

# SENATE BUDGET COMMITTEE

---

## KENT CONRAD, CHAIRMAN

FOR IMMEDIATE RELEASE  
June 9, 2009

Contact: Stu Nagurka (202) 224-7436  
Steve Posner (202) 224-7925

### **STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) ON ADMINISTRATION'S STATUTORY PAYGO PROPOSAL**

“The Obama administration should be commended for focusing attention on the need to restore fiscal discipline. With the deficit expected to top \$1.8 trillion this year, and our national debt rising rapidly, we simply must do more to put our fiscal house in order.

“Adding a statutory paygo requirement is worth considering as part of a comprehensive plan to deal with the nation’s long-term fiscal imbalance. But paygo can only do so much. It can prevent the passage of new legislation that would worsen the deficit, but it does not address the deficits and debt projected under existing policy. To truly solve our long-term budget crisis, I believe we need a special bipartisan process, where everything is on the table and where Congress is required to vote on a legislative solution.

“I also have serious concerns with certain aspects of the administration’s proposal. Even as it puts in place sequester mechanisms to reinforce paygo, it exempts more than \$4 trillion in deficit increases (with debt service) from paygo, including extension of the 2001 and 2003 tax cuts for those making over \$250,000. In addition, the administration’s paygo rule differs significantly from the Senate and House paygo rules, covering different time periods and using different scoring rules. This means Congressional committees would have to comply with two sets of estimates and procedures.

“Given the nation’s dire budget outlook, it is crucial that we stay focused on restoring fiscal discipline and that we begin to act now. But we need a comprehensive approach. And we need to be careful not to adopt measures that inadvertently lock-in unsustainable deficit levels for years to come.”

###