

# United States Senate

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## **CONRAD APPLAUDS INTRODUCTION OF STRONG PAYGO RULE Democrats Include Strengthened Budget Discipline in Top Ten Legislative Priorities**

**Washington, D.C.** – Incoming Senate Budget Committee Chairman Kent Conrad (D-ND) today applauded the introduction of a strong pay-as-you-go, or paygo, budget enforcement rule in the United States Senate. The paygo provision was included in the new Democratic Majority's top ten legislative priorities, which were unveiled today by Senate Majority Leader Harry Reid (D-NV).

“By including a strong paygo rule in our top ten legislative priorities, Democrats are demonstrating our commitment to restoring sound budget policies to Washington,” said Conrad. “Paygo represents a fundamental test of fiscal discipline. It says enough is enough. It is time to start paying as we go, instead of putting it all on the charge card and continuing to run up the debt.”

The proposed Senate paygo rule would require that any new mandatory spending and tax cuts be offset or get 60 votes. It would replace the existing weak Senate paygo rule adopted by the outgoing Republican Majority. That weak rule includes a huge loophole exempting all mandatory spending and tax cuts included in any budget resolution.

“There is no silver bullet for putting our fiscal house back in order,” said Conrad. “It will require a serious and prolonged bipartisan commitment to fiscal discipline. But restoring a strong paygo rule is an important first step. We know that paygo works. It was instrumental in our turning deficits into surpluses in the 1990's. It doesn't say that you can't have new mandatory spending or new tax cuts; it just says that those things should be paid for so that the deficit isn't worsened. It ensures that if something is not paid for, it can only pass if it has broad bipartisan support.”

The proposed paygo rule is one of two key provisions in S.10, the Restoring Fiscal Discipline Act of 2007, which was introduced today by Senate Majority Leader Reid and cosponsored by Conrad. The Act would also prohibit the use of the fast-track reconciliation process for any legislation that would add to the deficit. It would restore the original intent of reconciliation, which was to ease the passage of deficit reduction measures. Since 2001, the Republican-controlled Congress has abused reconciliation by using the procedure to pass tax cuts that have increased the deficit by more than \$1.7 trillion.

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