

**Transcript of Press Conference Announcing Introduction of  
Bipartisan Task Force for Responsible Fiscal Action  
September 18, 2007**

**Speakers:** *Senator Kent Conrad (D-ND), Chairman, Senate Budget Committee*  
*Senator Judd Gregg (R-NH), Ranking Member, Senate Budget Committee*  
*The Honorable David M. Walker, Comptroller General, Government*  
*Accountability Office*  
*Maya MacGuineas, President, Committee for a Responsible Federal Budget*  
*Robert L. Bixby, Executive Director, Concord Coalition*

*Senator Conrad*

Welcome. I want to especially thank Senator Judd Gregg of the Senate Budget Committee for being with me today, and I also want to thank David Walker, the head of the Government Accountability Office, Bob Bixby, executive director of the Concord Coalition, and Maya MacGuineas, President of the Committee for a Responsible Federal Budget.

We are here today to talk about a legislative proposal to begin to address the very serious fiscal imbalances the country confronts. I think all of us know that we are in a situation that we are headed for a cliff, and that cliff is in part demographic. We have the explosion of the baby boom generation and we can't pay our bills now. So the question is: What are we going to do? How are we going to face up to the explosion of the baby boom generation, exploding health care costs, imbalances projected in Medicare and Social Security, the gap between our spending and our revenue?

Senator Gregg and I have talked all year about a possible approach. And we are here today to announce that we have reached conclusion and that we will introduce legislation today that will call for a task force, a bipartisan task force, with these following elements:

- The charge to this group will be to address the unsustainable long-term imbalance between spending and revenues.
- Everything is on the table.
- This group will include 16 members – 8 Democrats, 8 Republicans. Two of the Republicans will be from the administration, and the Secretary of the Treasury will be the chairman of the group.
- All task force members must be currently serving in Congress or the Administration.
- The report is to be submitted by this group on December 9 of 2008, so it is after the elections, so that we try to take the politics out of the runup to the work of this group.
- Twelve of the 16 members must agree on a report, so it will take a supermajority – that assures bipartisanship.
- And when it comes to the Senate and the House, in the Senate it will be on a fast-track basis, which means it will not be open to amendment. It will be an up or down vote after

- 100 hours of debate.
- Final passage will also require a supermajority. Sixty Senators and 60 percent of the House of Representatives. That, too, to assure bipartisanship.

Look, the central fact is we as a nation face an enormous challenge. We are spending more than our revenue, and this is before the baby boom generation retires. When they do, we face a far more serious situation. The best time to address it is now. The best time to get at this is sooner rather than later, and that avoids more draconian solutions that will have to be imposed the longer we wait.

I want to call on Senator Gregg for his comments, and to thank him for what has truly been a collaborative effort. All too often the American people see us here fighting, and Senator Gregg and I have disagreed on fiscal issues in the past. We have also agreed on the overriding challenge facing the country. That is what has brought us together.

Senator Gregg?

Senator Gregg

Thank you Chairman Conrad. I want to join you in expressing my appreciation for David Walker, the Comptroller, being here, and also the folks from outside groups, such as Maya and Bob, for being here to support this. The Concord Coalition has played a major role in trying to bring about positive change in this area, as has the Committee for a Responsible Federal Budget, and we very much appreciate that. And certainly David's work has been extraordinary.

Let me begin by saying I thank the Chairman for his willingness to reach out and be bipartisan. We can't solve this problem without a bipartisan effort. We know that. The fact that we're willing to come together on this hopefully will send a signal that others should be willing to take the same approach, which is to cooperate across the aisle on this very serious issue.

How serious is this? Well, in light of our experience with Katrina we should as a government know that if we have a Category 5 hurricane bearing down on us, and we know where it is going to hit and we know the damage it is going to cause, and we know the force of the hurricane, then we should, as a government, get ready for that.

Well, we have a Category 5 fiscal hurricane bearing down on us. We know when it is going to hit. It is going to hit beginning in 2010, and it will be at full force by 2025. We know the size of the hurricane. We know it is as large as anything we've ever seen in our history – \$66 trillion in unfunded liabilities exist, which is more than the net worth of our nation. And we know the impact. It is basically going to, after it hits, bankrupt our children and our children's children, making it essentially impossible for them to live the type of lifestyle that our generation has been able to live.

And the irony of this is that it is our generation that is doing this to our children and our

children's children. We're the ones that are going to be retiring. We're the demographic bubble of significance and so we have a responsibility since we are in the role of governance now to take some action to address this.

And the Chairman has outlined what we are proposing. Essentially, the essence of this is that we don't believe this problem will be addressed – the issue of entitlement spending and the issue of tax reform – without it being totally bipartisan. We don't believe this issue can be addressed without it being totally bipartisan. And it has to be perceived by the American people as totally fair.

And so we structured a task force which is set up in a way that is absolutely bipartisan, eight and eight, and the decisions of the task force require a supermajority so there can be no question that there is agreement. Once the task force has come to a conclusion, the Congress has to act on it with a supermajority, without amendment, and on a fast track. That is the only way, in our opinion, that this can be resolved. It's using procedure to essentially address the underlying problem.

And I believe if you put 16 people of good will in a room – and that won't be hard to do, people are all around this Congress who are willing to address this – and you give them the opportunity to make strong, intelligent, thoughtful decisions, they'll produce a product that will get us way down the road toward making sure we're ready to handle this Category 5 fiscal hurricane when it hits us.

So I congratulate the Chairman for his efforts and I thank the members of the community that are supporting this effort.

Comptroller General Walker

Thank you very much. I would like to thank and commend Chairman Conrad and Senator Gregg for their leadership in connection with the issue of fiscal sustainability and intergenerational equity.

As I have noted on numerous occasions, our nation is on an imprudent and unsustainable fiscal path. Tough choices are required in order to help ensure that our future is better than our past. The sooner that we make these choices the better, because time is working against us. As Senator Gregg said, we face a Category 5 hurricane and yet we are still partying on the beach rather than preparing for the wave which will never recede.

During the past two years, I have had the opportunity, along with my colleagues on the Fiscal Wake-up Tour, to travel to over 23 states throughout the United States. During the tour, it has become clear that the American people are starved for two things from their elected officials: first, truth; and secondly, leadership. I am here today because Senators Conrad and Gregg are trying to address this critical need. I am pleased to say that several other members on both sides of the political aisle and on both ends of Capitol Hill are also taking steps to answer this call by

proposing bills to accomplish similar objectives and by also putting "everything on the table."

I was especially pleased to see that the task force that would be created by Senator Conrad's and Senator Gregg's legislation was informed by GAO's work on the key elements that are necessary in order for any task force or commission to be successful. For example, the commission would have to have a statutory basis, be bipartisan, involve leaders from both the executive and legislative branch, and would require a supermajority vote for any recommendations to be sent to the President and the Congress.

As a result, the Conrad-Gregg proposal provides one potential means to achieve an objective that we all should share – taking steps to make the tough choices necessary to keep America great, and to help make sure that our country's, children's, and grandchildren's future is better than our past. Hopefully, this and other related bills will be given serious and timely consideration by the Congress and the President.

Thank you again Senator Conrad and Senator Gregg for your leadership. I hope that the Congress will seriously consider this, and move sooner rather than later because it is in the interests of our country, our children and our grandchildren that they do so.

Senator Conrad

Thank you David. And Maya MacGuineas from the Committee for a Responsible Federal Budget. Maya?

Maya MacGuineas

Thank you. I will say that when you run a fiscal watchdog group it seems like there are not all that many days when you have things to cheer about. So I would like to thank Senator Conrad and Senator Gregg for putting forth an idea that really is one of those days where the Committee for a Responsible Federal Budget says, "Great." It feels like our smiles are few and far between but this is something that we are really supportive of and think is a great idea.

One of the things that our group does is we bring together different groups of both members and staffers. And just last week, one of my co-chairs, Leon Panetta – and the other is Bill Frenzel, who wasn't able to join us that night, but he would have said the same thing – Leon was talking with a group of staffers and said the kind of things that are necessary to make real efforts on sustainable fiscal reform successful and he said that any effort needs to be bipartisan; it needs to start with everything on the table – and to clarify that doesn't mean that everybody supports everything on the table, it means that people are willing to start with everything on the table, and the discussions unfold from there; it needs to be a credible process; and it needs to be a trust building exercise, particularly now when the levels of trust are low in Congress, and we need to start a discussion in ways that we can build those things.

And without exception, the way that this task force has been put together meets those criteria. So we are exceptionally pleased and optimistic about the hopes that this can really start the process rolling. Just last night when I was putting together a press release on it, late last night in my home office, my three-and-a-half year old walked into the home office and said, “Mommy, why are you smiling? You never smile when you’re working.” It was a real pleasure working through something and thinking about it in a way that gave me optimism.

So just my final note. I would like to thank the Chairman and ranking member of the Budget Committee and their staffs for working so well together on this, because I think the leadership they’re showing on this issue and cooperation – that Republicans and Democrats are showing on moving the ball forward and getting the discussion started – is exactly the example of what we’re going to need to see throughout Congress, both in the Senate and the House, between Congress and the White House.

And we know how challenging these issues are. We know that when we get down to specifics it is not going to be a simple task to resolve these issues to come up with comprehensive reforms. But this discussion and this structure, which is fair and honest and a real attempt at moving the ball forward, is absolutely the right starting place. So thank you both for your work on this.

Senator Gregg

I would just note, Maya, that the Budget Committee’s tradition is to create smiles.

Senator Conrad

And Bob Bixby, Concord Coalition.

Bob Bixby

Thank you very much. And the Concord Coalition has been bringing a smile to the faces of people for 15 years now. We’re delighted that the Chairman and the ranking member of the Budget Committee are drawing attention to this.

I do bring some good news from the Fiscal Wake-Up Tour. We’ve been carrying on this effort now for two years. The Comptroller General has joined us. People from Brookings and Heritage have joined us, and in fact we were in California all of last week and in Nevada. We were actually in Las Vegas – you talk about a tough sell for fiscal responsibility, but we’re willing to weigh into that. But what we’ve been finding wherever we go is that the American people are very interested, they are very hungry for a bipartisan dialogue on this issue. They are really tired of the trench warfare. They want information. They want an honest dialogue. They love it when our people from Brookings and Heritage can have a disagreement about a particular

policy, but explain their reasons and do so in a rational way. And people come up to us all the time and say, "This is terrific, I didn't realize how big the problem was, and it's great to hear people talking about it in a way that sheds light rather than just increases the partisan tension."

So this effort is very much in keeping with the Fiscal Wake-Up Tour. And it meets criteria that the Concord Coalition has talked about in terms of what must be essential for the successes of such a task force. It is truly bipartisan because it has an equal membership. There are no preconditions so everything is on the table which is absolutely essential. And there would be a vote on this by the Congress, so it wouldn't be simply another blue ribbon commission that would be very easily put on a shelf. And it also has a broad mandate to deal with fiscal policy in general.

I think there is a general consensus that our nation's fiscal policy is unsustainable and that we need to deal with all of it, and not just an individual program or an individual segment of it. So I thank Senator Conrad and Senator Gregg, and the Concord Coalition is willing to put you on the road with the Fiscal Wake-Up Tour in any way, going to your home states, and help however we can.

#### Senator Conrad

Thank you Bob. Thank you David, Maya. A special thanks to Senator Gregg. This is at least one alternative. It is serious. It is well thought through, and could lead to a series of recommendations that Congress would have to vote on to begin to address these very serious fiscal imbalances. And I'm optimistic. I believe that this could happen. I believe this could pass. I believe this group could go to work. And I believe they would come back with recommendations, and I make no suggestions here that it would solve all the problems. But I believe we could make meaningful progress. And that's essential. We'd be happy to answer questions.

#### Question

In announcing this, have you gotten any word from Treasury or White House that it's fine with them that everything is on the table including taxes?

#### Senator Conrad

I think you know that the Secretary of the Treasury has said publicly and said it repeatedly that everything should be on the table. I have talked to him several times about this concept. I'll let him speak for himself about his reaction.

Question

Given that there is expected to be a lot of rhetoric going back and forth on spending in the next month trying to deal with appropriations bills, does that poison the atmosphere in trying to do something like this?

Senator Conrad

You know there is always the question of when you do something. Our conclusion is that this shouldn't be put off anymore. This group – 16 members, 8 Democrats, 8 Republicans – will be given the responsibility to come back with a report and a plan that will actually be voted on in the Congress of the United States. It will be at the beginning of the new administration. We believe that's the right way to proceed. And there are always going to be debates here. There are always going to be tensions here. That's no argument for waiting.

Question

(inaudible)...and second question is do you want OMB Director...(inaudible)?

Senator Conrad

First, your last question first. It would be up to the administration who they make the second person. It would certainly have some logic that it be the OMB director, but that would be up to the administration who they would make the second person.

Look, what's changed is we've reached a conclusion that this be put off for a vote in the next Congress. My earlier answer related to doing it now. You know, this is going to take some time. The work of this group is going to cover the waterfront. They are going to have a serious obligation to come back with a plan that can pass and that can make things better. What we have changed here is the date, and moved it to December 9, after the election. And this will give the group time to make a serious and comprehensive recommendation and take it outside the immediate politics of the election and give the next Congress and the next White House a chance to act.

Senator Gregg

I don't think there's any question that within the leadership of the Congress and within the leadership of the Administration, everybody recognizes the importance of addressing this issue. I also honestly don't think there is any question that if this proposal were to pass in the form it is outlined, that it would be signed into law. My sense is that there is enough sentiment out there to recognize the significance of the problem and that it has to be approached in a

bipartisan way that has absolute fairness. This bill accomplishes that, and it has to be serious, which is what the fast track does.

Question

First, does Sen. Reid support this idea, and secondly do you have any reason to believe that (inaudible)...?

Senator Conrad

I don't want to speak for others. I'd ask you to direct your questions to them. I have learned long ago not to speak for others. I'm here speaking for myself. I have reviewed this with many other members in both the House and the Senate. We have provided a heads-up to large numbers of our colleagues in both the House and the Senate.

Question

Are you going to hold a markup on this?

Senator Conrad

We will wait to get reaction from our colleagues and determine how best to proceed, whether there is a markup in the committee or whether some other vehicle. Our intention is to try to get this enacted this year.

Question

What's the reaction from leadership?

Senator Conrad

We discussed this earlier this year with leadership on both sides. And we had many, many discussions, so people are very familiar with the outlines of this proposal. The only fundamental change is that we moved it until December 9 for the report. We're realistic. We all know the way Washington works that it is unlikely something of this magnitude is ever going to be addressed in an election year. That's just very unlikely, so we have put it off so that the recommendation comes to a new Congress and a new administration. But it is being handed something that we think has real value. The work of 16 people -- 8 Democrats, 8 Republicans, 14 from the Congress of the United States, two from the administration -- who have we hope the



people appointed will be people with deep experience in these issues so they can get right to the heart of the choices that have to be made.

Senator Gregg

The simple fact is that Senator Conrad and I have worked this issue at some length within our membership, and especially our leadership and within the administration. So there is an understanding and I believe the ground is extremely fertile for moving forward with something like this.

And Senator Conrad made the point – he hasn't made it here, but I'll reiterate it for him – this is really a gift for people who are running for President. We see a lot of those folks in New Hampshire. They get asked these questions. This is an opportunity for them to turn to something that is substantive and that will accomplish what they need to address. For the next President this is going to be, beyond fighting terrorism, their number one issue is going to be how to deal with this problem. It is going to be on their watch that the Force 5 hurricane reaches the shore.

Question

Question for Mr. Walker, if I could. In your testimony before Budget in January, it seemed as though you supported the supermajority vote within the task force but you had some reservations about the supermajority vote within the Congress. Can you comment on that?

Comptroller General Walker

The supermajority vote for the task force is three-quarters, which is clearly a very significant majority. When you look at it from the standpoint of the Congress as a whole, we're saying 60 percent. I think the key is, from a practical standpoint, if you are going to end up with the major type of changes that are contemplated by this commission done, you are going to have to have 60 percent support, and I think it is possible to get that.

One last thing on the timing of the report, which I think is important. By having this report delivered in December of '08, it means not only is it a gift to the next administration, whatever administration that might be, but it also gives time for the commission to be able to have conversations with the winner of the next presidential election, and to be able to obtain their informal input before they finalize the report, because it is important they have some at least informal input before it is publicly unveiled.

Bob Bixby

Just about the timing, keep in mind that the baby boomers will already have begun to

retire and qualify for Social Security by the time the commission would report. They will begin to qualify, in fact, before the first votes are cast in Iowa and New Hampshire, unless they move it back into 2007. But this is something that is going to begin happening very soon, so the sooner the better in terms of the reporting on the timing.

Senator Conrad

Thank you very much.