

Testimony of House Majority Leader Steny Hoyer

Before the Senate Budget Committee

Bipartisan Task Force for Responsible Fiscal Action

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As Prepared for Delivery

Chairman Conrad, Ranking Member Gregg, Members of the Committee:

Thank you for inviting me to testify at this very important hearing on proposals to establish a bipartisan task force to address our nation's long-term fiscal challenges.

Before I begin, I also want to thank three other witnesses here today – Comptroller General David Walker; Robert Bixby, the executive director of the Concord Coalition; and Leon Panetta, co-chair of the Committee for a Responsible Federal Budget – for their tremendous contributions in focusing on this critical issue.

As Mr. Bixby has stated previously, the basic facts of our fiscal challenges are a matter of arithmetic, not ideology. Two factors stand out: demographics and health care costs.

Analysts of diverse ideological perspectives and nonpartisan officials at the Congressional Budget Office (CBO) and the Government Accountability Office (GAO) have all warned that current fiscal policy is unsustainable over the long term even under the most optimistic projections.

The bottom line is this: Turning a blind eye to our long-term challenges would not only be irresponsible, it would be unforgivable. We must consider the consequences that our actions – or our failure to act – will have on our future and the ability of those who come after us to meet the challenges they will face.

Those of us who believe that the American people want their government to invest in education, infrastructure, scientific research and other priorities have a tremendous stake in addressing the budgetary pressures that will be created by the growth of entitlement spending. If we fail to act, future Congresses will find their hands tied in meeting new challenges and funding other priorities.

Thus, we must act. We do not have time to waste – with the first of 78 million Baby Boomers preparing to retire in 2008. And, there is plenty of room for debate over the mix of options that should be considered.

Recall that in 1983, President Reagan and Speaker of the House Tip O’Neil worked together, across party lines, to protect Social Security – setting an example for future generations.

We need to do the same thing now.

Finding a politically viable and equitable solution to our fiscal challenges will require bipartisan discussions in which all options are on the table. A solution must be bipartisan; rigid ideology must give way to workable solutions; and reasonable sacrifice will be required.

I would like to believe that Congress could address these issues through the regular legislative process. However, the experience of recent years suggests that this is extremely difficult in the current political environment.

Therefore, I have reluctantly concluded that a task force or commission with special legislative procedures for consideration of the commission proposal may be necessary to reach an agreement on a solution and spur action on this issue.

I agree with those who say that we should act sooner rather than later – because, left untended, our challenges only grow greater the longer we wait. But I have serious reservations about the timetable set forth in the Conrad-Gregg proposal, which envisions the task force

putting forward a final plan with legislative recommendations in December of 2008.

Under this proposal, legislative recommendations would be developed by a task force that includes members of the current administration, even though the recommendations would not be acted on until a new administration has taken office.

I see two problems with this idea. First, this administration, which has refused to put all options on the table, would have even less of an incentive to make compromises in a process that would not culminate until it was out of office.

Second, the new administration will have no stake in the success of a proposal that has been put together without its participation.

Do not misunderstand me: These concerns need not require us to hold off on acting until 2009. Instead, I believe we should move forward next year with enabling legislation providing for the establishment of a commission or task force so that work on developing recommendations can begin quickly after our new President is inaugurated.

A commission could even begin to move forward with the process of defining the scope of the problem and engaging the American public on the choices we face, thereby building on the work begun by Treasury Secretary Hank Paulson.

For example, the Securing America's Future Economy (SAFE) Act -- introduced by Congressmen Jim Cooper and Frank Wolf and Senator George Voinovich -- sets forth a two-part process in which the commission spends six months engaging the public in a dialogue and issues an interim report detailing the problem before beginning the second stage of putting forward recommendations.

However, the process of developing a plan and legislative recommendations should not begin until our new President is inaugurated in January 2009, and the new administration is able to

provide input into the process either through direct participation in the task force or through appointments to the task force.

I also strongly believe that the process for considering the task force recommendations should be revised to allow consideration of alternatives from the administration and Congress or other budget neutral amendments. Those who oppose the priorities and tradeoffs recommended by the commission should be given the opportunity to put forward constructive alternatives.

This approach, which is included in the SAFE Commission proposal, also would increase the prospects of enacting legislation by making it possible to modify the task force proposal to deal with elements of the recommendation that prove to be controversial and jeopardize enactment of the entire plan.

A commission is not a silver bullet that will solve our fiscal problems by itself. Members of Congress and the administration still must be willing to make tough choices. However, a commission with credibility and bipartisan support could provide the leadership necessary to ensure that these issues receive the attention and serious consideration they deserve.

Thank you.