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## Government Relations

### Deficit Reduction

Now that Congress has returned from its annual August recess, attention will immediately be focused on the workings of the special joint Senate-House committee that Congress created to deal with the federal government's deficit and debt crisis. Formally known as the "Joint Select Committee on Deficit Reduction" this bi-cameral and bi-partisan 12-member committee has the challenging task of coming up with recommendations to reduce the deficit by a minimum of \$1.2 trillion over the next decade.

So who are these 12 wise men (and woman) who will undertake this herculean task? From the Senate, the three Democratic Senators are Patty Murray (WA) (who will act as co-chair), John Kerry (MA), and Max Baucus (MT), and the three Republican Senators are Jon Kyl (AZ), Rob Portman (OH), and Pat Toomey (PA). From the House of Representatives, the three Republican Congressmen are Jeb Hensarling (TX) (who will act as the other co-chair), David Camp (MI), and Fred Upton (MI). The three Democratic Congressmen are Xavier Becerra (CA), James Clyburn (SC) and Chris Van Hollen (MD). And while all 12 were selected by their respective chamber's party leadership, collectively they bring a wealth of experience in understanding the inner workings of the federal budget and issues like entitlements, taxes, and program funding.

Because taxes and entitlements will be critical parts of the Committee's discussions, appropriately both chairmen of the tax-writing committees—House Ways and Means Committee chairman Dave Camp and Senate Finance Committee chairman Max Baucus—are part of the group. Inasmuch as their committees will ultimately have to approve the bulk of the Deficit Reduction Committee's recommendations, presumably they will not support recommendations that cannot pass. Two of the Committee members—Xavier Becerra and Jeb Hensarling—have been through this exercise once before, having served on President Obama's Debt Commission. One member—Rob Portman—was the former head of the Office of Management and Budget. And if there's one member who could potentially be described as a "free agent," it might be Arizona Senator Jon Kyl: he previously announced he will not be running for reelection in 2012.

The Committee began its work on September 8, 2011 with its first formal session and will conduct its first hearing on September 13. By statute, the Committee must vote on a package of recommendations by November 23 and report those recommendations to the House and Senate by December 2. The House and Senate then must vote by December 23 on the recommendations and neither body can amend those recommendations.

And what happens if the Committee fails to recommend or Congress fails to approve? Beginning on January 2, 2013, automatic, across-the-board spending cuts to achieve the \$1.2 trillion target will be activated.