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**SENIOR ADVISOR**

ROBERT STRAUSS

October 29, 2011

Dear Senator Baucus,

On behalf of the Committee for a Responsible Federal Budget, I want to thank you for your work on the Joint Select Committee on Deficit Reduction, and the recent proposal you introduced into the discussions. Without having seen all the details, this appears to us to be a serious and credible proposal to reduce the deficit and help put the debt on a more sustainable path.

We believe it is critical for the Select Committee to achieve its mandate of saving \$1.2 - \$1.5 trillion over a decade, and, in fact, that it must go beyond that to develop a plan that is large enough to stabilize the debt in order to reassure credit markets, rating agencies, and the public about our fiscal situation and Congress' ability to deal with it.

A credible plan will have to deal with all parts of the budget, including the major entitlement programs—Medicare, Medicaid, and Social Security—as well as the tax system. It will also have to be able to garner bipartisan support. From what we can tell, your proposal can serve as a serious offer in an important negotiation between the members of the Select Committee. We are heartened that Republicans on the Select Committee have also offered a plan that exceeds the savings requirements and we hope the entire Committee can come to an agreement on an acceptable compromise that is large enough and comprehensive enough to address the nation's fiscal challenges.

The Select Committee has a unique opportunity to address the country's fiscal problems and to get a reform plan in place on our own terms rather than waiting until we are forced to by credit markets. We should not let this opportunity pass us by. We applaud your efforts and we hope the Committee will continue to work to come up with a bipartisan proposal that will offer a real fiscal fix and thus provide the needed stability for businesses and households, protect important national priorities, and help grow the economy.

Sincerely,

Maya MacGuineas  
President, Committee for a Responsible Federal Budget