

Super Committee To Tackle Debt Ceiling Problem

By: Erin Billups



A super committee made up of 12 members of Congress has been formed to drastically reduce the federal deficit, but economists are split on what impact they think it will ultimately have. NY1's Erin Billups filed the following report.

Twelve members of Congress are now tasked with reducing the federal deficit by \$1.5 trillion over the next decade on top of the \$900 billion in cuts recently agreed to. It's all part of the deal to raise the country's debt ceiling.

"They have more or less carte blanche to do whatever they want to do," said Ron Haskins of the Brookings Institute.

And it seems there's little confidence on Capitol Hill that the Joint Select Committee will do anything.

It's already a topic of national debate, a likely political football on the presidential campaign trail.

Experts at the Brookings Institute grappled with the idea during a forum this week and say history has few examples of successful "super committees."

"Not surprisingly, these commissions find it difficult to overcome the politics that created them," said Sarah Binder of the Brookings Institute.

There are differences written into the law that could set this super committee apart, preventing lawmakers from kicking the can further down the road."

For one, it has legislative authority, requiring an up or down vote in Congress by December 23 and therefore preventing filibusters.

And most importantly, it has a failsafe or trigger called a “sequester.”

If committee members fail to cut at least \$1.2 trillion by November 23, or Congress refuses vote on the plan, that amount will automatically be cut from the domestic and defense budgets.

“I think by and large Congress wants to avoid the triggers that they’ve pretty carefully constructed, that take a pretty hard bite out of defense,” said Binder.

Others hope that’s exactly what happens.

“If the super committee fails, taxpayers win. Why? Because we get this automatic spending cut called a sequester that would take that spending baseline and actually lower it a bit so government doesn’t grow as fast,” said Dan Mitchell of the Cato Institute.

In the end, some experts believe that while it’s unlikely the super committee will agree on the full \$1.2 trillion in cuts, they will agree on something, which could at least temper the automatic cuts that would be triggered as a result.

They will begin meeting after Labor Day.