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Chaffetz: 'As the clock clicks closer'

Hatch, Lee, Chaffetz seek balanced budget

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With only two weeks until the federal government enters financial default on Aug. 2, three Utah politicians are fighting on the front lines of "cut, cap and balance" — the Republican Party's latest effort to raise the national debt ceiling before government default opens the floodgates for economic pandemonium.

Sen. Mike Lee introduced the Cut, Cap and Balance Act of 2011 in the Senate on July 7. The legislation aims to:

- Cut \$144 billion from the \$3.7 trillion 2012 federal budget.
- Cap federal spending at 18 percent of Gross Domestic Product. The current estimate is 23.8 percent.
- Resist raising the debt ceiling until a constitutional amendment requiring the government to annually "balance" its budget passes both houses of Congress.

In addition to Lee's efforts to cut, cap and balance, Sen. Orrin Hatch remains the congressional dean of balanced-budget amendments like the one at the heart of cut-cap-balance strategy, and Rep. Jason Chaffetz has introduced legislation similar to Lee's in the House.

"The support of Senators Hatch and Lee and Congressman Chaffetz for the cut, cap and balance plan has been critical to its success to date," said Colin A. Hanna, president of public policy organization Let Freedom Ring and one of the principal architects of the strategy.

On June 16, Lee became the first member of Congress to sign the Cut, Cap and Balance Pledge. Eleven senators and 38 representatives, including Hatch and Chaffetz, subsequently signed on. But for several weeks while Vice President Joe Biden hosted bipartisan budget negotiations and President Barack Obama flirted with a \$4 trillion "grand bargain," the cut-cap-balance paradigm remained on the fringes of national discussion regarding how to raise the federal debt ceiling in time.

The GOP's intraparty debate, though, may have reached a tipping point Thursday when Senate Minority Leader Mitch McConnell, R-Ky., signed on as a co-sponsor for Lee's legislation. Late last week the plan quickly started generating national media attention, and Chaffetz introduced his cut-cap-balance legislation on Friday.

Chaffetz's HB2560, which as of Monday afternoon had 86 co-sponsors, is widely expected to pass the Republican-controlled House when it comes up on Tuesday's agenda.

"As the clock clicks closer to Aug. 2, we're starting to sweat about the solution to this impasse," Chaffetz said. "Everybody's searching for a solution. This is the only plan coming up for a vote. It's got real support, and I think it will pass the House."

Hanna agrees. "I certainly expect that (HB2560) will pass (Tuesday) — and when it does I think it will take center stage in the public debate about the debt ceiling," he said.

Indeed, a public-relations showdown is all but certain to follow if HB2560 passes muster in the House. Senate Majority Leader Harry Reid, D-Nev., opposes the idea, and Obama promised Monday to veto a cut-cap-balance bill. But with only a handful of days left before Aug. 2, they may have no choice but to strike a compromise.

"The House's vote (Tuesday) is a huge step forward because that would put huge pressure on the Senate to act," said Hatch, who during 34 years in the Senate has sponsored six balanced-budget amendments and co-sponsored 17 others. "But there are 53 Democrats in the Senate, so it will be an uphill battle for those of us who are trying to get things under control."

One of the looming issues hovering over the cut-cap-balance plan is just how much the prescribed spending cuts will affect entitlement programs like Medicaid, Medicare and Social Security.

"With cut-cap-balance, one of the things we see that's really troubling is that there's not a lot of clarity on what would be cut," said Kimberly Myers, community engagement director for the Utah Health Policy Project. "Something has to be done, clearly. But I think when you look at the big picture and the debt ceiling and the budget talks, the thing that becomes frustrating is when the discussion is centered on cutting programs like Medicaid and Medicare. ... We can't only do it on the backs of low-income people and elderly people; there has to be a more balanced approach."

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