



THE CONCORD COALITION

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September 26, 2002

The Honorable Kent Conrad
The Honorable Pete V. Domenici
Washington, DC 20510

Dear Senator Conrad and Senator Domenici:

On behalf of The Concord Coalition, I am writing to express our deep appreciation and strong support for the bipartisan effort you are leading to extend the Senate pay-as-you-go (paygo) and other Budget Act points of order. These mechanisms have helped to impose a sense of fiscal discipline since they were first enacted. Unfortunately, they are scheduled to expire on the first day of October. It would be particularly ironic and fiscally irresponsible to lose these procedures just when the budget is plunging back into deficit. Your bipartisan resolution would prevent that loss. We also hope that it will encourage a discussion of the tough choices that must be made, regardless of procedural mechanisms, to restore fiscal responsibility.

The rapidly deteriorating budget outlook highlights the importance of your efforts. With sudden speed, budget deficits are back and for the first time in several years there is no clearly agreed upon fiscal policy goal. Rather than setting priorities and making hard choices, Congress and the President are in an election year mood to cut taxes and expand entitlements. This is a dangerous path to follow when looming just beyond the artificial 10-year budget window are the huge unfunded retirement and health care costs of the coming senior boom.

It is true that budget process isn't everything, especially without political will. But budget rules and discipline can raise the hurdles and make it more difficult to toss fiscal probity aside. During the 1990s, Congress enacted caps on discretionary spending and a paygo limitation on entitlement spending and tax cuts. Supported by Senate points of order, they made a direct contribution to reining in large and growing budget deficits.

Ideally, a new balanced budget plan should be agreed upon and enacted along with the enforcement mechanisms provided in your bill. It does not appear likely, however, that such a plan will be forthcoming in the near future. Thus, extending the current mechanisms to maintain a measure of fiscal discipline is far preferable to letting the entire budget enforcement framework expire—leaving renewed deficits and no mechanism for enforcing fiscal responsibility.

In Concord's view, the choice is clear. Expiration is an open invitation to fiscal chaos. Your bill to continue the 60-vote points of order is an important step towards restoring fiscal discipline to the budget process. The Concord Coalition strongly commends and supports this bipartisan effort. Please let me know if we can be of further assistance.

Sincerely,

Robert L. Bixby
Executive Director
The Concord Coalition