



July 26, 2013

The Honorable Barbara Mikulski
Chairwoman
U.S. Senate Committee on Appropriations
United States Capitol
Washington, D.C., 20510

The Honorable Richard Shelby
Ranking Member
U.S. Senate Committee on Appropriations
United States Capitol
Washington, D.C., 20510

Dear Chairwoman Mikulski and Ranking Member Shelby:

It has come to our attention that there are efforts underway to use the congressional appropriations process to legislate costly new unfunded federal mandates on local governments regarding their creditworthiness; and to enact shocking new penalties against cities in financial distress that are pursuing lawful measures, including reorganization under federal bankruptcy laws, to restore fiscal stability. We strongly oppose these wrongheaded efforts and request your support in discouraging and defeating amendments of this nature. Rather than banishing cities in distress from the intergovernmental partnership, we urge you to partner with your elected colleagues at the state and local levels to enact policies that increase and improve outcomes for cities confronting fiscal challenges.

As you know, fiscal distress in local governments is brought on by a variety of factors. The Great Recession of 2007 exacerbated already challenging fiscal challenges for many cities, Detroit and others included. Senate Amendment 1797, filed by Senators Lindsey Graham and John Cornyn, and variations thereof, fail to address those underlying issues. Instead, they preclude any federal remedial action no matter how appropriate it might be.

The states have taken a more productive approach by developing policies and mechanisms that fit the unique factors impacting financially strained cities. In Michigan, that is no different. The recommendation to put Detroit into bankruptcy was made not by local elected officials, but by a state appointed professional manager, with the concurrence of the governor. In their view, filing for bankruptcy under Chapter 9 was the best path forward for the city.

Whether Senators agree or disagree with the specifics of any municipal bankruptcy filing, it cannot be questioned that cities are the engines of our economy. Isolating financially stressed cities from the federal budget, as called for in these amendments, would irrationally suffocate these engines. And the harm would not be limited to the city, but would weigh on the region, and potentially the state. These amendments are simply the wrong course for national economic recovery.

Detroit and cities like it are still fighting to emerge from the worst economic recession since the Great Depression. We urge you to join us in turning back these short-sighted amendments that, among other ill effects, would prospectively condemn Michigan's largest city.

July 26, 2013
Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "Clarence E. Anthony", with a long horizontal flourish extending to the right.

Clarence E. Anthony
Executive Director
National League of Cities

A handwritten signature in black ink, appearing to read "Daniel P. Gilmartin", written in a cursive style.

Daniel P. Gilmartin
Executive Director & CEO
Michigan Municipal League

CC: Members of the United States Senate