

Bipartisan Commission Proposes \$2.4 Trillion Deficit Reduction

A bipartisan fiscal commission on Tuesday offered a plan to reduce U.S. government **deficit spending** by \$2.4 trillion over 10 years, and do so with a combination of spending cuts, a health care overhaul and tax reform.

The proposal by Democrat Erskine Bowles and Republican Alan Simpson, co-chairmen of a fiscal commission that President Barack **Obama** appointed early in his first term, added to the Washington debate over how to get a handle on \$1 trillion annual deficits and a \$16 trillion **national debt**.

The Simpson-Bowles plan would aim to achieve \$2.4 trillion in deficit reduction over 10 years. About one-fourth of that reduction would come from **health care** reforms and another fourth from **tax reform**.

The remaining **reduction** would come from a combination of mandatory spending cuts, stronger caps on **U.S.** discretionary spending, using the Consumer Price Index for inflation-indexed provisions in the budget, and lower interest payments.

"The proposal also calls for a parallel process to make Social Security sustainably solvent and further actions to bring transportation spending and revenues in line and limit per capita cost growth in federal budgetary commitment to health care to about the growth rate of the economy," according to a summary of the plan.

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