.

Infrastructure	Ten-Year Cut: \$5.3 billion One-Year Cut: \$530 million
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50 percent Users Cost-Share for Operations and Maintenance on Inland Waterways	Cut: \$3 billion \$300 million
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Taxpayers cover a majority of the costs for building and maintaining the nation's inland waterways. This includes 100 percent of annual operations and maintenance expenses for such things as navigation dams and locks, which costs taxpayers nearly \$600 million per year.

Inland waterways users must begin shouldering more of the costs for constructing and operating the system that makes their business possible. This can be done by requiring users to cover 50 percent of the annual operations and maintenance costs. Because not all rivers require the same amount of maintenance or receive the same amount of traffic, a sliding scale that modifies cost sharing requirements based on the national interest the specific waterway serves could be enacted. A net 50 percent cost share of operations and maintenance expenses will save taxpayers nearly \$3 billion over the next ten years.

Army Corps of Engineers**Environmental Infrastructure Program****Cut: \$1.3 billion | \$130 million**

The Army Corps of Engineers' Environmental Infrastructure program duplicates and undermines other more cost-effective and accountable governmental programs. Under this program, Congress designates a state, city, or county for environmental infrastructure funding, which includes municipal water supply, drinking water treatment, and wastewater treatment projects. Congress then earmarks grants for 65-75 percent of the costs for unspecified water projects in these areas with no strings attached. The necessity, value, and effectiveness of these projects is difficult to determine because the program is fully earmarked and the projects are not subject to standard economic analyses. The water projects funded under this program are not the legislated primary mission areas for the Corps (navigation, flood and storm damage reduction, and environmental restoration), but instead directly compete with those missions for limited funding. This program has never been included in any president's budget and it should not be included in any Congressional budget either.

Army Corps of Engineers Beach Replenishment**Cut: \$1 billion | \$92 million**

Beach replenishment projects are one of the most egregious examples of public dollars subsidizing private benefits. Beach nourishment is intended to address the problem of beach erosion. Many experts concede, however, that this process does not actually prevent erosion, but only provides a temporary solution to maintaining the width of a beach. Taxpayers thus pay millions every year to pump sand onto beaches, sand that inevitably and almost immediately washes back out to sea. The Army Corps of Engineers needs to stop providing this local benefit and its budget should be cut a corresponding amount.

Inland Waterways Users Board**Cut: \$8.6 million | \$860,000**

The Inland Waterways Users Board is a fully taxpayer-funded advisory board that works against the interests of taxpayers. The Board is charged with making recommendations on the priorities for federal spending on Inland Waterways. Consisting solely of representatives of barge industry companies and Corps of Engineers personnel, however, the Board fails to take into account the interests of any other non-barge industry users of the nation's waterways or general taxpayers. Recently the Board endorsed a proposal to spend more than \$200 million a year bailing out commercial barge operators from paying most of their share for constructing the locks and dams that make navigation possible on much of the nation's waterways. The Board is an anachronistic entity that is no longer needed. Eliminating the Board will save more than \$8.6 million in administrative costs over the next 10 years. Taxpayers will also avoid untold billions in future costs from not having a taxpayer-funded advocate for industry-wide bailouts and many wasteful, overly complicated, and unnecessary projects.

National Security

Ten-Year Cut: \$672.5 billion

One-Year Cut: \$ 64.2 billion

DoD Service Contractors

Cut: \$372 billion | \$37 billion

Reducing reliance on service contractors in the Department of Defense (DoD) was a priority championed by former Secretary of Defense Robert Gates. The annual cost of DoD service contracts has nearly tripled since 2000, and there is evidence that many service contractors are performing inherently governmental functions. In its latest budget, the DoD Comptroller's office claims a number of savings related to service contracts. Specifically, they claim that strategic sourcing, better buying practices, and streamlining installation support will result in a total savings of \$12.8 billion in FY 2013. But this is tiny compared to what DoD spends yearly: According to the Comptroller, DoD spent \$248 billion on service contracts in FY 2010—more than it spent on all uniformed and civilian military personnel combined. The 2011 defense budget temporarily froze Pentagon spending on contract services for FY 2012 and FY 2013, and was a step in the right direction—but more needs to be done. Reducing DoD spending on service contracts by 15 percent over the next ten years would still leave contract spending at approximately the level it was in 2007, when the U.S. was fighting in Iraq and Afghanistan. Even with this reduction, service contract spending would still be roughly on par with what DoD spends on all uniformed and civilian personnel combined. This 15 percent cut over the next ten years would save, at a minimum, \$37.2 billion per year and result in a total savings of approximately \$372 billion.

TRICARE

Cut: \$76.5 billion | \$15 billion

The cost of TRICARE, DoD's health care system, has more than doubled in the last decade to nearly \$50 billion. Many military retirees who are fully employed and have health insurance available still opt for TRICARE, which amounts to a government subsidy for employers. Congress has prevented attempts to halt this spending trajectory in the past, but last year lawmakers voted to allow TRICARE fees to rise for the first time since the system's creation nearly 20 years ago.

B and C Models of the F-35

Cut: \$61.7 billion | \$4 billion

The B and C models of the F-35—the military's newest fighter plane—are the most expensive variants of the most expensive DoD procurement ever. Both of these variants have been plagued by cost overruns and schedule delays, and are now estimated to cost just under \$200 million each.

The F/A-18E/F Super Hornet has many capabilities that rival the F-35 and costs far less, with a price of around \$65 million each. Additionally, each of the B and C models of the F-35 costs more than \$11 million (in 2012 dollars) per year to fly, while each Super Hornet costs \$5.7 million (in 2012 dollars) per year to fly. From FY 2013 to FY 2022, a total of 328 B and C models are scheduled to be procured. Replacing these with F/A-18E/F's would save \$54 billion in procurement costs, and the lower flight-hour costs of the F/A-18E/F would save another \$7.7 billion.

Non-DoD Federal Service Contractors**Cut: \$33 billion | \$3.3 billion**

In FY 2011, non-DoD national security federal service contracts cost taxpayers more than \$22 billion. Last year, the White House proposed a government-wide 15 percent reduction in management service contracts. We agreed with that proposal because POGO's Bad Business report found that the average annual contractor billable rate was nearly twice as much as the average annual full compensation for federal employees performing comparable services. Additionally, egregious waste, fraud, and abuse has been found in State Department and Homeland Security service contracts. Mandating a 15 percent reduction in non-DoD national security agency spending on all service contracts would help ensure these agencies take steps toward eliminating waste and finding more effective fiscal efficiencies. This reduction would still leave service contract spending at these agencies at a higher level than it was in 2007. This 15 percent reduction would save taxpayers \$33 billion over the next ten years.

U.S. Troops in Europe**Cut: \$32 billion | \$ N/A**

Capping routine U.S. military presence in Europe at 40,000 troops and reducing force structure accordingly can save money through reduced personnel and operations & maintenance (O&M) costs such as military housing and transport. The U.S. has built a unique capacity to deploy rapidly from offshore bases as needed, an approach which has both financial and strategic advantages. And in light of the low risk of conflict in Western Europe, taxpayer enthusiasm for subsidizing European countries' defense is eroding. Our estimate is based on CBO estimates of savings resulting from rolling back the "Grow the Force" initiative. This estimate is very conservative since DoD tends to underestimate outyear O&M costs.

**Downblend More Highly Enriched Uranium
and Sell as Low Enriched Uranium****Cut: \$23 billion | \$2.3 billion**

The U.S. has an estimated 400 metric tons of excess highly enriched uranium (HEU). In 2010, the Project on Government Oversight (POGO) issued a report indicating that up to 300 metric tons of HEU was in excess of any possible security needs and could be downblended into low enriched uranium (LEU) and then sold to power nuclear facilities. This HEU is surplus material, not needed to maintain our weapons capability. The U.S. currently downblends only 2-3 metric tons per year. While there is a cost associated with increased downblending, it is a small investment compared to the amount we spend keeping this excess material secure. Both the jobs created by ramping up LEU production and the security risks associated with HEU are ample reason for downblending. With just a shoebox full of HEU, a terrorist could create an improvised nuclear device as powerful as the bomb dropped on Hiroshima. The POGO report estimates that if the U.S. downblended the 300 metric tons of HEU and sold the resultant LEU, it could make \$23 billion in revenue.

V-22 Osprey**Cut: \$17.1 billion | \$ N/A**

The V-22 Osprey is a tilt-rotor aircraft that can take off and land like a helicopter, but can fly like a plane. Unfortunately, its cost has more than doubled since initial estimates and, according to the GAO, it had a full mission capability (FMC) rate of just 6 percent while operating in Iraq between October 2007 and June 2008. The V-22 is simply neither cost- nor operationally effective. The Sustainable Defense Task Force (SDTF) has noted that the overpriced, underperforming V-22

Osprey can be replaced by helicopters. Specifically, the SDTF recommends a high/low lift combination of MH-60 and CH-53 helicopters. Based on the latest DoD figures for the procurement and operating costs of these aircraft, replacing the Ospreys scheduled to be built between FY 2013 and FY 2019 with MH-60 and CH-53 helicopters would save more than \$17.1 billion from FY 2013 to FY 2022.

Uranium Processing Facility**Cut: \$6.5 billion | \$160 million**

DOE is also looking to build the Uranium Processing Facility (UPF) at the DOE's Y-12 National Security Complex in Oak Ridge, Tennessee. The arguments to build the facility have been dwindling, while the cost has been climbing. For example, one of the proposed missions for the facility are LEPs for various warheads, yet most if not all of the scheduled LEPs are expected to be completed before the UPF is even built. A recent Army Corps of Engineers' assessment indicates that the project will cost \$6.5-\$7.5 billion. Several outside groups have questioned the need for the UPF, and suggested an investment in modernizing existing facilities to meet modern safety and mission requirements. While the facility was initially touted as a major advancement in technological readiness levels (TRL), a majority of these technological advances won't be attained by the time construction begins, according to the GAO. Thus, "NNSA may need to revert to existing or alternate technologies, possibly resulting in changes to design plans and space requirements that could delay the project and increase costs." Several hundred million dollars have already been appropriated for the facility, but at least \$6 billion in project costs can still be saved by cancelling the construction of this unnecessary facility. According to the Y-12 Ten Year Site Plan published in March 2009, a currently existing building, Building 9212, can safely accomplish the production mission intended for UPF for \$100 million in upgrades.

Next-Generation Bomber**Cut: \$6.3 billion | \$300 million**

The DoD plans to build between 80 and 100 "next-generation" Long-Range Strike Bombers to augment the Air Force's fleet of B-52, B-1B, and B-2 planes, which drop both nuclear and conventional bombs. The program is projected to cost \$6.3 billion between FY 2013 and FY 2017 alone, and will likely cost billions more over the life of the program. The Administration initially cancelled the program in FY2010 as there was "no urgent need" for a new bomber because "current aircraft will be able to meet the threats expected in the foreseeable future." The B-1B and B-2 are undergoing upgrades, and the Air Force expects the B-52 will be operational until at least 2045. Deferring development of costly and unnecessary next generation systems saves money and is low-risk because of robust U.S. nuclear- and conventional-bomb delivery capabilities that will be available for decades.

Cancel future satellites of the Space-Based Infrared System**Cut: \$6 billion | \$950 million**

Military space programs have a record of cost and schedule overruns. The \$18 billion Space-Based Infrared System (SBIRS), intended to provide initial warning of a ballistic missile attack, is a classic example, according to a 2012 GAO report that called it "one of the most troubled" military space programs. The system finally launched the first of six planned satellites in 2011, after nearly a decade of delays and a cost increase of 231 percent. The DoD is locked into procuring four of these satellites, and the two remaining satellites are estimated to cost \$3 billion each. There is little justification for procuring two more mega satellites when the DoD has alternatives to explore.

Aircraft Carriers and Navy Wings**Cut: \$7 billion | \$ N/A**

The CBO estimates that from FY 2012 to FY 2021, about \$7 billion can be saved by retiring the USS George Washington in 2016 and accordingly reducing Navy force size by 5,600 sailors. This option also eliminates the administrative structure of the air wing associated with the carrier, but keeps the planes and redeploys the other ships in the carrier strike group to support other missions. For even further savings beyond the \$7 billion, these ships and planes could be retired out of service. The rationale for utilizing 10 aircraft carriers rather than 11 is within an acceptable margin of risk, according to the CBO: “Recent experience suggests that the Navy mobilizes 5 to 7 carriers to fight a major war, and the 10 carriers remaining in the fleet under this option would still provide a force of at least 5 or 6 carriers within 90 days to fight such a war.” The CBO indicates that with 10 carriers, it is still possible for a seventh carrier to be deployed to an area of operations within 90 days and certainly within more than 90 days.

Ground-Based Missile Defense (GMD)**Cut: \$6 billion | \$600 million**

The Ground-based Midcourse Defense (GMD) system consists of 30 interceptors designed to destroy ballistic missiles in midflight. This Missile Defense Agency program has been plagued by cost increases, test failures, and delays, according to a recent Government Accountability Office (GAO) report. And, as the Congressional Budget Office (CBO) noted, critics argue that “testing of the system to date has been insufficient to verify that it will function as intended.” CBO suggested eliminating phases of the GMD program that would expand missile interceptors in Alaska and establish new ones in Europe until current systems are proven. This would still permit development of interceptors to provide defense for the U.S. against missiles from such countries as Iran and North Korea, the current concern of the GMD program. Freezing funding would save more than \$4.5 billion that the Missile Defense Agency estimates will be spent on GMD from FY 2013 to FY 2017. The Precision Tracking Space System (PTSS) is a related missile defense project that has drawn scrutiny from Congress because of its possible similarity to other, less expensive missile defense systems. The DoD should freeze the \$1.5 billion it plans to spend on PTSS from FY 2013 to FY 2017 while analysis of alternative programs is conducted.

MOX Facility**Cut: \$4.9 billion | \$134 million**

Another wasteful DOE project, the mixed oxide fuel (MOX) facility at the Savannah River Site, has gradually grown more expensive and less justifiable since its inception. The cost is now estimated to be \$4.9 billion for the main and feedstock facilities, but is on the rise because of the high turnover of personnel. The facility is designed to recycle excess plutonium from dismantled weapons and turn it into MOX, which can be sold to fuel nuclear power plants. Unfortunately, the materials required to create MOX (disassembled plutonium pits) aren’t readily available and the only current buyer for MOX dropped the contract. The crisis at the Fukushima Dai-ichi power plant (which used MOX in one of its reactors) looks to be scaring potential buyers, possibly making the half-built Savannah River facility the manufacturer of a useless product. There’s also a possible proliferation hazard, because recycling the plutonium could indicate to other nations that the U.S. approves of separated plutonium fuel programs, or could even lead to a reversal of the MOX process, allowing MOX fuel to be turned into weapons-grade material. As of January, nearly \$650 million had been spent on the facility. Eliminating further funding for this facility—which cannot make a product anyone will buy—could save taxpayers approximately \$4 billion.

B61 nuclear bombs in Europe**Cut: \$2.1 billion | \$223 million**

The U.S. bases 200 B61 nuclear gravity bombs in 5 European NATO countries— Belgium, Germany, Italy, Turkey, and the Netherlands. All of the U.S.’s B61 bombs are scheduled to be put through the Life Extension Program (LEP), including the 200 in Europe, and the overall cost of the B61 LEP is estimated to be about \$4.9 billion, according to the *Fiscal Year 2011 Stockpile Stewardship and Management Plan*. But, the U.S. is now in talks with NATO to remove all U.S. tactical nuclear weapons from Europe. Proceeding with removal of these bombs or having European NATO members fund the LEP program would save U.S. taxpayers approximately \$2 billion. Should NATO decide that the B61 bombs need to stay in Europe, it would be reasonable to ask that other NATO members pony up the money for putting the European bombs through the LEP process, as the bombs do little to improve American security. Secretary of Defense Robert Gates, before leaving office, called upon other NATO members to shoulder more of the cost burden for their own security, criticizing “those who enjoy the benefits of NATO membership—be they security guarantees or headquarters billets—but don’t want to share the risks and the costs.”

M1 tank**Cut: \$230 million | \$181 million**

In 2011, in an effort to keep the Abrams M1A2 SEP (System Enhancement Package) tank line “hot,” the House appropriated \$272 million beyond the DoD’s request for these new tanks. Now, for the FY 2013 budget, Congress is yet again forcing the Army to procure more tanks than the Army says it needs. The tanks, 33 in total, will cost taxpayers approximately \$230 million. The Army already has more than 500 of the tanks and has not indicated a need for increased production. This pork should be cut from the budget.

Littoral Combat Ship**Cut: \$187.2 million | \$11.7 million**

The Navy has been pursuing two different designs for the Littoral Combat Ship. By simply purchasing only the cheaper design (at \$345.8 million, saving \$11.7 million per ship) of the two taxpayers would save \$187.2 million over the period. This does not even include the savings by having only one design to manage, train, and outfit. As the *Armed Forces Journal* noted, “With dozens of different systems on each design, sailors qualified to serve on one LCS or the other are no more qualified to serve on the other LCS class than an amphibious sailor.” Having one design will ultimately increase personnel costs and decrease military readiness.

Cut Four Submarines from Next-Generation Fleet**Cut: \$18 billion | \$ N/A**

The Navy plans to replace its fleet of 14 Ohio-class nuclear-powered ballistic missile submarines (SSBNs) with 12 new submarines, called the SSBN(X) fleet. The SSBN(X) program is estimated to cost a staggering \$347 billion over the life of the submarines. The CBO estimates that the first SSBN(X) sub will cost about \$13.3 billion, and that each subsequent sub will cost \$7.2 billion. The SSBN(X) fleet can be reduced to eight while still maintaining a robust deterrent. Under the New START agreement, the U.S. can deploy a little over 1,000 warheads on submarines, and each of the eight SSBN(X) subs would carry 16 missiles for a total of 1,024 warheads. Eliminating four submarines from the fleet would save at least \$18 billion in operations, maintenance, research, and procurement costs over ten years, and up to \$122 billion over the 50-year lifecycle of the ballistic missile submarine program.

Public Lands

Ten-Year Cut: \$18.3 billion
One-Year Cut: \$ 1.7 billion

Forests and Rangelands

Special Tax Treatment for Timber Gain	Cut: \$4.9 billion \$400 million
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Forest Products (Within Integrated Resource Restoration)	Cut: \$3.4 billion \$336 million
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Expensing of Timber Growing Costs	Cut: \$2.4 billion \$240 million
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Amortization and Expensing of Reforestation Expenditures	Cut: \$2.2 billion \$220 million
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Money Losing Timber Sales	Cut: \$570 million \$56 million
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Special Rules for Mining Reclamation Reserves	Cut: \$400 million \$40 million
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Forest Service Timber Salvage Fund	Cut: \$260 million \$20 million
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Use State Formulas to Set Grazing Fees	Cut: \$190 million \$5 million
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BLM Public Domain Forestry	Cut: \$100 million \$10 million
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Wildlife Services (formerly the Livestock Protection Program)	Cut: \$940 million \$91 million
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Timber Purchaser Election Road Construction	Cut: \$30 million \$4 million
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Mining

Under the nearly 140-year old Mining Law of 1872, valuable taxpayer lands are virtually given away to international mining conglomerates that then amass enormous profits from mining, or simply turn around and sell the once taxpayer-owned land to the highest bidder. Also, unlike mining on private lands, mining companies pay no royalties for any minerals – gold, copper, uranium, etc. – removed from federal lands.

To add further insult to injury, these same mine companies often abandon their mines once they are no longer profitable, or declare bankruptcy, sticking taxpayers with the costly tab for mine cleanup. Taxpayer assets should be managed to the benefit of all taxpayers and extractive industries should be required to pay a royalty on extracted minerals and cover their costs of doing business on public lands.

1872 Mining Law Reform (royalty payment 12 percent) **Cut: \$1.5 billion** | \$155 million

Percentage Depletion Nonfuel Minerals **Cut: \$800 million** | \$80 million

Expensing of Exploration and Development Costs, Nonfuel Minerals **Cut: \$600 million** | \$60 million

Tax Expenditures **Ten-Year Cut: \$946.0 billion**
One-Year Cut: \$ 60.2 billion

Mortgage Interest Deduction (Modification) **Cut: \$645 billion** | \$39.4 billion

The mortgage interest deduction enables homeowners to effectively deduct interest from up to \$1.1 million in debt used to buy, build, or improve their primary or second home. The purported goal of this policy is to make home ownership more affordable. Yet, because it is available for million-dollar mortgages and second-homes, the deduction has done more to promote over investment in housing as opposed to other sectors of the economy and to inflate the purchase price of homes, including vacation homes. At an estimated cost of \$93 billion in 2012, it is one of the largest tax expenditures. Congress should modify the mortgage interest deduction to save taxpayers billions, while better helping achieve Congress' stated goal of making homeownership more affordable. The Congressional Budget Office has detailed a number of options including converting the deduction to a tax credit and applying it only to interest on mortgages below a more reasonable limit (for example \$500,000). Congress should enact these common sense reforms with a goal of reducing the annual cost of the mortgage interest deduction by at least one-third.

Foreign Tax Credit (FTC) **Cut: \$116.9 billion** | \$5.22 billion

The Foreign Tax Credit was established to prevent U.S. businesses—and U.S. citizens living abroad—from being double-taxed on income earned in foreign countries. The FTC allows U.S. companies and individuals to count foreign income taxes as a credit on taxes owed in the U.S. Unfortunately, the FTC contains a loophole that allows companies to shift income abroad to maximize the break. Companies have also obtained credits on “income taxes” that appear to be de facto royalty payments to foreign governments which would not be eligible for dollar-for-dollar credit against U.S. tax payments. Requiring companies to pool and report on all of their foreign income would provide more transparency for what is being counted as income tax that is eligible for a tax credit. Reform would reclaim an estimated \$59.8 billion in lost tax revenue from 2013-2022. Also, ending the practice of splitting foreign income and foreign taxes for accounting clarity would lead to \$57.1 billion in taxpayer savings over the same period.

Credit for Increasing Research Activities **Cut: \$87.6 billion** | \$8.76 billion

Companies doing research and experimentation in the United States receive a lucrative tax credit from this provision in the tax code. Companies that have benefited from this provision include Microsoft Corp., Boeing Co., United Technologies Corp., Electronic Data Systems Corp., and Harley-Davidson Motor Co. Taxpayers should not be responsible for covering ordinary business costs.

Last In First Out Accounting (LIFO)**Cut: \$66.9 billion | \$4 billion**

Last-in, first-out (LIFO) accounting enables companies to move the most expensive inventory off of their balance sheets, thereby reducing their taxable income, even though the actual movement of inventory occurs on a first-in, first-out (FIFO) basis in many industries. LIFO is already prohibited by International Financial Reporting Standards. The repeal of LIFO if applied to all industries would save \$66.9 billion from FY2014-22, as estimated by the Joint Committee on Taxation's analysis of the President's FY2013 Budget. If implemented sooner, taxpayers could save billions more in FY2013. Oil and gas companies account for roughly half of the cost of LIFO.

Deduction of State and Local General Sales Taxes**Cut: \$23.38 billion | \$2.34 billion**

This provision was eliminated from the tax code in the 1986 reforms, but was brought back to life in recent years. It enables taxpayers the option of deducting itemized state and local sales taxes from federal income tax, but only if they do not deduct state income tax. Therefore, the major beneficiaries are the residents of states that don't have state income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

**Special Expensing Rules for
U.S. Film and Television Productions****Cut: \$2.25 billion | \$225 million**

In an effort to keep film and television production in the United States, filmmakers have the option of immediately deducting significant costs for most film or television productions. Under this provision producers can elect to expense in the current year the first \$15 million of production costs incurred in the U.S. (\$20 million if the costs are incurred in economically depressed areas in the U.S.). This can be used if at least 75 percent of the costs are for services performed in the U.S., and is available for both blockbusters and those that go "directly to video cassette or any other format."

**Tax Credits for New Plug-in
Electric Drive Motor Vehicles****Cut: \$1.86 billion | \$39 million**

The federal government provides several incentives to buyers and producers of electrical vehicles (EV) to encourage their production and purchase. One such incentive is an up to \$7,500 income tax credit for the purchase of a new EV, depending on the capacity of the vehicle's internal battery. This tax credit was created in the American Recovery and Reinvestment Act of 2009 (stimulus). The Joint Committee on Taxation estimates the cost of this tax expenditure to be \$1.86 billion between 2013 and 2019.

Enhanced Charitable Deduction for Contributions of Food Inventory**Cut: \$1.82 billion | \$182 million**

Congress has routinely extended an enhanced deduction for the charitable contribution of food inventory. Under this provision, the food must be “apparently wholesome food.” However, “wholesome” food isn’t necessarily healthful or even edible and is defined as “food intended for human consumption that meets all quality and labeling standards imposed by Federal, State, and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions.”

Seven Year Straight Line Cost Recovery Period for Motorsports Entertainment Complexes**Cut: \$310 million | \$31 million**

Undercutting IRS rulings to the contrary, owners of motorsports entertainment complexes (aka NASCAR tracks) are able to write off the cost of their facilities on their taxes over seven years—instead of the standard 39 years for nonresidential property and 15 years for “improvements” (such as fences and roads)—as long as the venue hosts an event within three years of its completion. Such an accelerated depreciation schedule increases the value of the yearly deduction for owners. Track owners have also gotten plenty of other tax breaks over the years from states and localities eager to get speedways. The provision encompasses all facilities including grandstands, parking lots, and concession stands.

Transportation**Ten-Year Cut: \$187.5 billion****One-Year Cut: \$ 11.4 billion**

General Revenue Transfers to Highway Trust Fund**Cut: \$109.6 billion | N/A**

In recent years, Highway Trust Fund (HTF) balances are increasingly unstable due to reduced growth in vehicle miles travelled and increased fuel economy of the nation’s cars and trucks. In a series of short-term fixes since 2008, Congress made three transfers totaling \$34.5 billion from the nation’s general revenues to keep the HTF in the black, and the most recent reauthorization (MAP-21) relies on another almost \$20 billion Treasury bailout. Even with these transfers, the Congressional Budget Office estimates that current spending levels will exceed gas tax revenues by \$110 billion between 2014 (when MAP-21 expires) and 2022. This difference would have to be made up by additional transfers from the General Fund because federal law prohibits the HTF from incurring negative balances. Use of general revenues adds to the nation’s trillion-dollar deficits, undermines the “user-fee” basis of the trust fund, and provides no incentive for the efficient building or maintaining of the transportation network. Congress should either locate new revenue sources to shore up the HTF or downsize the federal highway program so that spending matches revenues.

**General Revenue Transfers
to Airport and Airway Trust Fund****Cut: \$50.0 billion | \$5 billion**

According to the Government Accountability Office, Airport and Airway Trust Fund revenues have fallen short of Federal Aviation Administration estimates in nine of the last 11 years. To make up the difference, Congress annually transfers approximately \$5 billion each year to cover the shortfall instead of cutting spending or improving how revenue estimates are done. As a result, collections will fall short of spending by \$50 billion over the next decade.

**Airport Improvement Program Grants
to General Aviation-Dominated Airports****Cut: \$22.0 billion | \$2.2 billion**

The Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) — supported largely by airline ticket taxes — provides planning and development grants for large and small airports. The program includes general aviation airports that serve only recreational, cargo, and corporate jets, not the airline passengers or airlines that ultimately pay the taxes. This cross-subsidy shifts money away from crowded commercial airports that struggle to expand under chronic congestion and outdated infrastructure. Congress should discontinue program grants for general aviation airports.

**Advanced Technology
Vehicles Manufacturing Program****Cut: \$4 billion | \$4 billion**

The federal government provides several incentives to buyers and producers of electrical vehicles (EV) to encourage their production and purchase, including a \$25 billion direct loan program for manufacturers of automobiles and automobile parts. According to the Congressional Budget Office, Congress appropriated \$7.5 billion to cover the subsidy costs of loans made by the program, and of that amount approximately \$4 billion still remains unspent. It should be noted that taxpayer savings from eliminating future loans from this program could end up being even higher, as any loan carries the risk that it will not be repaid. In that case, the taxpayer burden would be the subsidy cost plus the loan itself.

Essential Air Service (EAS) Program**Cut: \$1.86 billion | \$186 million**

The Essential Air Service (EAS) program was launched as a temporary program in the late 1970s to ease the transition to airline deregulation by subsidizing commercial flights to the nation's rural airports. Many of the cities served by this program can be found within reasonable driving distance from airports with unsubsidized flights. For example, the 50 minute flight from Lebanon, New Hampshire to Boston, Massachusetts receives a subsidy of \$287 per passenger when it's only a little over an hour drive to another large airport, Manchester-Boston Regional Airport. Other EAS flight subsidies can amount up to \$1,000 per passenger. Eliminating this program from the FAA's budget has the potential to save \$1.86 billion over a 10-year period.

SECTION II: MORE COMMON SENSE CUTS

There are billions of additional dollars taxpayers can save if Congress implements cuts that may not technically qualify as cuts under Congressional budget rules. For example, liabilities for taxpayers that could add to the debt in catastrophic scenarios, projects authorized by Congress but that may or may not receive funding in the future, and other cuts whose costs against the baseline are uncertain. In addition, some budget options will not produce scorable savings in the first year of implementation. Despite these baseline considerations, we recommend that Congress protect the fiscal health of the nation by adopting these reforms as well.

Energy

Biorefinery Assistance

Cut: ??

Biorefinery Assistance is a loan guarantee program that helps develop new and emerging advanced biofuel technologies. The maximum loan guarantee for a single entity is \$250 million and can go towards development, construction, or retrofitting of refineries. The total taxpayer liability for this program is calculated at \$6.7 billion over the next decade.

End Title XVII Loan Guarantee Program

Cut: ??

The Department of Energy (DOE) Loan Guarantee Program was created to provide loan guarantees for innovative emerging energy technologies, yet mature industries like coal and nuclear are eligible as well. More than \$30 billion in taxpayer backed loan guarantee authority is available. There are several major taxpayer problems with the program: the massive scope and uncertain costs; high default rates and low recovery rates on capital intensive projects, like nuclear reactors; the weakening of taxpayer rights in the event of default; and the unclear administration of loans. In addition to the loan guarantee authority, the DOE also received \$4 billion in appropriated funds to pay the credit subsidy costs for renewable energy, energy efficiency, and electric power transmission projects in the 2009 Stimulus.

Price-Anderson Act

Cut: ???

Originally enacted by Congress in 1957 as a temporary shield to the nuclear industry as it struggled to get off the ground, the Price-Anderson Act has become a near-permanent fixture of the federal government's support of nuclear power. The Act requires nuclear operators to maintain only roughly \$300 million in insurance and then requires taxpayers to bear any additional costs from a nuclear accident. If there were to be any problems at a nuclear reactor, taxpayers could be forced to pay tens of billions to cover cleanup and health impacts.

Liability Limitations for Offshore Drilling**Cut: ???**

Under the Oil Pollution Act of 1990, oil companies are responsible for all direct costs of containment and clean-up in case of an oil spill but are legally responsible for only \$75 million in federal damages from the oil spill. Any additional costs would be borne by the injured parties, or by taxpayers. This liability limit significantly limits the need for oil producers to purchase insurance or otherwise guard against damages resulting from oil spills. The economic damages, including the loss of fishing and tourism dollars, could be tens of billions of dollars, as was demonstrated in the BP oil spill.

Production Tax Credit for Cellulosic Ethanol**Cut: \$4.1 billion**

Cellulosic ethanol is a well-known advanced biofuel. The federal renewable fuels mandate requires 16 billion gallons of cellulosic ethanol to be produced by 2022. To qualify for the mandate, each gallon must reduce greenhouse gases by 60 percent. Cellulosic ethanol is produced from cellulosic matter in plants, including corn stover (the leaves and stalks of corn plants), switchgrass, wood chips, and other plant wastes. Companies receive \$1.01 for every gallon of cellulosic ethanol produced. Though this tax credit expires at the end of 2012, the Senate Finance Committee has already voted to extend it through 2013, and Congress will likely extend it for future years. Taxpayers should not subsidize a technology that the Congressional Budget Office and National Academy of Sciences say isn't yet viable at a commercial scale and won't meet its production mandate by 2022. This cost assumes that the \$1.01 credit continues through FY2022 and is tied to production estimates from the U.S. Energy Information Administration.

General

Congressional Pensions**Cut: ???**

Congress benefits from an elaborate and lucrative pension system that is more generous than is available to government employees. While most Americans have a defined contribution system that they pay into like a 401(k) retirement plan, simply remaining in office is key to increasing the annual pension for lawmakers. Aside from the savings, shifting Congress from a defined benefit to defined contribution plan would more readily align lawmakers' interests with their working constituents.

Infrastructure

Upper Mississippi River Navigation Locks Project**Cut: \$ 2.4 billion**

Despite continued decreases in barge traffic, cost-overruns, and a history of wildly exaggerated economic assumptions, the Army Corps of Engineers seeks to spend billions constructing new and enlarged navigation locks on the Upper Mississippi River-Illinois Waterway. The Mississippi River-Illinois Waterway Navigation Expansion Project is mainly just a fix for occasional barge transportation delays that occur at river locks during high traffic times. The Corps claims that seven brand new longer locks, at the low, low

price of more than \$2 billion, will solve our rush hour problem and also prepare for a ridiculously optimistic increase in barge transportation on these waterways. In 2000, the U.S. Army Inspector General found that Corps economists were ordered to exaggerate the demand for future barge traffic, and several Corps officials were slapped on the wrist. In addition, the National Academy of Sciences has consistently criticized the Corps' plans to build the new locks, saying that the Corps should pursue cheaper measures like scheduling, tradable lockage fees, and helper boats, before even contemplating spending money on new or expanded locks. By implementing these alternative solutions taxpayers could get improved efficiency of the Upper Mississippi River-Illinois Waterway at a fraction of the cost.

**Inner Harbor Navigation Canal (Industrial Canal)
Lock Replacement Project – New Orleans**

Cut: \$ 1.1 billion

The Industrial Canal is a manmade waterway running through New Orleans that connects the Mississippi River and the Gulf Intracoastal Waterway. For years Congressional representatives from Louisiana have earmarked federal funds to continue the Army Corps of Engineers' efforts to replace the existing lock with a longer, deeper lock suitable for ocean-going vessels. This in spite of the fact that increased barge traffic and traffic delays predicted by the Corps have not only failed to materialize, but traffic has actually decreased. In addition the original Corps economic analysis found the deep draft lock was not the most economically beneficial project for the lock, but recommended it be constructed because of the willingness of the Port of New Orleans to shoulder a higher share of the costs. The Port has since pulled out of this agreement, leaving federal taxpayers holding the bill. And recently a federal court ordered the Corps of Engineers to halt construction because the Corps failed to adequately consider whether a deep-draft lock would be viable.

**Delaware River Deepening Project
New Jersey and Delaware**

Cut: \$173 million

Despite opposition from the states of Delaware and New Jersey, the Army Corps of Engineers continues to pursue the uneconomical deepening of the Delaware River's main channel. The project, which would increase the River's depth to 45 feet from 40 feet for 105 miles, is intended to attract deeper draft cargo ships. In reality the ships aren't going to come and the reduced transportation costs for a handful of oil refineries does not offset the heavy price tag of the project. The Government Accountability Office (GAO) has repeatedly criticized the Corps' economic assumptions underlying this project.

Dallas Floodway Extension

Cut: \$160 million

Neighboring the Fort-Worth Central City project (below), the *Dallas Floodway Extension, Trinity River Project* is a Corps flood control project on the Trinity River. Under this project the Corps seeks to extend existing levees while cutting a 600-foot wide swath (swale) through the Great Trinity Forest. The project's principal economic justification is increased flood control for downtown Dallas. Yet, most of these benefits could be obtained for a fraction of the project cost by simply raising one of the existing Dallas levees and conducting a voluntary buyout in flood prone neighborhoods. This would provide the most effective flood protection for the area, with dramatically less impact to the floodplain.

St. Johns Bayou/New Madrid Floodway Project – Missouri**Cut: \$ 123 million**

Any notion that the *St. Johns Bayou/New Madrid Floodway* project was a good idea was washed away when the Corps responded to record flood heights threatening Cairo, Illinois by blasting the Birds Point levee on May 2, 2011, sending the Mississippi River cascading down the 130,000 acre natural floodway. The New Madrid Floodway is one of the last remaining natural floodways on the river, yet for years the Corps has sought to build levees and pumping stations to cut it off from the river. This flood protection project would actually increase flooding risks while inducing development in the floodway, costing taxpayers millions more in damages the next time the floodway is operated.

Grand Prairie Area Demonstration Project – Arkansas**Cut: \$110 million**

The Grand Prairie Area Demonstration Project is a subsidized pump to provide subsidized water to grow subsidized crops and would be a first-step by the Corps of Engineers into the agriculture irrigation business. A century of unsustainable irrigation for rice farming in eastern Arkansas has left the area's main irrigation aquifer severely depleted and is now threatening the region's deeper drinking water aquifer. Rather than promoting proven efficiency and conservation techniques on the area's farms, the Corps of Engineers proposes building a pumping station and 650-mile long canal and pipeline system to draw water from the White River.

Fort Worth Central City Project – Texas**Cut: \$81 million**

The Central City project is just one portion of a larger project know as the Trinity River Vision, the total cost of which has increased to nearly \$1 billion. The Central City Project is an Army Corps of Engineers flood control effort to reroute the Trinity River in Fort Worth, Texas through construction of a new dam, a 1.5 mile long bypass channel, and numerous flood gates in order to create an urban waterfront community. The Army Corps of Engineers is slated to pick up \$110 million of the \$435 million Central City tab, with other federal and local taxpayer sources making up the rest. The Corps should better utilize its flood control dollars, rather than spending millions on speculative development.

National Security

CMRR Nuclear Facility at Los Alamos**Cut: \$3.7 billion**

The Chemistry and Metallurgical Research Replacement-Nuclear Facility (CMRR-NF) is a new palatial building the National Nuclear Security Administration (NNSA) wants to build at Los Alamos National Laboratory. The CMRR project includes both the already-built Radiological Laboratory/Utility/Office Building (RLUOB) as well as the planned CMRR-NF. The project will cost \$3.7 to \$5.8 billion—at least by current estimates—but the cost has increased ten-fold since the project's inception, and final estimates are not due until 2013. There are serious questions about the risks associated with the CMRR-NF, not the least of which are that it will be storing six metric tons of plutonium in an active seismic zone. Several hundred million dollars have already been appropriated and excavation has begun, despite the fact that the design is only 50 percent complete. Congress decided to put the project on hold in 2012, but intends to restart construction in 2017.

Public Lands

Columbia Basin Irrigation Project

Cut: \$1.2 - \$4.6 billion

The Department of the Interior's Bureau of Reclamation (BuRec) was established in 1902 to bring development and irrigation water to 17 Western states. Today, the agency builds dams, powerplants, and canals to supply hydropower to local communities and bring subsidized irrigation water to one out of every five Western farmers. The Columbia Basin Irrigation Project (CBIP), one of the largest all-federal irrigation projects managed by the BuRec, is located in central Washington. Water diverted from the Columbia River is delivered to nearby farms even though taxpayers and other users pay for most of the construction costs to build the infrastructure. The BuRec and Washington Department of Ecology are proposing to expand the CBIP at a cost ranging from \$1.2 to \$4.6 billion. However, the BuRec's own studies found that none of the proposals' privatized benefits would outweigh the public costs. In the 1980s, the Government Accountability Office's analysis of similar expansion proposals came to the same conclusion, resulting in the BuRec's withdrawal of the proposal.

Yakima River Basin Water Enhancement Project

Cut: \$1.4 billion

Also located in Washington, the Yakima River Basin Water Enhancement Project would result in the construction of at least two new dams in the Yakima Basin even though sufficient alternative water resources have been identified. Construction of one dam would cost more than \$400 million and the other is expected to cost at least \$1 billion. The BuRec is planning to move forward with the project(s) even though the agency's Final Planning Report and Environmental Impact Statement calculated a negative cost-benefit ratio. In other words, taxpayers should only expect to receive 7 to 31 cents back for every dollar spent on these local irrigation projects.

Transportation

XpressWest (formerly DesertXpress) High Speed Rail - Nevada and California

Cut: \$6.5 billion

The XpressWest project would connect Victorville, CA (approximately 85 miles from Los Angeles) with Las Vegas, NV. The \$6.9 billion project has asked for a \$6.5 billion direct loan through the federal Railroad Rehabilitation and Improvement Financing (RRIF) program, which would be more than ten times the amount ever awarded through the program. Questions have also been raised regarding the ridership and revenue forecasts upon which the application is based. This project has taxpayer disaster written all over it, and the loan application should be rejected.

I-73 Project – South Carolina**Cut: \$2.4 billion**

The \$2.4 billion interstate — no more than 50 miles from an existing, high-capacity U.S. highway — will be the most expensive transportation project in South Carolina’s history and is estimated to shorten current travel times to the Myrtle Beach region by no more than 15 minutes. Furthermore, simply upgrading the parallel highway would meet every goal being outlined by the interstate proponents yet cost only \$150 million. With only 33 percent of South Carolina’s existing roadways in “good” condition, taxpayers are left wondering why South Carolina is pushing to build this wasteful, federally funded interstate while neglecting long-needed repairs.

Knik Arm Crossing – Alaska**Cut: \$1.5 billion**

The sister project of the now infamous “Bridge to Nowhere” would link Anchorage to the sparsely populated area around Point McKenzie in the Mat-Su Valley. The project can only be built with a public-private partnership, which would be paid for through the collection of a bridge toll, and a large loan guarantee from the federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program. But traffic estimates appear overly optimistic, and therefore the expected toll revenue is almost sure to fall short of paying for the project for many years after it is built. This would likely leave federal taxpayers on the hook for untold millions of dollars to make up the shortfall.

Columbia River Crossing – Oregon and Washington**Cut: \$1.25 billion**

This project would construct a highway-transit bridge over the Columbia River to ease Portland-bound commuter congestion. The \$3.6 billion project is estimated to reduce morning commute times by only 60 seconds. Furthermore, state transportation departments are justifying the project with an estimated 45 percent increase in vehicle crossings by 2030, a percentage based on 2005 fuel prices. With substantial portions of the project to be paid for with tolling the new bridge facility, local leaders and stakeholder groups are sounding alarm over the project’s faulty traffic projections. Federal taxpayers have already footed \$110 million to make these flawed analyses. Congress should deny state requests for one-third of the project’s billion dollar price tag and require more cost-effective alternatives.

**Outer Bridge Portion of Ohio River Bridges Project
– Indiana and Kentucky****Cut: \$550 million**

The outer, or eastern, bridge portion of this project would be a new interstate highway (I-265) and Ohio River bridge in the eastern suburban area of Louisville. It would connect the Gene Snyder Freeway in Kentucky (KY 841) to the Lee Hamilton Highway in Indiana (State Road 265). The project, which the Environmental Protection Agency calls “redundant”, is a developer’s dream. It would open up vast quantities of land in Indiana for development. Ground was very recently broken on this project, meaning there is still time to stop it before it devours an enormous chunk of taxpayer dollars.

Juneau Access Road – Alaska**Cut: \$500 million**

The Juneau Access project would consist of a new 50-mile road out of Juneau connecting to a ferry terminal for the last 18-mile journey to connect to either Haines or Skagway, with driving access to the interior of the state. Due to the treacherous terrain, the road would be closed at least one month every year, and the journey would likely require several days of driving in each direction from most parts of Alaska. In addition, the challenging terrain makes construction difficult at best and raises significant questions about cost overruns and project feasibility. Most of the funding for this project has not yet been identified, but proponents assume that the vast majority will come from federal taxpayers.

Gravina Island Access – Alaska**Cut: \$300 million**

Yes, the “Bridge to Nowhere” lives on. Though the bridge project was cancelled by then-Governor Sarah Palin in late 2007, the state completed construction of the \$26 million 3-mile Gravina Access Highway, which would have served as the bridge access if the bridge was built. To avoid having to pay back to the federal government the money it spent on this “highway”, the state is conducting an assessment of the project to show how it will utilize the newly constructed road. The assessment is underway, but this charade should be stopped once and for all, and taxpayers assured that this monstrosity is killed for good.

Charlottesville Bypass (VA)**Cut: \$244 million**

The proposed Charlottesville Bypass is a 6.2 mile, four lane limited access highway intended to act as a reliever route for the congested U.S. 29 corridor. This bypass is extremely expensive as compared to other similar projects and will cost almost \$40 million per mile. Furthermore, state transportation officials found that none of the bypass alternatives would have much, if any, impact on the “F level of service” rating on the existing U.S. 29 corridor. More fiscally responsible alternatives such as overpass and design improvements to U.S. 29 have shown promise of achieving the same goals without the local opposition that has developed against the bypass. Congress should block any federal funding for this wasteful roadway.



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Section 1: Sliding Past Sequestration Savings			
Proposed Cut	10-Year Savings	1-Year Savings	Reference
1872 Mining Law Reform (royalty payment 12% and collection of fees)	\$1.5 billion	\$155 million	CBO
Advanced Technology Vehicles Manufacturing Program	\$4 billion	\$4 billion	CBO
Airport Improvement Program Grants to General Aviation-Dominated Airports	\$22 billion	\$2.2 billion	Agency Budget Docs
Alternative Fuel Vehicle Refueling Property Credit	\$220 million	\$22 million	JCT
Amortization and expensing of reforestation expenditures	\$2.2 billion	\$220 million	JCT
Biodiesel Fuel Education Program	\$10 million	\$1 million	OMB Analytical Perspectives
Bioenergy Program for Advanced Biofuels	\$502 million	\$38 million	Agency Budget Docs
Biological and Environmental Research - Biological Systems Science	\$3.1 billion	\$311 million	Agency Budget Docs
Biomass Crop Assistance Program	\$400 million	\$25 million	Agency Budget Docs
BLM Public Domain Forestry	\$100 million	\$10 million	Agency Budget Docs
Cancel future satellites of the Space-Based Infrared System	\$6 billion	\$950 million	GAO
Cancel One Version of Littoral Combat Ship	\$187 million	\$11.7 million	DOD (naval sea systems command piece published at military.com)
Cancel the building of the Uranium Processing Facility	\$6.5 billion	\$160 million	Agency Budget Docs
Capital Gains Treatment for Royalties on Coal	\$610 million	\$13 million	JCT
Certain Income and Gains Relating to Industrial Source Carbon Dioxide Treated as Qualifying Income for Publicly Traded Partnerships	\$92 million	\$2 million	JCT
Credit for Alternative Fuel Mixtures	\$2.2 billion	\$220 million	JCT
Credit for Increasing Research Activities	\$87.6 billion	\$8.76 billion	OMB Analytical Perspectives
Credit for Investment in Clean Coal Facilities	\$2 billion	\$200 million	JCT

Cut aircraft carriers from 11 to 10 and Navy wings from 10	\$7 billion	N/A	CRS, CBO
Cut Four Submarines from Next-Generation Fleet	\$18 billion	N/A	CBO
Deduction of State and Local General Sales Tax	\$23.38 billion	\$2.34 billion	JCT
Defer Development of Next Generation Bomber	\$6.3 billion	\$300 million	Agency Budget Docs
Department of Agriculture Biomass Research and Development	\$346 million	\$40 million	Agency Budget Docs
Department of Energy Biomass and Biorefinery R&D	\$2.1 billion	\$199 million	Agency Budget Docs
DOE Fossil Energy Research and Development Program	\$6 billion	\$534 million	Agency Budget Docs
DOE Fuel Technologies program	\$210 million	\$18 million	Agency Budget Docs
Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels	\$2.5 billion	\$189 million	JCT
Don't modernize B61 nuclear bombs in Europe	\$2.1 billion	\$223 million	POGO/TCS
Downblend more highly enriched uranium and sell as low enriched uranium	\$23 billion	\$2.3 billion	POGO/TCS
Election to Expense 50 Percent of Qualified Property Used to Refine Liquid Fuels (Oil Shale and Tar Sands Refineries)	\$6 billion	\$600 million	JCT
Eliminate Commodity Crop Subsidies (for all commodities)	\$56.5 billion	\$5.1 billion	CBO
Eliminate Funding for the M1 tank beyond the Pentagon's request	\$230 million	\$181 million	Agency Budget Docs
Eliminate the Inland Waterways Users Board	\$8.6 million	\$860,000	Agency Budget Docs
End Army Corps of Engineers Beach Replenishment	\$1 billion	\$92 million	CBO
End the Army Corps of Engineers Environmental Infrastructure Program	\$1.3 billion	\$130 million	Agency Budget Docs
Ending Royalty Relief (Natural Gas)	\$1 billion	\$203 million	EIA
Ending Royalty Relief (Oil)	\$5.7 billion	\$1.35 billion	EIA
Enhanced Charitable Deduction for Contributions of Food	\$1.82 billion	\$182 million	JCT
Environmental Quality Incentives Program—CAFOS	\$17.5 billion	\$1.75 billion	CBO
Essential Air Service Program	\$1.86 billion	\$186 million	Agency Budget Docs

Excess of Percentage Over Cost Depletion, Other Fuels	\$1.6 billion	\$160 million	JCT
Exemption from Bond Arbitrage Rules for Natural Gas	\$97 million	\$8 million	JCT
Expansion of Amortization for Certain Pollution Control Facilities	\$1.5 billion	\$187 million	JCT
Expensing of Exploration and Development Costs	\$280 million	\$86 million	JCT
Expensing of Exploration and Development Costs, Nonfuel Minerals	\$600 million	\$60 million	JCT
Expensing of Exploration and Development Costs, Other Fuels	\$1 billion	\$100 million	JCT
Expensing of Tertiary Injectants	\$55 million	\$8 million	JCT
Expensing of Timber Growing Costs	\$2.4 billion	\$240 million	JCT
Foreign Market Development Program	\$350 million	\$35 million	CBO
Foreign Tax Credit (Pooling and Dual)	\$116.9 billion	\$5.22 billion	JCT
Forest products (Within Integrated Resource Restoration)	\$3.4 billion	\$336 million	Agency Budget Docs
Forest Service Timber Salvage Fund	\$260 million	\$20 million	Agency Budget Docs
Freeze development of Ground-Based Missile Defense (GMD)	\$6 billion	\$600 million	Agency Budget Docs, CBO
Fuel Cycle Research and Development	\$1.6 billion	\$186 million	Agency Budget Docs
Fusion Energy	\$4.6 billion	\$475 million	Agency Budget Docs
FutureGen2.0	\$1 billion	\$1 billion	DOE
General Revenue Transfers to Airport and Airway Trust Fund	\$50 billion	\$5 billion	Agency Budget Docs
General Revenue Transfers to Highway Trust Fund	\$109.6 billion	N/A	CBO
Geological and Geophysical Amortization	\$957 million	\$44 million	JCT
Halt construction of the MOX facility	\$4.9 billion	\$134 million	Agency Budget Docs
Industrial CO2 Capture and Sequestration Tax Credit	\$1 billion	\$234 million	JCT
Intangible Drilling Costs (Expensing of Exploration and Development Costs)	\$9.5 billion	\$1.3 billion	JCT
Last in, First Out Accounting	\$66.9 billion	\$4 billion	JCT

Liberalize the Definition of Independent Producer	\$177 million	\$16 million	JCT
Manufacturing Tax Deduction for Oil and Gas Companies (IRC Sec. 199)--Note: This represents only the oil and gas portion of the Section 199 Manufacturing Tax Deduction.TCS opposes the entire deduction.	\$17.2 billion	\$1.37 billion	JCT
Market Access Program	\$2 billion	\$200 million	CBO
Mixed Oxide - Fissile Materials Dispositions	\$5.1 billion	\$453 million	Agency Budget Docs
Modification to Special Rules for Nuclear Decommissioning	\$851 million	\$97 million	JCT
Modify Mortgage Interest Deduction	\$645 billion	\$39.4 billion	Tax Policy Center
Money Losing Timber Sales	\$570 million	\$56 million	CBO
Municipal Solid Waste	\$200 million	\$20 million	JCT
Natural Gas Distribution Lines	\$1.2 billion	\$120 million	JCT
Natural Gas Gathering Lines	\$10 million	\$1 million	JCT
No Additional Production of V-22 Osprey	\$17.1 billion	N/A	Agency Budget Doc (Selected Acquisition Report)
Non-Defense Environmental Cleanup	\$2.4 billion	\$235 million	Agency Budget Docs
Nuclear Energy Enabling Technologies	\$660 million	\$75 million	Agency Budget Docs
Open Loop Biomass	\$2.2 billion	\$300 million	JCT
Overseas Private Investment Corporation	\$580 million	\$55 million	Agency Budget Docs
Passive Loss Exemption	\$86 million	\$4 million	JCT
Percentage Depletion Allowance (Coal)	\$1.3 billion	\$74 million	JCT
Percentage Depletion Allowance (Gas & Oil) (Excess of Percentage of Cost Depletion)	\$12.1 billion	\$727 million	JCT
Percentage Depletion Nonfuel Minerals	\$800 million	\$80 million	JCT
Production Tax Credit for Cellulosic Ethanol			JCT, EIA
Reactor Concepts Research and Development	\$678 million	\$115 million	Agency Budget Docs
Reduce spending on DoD service contractors by 15 percent	\$372 billion	\$37 billion	DOD
Reduce spending on non-DoD federal service contractors by 15 percent	\$33 billion	\$3.3 billion	USASpending.gov
Reform Federal Crop Insurance Program	\$50.2 billion	\$4.7 billion	CBO

Reform Tricare	\$76.5 billion	\$15 billion	Agency Budget Docs/Center for American Progress
Replace the B and C models of the F-35 with FA-18 E/F	\$61.7 billion	\$4 billion	Agency Budget Docs
Require Users to Cover 50% of O&M on the Inland Waterways	\$3 billion	\$300 million	Agency Budget Docs
Rural Energy for America Program (REAP)	\$590 million	\$26 million	Agency Budget Docs
Seven Year Straight Line Cost Recovery Period for Motorsports Entertainment Complexes	\$310 million	\$31 million	JCT
Special Expensing Rules for U.S. Film and Television Productions	\$2.25 billion	\$225 million	JCT
Special Rules for Mining Reclamation Reserves	\$400 million	\$40 million	JCT
Special Tax Treatment for Qualified Timber Gain	\$4.9 billion	\$400 million	JCT
Tax Credit and Deduction for Clean-Fuel Burning Vehicles	\$5.5 billion	\$180 million	OMB Analytical Perspectives
Tax Credits for New Plug-in Electric Drive Motor Vehicles	\$1.86 billion	\$39 million	JCT
Timber Purchaser Election Road Construction	\$30 million	\$4 million	Agency Budget Docs
Treatment of Certain Income of Electric Cooperatives	\$412 million	\$37 million	JCT
Ultra-deepwater and Unconventional Natural Gas and other petroleum resources R&D	\$200 million	\$50 million	Agency Budget Docs
Use State Formulas to set grazing fees	\$190 million	\$5 million	CBO
Volumetric Biodiesel Excise Tax Credit and Renewable Biodiesel Tax Credit	\$16.2 billion	\$1.1 billion	JCT, EIA
Wildlife Services Program (formerly called the Livestock Protection Program)	\$940 million	\$91 million	Agency Budget Docs
Withdraw 40,000 troops from Europe	\$32 billion	N/A	Agency Budget Docs (note change of troop numbers in proposed cut)

Section 2: More Common Sense Cuts		
Proposed Cut	10-Year Savings	Reference
Biorefinery Assistance	???	OMB Analytical Perspectives
Cancel construction of CMRR-Nuclear Facility	\$3.7 billion	Agency Budget Docs
Charlottesville Bypass (VA)	\$244 million	Project Documents
Columbia Basin Irrigation Project	\$1.2 - \$4.6 billion	Agency Budget Docs
Columbia River Crossing - Oregon and Washington	\$1.25 billion	Project Documents
Dallas Floodway Extension - Texas	\$160 million	Agency Budget Docs
Delaware River Deepening Project - New Jersey and Delaware	\$173 million	Agency Budget Docs
End Title XVII Loan Guarantee Program	???	OMB Analytical Perspectives
Fort Worth Central City Project - Texas	\$81 million	Agency Budget Docs
Grand Prairie Area Demonstration Project - Arkansas	\$110 million	Agency Budget Docs
Gravina Island Access - Alaska	\$300 million	Project Documents
I-73 Project (SC)	\$2.4 billion	Project Documents
Inner Harbor Navigation Canal (Industrial Canal) Lock	\$1.1 billion	Agency Budget Docs
Juneau Access Road - Alaska	\$500 million	Project Documents
Knik Arm Crossing - Alaska	\$1.5 billion	Project Documents
Liability Limitations for Offshore Drilling	???	Various
Outer Bridge Portion of Ohio River Bridges Project -	\$550 million	Project Documents
Price-Anderson Act	???	Various
Production Tax Credit for Cellulosic Ethanol	\$4.2 billion	EIA
Shift Congressional Pensions to Defined Contributions	???	Various
St. Johns Bayou Basin/New Madrid Floodway Project -	\$123 million	Agency Budget Docs
Upper Mississippi River - Illinois Waterway Navigation	\$2.4 billion	Agency Budget Docs

XpressWest (formerly DesertXpress) High Speed Rail - Nevada and California	\$6.5 billion	Project Documents/ TIFIA Letter of Interest
Yakima River Basin Water Enhancement Project	\$1.4 billion	Agency Budget Docs