



November 2, 2005

An Open Letter to the United States Senate: Milk Income Loss Contract (MILC) Program Should be Removed from Budget Reconciliation Bill

Dear Senator:

On behalf of the 350,000 members of the National Taxpayers Union (NTU), I urge you to refrain from using the budget reconciliation process to reinstate the costly and counterproductive Milk Income Loss Contract (MILC) program.

Congress acted responsibly when it allowed the MILC program to expire on September 30, 2005. During its existence, the MILC scheme perpetuated economic distortions, created inefficient markets, and unnecessarily harmed taxpayers and consumers. Since the program's inception in the 2002 farm bill, taxpayers have been tapped for well over \$2 billion. Should MILC be brought back to life, another \$998 million in dairy subsidies will be added to the tab over the next two years. Taxpayers have been "milked" long enough.

Aside from problems inherent in the program itself, the budget reconciliation process simply is not the appropriate vehicle for resuscitating MILC. Indeed, MILC-extension legislation (S. 273) was introduced in February 2005; had the Senate wished to pass this bill, it would have done so before now. It was not wise to furtively slip the new program into a budget procedure meant to *save* tax dollars, not squander them. The debate over the future of dairy subsidy programs should be left to the 2007 farm bill.

After 70+ years of meddling in the U.S. dairy market, Congress was right to begin phasing out our convoluted system of antiquated dairy supports and allowing MILC to sunset. Please protect this victory for taxpayers by ***taking MILC out of the reconciliation bill.***

Sincerely,

Kristina Rasmussen
Government Affairs Manager

cc:
The White House