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COMMITTEES:

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EDUCATION

ENERGY AND WATER DEVELOPMENT  
INTERIOR

BUDGET

DEMOCRATIC POLICY COMMITTEE

Honorable Don Nickles  
United States Senate  
Washington, DC 20510-0001

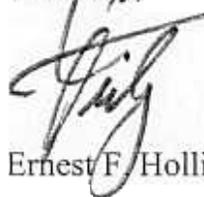
Dear Don:

When Treasury reports the final numbers for fiscal year 2003 later this week, they could differ by as much as \$100 billion from the projections the Office of Management and Budget made just 2 ½ months earlier. In the Mid Session Review, released on July 15, OMB predicted the deficit for the year would be \$698 billion, while the final numbers will likely show it to be some \$100 billion less.

As an original member of the Budget Committee, I cannot recall a more inaccurate estimate for such a short period of time. We need to find out what kind of shenanigans caused the estimate to be so off, whether OMB deliberately estimated high numbers so everybody could jump for joy this week – yippee we're cutting the deficit and nonsense like that. If estimates for 2 ½ months could be so wrong, how can we rely on OMB's five-year projections? More importantly, do we need to revisit the policy decisions that we made earlier in this Administration based on 10-year projections? I urge you to hold a hearing to get to the bottom of this, with the first witness OMB Director Josh Bolten. These games were played by Enron, I don't expect them to be played by OMB.

You and I don't need to get re-elected next year. We don't need to say we're managing the deficit and all that baloney, when this is a record deficit. I know you want to leave the Committee like I do, with a budget process that remains as accurate and reliable as possible.

Sincerely,



Ernest F. Hollings