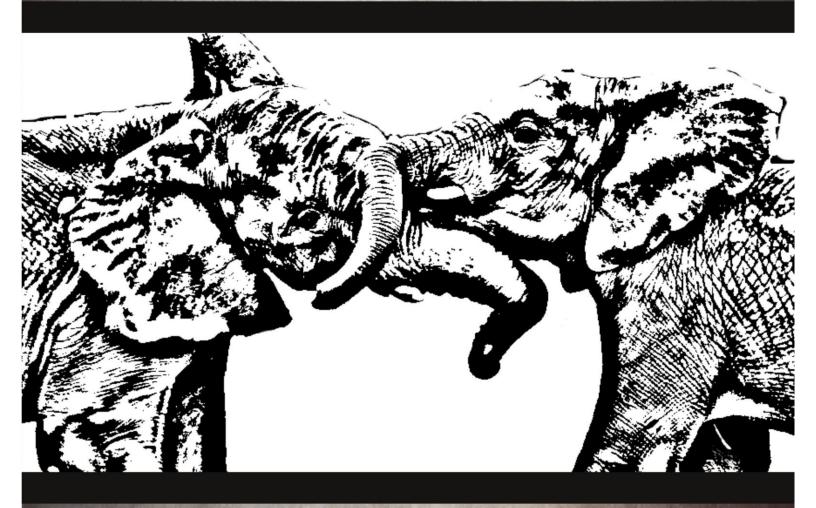
# CONSERVATIVES IN CRISIS

RIGHT-WING INFIGHTING EXPOSES INABILITY TO GOVERN



SEPTEMBER 2013



### **INTRODUCTION**

After voting 41 times to repeal the Affordable Care Act, it appears that some congressional Republicans have finally realized that passing legislation to repeal health care reform is a right-wing pipe dream. Unfortunately, conservative groups and their allies in Congress are now pushing an even worse idea: threatening to shut down the government or manufacture another debt-ceiling default crisis in a last-ditch effort to defund Obamacare.

Heading into the fall, Republicans are divided – most visibly over how far they are willing to take the fight against Obamacare. Potential presidential contenders Sens. Ted Cruz (R-TX) and Marco Rubio (R-FL) are calling on their party to oppose any continuing resolution that does not reject funding for the health care law, even if it results in a government shutdown. Their effort is opposed by establishment Republicans, including House Speaker John Boehner (R-OH) and Majority Leader Eric Cantor (R-VA), who have signaled their preference for refusing to raise the debt ceiling unless Democrats agree to one-year delay to Obamacare implementation. However, it's unclear whether Boehner and Cantor will be able to convince their conservative members, as ongoing divisions on a host of legislative issues point to a party in crisis. Making matters even worse, Republicans are under intense pressure from right-wing activists and organizations to defund Obamacare or face the consequences.

If it seems like déjà vu all over again, that's because this isn't the first time the Tea Party base has pushed Republicans to recklessly wreak havoc on the economy to get their way. In the past, Republican leaders have readily played along, most notably by threatening to shut down the government over Planned Parenthood funding and refusing to raise the debt ceiling until Democrats agreed to draconian budget cuts. The result is an expectation on the right that Republicans will use even the most basic responsibilities of governing as leverage to advance their extreme agenda.

Now, it appears that we could be headed toward another unnecessary crisis this fall unless Republican leaders decide to risk the wrath of the right by governing responsibly.

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# PART 1 THE GOP CIVIL WAR

Congress is back in session after a month-long break, but the August recess was far from a vacation for members of the GOP. Looming deadlines to pass a government funding bill and raise the debt ceiling, along with the impending rollout of key Affordable Care Act benefits, have created the perfect storm for radical Republicans who see the threat of an economic crisis as an opportunity to undermine health care reform.

Now, the party is divided between those who want to shut down the government to "defund" Obamacare – a strategy backed by influential right-wing groups like Heritage Action for America – and those who would rather repeat the 2011 fight over the debt ceiling to extract concessions from President Obama. While the potential for a completely preventable crisis will put a magnifying glass on GOP infighting, the current rift is just the latest sign of trouble for party leaders, who have struggled for years to overcome divisions on a number of important issues.

# GOP DIVIDED ON WHETHER TO FORCE ECONOMIC CRISIS TO DEFUND OBAMACARE

#### THE GOP'S GIANT OBAMACARE PROBLEM

Reuters: "Republicans See The Coming Weeks As Their Last Chance To Try To Stop Or Weaken The Law." According to Reuters, "As Congress and Obama spar over spending and the debt limit this fall, Obama will also be focused on the rollout of key provisions of the health care law that kick in at the beginning of 2014. Republicans see the coming weeks as their last chance to try to stop or weaken the law." [Reuters, 8/22/13]

The Hill: "Republicans Are Split Over Whether To Use The Upcoming Fight Over The Debt Limit And 2014 Spending Levels To Defund Obamacare." According to The Hill, "Republicans are split over whether to use the upcoming fight over the debt limit and 2014 spending levels to defund ObamaCare. Dozens of House Republicans called on House leaders to pursue that strategy next month, which some say could lead to a government shutdown. House leaders, however, seem to be resisting that strategy. The upcoming battle is reminiscent of 2011, which led Congress to pass the Budget Control Act. That law led to the sequester, and two years later, the two parties are still largely frozen when it comes to sorting out a big compromise on taxes and spending." [The Hill, 8/28/13]

Fight Over Whether To Keep Hammering ObamaCare Becoming A "Central Fault Line In The Party's Simmering Civil War." According to NBC News, "Opposition to Obamacare has united the GOP for the past four years, but now it's threatening to become a central fault line in the party's simmering civil war. While still unified on philosophical grounds against President Barack Obama's signature health care reform law, Republicans are no longer using 'Obamacare' to pummel Democrats so much as each other. The divide exists between Republicans engaged in a crusade to repeal the law at all costs and those resigned to accept a government program three years into its implementation. [...] But a number of Tea Party affiliated conservatives insist the law can be vanquished, even if it means shutting down the government. In Congress, GOP leaders and a growing coterie of rank-and-file members have distanced themselves from a proposal that would threaten to shut down the government this fall unless Obamacare is defunded." [NBC News, 9/4/13]

Boehner Planned To Try To Pass Short-Term Spending Bill At Current Levels, But Conservatives Wanted To Include A Provision Defunding ObamaCare. According to the Wall Street Journal, "On a conference call Thursday evening with GOP lawmakers, Mr. Boehner said it was his 'intent to move quickly' when lawmakers return to Washington in September to pass a short-term spending bill at current levels that keeps the government running for 60 to 75 days, which would last until early or mid-November, according to several lawmakers who were on the call. [...] Mr. Boehner met objections from several conservatives who want the spending bill to include a measure blocking funding for President Barack Obama's signature healthcare law—a conservative demand that many lawmakers have heard at town hall meetings this summer." [Wall Street Journal, 8/22/13]

## RIGHT-WING LAWMAKERS WANT TO SHUT DOWN THE GOVERNMENT TO STOP FUNDING FOR OBAMACARE

Sen. Lee: "This Is The Last Stop Before Obamacare Fully Kicks In...For Us To Refuse To Fund It." According to Politico, "There is growing support among Republicans for a plan to shut down the government to block funding for Obamacare, Sen. Mike Lee said Monday. 'Right now, this is the last stop before Obamacare fully kicks in on Jan. 1 of next year, for us to refuse to fund it,' Lee said on Fox News 'Fox

and Friends.' Lee said he has 13 or 14 senators with him on the issue and added that there is a parallel effort in the House. 'Congress, of course, has to pass a law to continue funding government,' he said. 'Lately, we've been doing that through a funding mechanism called a continuing resolution. If Republicans in both houses simply refuse to vote for any continuing resolution that contains further funding for further enforcement of Obamacare, we can stop it, we can stop the individual mandate from going into effect." [Politico, 7/22/13]

Effort To Defund Obamacare Is Supported By Sens. Ted Cruz And Marco Rubio. According to Reuters, "The push to deny funding for Obamacare has the backing of some prominent Republican senators, including Ted Cruz of Texas and Marco Rubio of Florida." [Reuters, 8/22/13]

• Sen. Cruz Claimed It Would Be Democrats' Fault If The Government Shuts Down Over Obamacare Funding. According to CNN, "But Cruz casts the effort differently: Democrats, he said, would be the ones shutting the government down if they refuse to support a measure that funds all federal programs except Obamacare. 'President Obama, Harry Reid, will scream and holler that the mean, nasty Republicans are threatening to shut down the government. And at that point, Republicans have to do something we haven't done in a long time - stand up and win the argument,' he said. 'We have voted to keep the government open, to fund the government,' Cruz continued. 'Why is President Obama threatening to shut the government down to force Obamacare down the throats of the American people?'" [CNN, 8/25/13]

80 House Republicans Signed Letter Urging Government Shutdown To Prevent Implementation Of The Affordable Care Act. According to the Associated Press, "More than a third of House Republicans urged their leader Thursday to trigger a government shutdown rather than fund the implementation of the health care overhaul they call 'Obamacare.' A letter from 80 Republicans asked Speaker John Boehner, R-Ohio, to resist any spending bills that would accommodate the new health care law, which is nearing a critical stage of signing up millions of Americans for health coverage. Because it's virtually certain that President Barack Obama and the Democratic-controlled Senate would reject such demands, leaders of both parties say the standoff likely would result in a partial shutdown of the federal government, similar to those that occurred in 1995 and 1996. [...] The House letter was authored by Rep. Mark Meadows, R-N.C. It urges Boehner 'to affirmatively de-fund the implementation and enforcement of Obamacare in any relevant appropriations bill,' including 'any continuing appropriations bill.'" [Associated Press, 8/23/13]

#### GOP LEADERS OPPOSE THE EXTREME SHUTDOWN STRATEGY...

"Many" Republicans View The Shutdown Strategy As A "Reckless Move That Is Bound To Fail." According to Reuters, "But many Republicans in both the House and the Senate oppose the shutdown strategy, viewing it as a reckless move that is bound to fail. Many worry the gambit would cause a backlash against their party ahead of the 2014 congressional elections." [Reuters, 8/22/13]

House Speaker Boehner And Leader Cantor Are "Cool To The Shutdown Strategy." According to Reuters, "Those who are cool to the shutdown strategy include Cantor and House Speaker John Boehner. Just before lawmakers headed out on their August recess, Boehner sought to rally Republicans behind an alternative approaches to undermining Obamacare. In a closed-door meeting with House Republicans Boehner said the chamber would 'take targeted, regular votes' throughout the fall aimed at weakening Obamacare." [Reuters, 8/22/13]

House GOP Leaders Proposed "Legislative Gambit" That Would Allow A Vote On Defunding Without Forcing Budget Standoff. According to Politico, "House Republicans are dusting off an old legislative gambit from April 2011 as one way to move ahead this week with a stopgap spending bill for the first months of the new fiscal year beginning Oct. 1. The goal is to give conservatives a vote on defunding health care reform without resulting in a government shutdown. It has worked before, but 'before' is the

operative word. And until Tuesday's Republican Conference, Speaker John Boehner (R-Ohio) and Majority Leader Eric Cantor (R-Va.) won't really know whether this flash from the past can flash again. Most simply, the procedure calls for sending the Senate a stopgap spending bill with a resolution that would alter the text of the bill once it's enrolled for presentation to President Barack Obama. In this case, the so-called enrollment correction would bar funding to carry out Public Law 111-148, Obama's signature health care reforms. But the Democratic-controlled Senate retains the right to choose: accepting the spending resolution with or without the so-called correction." [Politico, 9/9/13]

- Club For Growth President: GOP Proposal "Worse Than Offering A Bill That Deliberately Funds It." According to Politico, "The arrangement allows all sides to express themselves, but it surrenders the shutdown leverage that some conservatives hunger for. And given the uncertain support from House Democrats, Boehner could be forced to go further to the right and commit the bill outright to defunding health care reform. Indeed, the initial reaction Monday from conservative activists on the right was not favorable. 'When members were at home over recess, did they hear their constituents ask for legislative tricks or principled leadership?' asked Chris Chocola, president of the Club for Growth. 'Trying to fool Republicans into voting to fund Obamacare is even worse than offering a bill that deliberately funds it. I hope this proposal is nothing more than a bad joke and is quickly discarded. Republicans should simply do what they say they are for by passing a continuing resolution that doesn't fund Obamacare." [Politico, 9/9/13]
- House Leaders Delayed Vote On Stopgap Spending Bill "Because Of Continued Republican Divisions." According to Politico, "A stopgap spending bill to avert a shutdown at the end of this month was pulled from the House schedule Wednesday because of continued Republican divisions over how far to go to challenge President Barack Obama on healthcare reform. A notice sent out by Majority Whip Kevin McCarthy (R-Calif.) advised members that there will no vote Thursday as had been expected. Leadership aides insisted that they still hope to act next week. But the GOP is clearly struggling with itself over how best to keep the government operating and placate conservatives who want to cut off all funding for implementing Obama's signature reforms." [Politico, 9/11/13]

Sen. McConnell: "Shutting Down The Government Will Not Stop Obamacare." According to The Hill, "Shutting down the federal government will not stop President Obama's healthcare law from taking effect, Senate Minority Leader Mitch McConnell said on Tuesday. The for stopping ObamaCare, but shutting down the government will not stop ObamaCare, McConnell (R-Ky.) told a crowd at a healthcare center in Corbin, Ky., according to a local television reporter who attended the event. Republicans are divided over whether to threaten or force a government shutdown over funding for the healthcare law. Conservatives led by Sen. Mike Lee (R-Utah) are pushing the party to embrace a possible shutdown, but establishment Republicans have sharply criticized the idea." [The Hill, 8/13/13]

• Congressional Research Service: "It Appears That Substantial ACA Implementation Might Continue" In The Event Of A Government Shutdown. According to The Hill, "The CRS report notes that much of the administration's implementation funding comes from the Affordable Care Act (ACA) itself — not from the spending bills some conservatives are threatening to defeat. It appears that substantial ACA implementation might continue during a lapse in annual appropriations that resulted in a temporary government shutdown,' the CRS said." [The Hill, 7/30/13]

Sen. Burr Called Shutdown Threat The "Dumbest Idea I've Ever Heard." According to Roll Call, "Sen. Richard M. Burr on Thursday took aim at conservatives who have threatened to shut down the federal government if the 2010 health care law is not defunded, calling it the 'dumbest idea I've ever heard.' In an audio recording posted by Public Radio International's Washington correspondent Todd Zwillich, the North Carolina Republican was asked by reporters if he was supportive of the efforts led by GOP Sens. Mike Lee of Utah and Marco Rubio of Florida. 'That's the dumbest idea I've ever heard of,' Burr said. 'As long as Barack Obama is president, the Affordable Care Act is going to be the law." [Roll Call, 7/25/13]

Sen. Coburn: Shutdown Strategy Is "A Good Way For Republicans To Lose The House." According to The Hill, "Sen. Tom Coburn (R-Okla.) said Friday that a plan spearheaded by Sen. Mike Lee (R-Utah) — and endorsed by at least a dozen Republican senators — to shut down the government to block funds for ObamaCare would cost the GOP control of the House and could destroy the party. "The strategy that has been laid out is a good way for Republicans to lose the House," Coburn said in an interview with *The Washington Examiner*'s Byron York. 'Lee's answer [to critics] is, 'Give me a different strategy,' Coburn said. 'Well, there isn't one, because we lost the [election]. I'm getting phone calls from Oklahoma saying, 'support Mike Lee,' and I'm ramming right back — support him in destroying the Republican party?"' [The Hill, 7/26/13]

# ...BUT THEY WANT TO HOLD THE DEBT CEILING HOSTAGE INSTEAD

GOP Leadership Is Trying To Shift Momentum Behind Shutdown Threat To Debt Ceiling Battle. According to New York Magazine, "Next, in order to talk ultraconservatives out of their Obamacare shutdown threat, House leaders are promising to hold the debt ceiling hostage instead. ('House Majority Leader Eric Cantor (R., Va.) emphasized the potential for Republicans to use the debt-ceiling talks later this fall to extract concessions from the president,' reports *The Wall Street Journal*.) This is a vastly *more* dangerous threat: A short-term shutdown would have little economic impact, but a debt default could have a potentially catastrophic impact." [New York Magazine, 8/23/13]

Speaker Boehner Predicted "A Whale Of A Fight" Over The Debt Ceiling. According to the New York Times, "Speaker John A. Boehner says he is gearing up for 'a whale of a fight' with President Obama over raising the federal debt ceiling, even though Mr. Obama has repeatedly said he has no plans to negotiate with Congressional Republicans over the nation's debt limit and wants it lifted without a political showdown. At an Idaho fund-raiser on Monday for Representative Mike Simpson, a Republican and a close ally, Mr. Boehner said he planned to use the need to raise the debt ceiling to gain political leverage and demand 'cuts and reforms that are greater than the increase in the debt limit.' "The president doesn't think this is fair, thinks I'm being difficult to deal with,' Mr. Boehner said in his remarks, reported by The Idaho Statesman. 'But I'll say this: It may be unfair, but what I'm trying to do here is to leverage the political process to produce more change than what it would produce if left to its own devices. We're going to have a whale of a fight." [New York Times, 8/27/13]

Rep. Cantor Said The Debt Ceiling Is A "Good Leverage Point" To Weaken Obamacare. According to Reuters, "Republican lawmakers, who staunchly oppose President Barack Obama's signature healthcare law, are considering using a fall showdown over the country's borrowing limit as leverage to try to delay the law's implementation. The idea is gaining traction among Republican leaders in the House of Representatives, aides said on Wednesday. An aide to House Majority Leader Eric Cantor said the debt limit is a 'good leverage point' to try to force some action on the healthcare law known as 'Obamacare.' "There are plenty of discussions ongoing but no decisions at this point,' said another leadership aide. Republicans are weighing the tactic as an alternative to another approach that would involve denying funding for the law and threatening a possible government shutdown." [Reuters, 8/22/13]

• Republicans Could Use The Debt Ceiling To Push For Other Concessions, Including Keystone XL Pipeline. According to the Wall Street Journal, "According to another person on the Boehner call, House Majority Leader Eric Cantor (R., Va.) emphasized the potential for Republicans to use the debt-ceiling talks later this fall to extract concessions from the president. Mr. Cantor said that delaying the health-law requirement that individuals buy health insurance or pay a fine could be something that Republicans could push for in those negotiations as a condition for raising the borrowing limit, according to the person. Republicans are also considering using the debt-limit talks to demand that Mr. Obama approve construction of the Keystone XL pipeline. But Mr. Obama and Senate Democratic leaders have consistently said they won't negotiate over the

debt ceiling, arguing that Congress authorized spending and must allow the Treasury to pay the bills." [Wall Street Journal, 8/22/13]

Rep. Cantor Said Republican Leaders Will Demand One-Year Delay To Obamacare In Exchange For Raising Debt Ceiling. According to National Review Online, "Majority Leader Eric Cantor spent 90 percent of a presentation to House Republicans in the Capitol basement this morning explaining and defending his convoluted plan to force the Senate to vote on defunding Obamacare before eventually allowing the upper chamber to send a 'clean' CR to President Obama. Towards the end, however, he dropped a big piece of news about the House Republican strategy heading into the next fiscal fight — over raising the debt ceiling. To increase the debt ceiling, Cantor said, Republicans will demand a one-year delay to Obamacare. It was the first definitive announcement regarding what, specifically, the House will demand in exchange for raising the debt ceiling, and a big reason that some of the typical conservative hardliners came out of the meeting relatively placid." [National Review Online, 9/10/13]

## EXTREME CONSERVATIVES ARE OUT OF TOUCH WITH MAJORITY OF AMERICANS WHO OPPOSE DEFUNDING OBAMACARE

House Conservatives Have Claimed Public Support For A Government Shutdown Over Obamacare Funding. According to The Hill, "House conservatives say grassroots support is building for their effort to risk a government shutdown to defund ObamaCare. Conservatives who back the strategy said their spines have been stiffened by support at town-hall meetings. I have not heard, 'Don't shut down the government over ObamaCare,' Rep. Marlin Stutzman (R-Ind.) said, referring to meetings with his constituents over the recess. I have heard, 'This law is not ready for primetime, and we need to do anything we can to stop it." Rep. Michael Burgess (R-Texas) has held six events in his north Texas district so far in August and is leaning toward backing the shutdown threat. [...] 'I'm hearing a lot of anger that is right beneath the surface, ready to erupt,' Burgess said. At one town hall, Burgess said support for the defunding threat was 'virtually unanimous' when he asked for a show of hands." [The Hill, 8/16/13]

The Hill: "Defunding And Delaying ObamaCare Is The Least Popular Strategy." According to The Hill, "Defunding and delaying ObamaCare is the least popular strategy for ObamaCare — even less popular than expanding the law — according to a new survey from The Morning Consult website. Some conservative Republicans are threatening a government shutdown unless President Obama agrees to give up on his signature healthcare law. The House has voted roughly 40 times to chip away at the law, most recently to delay its individual mandate. But delay and defunding are the least popular options for ObamaCare, according to the Morning Consult poll released Wednesday. Just 6 percent of registered voters said Congress should delay and defund the law." [The Hill, 9/4/13]

Poll: Clear Majority Of Americans Do Not Approve Of Defunding Strategy. According to The Hill, "Voters do not approve of cutting off funding to implement President Obama's healthcare plan, according to the latest tracking poll from the Kaiser Family Foundation. In Kaiser's latest survey, 57 percent of respondents said they disapprove of defunding the law, compared with 36 percent who approve of the strategy. A group of conservative Republicans is pressing its party leaders to shut down the federal government unless and until Obama agrees to stop implementing his signature legislative achievement." [The Hill, 8/28/13]

Poll Respondents Said Defunding A Law, As Opposed To Repealing It, Is "Not The Way Our Government Should Work." According to The Hill, "Critics of the defunding strategy don't necessarily believe that Congress should quit debating the healthcare law, the poll found. Among those who said they oppose the defunding strategy, just 35 percent agreed with the statement, 'we've heard enough about the health care law and it's time to move on to something else.' Sixty-nine percent said the appropriate way to stop a law is to repeal it and that defunding is 'not the way our government should work,' and 56 percent said

they oppose defunding the law because 'without funding the law will be crippled and won't work as planned." [The Hill, 8/28/13]

# CONSERVATIVE ACTIVISTS AND GROUPS ARE DRIVING THE EXTREME AGENDA

Pew: "GOP Congressional Leaders Face Mounting Disapproval Among Tea Party Republicans." According to the Pew Research Center for the People & the Press, "As lawmakers return for what promises to be a busy fall session, GOP congressional leaders face mounting disapproval among Tea Party Republicans. Just 27% of Republicans and GOP leaners who agree with the Tea Party approve of the job Republican leaders in Congress are doing, compared with 71% who disapprove. The job rating of GOP leaders among Tea Party Republicans has fallen 15 points since February, from 42% to 27%. Disapproval has risen from 54% to 71% over this period." [Pew Research Center for the People & the Press, 9/11/13]

TPM: GOP Leaders Who Don't Want To Risk Shutdown Are "Facing The Wrath Of Conservatives." According to Talking Points Memo, "Just when they seemed to have the situation under control, Republican leaders are facing the wrath of conservatives who are furious that the heads of the party aren't interested in risking a government shutdown over Obamacare this fall. Conservative anxieties over the Affordable Care Act are reaching a boil as the law's major provisions are set to take effect in the coming months. And an allout grassroots mobilization during the month-long August recess by wealthy right-leaning groups like FreedomWorks and Heritage Action appears to be having an impact. Republican lawmakers have said their constituents are demanding they refuse to vote to keep the federal government open after money expires on Sept. 30 unless President Obama's signature law is defunded." [Talking Points Memo, 8/16/13]

Even Republicans Who Oppose Shutdown Say Conservative Constituents Have Pressured Them To Support It. According to The Hill, "Republicans opposed to the effort believe President Obama and Senate Democrats will never agree to a bill that funds the government, but not the healthcare law. They warn their party would walk into a trap by adopting the strategy, and that Republicans will be blamed for a shutdown. But even some of these Republicans acknowledge their constituents are telling them to go all out in defunding ObamaCare. T'm getting quite a bit about having a shutdown over ObamaCare. I disagree with that,' said Rep. Tom Cole (R-Okla), who described his town halls as 'challenging." [The Hill, 8/16/13]

# CONSERVATIVES CONFRONTED GOP OVER OBAMACARE AT AUGUST TOWN HALLS

Over August Recess, Heritage Action And Other Conservative Groups Have Targeted Fellow Republicans. According to NBC, "And over the August recess, conservative groups have not focused their vituperation toward Democrats, or even Obama. Rather, Heritage Action — the political arm of the Heritage Foundation, now run by former Sen. Jim DeMint, R-S.C., — has traveled the country targeting fellow Republicans as apostates for refusing to sign onto the hard-line strategy. And the Senate Conservative Fund and Club for Growth have turned up the heat on key Senate Republicans for not joining with the conservatives' strategy." [NBC News, 9/4/13]

Town Hall Attendees Chastised GOP Rep. Pittenger For Saying He Wouldn't Shut Down The Government To Defund ObamaCare. According to The Maddow Blog, "In this clip, we see Rep. Robert Pittenger (R-N.C.) pressed by a constituent at a town-hall meeting on whether the congressman will go along with the far-right scheme to shut down the government in the hopes of defunding the Affordable Care Act. 'Do you want the thoughtful answer?' Pittenger asked. The voter replied, 'I want yes or no.' The answer, of course, was 'no.' The North Carolina Republican considers himself a fierce opponent of 'Obamacare,' but nevertheless sees the shutdown threat as unrealistic. Indeed, Pittenger tried to explain why the tactic would

fail in light of the Democratic White House and Democratic majority in the Senate, but the angry activists didn't care. It doesn't matter,' one voter is heard saying. We need to show the American people we stand for conservative values,' said another. The clip was posted to a Tea Party website called 'Constitutional War.'" [Maddow Blog, 8/7/13]

"Kill It": Rep. Schock's Constituents Cheered Prospect Of Shutting Down The Government To Defund Obamacare. According to the New Republic, "In one, which you can see in the clip below, a constituent asks Republican Congressman Aaron Schock of Illinois whether he is willing 'to vote against any funding bill that includes funding for Obamacare.' The question draws strong applause from the audience. Schock says he shares the frustration with Obamacare, calling it 'an extremely flawed bill' and supporting repeal. But shutting down the government, Schock goes on to explain, would be an extreme step—one that would have harsh consequences for average Americans. 'If you're going to take a hostage,' Schock says, 'you gotta be willing to shoot it.' Another attendee quickly quipped, 'kill it."' [New Republic, 8/7/13]

Town Hall Audience Booed Rep. Cole For Not Promising To Shut Down The Government Over ObamaCare. According to BuzzFeed, "Oklahoma Rep. Tom Cole, a Republican deputy majority whip, was confronted at a town hall Tuesday for his decision to not support a vote that aimed to shut down the federal government unless ObamaCare is defunded. Cole spoke with constituents for three hours at Moore Public Library in Moore, Oklahoma. I was a little concerned to find out you were not in support of making the continuing resolution contingent on removing what optional spending you can remove on ObamaCare. I feel very strongly, I think others do,' the constituent questioning Cole said to applause from the audience. 'This is not theatrical for me because two weeks today my husband and I paid, in cash, for our son to have major surgery, for our procedure. But you know what? That's a price I paid for the liberty of my children.' 'Even if you do not believe in your heart, number one, that it will pass, or number two, it's appropriate. You need to represent us,' the questioner added. Cole said he 'absolutely' wanted to defund ObamaCare, adding he 'voted 40 times to repeal it,' but said the consequences of a government shutdown strategy would be disastrous to audible boos." [BuzzFeed, 8/8/13]

"I Want To See More Defiance": Rep. Harris' Constituents Confronted Him At Town Hall. According to Mediaite, "If one Maryland town hall is any indication, Republican voters are not happy with how little Republican politicians are doing to reign in the government. Greta Van Susteren took viewers to a town hall where Congressman Andy Harris was confronted by constituents angry about NSA surveillance, the Obama administration, and Republicans not doing enough for them. [...] Maryland resident Ed Hunter confronted Hunter directly, telling him John Boehner needs to start 'defying' Obama and threatening him with impeachment if he doesn't 'start obeying the laws!' Hunter continued, 'Listen, we're dying out here because you guys are being nice guys!', adding, 'We're losing the country! I want to see more defiance!"'
[Mediaite, 8/8/13]

Rep. Terry Waffled As Conservative Constituents Applauded Prospect Of Shutting Down Government Over ObamaCare. According to the Omaha World-Herald, "Republican Lee Terry got the push-pull treatment Thursday as people on both ends of the political spectrum urged the Omaha congressman to either embrace or ratchet up his opposition to the new federal health care law. Conservatives urged Terry to back a high-stakes proposal to shut down the federal government unless funding for the Affordable Care Act is stripped. [...] One of the top issues in the room — and one of the most divisive — was a push by conservatives in Washington to bring the federal government to a halt next month unless funding is choked off for the health care law. One man at the town hall meeting got a huge round of applause when he told Terry he saw no 'problem' with shutting down the federal government. For his part, Terry was clearly lukewarm to the idea. However, he left open the possibility he could support such a hardball measure, if it could be effectively used to repeal the law. I don't want it to happen, but we've got to make a statement,' Terry said. However, despite his refusal to shut the door on a federal shutdown, Terry spent far more time talking about why such a shutdown should be avoided. He noted that if the federal government is closed, the

nation's military personnel may not get paid. 'My first goal is to keep the government open,' Terry said. 'There are real consequences' to a shutdown." [Omaha World-Herald, <u>8/23/13</u>]

#### HERITAGE ACTION FOR AMERICA

Heritage Action for America is the <u>advocacy arm</u> of the Heritage Foundation.



Heritage Action For America CEO Signed Letter Calling On Reps. Boehner And Cantor To Include Obamacare Defunding Language In Continuing Resolution. According to the letter, signed by Heritage Action CEO Michael Needham, "We the undersigned organizations and individuals urge House Republicans to include language fully defunding Obamacare when they consider their upcoming legislation to fund the government for Fiscal Year 2014. [...] The best and last chance for House Republicans to stand up and thwart this law before its new entitlements kick in is during the upcoming funding debate, and the House should live up to the moment and pass a bill funding the government but denying any funding for Obamacare." [Heritage Action, 7/29/13]

Heritage Action Behind Multi-City "Defund Obamacare Townhall Tour." According to Politico, "A last-ditch effort to derail Obamacare started in a barn here Monday night — because it's not going to start in Washington, advocates told a packed crowd at the opening night of Heritage Action's August defunding tour. Heritage Action, trying to fuel an effort to defund the president's health care law on the cusp of its launch, offered a bleak assessment of a Republican Party that's held 40 anti-Obamacare votes: They don't have the

guts to do everything necessary to stop the law, and that's where the Heritage faithful step in." [Politico, 8/20/13]

Heritage Action Spending \$550,000 On Online Ad Campaign Calling On Republicans To Defund Obamacare. According to Bloomberg, "Heritage Action for America yesterday announced a \$550,000 online ad campaign, that will run in 100 Republican-controlled districts, urging lawmakers to support efforts to stop funding for the health-care law. Those lawmakers are among the House Republicans who haven't signed a letter circulated by Representative Mark Meadows of North Carolina that urges the leadership to take steps to curb funding for the law." [Bloomberg, 8/20/13]

Ted Cruz In Heritage Action Video: "Heritage Action Is Doing Incredible Work Getting The Grassroots Engaged To Stop Obamacare." According to a video produced by Heritage Action, Sen. Ted Cruz says, "I just came from one of the first stops on the Heritage Action Defund Tour. Nothing is more important in the fight to defund Obamacare than to mobilize and energize the grassroots. Heritage Action is doing incredible work getting the grassroots engaged stop Obamacare. [...] The only way we win this fight is if the grassroots rise up and hold our elected officials accountable, every one of them, including me, and Heritage Action, through their defund tour, is doing exactly that." [YouTube, 8/23/13]

**Ted Cruz Headlined Anti-Obamacare Heritage Event In Texas.** According to Politico, "The Heritage tour ventures on through the end of August, hitting Tampa, Pittsburgh and Columbus, Ohio, among other cities. It stops in Dallas on Tuesday, where Cruz is the headlining act — underscoring the presidential subtext surrounding the far right's defunding push." [Politico, 8/20/13]

Jim DeMint: Defund Effort "The Last, Best Chance To Stop This Bill." According to Politico, "For the diehard Obamacare foes, time's running out. The defunding battle is the tea party's last major offensive on Obamacare before it takes effect this fall. People can start signing up for coverage in October, with benefits kicking in Jan 1. "This may be the last, best chance to stop this bill," said DeMint, who appeared with Heritage Action CEO Michael Needham and Sen. Ted Cruz's father, Rafael." [Politico, 8/20/13]

- Jim DeMint In 2009: Health Care Reform Obama's "Waterloo." According to Politico, "I can almost guarantee you this thing won't pass before August, and if we can hold it back until we go home for a month's break in August," members of Congress will hear from 'outraged' constituents, South Carolina Senator Jim DeMint said on the call, which was organized by the group Conservatives for Patients Rights. 'Senators and Congressmen will come back in September afraid to vote against the American people,' DeMint predicted, adding that 'this health care issue Is D-Day for freedom in America.' 'If we're able to stop Obama on this it will be his Waterloo. It will break him,' he said." [Politico, 6/17/09]
- **DeMint Previously Supported Romneycare In Massachusetts.** According to CNN, "The South Carolinian cited the 'innovative' Massachusetts health care plan when he endorsed Romney's 2008 presidential bid, saying the plan leveraged 'good conservative ideas' like bringing private insurance companies into the process. DeMint told CNN over the weekend at the Republican Leadership Conference in New Orleans that he supported Romney's campaign in 2008 because he admired the then-governor's attempt to fix the broken health care system." [CNN, 6/20/11]

Jim DeMint: Risk Of Government Shutdown Less Severe Than Risk Of Implementing Obamacare, Republicans Who Don't Back Defund "Need To Be Replaced." According to Roll Call, "DeMint dismissed the potential for a government shutdown if Obama didn't sign on to undoing his signature health care law. 'The risk of that is so much less than the risk to our country, if we implement Obamacare. And so, I'm not as interested in the political futures of folks who think they might lose a showdown with the president.' DeMint told NPR that he thinks Obama thinks Republicans are afraid of a showdown. 'And if they are, they need to be replaced,' he said." [Roll Call, 8/20/13]

• Heritage Foundation's Hans Von Spakovsky: 95/96 Government Shutdown Didn't Hurt Republicans. According to the Heritage Foundation's Hans von Spakovsky, "In the 1996 elections – the first election following the shutdown – Republicans suffered a net loss of only eight seats in the House. This was hardly the kind of backlash one might expect to occur after the GOP had been blamed for the shutdown and during a presidential election year where a Democrat was reelected to a second term in the White House. Indeed, it was the first time in nearly 70 years that Republicans carried a House majority over into the next Congress prior to 2012. On the Senate side, Republicans gained two seats. A political Armageddon it was not. When the electoral dust cleared, Republicans had kept their majority in the House and strengthened their Senate majority. More importantly, by sticking to their principles, conservatives managed to win a balanced budget agreement and a reformed welfare system from a most reluctant White House." [Heritage Foundation, 8/15/13]

Heritage Foundation Uses Gun Imagery In #StopObamacare Campaign. The following picture was posted to the Heritage Foundation's Instagram page:



[Heritage Foundation Instagram, 8/18/13]

Heritage Foundation Former President On Passage Of Health Care Law: "That Acts We Have Just Witnessed Are Today's Intolerable Acts." According to a video produced by the Heritage Foundation, Ed Feulner says, "My fellow American patriots, what has happened today is intolerable. [...] Motivated by ideology and full of political corruption, it was rammed through Congress at the last moment in disregard for the rule of law. [...] The acts we have just witnessed are today's Intolerable Acts. I am here to tell our supporters, the conservative movement, and the American people, that the Heritage Foundation will do all within its power to recommend, to make the intellectual case, for the repeal of these intolerable acts." [Heritage Foundation, 3/21/10]

- Individual Mandate Idea Believed To Have Originated At Heritage. According to Fox News, "The controversial individual mandate that was upheld Thursday by the U.S. Supreme Court stems back more than 20 years, believed to have originated with a prominent conservative think tank. The mandate, requiring every American to purchase health insurance, appeared in a 1989 published proposal by Stuart M. Butler of the conservative Heritage Foundation called 'Assuring Affordable Health Care for All Americans,' which included a provision to 'mandate all households to obtain adequate insurance.' The Heritage Foundation 'substantially revised' its proposal four years later, according to a 1994 analysis by the Congressional Budget Office. But the idea of an individual health insurance mandate later appeared in two bills introduced by Republican lawmakers in 1993, according to the non-partisan research group ProCon.org. Among the supporters of the bills were senators Orrin Hatch, R-Utah, and Charles Grassley, R-Iowa, who today oppose the mandate under current law." [Fox News, 6/28/12]
- Washington Post: The "Heritage Approach" Of "Subsidizing The Purchase Of Private Health Plans" Became The "Natural Republican Alternative" To President Clinton's Proposal. According to the Washington Post, "Heath policy analysts at the conservative Heritage Foundation, led by Stuart Butler, picked up the idea and began developing it for lawmakers in Congress. By 1993, when President Bill Clinton was readying his major health-care overhaul bill, the Heritage approach subsidizing and facilitating the purchase of private health plans, while using the individual mandate to maximize participation had gelled as the natural Republican alternative." [Washington Post, 3/26/12]

#### Heritage Action's Efforts Are Sowing GOP Divisions

GOP Aides Believed Heritage's Campaign To Threaten A Government Shutdown Unless Obamacare Is Defunded Is "Likely To Backfire." According to the Washington Post, "Still, the campaign to threaten a government shutdown Oct. 1, unless Obama agrees to strip funding from his signature health law, marks a dramatic departure from what former employees call 'the old Heritage.' Until recently, those staffers said, the think tank was reluctant to even place scolding editorials in local newspapers. Now, representatives of the advocacy arm are traveling the country in an attempt to pressure lawmakers to vote against funding the government in the new fiscal year unless the bill also halts spending for Obamacare. Top GOP aides believe the proposal has little chance of success and is likely to backfire." [Washington Post, 9/4/13]

GOP Strategist And Former Communications Director Of NRSC Stated That Heritage Approach Was Encouraging "Fratricide" Among Republicans. According to the Washington Post, "GOP strategist Brian J. Walsh, a former communications director for the National Republican Senatorial Committee, said the Heritage approach is encouraging 'fratricide' within the party. 'There are a number of people who are frustrated, because what may be good for Heritage Action's fundraising or growing its mailing list is not necessarily good for the Republican Party heading into 2014,' he said." [Washington Post, 9/4/13]

• Republican Sen. Tom Coburn Has Accused Heritage Action Of Destroying The GOP With Focus On ObamaCare Defunding. According to the Washington Post, "I pay no attention to Heritage Action,' said Sen. Tom Coburn (R-Okla.), who has accused the group of 'destroying the Republican Party' with its push to strip funding for Obamacare. 'They've become a purely partisan group that never asks anybody's opinion." [Washington Post, 9/4/13]

More Than "Half A Dozen" Heritage Scholars Left Because Of Group's "Shift Toward Political Activism." According to the Washington Post, "The shift toward political activism has dismayed some longtime Heritage scholars; more than half a dozen have left in recent months. But Heritage officials say the

mission of the think tank has not changed and note that it has a long track record of disagreement with Republican leaders." [Washington Post, 9/4/13]

Former Heritage Staffer: Heritage Action Took Over "The Entire Foundation." According to the Washington Post, "Another former staffer who left for Capitol Hill said, 'Heritage Action was sold to us as a small group that would give fire to the organization. Now, it's taken over the entire foundation." [Washington Post, 9/4/13]

After "Noisy Disputes" Over Legislation, The Republican Study Committee Banned Heritage Foundation Representatives From Weekly Strategy Meetings. According to the Washington Post, "The Republican Study Committee, a group of the most conservative House members, recently barred Heritage analysts from its weekly strategy meetings, where they had played a central role for years, according to multiple people familiar with the episode. The move came after noisy disputes over a farm bill and other legislation, which left many lawmakers feeling blindsided by Heritage's positions." [Washington Post, 9/4/13]

### In The Past, GOP Leaders Have Used Heritage Events To Attack President Obama And Promote Right-Wing Policies

After 2010 Election, McConnell Told Heritage Foundation That Republicans Would Vote "Repeatedly" To Repeal Obamacare And Attempt To Defund It. According to NBC News, "Two days after Republicans scored big victories in congressional elections, Senate Minority Leader Mitch McConnell on Thursday offered an aggressive assessment of the results, calling for votes to erode the reach of the health care law that was a signature of the Obama administration. "That means that we can — and should — propose and vote on straight repeal, repeatedly," McConnell said. McConnell's remarks, in a speech delivered to the conservative Heritage Foundation, acknowledged that Obama would veto such legislation, which probably would be blocked by the president's fellow Democrats in the Senate anyway. He said the only way Republicans in Congress can achieve their goals is 'to put someone in the White House who won't veto' a repeal of Obama's health care reform, spending cuts and shrinking the government. More realistically, McConnell said Republicans, who will hold a majority in next year's House of Representatives, should aim to hobble the healthcare law by 'denying funds for implementation' of the measure. Annual spending bills for agencies, including ones that implement the healthcare law, are normally written first in the House." [NBC News, 11/4/10]

Rep. Cantor Told Heritage That GOP Would Promote "Cut And Grow" Agenda And "Repeal The Health Care Bill Because It Threatens To Bankrupt Our Country." According to remarks by Rep. Eric Cantor (R-VA) at the Heritage Foundation, "In short time, it is my hope that this Congress under a Republican Majority will become known as the Cut and Grow Congress. Cut spending and job-impeding regulation and grow private-sector jobs and the economy. [...] We have moved to repeal the health care bill because it threatens to bankrupt our country and serves as an impediment to job creation. We have already instructed our committees to start work on a replacement and that starts with patient-centered care with an emphasis on lowering cost and affording more flexibility and choice for all Americans." [Cantor Remarks, MajorityLeader.gov, 1/26/11]

Rep. Cantor Told Heritage Foundation That "Naïve" President Obama "Apologize[d] On Behalf of America." According to Politico, "The second-ranking House Republican on Tuesday morning blasted the Obama administration for a 'naïve' foreign policy that presumes the United States is responsible for problems around the world. [...] Cantor spoke before a sympathetic audience – a gathering of guests sponsored by the conservative Heritage Foundation. [...] It was thus a fitting start to President Obama's term last year when he traveled to the Arab world to apologize on behalf of America. He vowed to reinstate the 'same respect and partnership that America had with the Muslim world as recently as 20 or 30 years ago," Cantor said. 'But

what does America have to be sorry for? We are the nation that has always represented the highest aspirations of the human spirit." [Politico,  $\frac{5/4/10}{1}$ ]

In 2011, Rep. Paul Ryan Told Heritage Foundation Audience That President Obama Was "Sowing Social Unrest And Class Resentment" With "Intellectually Lazy Arguments." According to Politico, "House Budget Committee chairman Paul Ryan (R-Wis.) took direct aim at President Barack Obama in a speech Wednesday morning, accusing him of 'preying on the emotions of fear, envy and resentment' as he travels the country to sell his jobs plan. In a speech at the Heritage Foundation, Ryan said Obama's method of rallying public support for his \$447 billion jobs package was 'sowing social unrest and class resentment' and could be 'just as damaging as his misguided policies.' 'Instead of working together where we agree, the president has opted for divisive rhetoric and the broken politics of the past,' Ryan said. 'He is going from town to town, impugning the motives of Republicans, setting up straw men and scapegoats, and engaging in intellectually lazy arguments, as he tries to build support for punitive tax hikes on job creators.' Ryan accused Obama of using 'class-based rhetoric' in his re-election campaign. Obama's tactics, he said, make 'America weaker, not stronger." [Politico, 10/26/11]

• Ryan: "I Can't Think Of A Better Venue" Than Heritage To Talk About "The American Idea." According to remarks by Rep. Paul Ryan (R-WI) at the Heritage Foundation, "We're here today to explore the American Idea, and I can't think of a better venue for this topic. The mission of the Heritage Foundation is to promote the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense. These are the principles that define the American Idea. And this mission has never been timelier, because these principles are very much under threat from policies here in Washington." [Ryan Remarks To The Heritage Foundation, Budget.House.gov, 10/26/11]

#### **CLUB FOR GROWTH**

Club For Growth Part Of Defund Obamacare Push. According to the Washington Post, "On another front, a coalition of groups including the Tea Party Patriots, ForAmerica, the Club for Growth and Heritage Action is launching a new campaign demanding members of Congress defund the Affordable Care Act. "This is going to be health-care August again,' said Matt Kibbe, president of FreedomWorks, one of the groups that helped mobilize the protests four years ago. This time, the organization is recruiting young people to burn 'Obamacare cards' to symbolize their antipathy for the law. (No such cards exist, but the organization has fashioned mock certificates that can be downloaded from its Web site and then destroyed.)" [Washington Post, 8/4/13]

Club For Growth President Signed Letter Calling On Reps. Boehner And Cantor To Include Obamacare Defunding Language In Continuing Resolution. According to the letter, signed by Club for Growth President Chris Chocola, "We the undersigned organizations and individuals urge House Republicans to include language fully defunding Obamacare when they consider their upcoming legislation to fund the government for Fiscal Year 2014. [...] The best and last chance for House Republicans to stand up and thwart this law before its new entitlements kick in is during the upcoming funding debate, and the House should live up to the moment and pass a bill funding the government but denying any funding for Obamacare." [Heritage Action, 7/29/13]

Club For Growth Threatened To Score Continuing Resolution Against Lawmakers Voting For It Unless It Defunded Obamacare. According to The Hill, "The conservative Club for Growth is pushing lawmakers to oppose upcoming spending bills that do not defund President Obama's healthcare law. On Friday, the group threatened to score against the vote for the next continuing resolution (CR) unless the bill makes dramatic cuts to the law's implementation." [The Hill, 3/1/13]

• Club For Growth Supported Government Shutdown Before Previous Debt Ceiling Deadline. According to ABC News, "The Club for Growth, which supports lower taxes and limited government, opposed to the recent fiscal cliff deal. And as Congress quickly approaches another deadline to raise the debt ceiling, Chocola says its members should stand ready to allow the government to shut down if they can't reach a satisfactory deal. "The pain of a temporary shutdown the next few months pales in comparison to the pain of financial disaster of turning into Greece," Chocola says. "We are on the road to Greece, there's no question about that." Chocola says he's not concerned about the country defaulting on its debt if Congress fails to raise the debt ceiling. He says there would be enough revenue to cover the interest, and it would force Congress to cut back on spending." [ABC News, 1/11/13]

Club For Growth President: Repealing Health Care Reform "The Most Important Conservative Economic Policy Goal Since The Reagan Tax Cuts." According to an op-ed written by Club for Growth president Chris Chocola, "If and when Obamacare becomes law, repealing it will immediately become the most important conservative economic policy goal since the Reagan tax cuts. The tax increases, individual mandate, premium hikes, new government agencies and powers and the stealth scaffolding for a single-payer system tucked into the House and Senate bills represent an existential threat to American prosperity. [...] Pledging to repeal Obamacare — even now, before it becomes law — will immediately change the dynamics of the debate and send a clear and important message from an energized and reform-minded GOP to the Democrats and the American people: This fight is not over." [Politico, 1/14/10]

#### **FREEDOMWORKS**

FreedomWorks President Signed Letter Calling On Reps. Boehner And Cantor To Include Defund Language In Continuing Resolution. According to the letter, signed by FreedomWorks President and CEO Matt Kibbe, "We the undersigned organizations and individuals urge House Republicans to include language fully defunding Obamacare when they consider their upcoming legislation to fund the government for Fiscal Year 2014. [...] The best and last chance for House Republicans to stand up and thwart this law before its new entitlements kick in is during the upcoming funding debate, and the House should live up to the moment and pass a bill funding the government but denying any funding for Obamacare." [FreedomWorks, 7/29/13]

FreedomWorks Looking To Fundraise \$200,000 For Defund Campaign. According to FreedomWorks' website, the group is using the "Defund Obamacare" campaign to raise \$200,000. [FreedomWorks, accessed 8/27/13]

FreedomWorks: Signing Defund Letter Will Be Scored In Congressional Scorecard. According to a letter from FreedomWorks president and CEO Matt Kibbe, "I urge you to call your Members of Congress and ask them to sign the Meadows letter (in the House) or the Lee letter (in the Senate) to commit to defunding ObamaCare. We will count their signature as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2013. The Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes members who consistently vote to support economic freedom." [FreedomWorks, 7/29/13]

• FreedomWorks Targeted Sen. Cornyn For Withdrawing His Name From Defund Letter. According to FreedomWorks, "A number of Senators have joined Mike Lee's efforts to defund ObamaCare. Now, some are getting cold feet. Senator John Cornyn – one of the original supporters – has bowed to the Republican Establishment and no longer wishes to help Senator Lee. Why is Senator Cornyn withdrawing his support for Mike Lee? The people need an answer. Send a message to Sen. Cornyn now and demand an answer. Does he stand with Senator Lee and the American people or is he with Obama?" [FreedomWorks, accessed 8/27/13, emphasis in original]

FreedomWorks Criticized "Deceitful Fear Mongering" About Consequences Of A Government Shutdown. According to FreedomWorks, "There has been deceitful fear mongering surrounding military pay and a potential government shutdown. A so-called government shutdown would not affect the employment or pay of military personnel. The House Committee on Armed Services has clearly stated that 'in any shutdown plan, all military personnel would be deemed exempt and would not be subject to furlough.' Military pay is not dependent on the passage of a CR." [FreedomWorks, 8/19/13]

FreedomWorks Behind "Burn Your Obamacare Card" Campaign. According to the Washington Post, "Dean Clancy wants you to burn your Obamacare draft card. That there's no such thing as an Obamacare draft card is, at best, only a small problem. [...] Grimes was among a half dozen conservative college activists, visiting Washington in late July for a Young Americans for Liberty convention, that FreedomWorks taped burning the mock draft cards. The footage will become an instructional video for other college activists who FreedomWorks hopes will participate." [Washington Post, 8/1/13]

#### FORAMERICA & TEA PARTY PATRIOTS

ForAmerica Chairman And Tea Party Patriots Co-Founder Signed Letter Calling On Reps. Boehner And Cantor To Include Defund Language In Continuing Resolution. According to the letter, signed by ForAmerica Chairman Brent Bozell and Tea Party patriots Co-Founder Jenny Beth Martin, "We the undersigned organizations and individuals urge House Republicans to include language fully defunding Obamacare when they consider their upcoming legislation to fund the government for Fiscal Year 2014. [...] The best and last chance for House Republicans to stand up and thwart this law before its new entitlements kick in is during the upcoming funding debate, and the House should live up to the moment and pass a bill funding the government but denying any funding for Obamacare." [Heritage Action, 7/29/13]

ForAmerica And Tea Party Patriots Launching Online Ads And Multi-City "Exempt America" Tour. According to the Washington Post, "Tea Party Patriots and the grassroots group For America are launching online ads against a dozen GOP senators who either oppose the effort or haven't announced a position. Along with the ads, leaders of the groups will embark on a six-state, five-day 'Exempt America' tour (the idea being that the American people should be exempt from Obamacare) that will bring them to the home states of several of these senators." [Washington Post, 8/19/13]

ForAmerica And Tea Party Patriots Planned To Attack GOP Senators For Not Backing Defund. According to the Washington Post, "The first wave of ads will target six Republicans who have expressed skepticism about the Defund Obamacare effort: Senate Minority Whip John Cornyn (Tex.) and Sens. Lindsey O. Graham (R-S.C.), Mark Kirk (Ill.), Kelly Ayotte (N.H.), Tom Coburn (Okla) and Richard Burr (N.C.). [...] The second wave of ads will target six Senate Republicans who haven't made their positions clear, calling on them to exercise leadership on the issue. The six are Sens. Lamar Alexander (Tenn.), Jeff Sessions (Ala.), Tim Scott (S.C.), Thad Cochran (Miss.), Pat Roberts (Kan.) and Patrick J. Toomey (Pa.)." [Washington Post, 8/19/2013]

ForAmerica Called Mitch McConnell A "Chicken" For Not Getting Behind Defund Movement. According to video produced by ForAmerica, "[NARRATOR:] The chicken, or *Gallus gallus domesticus*, is common domestic fowl. In American slang, the chicken represents a coward. The chicken is also representative of a new breed of Republicans in Washington. They tend to say one thing. [SEN. MITCH MCCONELL:] 'Obamacare should be repealed, root and branch.' [NARRATOR:] But when confronted with an opportunity to act, they often run. Far away. Without a sense of direction. Take Senate Minority Leader Mitch McConnell. On the issue of Obamacare, he says: [MCCONNELL:] 'This law is a disaster. And I want you to know we're not backing down from this fight.' [NARRATOR:] But when he has the chance to defund Obamacare, some say he is chickening out. Senator McConnell, conservatives don't need a chicken when it comes to Obamacare. Leaders lead. But if you fund it, you own it." [YouTube, 7/31/13]

ForAmerica And Tea Party Patriots: "If You Fund It, You Are For It." According to a letter ForAmerica and Tea Party Patriots sent to GOP senators, "As principled conservatives, we applaud all whose efforts reflect core, conservative values. For the same reason, we are unable to support any elected official who votes in favor of continued funding for something as antithetical to those core values as Obamacare. This is the most critical issue of our time and we have a responsibility to educate all Americans as to the facts of this matter. The facts are plain: If you fund it, you are for it. There is only one remaining course of action and the time for action is now. We strongly urge you to join with Sen. Lee by pledging to oppose continued funding of Obamacare." [ForAmerica, 7/29/13]

ForAmerica Chairman Brent Bozell: Chief Justice Roberts "A Traitor To His Philosophy" For Not Overturning Obamacare. According to the Daily Caller, "Conservative leader and chairman of ForAmerica, Brent Bozell had harsh words for Supreme Court Chief Justice John Roberts after Thursday's ruling on ObamaCare. 'His reputation is forever stained in the eyes of conservatives, and there will be no rehabilitating of it,' Bozell said. 'He will be seen as a traitor to his philosophy.' 'If the swing vote had been Kennedy, conservatives would have been disappointed, but not surprised,' Bozell added. 'But the fact that it was Roberts, I think, was shocking.'" [Daily Caller, 6/25/12]

• Bozell: Barack Obama Looks Like A "Skinny, Ghetto Crackhead." According to Talking Points Memo, "Brent Bozell, of the conservative Media Research Center, appeared on Fox Thursday night, where guest host Mark Steyn showed a clip of MSNBC's Chris Matthews saying that Newt Gingrich 'looks like a car bomber.' Steyn said that aside from anything else, Newt doesn't even look like a car bomber, but a 'big, cuddly, slightly older Winnie the Pooh.' 'How long do you think Sean Hannity's show would last if four times in one sentence, he made a comment about, say, the President of the United States, and said that he looked like a skinny, ghetto crackhead?' Bozell wondered. 'Which, by the way, you might want to say that Barack Obama does.'" [Talking Points Memo, 12/23/11]

Heads Of Tea Party Patriots And ForAmerica: "Scores Of Hypocritical Republicans" In Washington "With No Intention Of Living Up To Their Promises." According to an op-ed written by ForAmerica chairman Brent Bozell and Tea Party Patriots co-founder Jenny Beth Martin, "Every congressional Republican either voted against ObamaCare at the time of its passage or has since voted for its repeal. But those votes were symbolic, with no chance of success. When given the chance to take real action with consequential legislation, they run. Sadly, there are scores of hypocritical Republicans who have just been giving lip service to voters at home with no intention of living up to their promises in Washington. How can they tell their constituents that they are opposed to ObamaCare and then vote to have those same constituents pay for it?" [Jenny Beth Martin and Brent Bozell Op-Ed, USA Today, 8/26/13]

Tea Party Patriots Leader: Threat Of Government Shutdown "Last, Best Hope" Of Stopping Obamacare. According to the Hill, "A leading Tea Party group pressed Republican senators on Monday to vote against bills to keep the government open if they do not also defund ObamaCare. Tea Party Patriots National Coordinator Jenny Beth Martin said the threat of shutting down the government is the 'last, best hope' of stopping the law from being implemented. There is no time for another meaningless vote to repeal this monstrosity,' Tea Party Patriots wrote in a letter to GOP senators. There is no time for more empty words on replacing it." [The Hill, 7/29/13]

#### SENATE CONSERVATIVES FUND

Senate Conservatives Fund Targeting GOP Senators For Pledging To Defund Obamacare. According to The Hill, "The Senate Conservatives Fund is hitting Sen. Lamar Alexander (R-Tenn.) for failing to sign on to an effort led by conservatives to defund ObamaCare with a new radio ad. It's the group's third radio ad

hitting incumbent senators over the issue. SCF on Tuesday launched ads targeting Sens. Lindsey Graham (R-S.C.) and Richard Burr (R-N.C.) for their opposition to a threatened government shutdown over defunding ObamaCare." [The Hill, 8/21/13]

• Senate Conservatives Fund Founded By Jim DeMint. According to Politico, "Sen. Jim DeMint is cutting formal ties to his wildly successful small-donor fundraising machine, the Senate Conservatives Fund, so that it can form a super PAC, POLITICO has learned. The super PAC will be able to raise and spend without limits, letting the South Carolina Republican's operatives make runs at the kind of mega donors who have redefined the 2012 fundraising season. Since 2009, DeMint has raised more than \$17 million to promote promising candidates in an effort to remake the Senate not just in a Republican image — but in a die-hard conservative one." [Politico, 7/12/12]

Senate Conservatives Fund Spending \$340,000 On TV Ads Attacking McConnell Over ObamaCare, Following \$47,000 In Similar Radio Ads. According to the National Journal, "A leading tea-party group, the Senate Conservatives Fund, has booked a \$340,000 television-ad buy in Kentucky attacking Senate Minority Leader Mitch McConnell for his failure to join the movement to defund Obamacare. 'McConnell's the Senate Republican leader, but he refuses to lead on defunding Obamacare,' says the ad, a copy of which was shared with *National Journal*. 'What good is a leader like that?' The ad is set to air from Sept. 6 through Sept. 17, according to the group. [...] This is not the group's first anti-McConnell ad but the first one on television. At the end of August, the Senate Conservatives Fund paid \$47,000 for a two-week radio buy urging McConnell to join the defund Obamacare movement." [National Journal, 9/5/13]

• Senate Conservatives Fund: "Mitch McConnell Refuses To Stop Funding For This Liberal Train Wreck." According to an ad from the Senate Conservative Fund, "Republicans in Congress can stop Obamacare by refusing to fund it, but Senator Mitch McConnell refuses to lead the fight. Mitch McConnell voted to give President Obama money to implement Obamacare earlier this year, and he'll do it again if you don't make your voice heard today. Obamacare is unaffordable, unworkable and it's unfair. It will hurt Kentucky families. Many could lose their doctors and others may be forced to pay higher premiums. Obamacare is a job killer, yet Mitch McConnell refuses to stop funding for this liberal train wreck. Please visit Don'tFundObamacare.com and sign the online petition urging Mitch McConnell to oppose all funding for Obamacare. The Obamacare bill stinks, and holding your nose won't make it any better. Don'tFundObamacare.com. It's time for Mitch McConnell to stand up to President Obama and the liberals in Washington. Send Mitch McConnell a message today. DontFundObamacare.com." [YouTube, 8/27/13]

Senate Conservatives Fund Ads Also Target Senators Flake, Alexander, Isakson, Cochran, Burr, And Graham For Not Backing Defund Campaign. [YouTube, 8/26/13; YouTube, 8/21/13; YouTube, 8/22/13; YouTube, 8/20/13; YouTube, 8/20/13]

#### GOP DIVISIONS PERSIST ACROSS MANY ISSUES

# GOP LEADERS WANT TO END THE SEQUESTER, BUT SOME CONSERVATIVES CLAIM SEQUESTER CUTS ARE GOOD FOR ECONOMY

GOP Leadership Plans To Tie Debt Ceiling And Sequester Negotiations Together To Force Budget Changes. According to New York Magazine, "The Republican leadership is perfectly aware that a debt default could have explosive implications and that the Obama administration is not willing to negotiate over it. It's already formulating a line of retreat to back out of this threat. As Politico reports, they want to tie

together negotiations over the debt ceiling with negotiations over budget sequestration. Then they can extract concessions from Obama on the budget and sell them to their base as a ransom for lifting the debt ceiling, rather than admit they just gave in on the debt ceiling." [New York Magazine, 8/23/13]

GOP Leaders Hope To End The Sequester, But Some Conservatives Claim The Cuts Have Been Good For The Economy. According to BusinessWeek, "As Congress prepares for yet another standoff this fall over raising the U.S. debt ceiling and writing the 2014 federal budget, Boehner and other GOP leaders say they still hope for a deal to end the cuts, which House Majority Leader Eric Cantor of Virginia has called 'harmful.' But a small group of House conservatives, new to Washington and aligned with the Tea Party, argue the sequester has been good for the economy. They want to leave it in place to keep slimming down the government. I think the cuts are helping us,' says Representative Mark Meadows, a freshman from North Carolina. By helping lower the federal budget deficit, Meadows says, the sequester gives businesses confidence that Congress is 'serious about getting our fiscal house in order,' which he argues will lead to sustained economic growth. Kentucky Representative Thomas Massie, who arrived in Congress last November after winning a special election, agrees. 'I didn't create the sequester,' he says, 'but if this is the only way to curb spending, then I'm fine with it.' Appearing on Fox News (FOXA) on Aug. 17, former GOP presidential candidate and Forbes Media Chairman Steve Forbes went even further, saying the spending cuts are boosting the nation's gross domestic product. That's one reason why we're going to get a little bit of growth this year,' Forbes said." [BusinessWeek, 8/29/13]

# GOP SPLIT ON WHETHER TO ALLOW CONFERENCE COMMITTEE ON SPENDING BILLS

GOP Demanded Senate Pass A Budget, Then Refused To Conference. According to the Huffington Post, "It's all a political game,' Sen. Tom Coburn (R-Okla.) told HuffPost, adding that he supported regular order. 'This is a slowdown because the House wants a slowdown. As soon as the House doesn't want the slowdown, it will get released.' Coburn's comments are oddly in line with recent arguments used by Democrats in the budget fight. House Republicans spent four years calling for regular order while berating the Senate for failing to pass a budget. When the Senate finally passed its budget resolution in March, Republicans were suddenly reluctant to convene a conference committee, even though without one, there can be no formal federal budget for the fifth year in a row." [Huffington Post, 5/23/13]

• Fight Over Sending Senate-Passed Budget To Conference Evidence Of Sharp Divide In Senate GOP. According to Politico, "Senate Republicans disagreed sharply on Tuesday over whether to send the upper chamber's budget to conference with the House. The unusually high-profile disagreement pitted GOP Sens. John McCain of Arizona and Susan Collins of Maine against Ted Cruz of Texas and Rand Paul of Kentucky, the latter two siding with Senate GOP leadership against sending the budget to conference. [...] At the root of the intraparty dispute is a demand by a group of conservative senators that a budget deal struck between both chambers exclude an increase in the debt ceiling. With the impending need to raise the limit, Senate leadership won't rule out raising the debt ceiling as part of a budget deal." [Politico, 5/21/13]

# BOEHNER AND CANTOR BACKED FARM BILL, WHICH FAILED AFTER CONSERVATIVES KILLED IT

**Defeat Of Boehner-Backed Farm Bill "Was Met With Cheers From Conservatives."** According to BuzzFeed, "The farm bill was expected to pass on a bipartisan basis Thursday, especially after Speaker John Boehner took the unusual step of announcing that he backed passage of a bill, something speakers rarely due [sii]. [...] The defeat of the bill was met with cheers from conservatives. "The lesson here is that when

the American people are informed and engaged, we can get our country back on the right track,' Heritage Foundation President Jim DeMint tweeted Thursday." [BuzzFeed, 6/20/13]

**60 Republicans "Quit Their Caucus And Pulled Against" The Farm Bill.** According to the Christian Science Monitor, "This year, about 60 Republicans quit their caucus and pulled against the bill, versus only 24 Democrats who voted in favor, sinking the measure." [Christian Science Monitor, 6/20/13]

Republican Majority Leader Eric Cantor "Scolded" Republican Committee Chairmen For Voting Against The Farm Bill. According to the National Review, "In a tense, closed-door meeting today at the Capitol, House majority leader Eric Cantor (R., Va.) scolded several Republican committee chairmen for voting against the farm bill that failed to pass the House last month. According to several sources, Cantor told the chairmen it was 'unacceptable' for them to not vote together on final passage, especially since the leadership supported their amendments to the agricultural package." [National Review, 7/8/13]

Farm Bill Was Culmination Of Policy Disputes That Led Republican Study Committee To Ban Heritage From Weekly Meetings. According to National Journal, "According to several sources with direct knowledge of the situation, the Republican Study Committee—a group of 172 conservative House members—has barred Heritage Foundation employees from attending its weekly meeting in the Capitol. The conservative think tank has been a presence at RSC meetings for decades and enjoys a close working relationship with the committee and its members. But that relationship is now stretched thin, sources say, due to a series of policy disputes that culminated with a blowup over last month's vote on the farm bill. RSC Chairman Steve Scalise, R-La., told Heritage officials of his decision last month." [National Journal, 8/28/13]

# GOP LEADERSHIP FORCED TO CANCEL TRANSPORTATION BILL VOTE AFTER REPUBLICANS "BALKED"

House Leaders "Had To Cancel A Vote On Their Own Transport Bill" Because House Republicans "Balked." According to The Hill, "House Republicans balked at spending cuts, and House leaders had to cancel a vote on their own transport bill Wednesday afternoon. A sustained GOP defection supporting a reversal of spending cuts in the Senate would have compounded the fracturing of the GOP position." [The Hill, <u>8/1/13</u>]

The Combination Of "Moderate Defections" Plus A "Bloc Of Conservatives Who Oppose Most Appropriations Bills Was Fatal." According to Politico, "With support collapsing, a \$44.1 billion transportation and housing bill was pulled abruptly from the House floor Wednesday, and top Republicans conceded it was a further sign that the party's budget strategy is unraveling. [...] Republican moderates of the Tuesday Group were among those most upset with the level of cuts. And while \$350 million was restored Tuesday night to soften the reductions from popular community development block grants, the combination of these moderate defections plus a predictable bloc of conservatives who oppose most appropriations bills was fatal." [Politico, 7/31/13]

Companion Legislation In The Senate Was Expected To Be "Filibustered To Death" By Republicans. According to the Huffington Post, "The move comes as companion legislation in the Senate may be filibustered to death on Thursday by Republicans because it exceeds budget levels called for under the automatic budget cuts. 'Voting for appropriations legislation that blatantly violates budget reforms already agreed to by both parties moves our country in exactly, exactly the wrong direction,' Senate Minority leader Mitch McConnell, R-Ky., said." [Huffington Post, 7/31/13]

# PART 2 MANUFACTURED CRISES IN THE OBAMA ERA

Considering the recent history of extreme and irresponsible behavior by Republicans, the ongoing turmoil inside the party is unsurprising. In President Obama's first term, Republican leaders enthusiastically embraced the Tea Party and pursued its radical agenda. House Speaker John Boehner (R-OH) and Senate Minority Leader Mitch McConnell (R-KY) repeatedly played political games with the economy, making unreasonable demands before they would carry out basic responsibilities of governing and absurdly insisting that Obama was the one who refused to compromise.

That strategy backfired, as the 2012 election showed, but it also sent a signal that congressional Republicans would attempt to appease the far right no matter the cost to our country or economy. The conservative ideologues pushing for a government shutdown should be criticized for their recklessness, but it's hard to blame them for expecting Republican leaders to again play along.

### CONGRESSIONAL REPUBLICANS HAVE REPEATEDLY MANUFACTURED BUDGET CRISES FOR PARTISAN GAIN

#### THE 2011 PLANNED PARENTHOOD SHUTDOWN THREAT

Republicans tried to defund Planned Parenthood and force draconian cuts by threatening to shut down the federal government.

After Passing Two Stopgap Spending Bills, The Government Approached An April 8, 2011, Budget Deadline. According to the New York Times' Caucus blog, "Think of Washington's initial 2011 budget fights as spring training — for a season about to open in a hailstorm. Twice, Congress and the Obama White House have agreed on temporary spending bills that trim spending and keep the government open. Last week's version averted a shutdown, at least until April 8." [New York Times' Caucus blog, 3/20/11]

Budget Was Intended To Fund The Government For Final Six Months Of Fiscal Year And Avoid More Stopgap Spending Bills. According to CNNMoney, "Now, with just a week to go before a government shutdown, lawmakers are fighting over a deal that would set spending levels for the final six months of the fiscal year and keep the government open for business. That would mean an end to the short-term budget fixes that have tied agencies in knots, and generally wrecked [sic] havoc on the operations of the federal government." [CNNMoney, 4/1/11]

The Republican-Controlled House Refused To Pass A Bill Funding The Federal Government, Putting It At Risk For A Shutdown. According to The Guardian, "By refusing to pass a bill allowing the federal government to be funded, the Republican dominated House of Representatives is forcing a showdown with the White House and Barack Obama. If the shutdown occurs, Washington DC will grind to a halt and the full panoply of modern government services, from national parks to passport applications, will be closed for the time being." [The Guardian, 4/8/11]

Republicans Interfered With Progress On Budget By Moving The Goalposts On Spending Cuts. According to the Washington Post's Wonkblog, "Talks to avert a government shutdown at the end of the week appear to be breaking down. John Boehner has increased his demands from \$33 billion to \$40 billion -- and that's to say nothing of the fate of the various amendments relating to Planned Parenthood, the EPA, the health-care law and much else. When he told his members that a shutdown was likely, he was met with applause." [Washington Post's Wonkblog, 4/6/11]

Even After Democrats "Publicly Capitulated To Ever-Increasing Republican Demands For Spending Cuts," GOP Brought Government To "The Verge Of Shutting Down Over...Subsidized Pap Smears." According to the Huffington Post, "The United States government is on the verge of shutting down over a dispute about subsidized pap smears, according to sources familiar with the budget negotiations. The White House and Senate Democrats have publicly capitulated to ever-increasing Republican demands for spending cuts, but negotiations over the budget for the remainder of the fiscal year have shifted their focus from money to so-called riders -- provisions that restrict the federal government from spending money on certain projects or entities. [...] At a late-night White House meeting between the president and key congressional leaders, House Speaker John Boehner (R-Ohio) made clear that his conference would not approve funding for the government if any money were allowed to flow to Planned Parenthood through legislation known as Title X." [Huffington Post, 4/8/11]

**Republicans Wanted To End Federal Funding For Planned Parenthood.** According to ABC News, "The elimination of \$363 million in federal funding for Planned Parenthood health care centers may well

force a government shutdown at midnight tonight. Republicans want to block \$70 million Planned Parenthood receives each year under Title X, a program implemented under Republican President Richard Nixon in 1970 to provide contraceptives, cancer screenings, and pregnancy and sexually transmitted disease testing at community health centers across the country. And they want to cut off \$293 million the clincis [sic] receive through Medicare." [ABC News, 4/8/11]

Congress And The President Agreed To A Deal "At Literally The 11th Hour." According to the Christian Science Monitor, "At literally the 11th hour Friday night, House, Senate, and Obama administration avoided a government shutdown and came to agreement on a budget for the rest of the fiscal year that nobody loves but that all were willing to live with." [Christian Science Monitor, 4/9/11]

Budget Deal Didn't Solve Debt, Deficit, Or "Non-Spending Policy Issues That Had Bedeviled The Process." According to the Christian Science Monitor, "It doesn't solve the nation's debt and deficit problems, and it certainly doesn't settle the non-spending policy issues that had bedeviled the process of getting to yes – abortion is only the most obvious. Politically, it's the first major illustration of tea party-fueled conservatism behind resurgent Republicans who took back the US House of Representatives in last fall's elections." [Christian Science Monitor, 4/9/11]

**Politico:** "Boehner Got Far More Than He Gave Up." According to Politico, "In the end, Boehner got far more than he gave up, and far more than Obama, Reid and the Democrats were initially willing to offer. It sets the stage for a stronger hand for Boehner as he enters politically perilous fights to raise the debt ceiling and pass 2012 spending bills. This is the best deal we could get out of them," Boehner proudly told House Republicans as they gathered late Friday night to be briefed on the package." [Politico, 4/9/11]

Budget Deal Included Cuts To Pell Grants, Job Training, Children's Health Care. According to the Washington Post, "More than half of the \$38 billion in spending cuts that lawmakers agreed to last week in the 2011 budget compromise that averted a government shutdown would hit education, labor and health programs. Funding for federal Pell grants, job training and a children's health-care initiative would face cuts, senior congressional aides said. A multitude of other programs — from highway and high-speed rail projects to rural development initiatives — also would experience significant reductions. [...] Republicans were able to terminate more than 55 programs in the areas of health, labor and education, resulting in a total savings of more than \$1 billion. In addition, a minor component of President Obama's health-care law — the Consumer Operated and Oriented Plan — will be eliminated, and another, the Free Choice Voucher program, will be scaled back." [Washington Post, 4/11/11]

Budget Deal Prohibited D.C. From Using Its Own Funds To Pay For Abortions. According to the Washington Post, "The spending deal agreed to Friday night to avert a government shutdown includes a provision banning the District from spending its own funds to provide abortions to low-income women as well as funding to continue a controversial school voucher program. The inclusion of the abortion policy 'rider' represents a victory for Republicans, who previously imposed such a ban when they controlled Congress and who included the provision in the version of the continuing resolution passed by the House in February." [Washington Post, 4/9/11]

#### THE 2011 DEBT CEILING CRISIS

The GOP brought the U.S. to the brink of economic catastrophe by holding the debt ceiling hostage for extreme spending cuts.

On May 16, 2011, The Treasury Hit Its Debt Limit And Was Forced To Use "Extraordinary Measures" To Avoid Default. According to the Huffington Post, "The Treasury hit its debt limit -- set by

Congress at \$14.29 trillion -- on May 16, but is using 'extraordinary measures' to avoid default until early August." [Huffington Post, 8/27/11]

The Government Needed To Raise The Debt Ceiling By August 2, 2011, At Which Point It Would Be Unable To Pay Its Bills. According to the New York Times' Caucus blog, "The Aug. 2 debt ceiling deadline is holding firm. The Treasury Department said Friday morning that its latest estimates still show that's the date the government will exhaust its ability to pay all of its bills, unless Congress agrees to raise the total amount that the United States can borrow." [New York Times, 7/1/11]

- Failure To Raise Debt Ceiling Could Have Resulted In Default Or Other Severe Economic Consequences. According to CNNMoney, "A failure to raise the debt ceiling would likely send shockwaves through the underpinnings of the financial system and possibly ripple out to individual investors and consumers. The federal government would be forced to prioritize its payments. It would risk defaulting on its financial obligations. And if that happens, credit rating agencies would downgrade U.S. debt." [Money.CNN.com, 7/21/11]
- The Debt Ceiling Has Been Raised Nearly 100 Times, And It Has Been "Perfunctory." According to the Washington Post, "In the past, raising the debt ceiling has mostly been a perfunctory matter. The ceiling has been raised almost 100 times since it was established and has gone from less than \$1 trillion in the 1980s to \$6 trillion in the 1990s. The most recent time the ceiling was boosted was in February 2010. Legislation to raise the debt limit usually prompts partisan posturing about fiscal responsibility, but little real drama. This time is different." [Washington Post, 4/18/11]

#### Republicans Admitted Failure To Raise The Debt Ceiling Would Be Catastrophic...

Republicans "Agree That If The Debt Limit Is Not Raised We Would Be Inviting Economic Catastrophe." According to the Washington Post, "If Congress does not increase the limit, borrowed funds would not be available to pay bills and the United States may be forced to default on its debt obligations. There's no precedent for this situation. Treasury has never been unable to make payments as a result of reaching the debt limit. With a fragile global recovery counting on U.S. economic stability, the debt limit issue could roil international financial markets. Democrats and Republicans agree that if the debt limit is not raised we would be inviting economic catastrophe." [Washington Post, 4/18/11]

House Majority Leader John Boehner: Not Raising Debt Ceiling Would Mean "Financial Disaster" For "The Worldwide Economy." According to The Hill, "Boehner said it would mean 'financial disaster' for the global economy if Congress were unable to come to a deal to raise the debt ceiling this spring. "That would be a financial disaster, not only for us, but for the worldwide economy," Boehner said on 'Fox News Sunday' of the risk of default. 'I don't think it's a question that's even on the table."" [The Hill, 1/30/11]

House Budget Chairman Paul Ryan: "You Can't Not Raise The Debt Ceiling," Default Is "Unworkable." In an appearance at an E21/Manhattan Institute event at the National Press Club, Rep. Paul Ryan stated, "I believe – I don't want to rubber stamp big government in raising the debt ceiling. Do I want to see this nation default? No. But I want to make sure we get substantial spending cuts and controls in exchange for raising the debt ceiling. That is related. It's not an unrelated item. And so I believe if we're going to do this, which, obviously you can't default, we need to have some real fiscal fixes in order to do that. This is very serious. [...] So will the debt ceiling be raised? Or does it have to be raised? Yes, you can't not raise the debt ceiling. Default is the unworkable solution, or the alternative, I guess I'd say — the unworkable alternative. But we do not want to just have some naked debt ceiling increase. We want to have real fiscal controls, real spending cuts, in order to do that." [E21/Manhattan Institute "Conversations With..." Series, 1/6/11]

Sen. Lindsey Graham: "If We Don't Lift The Debt Ceiling" It Means "Financial Collapse And Calamity Throughout The World." In an appearance on CNN's The Situation Room, Sen. Lindsey Graham stated, "Let me tell you what's involved if we don't lift the debt ceiling: financial collapse and calamity throughout the world. That's not lost upon me. But we've done this 93 times. And if we keep doing the same old thing, then that is insanity to the nth degree. We're going to have calamity of a different fashion if we don't get our spending under control. So what I said is the House is going to go back to 2008 spending levels. I would like to see the Senate mirror what the House does. Now that means tightening our belt, but name somebody in America who hasn't had to tighten their belt." [CNN, The Situation Room, 1/6/11]

### ...But Republicans Continued To Hold The Debt Ceiling Hostage To Force Extreme Spending Cuts

GOP Refused To Raise Debt Ceiling Without Deficit Reduction, But Wouldn't Consider Tax Increases. According to the Washington Post's WonkBlog, "In a speech before a Wall Street crowd on Monday, John Boehner laid out the three legs of the GOP's opening bid on the debt ceiling. They are: 1) Without significant spending cuts and reforms to reduce our debt, there will be no debt limit increase. And the cuts should be greater than the accompanying increase in debt authority the president is given. We should be talking about cuts of trillions, not just billions.' 2) "They should be actual cuts and program reforms, not broad deficit or debt targets that punt the tough questions to the future.' 3) With the exception of tax hikes -- which will destroy jobs -- everything is on the table. That includes honest conversations about how best to preserve Medicare.' So at least \$2 trillion in cuts, no tax hikes -- though it's unclear whether taking 'tax hikes' off the table leaves room for cuts in tax expenditures that raise revenue while lowering rates -- and no recourse to debt triggers or other procedural mechanisms." [WashingtonPost.com, 5/10/11]

Citing An Impasse Over Tax Increases, The Republican Contingent Pulled Out Of Bipartisan Deficit Reduction Talks, Kicking Responsibility Up To Obama And Boehner. According to the Wall Street Journal, "The drive for a major deficit-reduction deal entered a new phase Thursday when Republican negotiators pulled out of bipartisan talks, leaving it to President Barack Obama and House Speaker John Boehner to resolve the toughest issues. House Majority Leader Eric Cantor (R., Va.) said he was backing out of the talks for now because the group had reached an impasse over the question of whether tax increases should be included in the deal. The only other Republican in the group, Sen. Jon Kyl (R., Ariz.), soon followed suit, agreeing that only the highest levels of leadership could break the logjam between Democrats' demand that the budget deal include tax increases and Republicans' adamant opposition to that demand. The talks were aimed at striking a budget deal in hopes of easing the way for Congress to raise the government's \$14.29 trillion debt limit." [Wall Street Journal, 6/24/11]

Boehner Rejected Obama's "Grand Bargain" That Included 3:1 Ratio Of Spending Cuts And Tax Increases. According to the Huffington Post, "House Speaker John Boehner is rejecting President Obama's offer to make historic cuts to the federal government and the social safety net, saying in a statement Saturday evening that he can not agree to the tax increases Democrats insisted on as part of the bargain. [...] Obama had proposed to Republicans a 'grand bargain' that accomplished a host of individual things that are unpopular on their own, but that just might pass as a huge package jammed through Congress with default looming. Obama offered to put Social Security, Medicare and Medicaid cuts on the table in exchange for a tax hike of roughly \$100 billion per year over 10 years. Meanwhile, government spending would be cut by roughly three times that amount. It's no small irony that the party's dogmatic opposition to tax increases is costing the GOP its best opportunity to roll back social programs it has long targeted." [Huffington Post, 7/9/11]

Obama Offered \$1 Trillion In Discretionary Cuts And \$650 In Mandatory, But Boehner Walked Out Of Negotiations Over Taxes. According to the New York Times, "Negotiations over a broad deficit reduction plan collapsed in acrimony on Friday after Speaker John A. Boehner suddenly broke off talks with President Obama, raising the risk of an economy-shaking default. [...] Mr. Obama said Mr. Boehner had

stopped returning his calls when it became clear that rank-and-file House Republicans would not agree to raise revenues on wealthy Americans as part of a debt-reduction deal, despite Mr. Obama's concessions on reducing future spending for Medicare, Medicaid, and Social Security. [...] But according to a White House official, Mr. Obama had agreed over the coming decade to cut \$250 billion from Medicare spending and \$310 billion from other domestic entitlement programs, like farm subsidies and education programs. And Mr. Obama was willing to change the formula for Social Security cost-of living adjustments, which many economists say would more accurately reflect inflation, for savings of about \$125 billion more. All of Mr. Obama's concessions on the benefit programs were contingent, however, on Mr. Boehner and Republicans agreeing to higher taxes for wealthy individuals and corporations. [...] 'Essentially what we had offered Speaker Boehner was over a trillion dollars in cuts to discretionary spending, both domestic and defense,' Mr. Obama said. 'We then offered an additional \$650 billion in cuts to entitlement programs Medicare, Medicaid, Social Security. We believed that it was possible to shape those in a way that preserved the integrity of the system, made them available for the next generation and did not affect current beneficiaries in an adverse way."' [New York Times, 7/23/11]

#### <u>Last-Minute Agreement Included No Immediate Revenues</u>

On July 31, 2011, Obama And Congressional Leaders Reached A Deal That Included No Immediate Revenue Increases. According to CBS News, "The House on Monday approved a compromise deal to raise the debt limit in a 269-161. The bill, which was brokered Sunday night in last-minute negotiations between the White House and congressional leaders, passed with the support of 174 Republicans and 95 Democrats. [...] The compromise does not include any immediate revenue additions or tax increases." [CBSNews.com, 8/1/11]

Obama Signed Last-Minute Plan Into Law On The Day The U.S. Would Have Defaulted. According to Bloomberg, "President Barack Obama signed a debt- limit compromise that prevents a U.S. default on the day the Treasury had warned the nation's borrowing authority would expire, ending a months-long debate that reinforced partisan divisions over federal spending." [Bloomberg, 8/2/11]

After Agreement, Sen. McConnell Said The Debt Ceiling Was A "Hostage Worth Ransoming." According to the Washington Post, "After it was all over, Obama seemed to speak for revolted Americans — the kind of people who always want a new Washington — when he described the government as 'dysfunctional.' But at the Capitol, behind the four doors and the three receptionists and the police guard, McConnell said he could imagine doing this again. 'I think some of our members may have thought the default issue was a hostage you might take a chance at shooting,' he said. 'Most of us didn't think that. What we did learn is this — it's a hostage that's worth ransoming. And it focuses the Congress on something that must be done." [Washington Post, 8/3/11]

#### THE 2013 SEQUESTER

The GOP allowed painful sequester cuts to go through instead of considering revenue increases.

Sequester Cuts "Emerged From The Refusal Of House Republicans To Raise The Debt Ceiling In 2011 Without Significant Deficit Reduction." According to the New York Times, "Unless Congress intervenes, the law requires the Obama administration to impose \$85 billion in across-the-board spending cuts to military and domestic programs on March 1. [...] It emerged from the refusal of House Republicans to raise the debt ceiling in 2011 without significant deficit reduction. In response, the two parties agreed to the Budget Control Act, which cut domestic spending over the next 10 years by about \$1 trillion. Democrats refused to agree to more cuts without additional revenue from taxes, and Republicans refused to agree to tax increases." [New York Times, 2/21/13]

2011 Debt Ceiling Deal Included \$1.2 Trillion In Cuts, And Created Deficit Reduction Super Committee Tasked With Finding \$1.2 Trillion In Savings. According to PolitiFact, "Republicans and Democrats came to a less ambitious agreement to raise the debt limit through the Budget Control Act of 2011. The law found approximately \$1.2 trillion in budget cuts spread over 10 years. But it also directed Congress to find another \$1.2 trillion through a Joint Select Committee on Deficit Reduction. This 12-member committee became known as 'the super-committee.'" [PolitiFact.com, 9/21/12]

As Incentive For Compromise, The Plan Also Imposed Automatic Alternative Cuts – Known As The Sequester – That Would Take Effect If The Committee Failed To Find Cuts. According to Politico, "But if the committee fails to present a deficit-reduction package by Nov. 23, the day before Thanksgiving, or if Congress deadlocks and fails to pass the plan or enacts less than \$1.2 trillion in cuts by Dec. 23, across-the-board spending cuts would be triggered to make up the difference between the committee number and the \$1.2 trillion savings goal. Those automatic cuts would largely affect defense spending, a top priority for Republicans, and Medicare, a favorite program of Democrats, creating a strong incentive for both parties to reach a deal and pass the bill." [Politico, 8/1/11]

• Super Committee Failed To Reach An Agreement After Republicans Maintained Insistence On Lowering The Deficit "Largely By Reducing Spending On Medicare And Other Domestic Programs." According to the Los Angeles Times, "Unable to break the partisan stalemate over taxes and Medicare, the congressional 'super committee' came to a quiet close as the co-chairs issued a statement saying no deal could be reached by the panel's deadline. [...] The committee faced a Wednesday deadline to vote on a proposal to slash the nation's deficits by \$1.5 trillion over the decade. The panel that was brought into existence as a result of the summer debt ceiling fight spent three months in mostly secret negotiations. A deal needed to be posted by Monday evening to provide a 48-hour review. But Republicans and Democrats were unable to compromise on the tax and spending issues that have divided Congress all year, punting the debate to next year's presidential and congressional campaigns. Republicans refused to substantially raise taxes and wanted to cut federal deficits largely by reducing spending on Medicare and other domestic programs. Democrats wanted a more equal balance of new taxes and spending cuts — a level of taxation the GOP could not accept." [Los Angeles Times, 11/21/11]

The "Fiscal Cliff" – A Combination Of Sequester Cuts And Expiration Of Bush Tax Rates – Was Set To Happen On January 1, 2013. According to the New York Times, "Many Americans must be wondering: What is all this about a 'fiscal cliff? [...] The term refers to more than \$500 billion in tax increases and across-the-board spending cuts scheduled to take effect after Jan. 1 — for fiscal year 2013 alone — unless Mr. Obama and Republicans reach an alternative deficit-reduction deal. [...] When a tax cut expires, the practical effect is a tax increase. And a slew of tax cuts — \$400 billion for 2013 — expire on Dec. 31: All of the Bushera rate reductions; smaller tax cuts that periodically expire for businesses and individuals; and the 2-percentage-point cut in payroll taxes that Mr. Obama pushed in 2010, which increased an average worker's take-home pay by about \$1,000 a year." [New York Times, 11/15/12]

Just Ahead Of Deadline, Congress Made Middle-Class Tax Cuts Permanent And Delayed Sequester Cuts Until March 1. According to CNN, "President Barack Obama has signed into law a bill to avert the fiscal cliff, a day after the House and Senate approved the much-debated legislation. Obama, who returned to his family vacation in Hawaii after Tuesday's House vote, signed the bill via autopen on Wednesday. But new battles over taxes and spending await Washington in the next few weeks. Congress averted that self-built precipice late Tuesday when the House voted to stave off widespread tax increases and deep spending cuts by accepting a brokered Senate compromise. It makes permanent the Bush administration's tax cuts for individuals earning less than \$400,000 per year and couples earning less than \$450,000. It raises rates on those who make more than that from 35% to 39.6%, bringing back a top tax bracket from the Clinton administration, and will raise roughly \$600 billion in new revenues over 10 years, according to various

estimates. The bill also extends unemployment insurance and delays for two months the threat of sequestration -- a series of automatic, across-the-board cuts in federal spending." [CNN, 1/3/13]

**GOP Was "Resolutely Opposed" To Raising Taxes To Avoid Sequester Cuts.** According to the New York Times, "House Republicans, shrugging off rising pressure from President Obama, are resolutely opposing new tax increases to head off \$85 billion in across-the-board spending reductions, all but ensuring the cuts will go into force March 1 and probably remain in place for months, if not longer. Despite new calls from the White House on Wednesday to enact a combination of tax increases and cuts to postpone the so-called sequester, the House is moving forward on a legislative agenda that assumes deep and arbitrary cuts to defense and domestic programs — once considered unthinkable — will remain in place through the end of the year." [New York Times, 2/20/13]

Some Republicans Supported Sequester Cuts As Viable Way To Reduce Spending. According to Time's Swampland blog, "If the White House envisions economic calamity, many Republicans are treating the sequester more like the Mayan apocalypse. They consider the prospect of lopping \$85 billion off the \$3.6 trillion federal budget — about a 2.4% cut — to be a good start. A 'pittance,' Kentucky Senator Rand Paul said. If you ask the GOP, the White House's dire predictions are designed to scare the public and pressure the GOP to acquiesce. And so, when they aren't trying to pin the policy on Obama, Republicans are working to cast the cuts as modest reductions to a bloated budget." [Time's Swampland Blog, 2/25/13]

Some Republicans Celebrated Sequester's Spending Cuts. According to NBC News, "The same isn't true of Republicans, who seem to be divided on whether these cuts are something to complain about or something to cheer. On the one hand, the John McCains and Lindsey Grahams have warned about the defense-spending cuts. House Speaker John Boehner even seemed to share that opinion in last week's Wall Street Journal op-ed, writing that the cuts threaten 'U.S. national security, thousands of jobs and more.' On the other hand, other Republicans are already celebrating these cuts — as well as House GOP leaders' refusal to negotiate. 'I think Friday will be an important day that shows we're finally willing to stand and fight for conservative principles and force Washington to start living within its means,' GOP Rep. Steve Scalise told the New York Times. 'And that will be a big victory.' Added GOP Rep. Jim Jordan: 'If, in fact, we're going to scale back discretionary spending by \$85 billion, tell me when that's ever happened before.' Senate Republicans, in fact, were so divided on the sequester that they couldn't get more than 38 votes for their proposal to replace it. In the PR battle over the sequester, the GOP's muddled message matters. Even if both sides are OK with letting these cuts go into effect, one side is unified that the cuts are bad; the other side seems to be sort of cheering them on." [NBC News, 3/1/13]

• In December, GOP House Passed Bill To Avoid Sequester's Defense Cuts By Cutting Food Stamps. According to FactCheck.org, "The House, meanwhile, hasn't passed a bill to avoid the sequester since December, and even then, it was by a thin margin, 215-209. Twenty-one Republicans joined all Democrats in opposing the bill. Unlike the Senate, the House only needed a simple majority to pass the legislation, which would have stopped cuts to defense and instead cut funding for social programs, such as food stamps. The measure wasn't seen as an effort to compromise by Democrats, to say the least. Democratic Rep. Chris Van Hollen of Maryland called it 'a ridiculous political stunt' that was 'wasting valuable time.' The House passed a similar bill along party lines in May 2012. Those bills died when the 112th Congress ended on Jan. 3, 2013." [FactCheck.org, 3/1/13]

McConnell Killed Senate's Last-Minute Effort To Allow Simple Majority Vote On Sequester Fix Bills. According to Politico, "Fearful of the political backlash, the Senate Republican leadership mounted a last ditch attempt to cede broad authority to Obama to implement the first reductions over the next seven months. But splits in the GOP doomed any chance of success, and that bill failed 38 to 62 with as many as nine Republicans including Sens. Marco Rubio of Florida and Rand Paul of Kentucky, joining in the opposition. The chief Democratic option — substituting alternative savings and new revenues to try to buy

more time for deficit talks — fared much better, 51 to 49. In fact the true margin was 52 to 48 since Majority Leader Harry Reid (D-Nev.) switched his vote to 'nay' at the end so he is better positioned to reconsider the bill in the future. Nonetheless given the political divide over taxes, Reid won no Republican support. And with three Southern Democrats voting no — Sens. Kay Hagan of North Carolina, Mark Pryor of Arkansas, and Mary Landrieu of Louisiana, he remains well short of the 60 votes needed to clear the chamber. Mindful of this, Reid made a last stab Thursday, saying he was prepared to expedite matters by allowing both leadership bills — and a third proposed by Sen. Kelly Ayotte (R-N.H.) — to be subject to a simple 51-vote threshold. But Minority Leader Mitch McConnell (R-Ky.) quickly said he would object even at the expense of Ayotte's opportunity to get a vote." [Politico, 3/28/13]

• Sen. McConnell On February 20th: "It Is Pretty Clear To Me That The Sequester Is Going To Go Into Effect. ... I Am Not Interested In An Eleventh-Hour Negotiation." According to The Hill, "Senate Minority Leader Mitch McConnell (R-Ky.) said Tuesday that \$85 billion in automatic spending cuts will likely go into effect on March 1 despite opposition in both parties. President Obama has demanded that at least some of the cuts be turned off, but McConnell said Democrats and Republicans were unlikely to reach a last-minute deal. 'It is pretty clear to me that the sequester is going to go into effect,' he told reporters. McConnell in the past has worked with Vice President Biden to broker deals between the White House and congressional Republicans, but he indicated no interest in doing so to prevent the cuts. 'Read my lips: I am not interested in an eleventh-hour negotiation,' said McConnell, who acknowledged an 'eerie similarity' to previous debates." [The Hill, 2/12/13]

Sequester Took Effect March 1, 2013. According to ABC News, "President Obama and congressional leaders today failed to reach a breakthrough to avert a sweeping package of automatic spending cuts, setting into motion \$85 billion of across-the-board belt-tightening that neither had wanted to see. President Obama officially initiated the cuts with an order to agencies Friday evening. He had met for just over an hour at the White House Friday morning with Republican leaders House Speaker John Boehner and Senate Minority Leader Mitch McConnell and his Democratic allies, House Minority Leader Nancy Pelosi, Senate Majority Leader Harry Reid and Vice President Joe Biden. But the parties emerged from their first face-to-face meeting of the year resigned to see the cuts take hold at midnight. [...] Officials have said the spending reductions immediately take effect Saturday but that the pain from reduced government services and furloughs of tens of thousands of federal employees would be felt gradually in the weeks ahead. Federal agencies, including Homeland Security, the Pentagon, Internal Revenue Service and the Department of Education, have all prepared to notify employees that they will have to take one unpaid day off per week through the end of the year." [ABC News, 3/1/13]

Post-Sequester, "Emboldened" GOP Signaled Intention To "Take Even More Money Out Of Domestic Programs." According to Talking Points Memo, "It's been nearly three weeks since President Obama issued the sequestration order. Across the country, newspapers carry reports of furloughs, airport closings, children kicked out of Head Start. The consequences are beginning to snowball. But lawmakers have reacted to the bad news with a collective shrug. [...] Democrats, following the White House's lead, decided not to roll the fight over turning off sequestration into the separate but related fight over avoiding a government shutdown. Instead, Senate appropriators used the process to protect whatever categories of domestic spending Republicans would allow from the worst consequences of sequestration — a tacit admission that sequestration isn't going to break the GOP's anti-tax absolutism anytime soon. Republicans, by contrast, have become emboldened. On Tuesday, House Speaker John Boehner signaled that Republicans will not only set future appropriations at sequestration levels, but that they'd attempt to take even more money out of domestic programs and use it to increase national defense — the only category of spending they've attempted to shield from dramatic budget cuts." [Talking Points Memo, 3/20/13]