

PRESS RELEASE

FOR IMMEDIATE RELEASE
April 5, 2011

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Bowles, Simpson react to Chairman Ryan's budget proposal

WASHINGTON, DC – Today, House Budget Committee Chairman Paul Ryan (R-WI) unveiled his FY 2012 budget proposal. Fiscal Commission and Moment of Truth project co-chairs Erskine Bowles and Senator Alan Simpson released the following statement offering their thoughts on the proposal:

“The budget released this morning by House Budget Committee Chairman Paul Ryan is a serious, honest, straightforward approach to addressing our nation’s enormous fiscal challenges. We applaud him for his work in putting forward a proposal which will reduce the country’s deficit by approximately the same amount as the plan of the President’s Fiscal Commission. We are particularly encouraged that Chairman Ryan’s budget looks beyond the recent debates about near-term cuts and recognizes the need to address the long-term drivers of the debt. We are also pleased that the Chairman includes a process for Social Security reform in his budget to set the program on sound footing, and looks to do so for the program’s own sake, not for deficit reduction.

Chairman Ryan’s budget incorporates many of the proposals included in the Commission report. But in the areas where he did not support the Commission’s recommendations, we are happy to see he has stepped up to the challenge of the “Becerra rule” adopted by the Commission – namely to put forward alternative proposals with equal or greater savings for every provision one turns down. Going forward, anyone who issues an alternative plan to Chairman Ryan’s should be held to the same standard when offering their own solutions. We simply cannot back away from these issues.

While we are encouraged that Chairman Ryan has come forward with a serious plan, we are concerned that it falls short of the balanced, comprehensive approach needed to achieve the broad bipartisan agreement necessary to enact a responsible plan. The plan largely exempts defense spending from reductions and would not apply any of the savings from eliminating or reducing tax expenditures as part of tax reform to deficit reduction. As a result, the Chairman’s plan relies on much larger reductions in domestic discretionary spending than does the Commission proposal, while also calling for savings in some safety net programs – cuts which would place a disproportionately adverse effect on certain disadvantaged populations.

Nevertheless, by putting forward a credible plan, Paul Ryan has made a very constructive contribution to move the debate forward and has put many ideas on the table that deserve serious consideration. As the process moves forward, we expect additional constructive proposals and ideas to be put forward by various Members of the House and Senate which we hope will lead to a balanced deficit reduction package that can receive broad bipartisan support. In

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The era of deficit denial is over.

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particular, we are encouraged by discussions going on in the Senate on legislation based on the framework put forward by the Commission.”

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The Moment of Truth project is a non-profit effort that seeks to foster honest discussion about the nation’s fiscal challenges, the difficult choices that must be made to solve them, and the potential for bipartisan compromise that can move the debate forward and set our country on a sustainable path.