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CRFB Supports Creating a Statutory Commission January 25, 2010

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The Committee for a Responsible Federal Budget (CRFB) supports creating a statutory commission to help deal with the nation's budgetary challenges.

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As part of the discussion on whether to increase the debt ceiling, the Senate is scheduled to vote this week on an amendment offered by Senator Kent Conrad (D-ND) and Senator Judd Gregg (R-NH) to create a task force that would make specific recommendations for how to address the nation's fiscal imbalances. President Obama endorsed the commission this weekend.

It has long been the Committee for a Responsible Federal Budget's preference that Congress directly addresses these urgent budget challenges, but given the seeming unwillingness to do so under regular order, CRFB thinks a commission would be beneficial.

"A commission is certainly not a cure-all," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "Our leaders must still make hard tax and spending choices, and sell them to the American people. But a commission can help to jump-start the critical process of crafting a sensible fiscal plan for the country, and make that process just a little bit easier."

A budget commission offers a number of potential advantages including:

- Sending a credible signal to creditors and financial markets that the US is serious about tackling its fiscal challenges
- Establishing a shared fiscal goal
- Creating a bipartisan forum in which to discuss budget issues
- Establishing a process to ensure that the recommendations are considered
- Lending political cover

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"The country now faces both medium- and long-term budget challenges. A commission will probably need to work toward two goals: stabilizing the debt in the medium term, and then bringing it down to manageable levels over the longer term," MacGuineas said.

"The most important ingredient for success is that there is bipartisan buy-in. Nothing should be taken off the table in establishing a commission, both to help facilitate broad buy-in and because the problem is so large that all policy options will have to be considered" said MacGuineas.