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# Senators Warner, Chambliss to Put U.S.'s Debt Atop Agenda in Next Congress

By Heidi Przybyla - Dec 20, 2010 3:25 PM ET













Senator Mark Warner. Photographer: Andrew Harrer/Bloomberg

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Dec. 20 (Bloomberg) -- Daniel Mitchell, a senior fellow at the Cato Institute, talks about the tax-cut compromise President Barack Obama forged with Republican leaders and signed into law Dec. 17. Vice President Joe Biden said ending tax cuts for the wealthiest Americans will be an administration goal for 2012 and predicted Democrats would be able to advance measures that get more revenue from the highest earners. Mitchell speaks with Lisa Murphy on Bloomberg Television's "Fast Forward." (Source: Bloomberg)

Senators Mark Warner and Saxby Chambliss will seek to put the U.S. debt atop the agenda in next year's Congress by offering measures to cut government spending, reduce popular tax breaks and trim entitlement programs.

Warner, a Virginia Democrat, and Chambliss, a Georgia Republican, have been working over the past six months to court a group of 25 senators from both sides of the political aisle in a bid to gather support for their bill, Warner said today in an interview.

The legislation is based on a plan by the co-chairs of President Barack Obama's debt-reduction panel that earlier this month failed to get enough support for its recommendations to be sent to Congress.

"Why not take their work and amend off that?" said Warner, who casts the bill as an effort "to get the ball rolling" on the congressional debate over how to tame the nation's \$1.3 trillion federal budget deficit.

"You just have to start with some building blocks," he said.
"You've got to take on entitlements, you've also got to take on revenues."

In comments to reporters, Chambliss said he is expecting to offer "a comprehensive bill that's going to be a pretty major package."

Long Odds

The bill may face long odds since Obama's 18-member commission, a mix of elected and unelected leaders, couldn't

get the 14 votes necessary to forward the plan to Congress. Members from both parties opposed its mix of tax increases and spending cuts in programs such as Social Security and

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Warner's supporters say the push by him and Chambliss will, at a minimum, focus attention on the deficit and the national debt early in a congressional session that will include many newly elected House and Senate members who made pledges to voters to address the issues.

"This is a group that is going to get momentum and insist on continuing to bring up the deficit at every single moment," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget, a watchdog group. Even if Congress can't agree on a plan, the bipartisan effort will reassure credit markets "in a way that buys you more time," she said.

MacGuineas has been working with Warner's group, which has met regularly with lawmakers and economists, as well as Federal Reserve Chairman Ben S. Bernanke and former Comptroller General David Walker.

# Senators' Speeches

During congressional debate on Dec. 15 over extending President George W. Bush's tax cuts, 18 of the group's members joined together to give speeches on the Senate floor urging action on the deficit by the end of 2011. The lawmakers include Democrats Amy Klobuchar of Minnesota and Mark Udall of Colorado and Republicans Mike Crapo of Idaho and Bob Corker of Tennessee.

Congress faces a vote early next year on raising the national debt ceiling, which some lawmakers may support only under the condition of a debt reduction bill, said Chambliss.

"If we can use that as leverage, that's an ideal scenario," he said. The 2012 presidential election, which could undermine bipartisanship in Congress, also gives impetus to trying to enact legislation in 2011, he said.

## Panel Plan

The rejected proposal by debt commission co-chairmen Erskine Bowles, a White House chief of staff under former President Bill Clinton, and Alan Simpson, a former Republican senator from Wyoming, would have reduced the annual deficit to about \$400 billion in 2015 and begun reducing the debt.

The plan would have increased taxes by \$1 trillion by 2020 by scaling back or eliminating hundreds of deductions, exclusions or credits such as those allowing homeowners to write off interest on their mortgage payments. It would also have cut individual and corporate income tax rates.

Social Security benefits would have been cut, the gas tax would have gone up by 15 cents, discretionary spending would have been reduced by \$1.6 trillion and Medicare would have been pared by \$400 billion.

Incoming House Budget Committee Chairman Paul Ryan, a Wisconsin Republican, has said he would also include major portions of the Bowles-Simpson plan in legislation next year.

"That's a very positive sign coming from the House and the new majority in the House," said Chambliss.

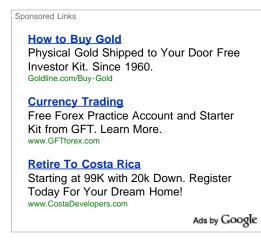
Ryan was among the commission members voting against sending the co-chairmen's plan to

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Congress. He said he did so largely because it failed to call for repeal of health-care overhaul passed into law earlier this year, which he said would worsen the government's fiscal woes.

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