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## Deficit panel's plan goes down to defeat

By Erik Wasson - 12/03/10 10:45 AM ET

In an 11-7 vote, President Obama's fiscal commission on Friday failed to adopt a sweeping plan for reining in the federal budget deficit.

The panel had been working since February on a plan that would cut almost \$4 trillion in deficit spending over the next nine years and reduce the federal debt to 40 percent of gross domestic product by 2035.

House Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Harry Reid (D-Nev.) had agreed to bring the deficit recommendations up for a floor vote in Congress but only if the proposal had the support of 14 members. The commission came up three votes short.

Voting in favor of the plan were the commission's co-chairmen Sen. Alan Simpson, former Republican senator from Wyoming, and Erskine Bowles, who served as chief of staff to President Clinton.

Among the Senate members of the panel, Tom Coburn (R-Okla.), Kent Conrad (D-N.D.), Dick Durbin (D-Ill.), Mike Crapo (R-Idaho) and Judd Gregg (R-N.H.) voted "yes," while Sen. Max Baucus (D-Mont.) voted "no."

From the House, Reps. Paul Ryan (R-Wis.), Jeb Hensarling (R-Texas), David Camp (R-Mich.), Xavier Becerra (D-Calif.) and Jan Schakowsky (D-Ill.) all voted against the plan. Rep. John Spratt (D-S.C.), the chairman of the House Budget Committee who lost his reelection bid in November, was the only House vote in favor.

Of the non-congressional members, David Cote, the CEO of Honeywell International, Ann Fudge, the former CEO of Young & Rubicam Brands and Alice Rivlin, the former director of the Office of Management & Budget, voted "yes." Former Service Employees International Union president Andy Stern voted "no."

Bowles argued the commission had made real progress by coming up with a proposal that received support from both Democrats and Republicans.

“A strong bipartisan coalition has already voted for this plan,” Bowles said.

President Obama created the fiscal commission in February through an executive order after Congress failed to set up its own committee to tackle the deficit. The White House hoped a bipartisan panel insulated from the political process would be able to find consensus on how best to reduce the nation's red ink.

President Obama praised the work of the commission and said he will look to incorporate elements of their proposal into his fiscal year 2012 budget.

"Chairmen Bowles and Simpson met the charge that I gave them and the commission: to bring our deficits down in the medium term and to meaningfully improve our long-run fiscal situation so that we can keep commitments made to future generations," Obama said in a statement. "The commission's majority report includes a number of specific proposals that I — along with my economic team — will study closely in the coming weeks as we develop our budget and our priorities for the coming year."

The White House said Office of Management and Budget director Jack Lew has invited Bowles and Simpson to a meeting with Treasury Secretary Timothy Geithner to discuss the deficit plan.

Bowles said Thursday that there was not date set for the meeting with Lew and Geithner, but added that it is important for the administration to take steps to keep the momentum on deficit reduction going.

Crapo said the fact the plan did not get 14 votes “should not be an indication that there is not powerful support behind this plan.” He noted that 60 percent of panelists voted in favor and said that Ryan, who will chair the House Budget Committee, has committed to use much of the plan in coming up with a budget resolution next year.

A group of 14 Senate Democrats issued a statement Friday urging President Obama and the top party leaders in both chambers of Congress to push ahead with legislation to address the deficit despite the failed vote.

"Prompt action is needed to bring the country's deficit into balance and stabilize our debt over the long term," the group wrote. "Regardless of whether the Commission's report receives the support of at least 14 of its 18 members, we urge legislative action to address these problems."

The 14 senators hailed the commission's recommendations on Social Security, healthcare and tax reforms — three key issues on which support for a plan could hinge.

"There is no easy way out, and Washington must lead the way," they said. "The strong bipartisan support its recommendations have already received demonstrates we can, and must, come together to solve this impending fiscal crisis. Every day that we fail to act the choices become more difficult.

## Deficit reduction package stalls, but encouraging signs remain

December 3, 2010

By Stephen Lee Davis

Although 11 of 18 members of the president's debt commission voted to move their deficit-reduction package to Congress for an up or down vote, the plan fell short of the necessary 14-vote super majority.

Most notable to transportation advocates, of course, was the proposal to phase in a gas tax increase of 15 cents per gallon, coupled with reforms to the federal program and a long-term reauthorization of the transportation law. As we pointed out in our statement earlier this week, current gas tax receipts are not keeping pace with what we need to invest in our roads, bridges and transit systems to keep them functioning.

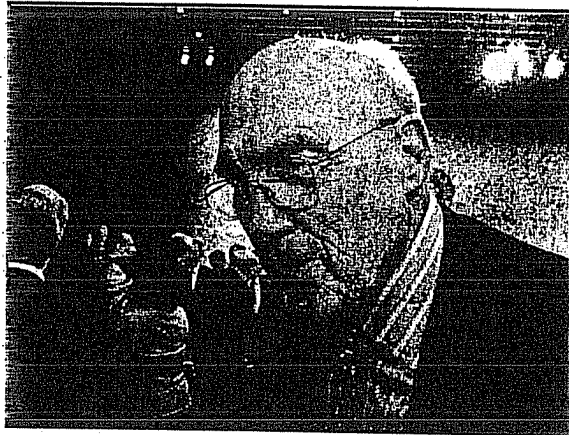
We were also careful to note that merely throwing money at them won't solve our problems: **We have to fix the current program so that it holds transportation agencies accountable for spending our money effectively** — something that the debt commission proposal suggested with its call for

“reforms.”

“Though it ultimately didn't pass the commission, it is notable that a plan to raise the gas tax and reform the transportation program got bipartisan and majority support from the debt commission,” said T4 America director James Corless Friday.

“This should be an encouraging starting point for a new bill in 2011. It should spur a bipartisan effort to tackle the hard questions of not only finding a way to pay for what we need, but updating a program with origins in the 1950s for the 21st century. We have to prioritize rebuilding and repairing our existing infrastructure while ensuring that any new construction increases travel options for all Americans.”

Even though the debt commission plan fell short, nearly everyone thinks some of the ideas in it will be pursued come January. Here's hoping that a smart, updated commitment to transportation investment is among them.



Debt Commission Co-Chair Alan Simpson.  
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