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**CRFB Reacts to Draft Fiscal Commission Proposal  
November 10, 2010**

Today, the Co-Chairs of the National Commission on Fiscal Responsibility and Reform, Erskine Bowles and Alan Simpson, released their "Co-Chairs' Proposal".

The Co-Chairs' proposal would cut the deficit to 2.2 percent of GDP by 2015, bring debt down to 60 percent by 2024, and balance the budget by 2037—saving nearly \$4 trillion this decade alone.

"It is truly a remarkable plan," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "This plan does it all—allows time for the economy to strengthen, brings down future deficits and debt, protects the most disadvantaged, makes government more effective and efficient, and promotes economic growth and competitiveness."

"In a period when there has been little good news on the deficit and debt front, this is truly a most encouraging sign. If this Co-Chair plan is meant to be the starting point, I'd say it would be a pretty terrific ending point," added MacGuineas.

Included in the draft plan are cuts to both defense and non-defense discretionary spending, health care spending, and other mandatory programs. The proposal restores Social Security's solvency over the long-term. On the tax side, the plan presents three options for reform—two of which would consolidate the income tax code into three rates, lower corporate rates, and modify or repeal many tax expenditures. The third option would leave tax reform to Congressional committees, but with a trigger to ensure changes would be enacted by 2013.

"It's great to see debate among the fiscal commission's members now centering on a bold proposal that addresses each area of the budget," MacGuineas said. "While certainly not everyone will agree with each and every recommendation, the proposal certainly would fix our fiscal problems and truly reflects a balanced compromise across party lines."

The proposal identifies roughly \$1 trillion in additional revenue, about \$2.2 trillion in spending reductions, and about \$700 billion in interest savings over ten years. The proposal gradually phases in changes to protect the fragile economic recovery and would protect truly vulnerable populations, while also strengthening elements of the safety net.

“The Co-Chairs’ proposal underscores the depth and breadth of reforms that must be made to the budget if we are to set the foundation for a stronger economy down the road,” added MacGuineas. “Yes, some of these changes will be painful—there’s no denying that. But we must be mindful of the consequences if we fail to act.”

“The Committee for a Responsible Federal Budget is greatly encouraged by the success of the fiscal commission so far, and hopes the members will forge a consensus on a final plan to help lead the country into a national debate on fiscal reform.”