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**CRFB Reacts to the State of the Union Address
January 27, 2010**

The Committee for a Responsible Federal Budget commends President Obama for his focus on deficit reduction in his State of the Union address, and hopes that he will follow through by pressing Congress to enact medium- and long-term deficit reduction policies over the next year.

As the President remarked tonight, we find ourselves in a “massive fiscal hole... a challenge that makes all others that much harder to solve.” And he argued, rightly so, that “if we do not take meaningful steps to rein in our debt, it could damage our markets, increase the cost of borrowing, and jeopardize our recovery.”

The President offered three proposals, in particular, which would be promising steps in the right direction:

- A three-year non-security discretionary spending freeze, beginning in fiscal year 2011, and enforced by a veto, if necessary;
- A bipartisan fiscal commission – created by executive order and fashioned after the Conrad-Gregg proposal – to provide a specific set of solutions to our fiscal problems;
- The reinstatement of statutory pay-as-you-go laws (although as we’ve mentioned before, we are concerned about the large number of exemptions).

“We are thrilled that President Obama understands the threat of ever-rising debt, and is making some concrete proposals to begin to address it,” said Maya MacGuineas, President of the Committee for a Responsible Budget. “But actions speak louder than words. In the coming weeks and months, we urge the President to bring together members of both parties and begin taking concrete actions to stabilize the debt once the economy recovers.”