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**Debt Ceiling Raised, But No Plan to Curb Future Debt
January 26, 2012**

Tomorrow, the debt ceiling will be raised by \$1.2 trillion based on an agreement lawmakers reached last summer in the Budget Control Act. Since the Super Committee was unable to reach an agreement, the President had the authority to request only a \$1.2 trillion increase as opposed to a \$1.5 trillion increase if the Super Committee had recommended at least that much in savings. Although the House voted to block the debt ceiling increase, that motion did not clear the Senate – allowing the increase to take effect.

“It would have been irresponsible not to raise the debt ceiling, but we shouldn’t see this increase as an excuse to run up our debt indefinitely,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “As long as we have no plan for controlling or financing rising health care and retirement costs, debt will continue to rise.”

The Treasury Department estimates tomorrow’s increase from \$15.194 trillion to \$16.394 trillion will allow the country to continue borrowing at least until November of this year. Resorting to extraordinary measures could delay an increase somewhat longer, but it is unclear that lawmakers could avoid another increase before 2013.

“It’s good that Congress is not playing chicken with the debt limit, but it would have been nice to see lawmakers use this reminder as an opportunity to address rising debt,” added MacGuineas. “This problem won’t go away on its own, and the longer we wait the more difficult it will be. There’s no excuse for not taking action this year.”

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