

BACK IN BLACK

Washington is again waiting until the last minute to avoid a “crisis”— a crisis foreseen years in advance and created by Congress itself. For far too long, Washington politicians from both parties have spent money we do not have for things we do not need. As a result, the national debt now exceeds \$14 trillion, \$4 trillion of which was added in just the past three years. Now those who created this debt want us to believe the only solution is to simply borrow more money.

But any debt increase not accompanied with meaningful savings will only temporarily postpone the inevitable. Real choices must be made to reduce spending, increase revenues, or both. If Washington does not begin making these difficult choices today, those decisions will be made for us tomorrow and the results could be catastrophic. The only guaranteed entitlements for future generations will be debt and lower standards of living.

Our increasing government debt will “result in lower incomes than would otherwise occur, making future generations worse off,” warns the non-partisan Congressional Budget Office. “Higher debt would make it harder for policymakers to respond to unexpected problems, such as financial crises, recessions, and wars. Higher debt would increase the likelihood of a fiscal crisis, in which investors would lose confidence in the government’s ability to manage its budget and the government would thereby lose its ability to borrow at affordable interest rates.”

Special interests and politicians would have us believe any proposed savings resulting from reducing spending will unfairly harm the disadvantaged. This is absolutely not true. The federal budget is bloated with hundreds of billions of dollars of waste, fraud and duplication.

Consolidating overlapping programs can actually improve efficiency while reducing costs. A recent Government Accountability Office (GAO) report exposed how duplication within the federal government is wasting hundreds of billions of dollars *every year*. “This fragmentation can create difficulties for people in accessing services as well as administrative burdens for providers who must navigate various application requirements,” GAO noted. “The lack of coordination” caused by duplication poses a “barrier to the delivery of services” to those in need, according to GAO.

Improving the management of programs can also save billions of dollars. The federal government is overpaying pharmaceutical companies nearly \$4 million a month for drugs provided by some federal health programs, for example. Likewise, Washington paid over \$1 billion in benefits to the deceased over the past decade. Fixing these and other mismanagement will not only save tax dollars, but also ensure more, rather than less, resources to provide aid to eligible beneficiaries.

But in this era of trillion dollar annual deficits, even saving hundreds of billions of dollars is not enough. Tough choices will still be necessary. Everyone is going to feel a pinch. For some it may be a sting. Everyone will be asked to do more with less. This includes Members of

Congress, government employees and contractors, millionaires, and even the White House and Pentagon. We are all in this together and, therefore, we all must be part of the solution.

When we are borrowing forty cents for every dollar we spend, we cannot afford excuses. We must review every department, every program, and every expenditure for potential savings. If you cannot find waste in any part of the federal budget, whether health care programs, defense spending, or even the tax code, it can only be for one reason—you have not looked.

The federal government has become so large, it is impossible to grasp its true size and scope or to pay for its costs. Nearly every corner of the federal government is rife with duplication, mismanagement, and special interest carve outs. Each is protected by an entrenched bureaucracy, a well financed lobbying group, an active and organized constituency, and an entrenched politician, which time and again align to best any efforts to reform, cut, or eliminate government waste. Perhaps there is no better recent example of this phenomenon than when only 15 of 100 senators voted to defund the infamous Bridge to Nowhere in Alaska which had become *the* national symbol of government waste.

Eventually commonsense prevailed when taxpayer outrage accomplished what a vote in the Senate could not. Not only was the bridge stopped, the entire favor factory within Congress that allowed lawmakers to dole out tax dollars to special interests for parochial pet projects long defended by politicians in both parties was shut down. A decade earlier, similar widespread public demand forced Washington to overhaul welfare. These efforts, both of which were made possible with bipartisan support, are the models for returning fiscal sanity to our nation's budget.

The public is again demanding action but Washington is playing a game of partisan budget brinkmanship. The problems we face are too big to be caught up in political posturing and they will not be solved without the cooperation of members of both parties.

Most of our excesses are the result of decades of Congress overstepping the limited powers granted to the federal government by the U.S. Constitution. Government is so vast, complicated, and protected by special interests, it has become nearly impossible for even most lawmakers to navigate. As a result, overly simplistic solutions that will not solve the problem are being proposed, such as “capping” spending at unsustainable levels, reforms to the budget process that cannot guarantee spending reductions, raising taxes on millionaires, or increasing the government's borrowing authority.

A thorough review of the entire federal budget is long overdue. Such an evaluation should not be seen through political or ideological lenses, but as a practical evaluation: What works and what does not? What is a priority and what is not? What is in the national interest and is a special interest? What is necessary today and what has become obsolete? And what is efficient and what is wasteful?

This report does just that. It provides a plan to put the U.S. back in black by identifying \$9 trillion in very specific savings that can be achieved over the next decade. These savings are derived from consolidating duplication, weeding out waste, eliminating special interest subsidies, reducing overhead costs, demanding results, and setting priorities.

This plan recognizes all spending is not created equal by asking those with more to take less to ensure those who gave more will not be left with nothing. It ensures health care for wounded combat veterans, while ending unemployment benefits for jobless millionaires.

It ensures initiatives benefitting all Americans continue to receive sufficient support while eliminating those benefitting a select few. Medical research to unlock cures for cancer and other afflictions conducted by the National Institutes of Health would continue to receive modest funding increases every year, while tax breaks for Hollywood movie producers would be ended.

Social Security is protected for future generations by giving more to those with less and less to those with more. The life of Medicare is extended without changing the fundamentals of the program. Our national defense is protected while eliminating over \$1 trillion in Pentagon waste and excess. Foreign aid to nations who are making money by loaning the money back to us is cut off while maintaining our commitments to our allies and needy nations who rely upon our continued generosity to combat disease and poverty.

The debt is the real threat to our future and our national security. More than \$1.5 trillion is projected to be added to our \$14.4 trillion national debt every year for the foreseeable future. These colossal amounts are dwarfed by the \$61.6 trillion in additional unfunded obligations promised by the federal government. These commitments include Social Security payments and federal retirement programs, which have been raided by Congress to pay for other programs.

We cannot guarantee retirement programs for the elderly, protect the safety net for the poor, or preserve the American Dream for future generations if we do not end Washington's unsustainable borrowing and spending. While the federal government is bailing out banks, corporations, and government programs and trust funds, we are bankrupting our nation in the process and there is no one who can bail us out when that happens.

To avoid such a catastrophe, this report provides perhaps the most detailed deficit reduction plan ever proposed. It is the result of a thorough review of every federal department, agency, program, and mission. It does not rely on gimmicks. It does not postpone spending cuts to future years. It does not defer decisions to commissions or future generations. It provides honest and thoughtful reasons for savings everywhere in the federal government, from entitlement programs to defense spending, and even the tax code, based upon facts rather than ideology or political posturing.

Taken together, this report provides a balanced plan that protects our priorities but asks *every* American to make some sacrifices today to ensure future opportunities for our children and grandchildren.