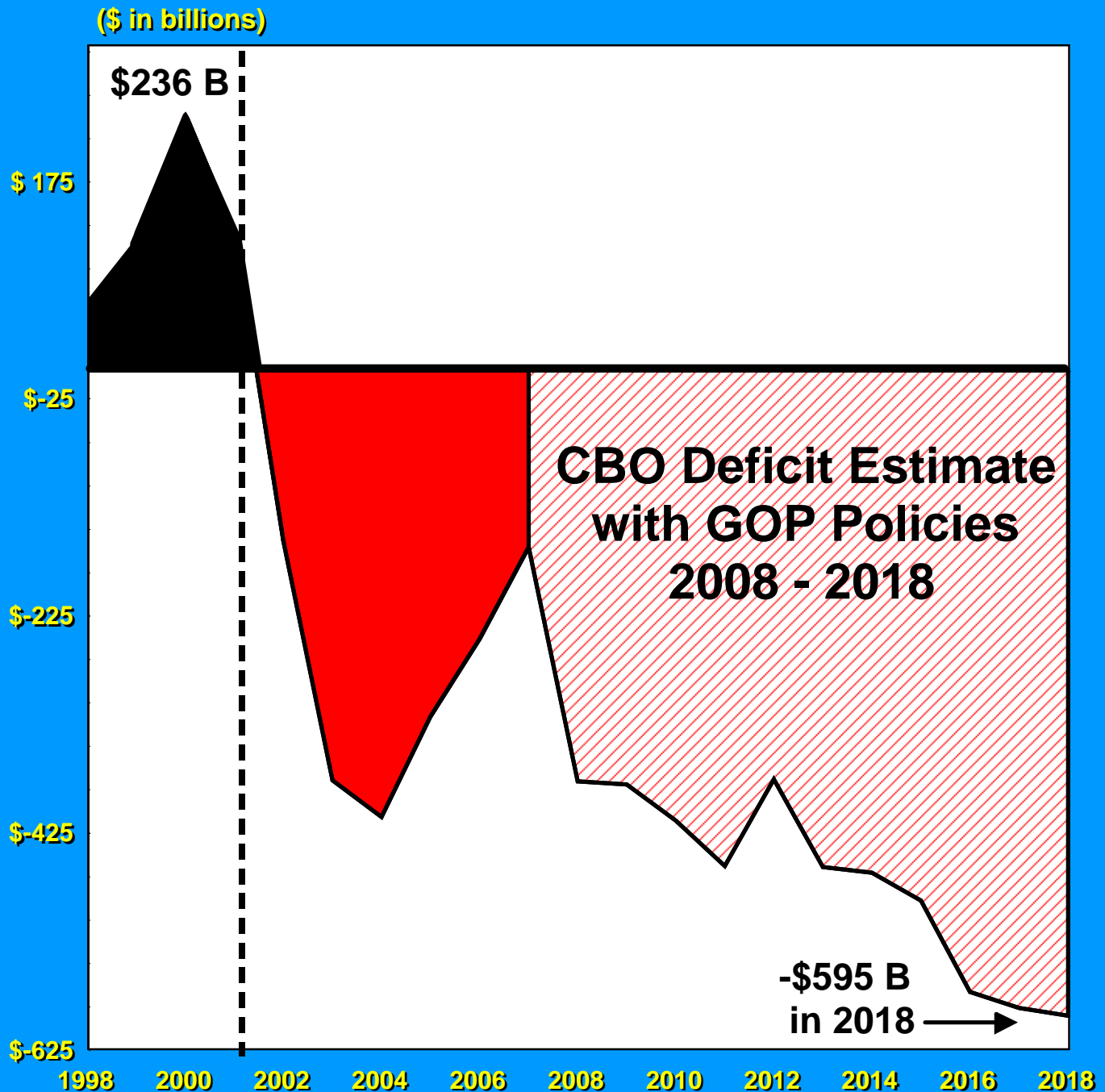


Ten-Year Budget Outlook

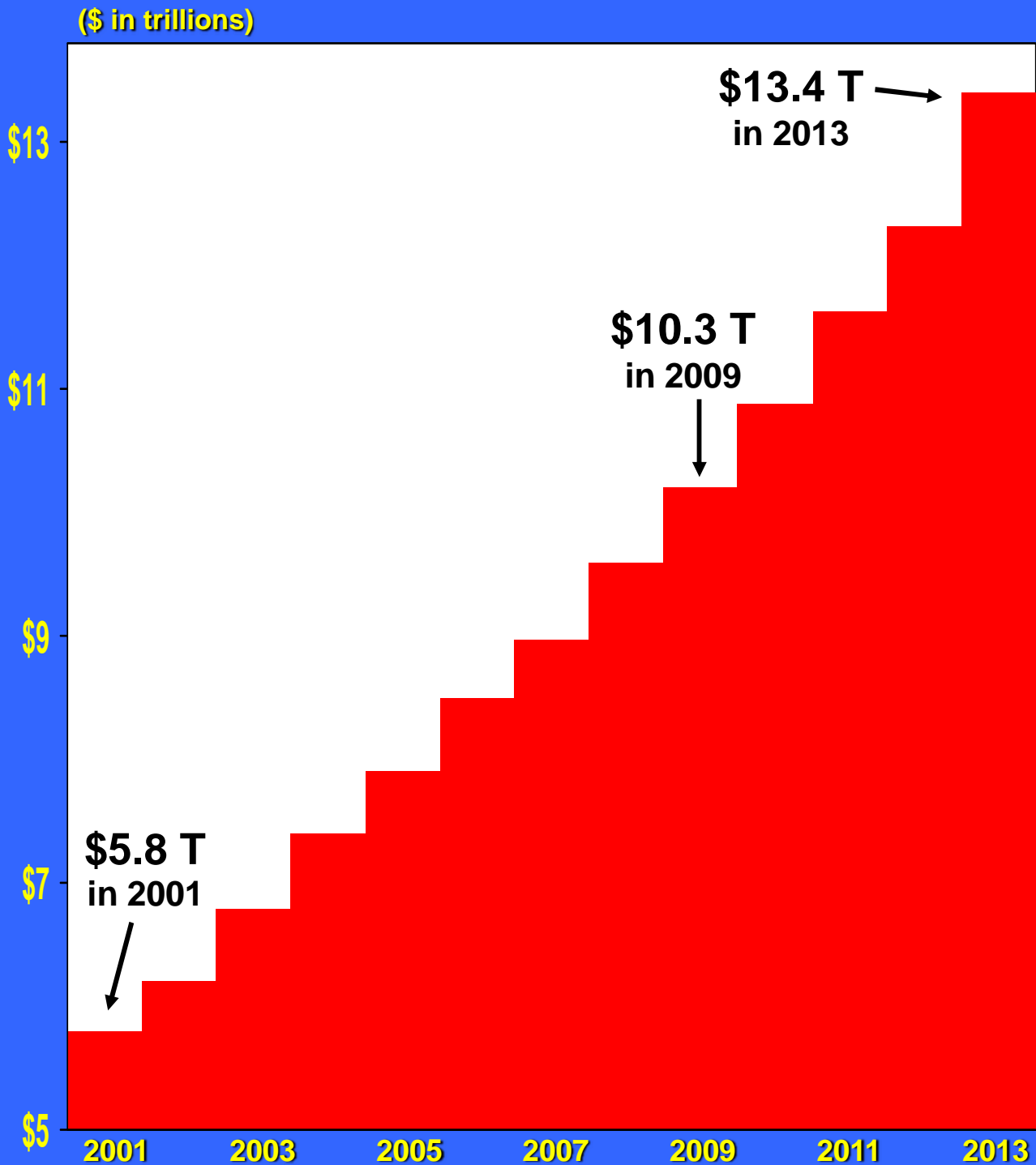


Source: CBO and SBC

Note: CBO January 2008 estimate with tax cuts made permanent, AMT reform, ongoing war costs, stimulus package, and without extension of 2008 emergencies

Building a Wall of Debt

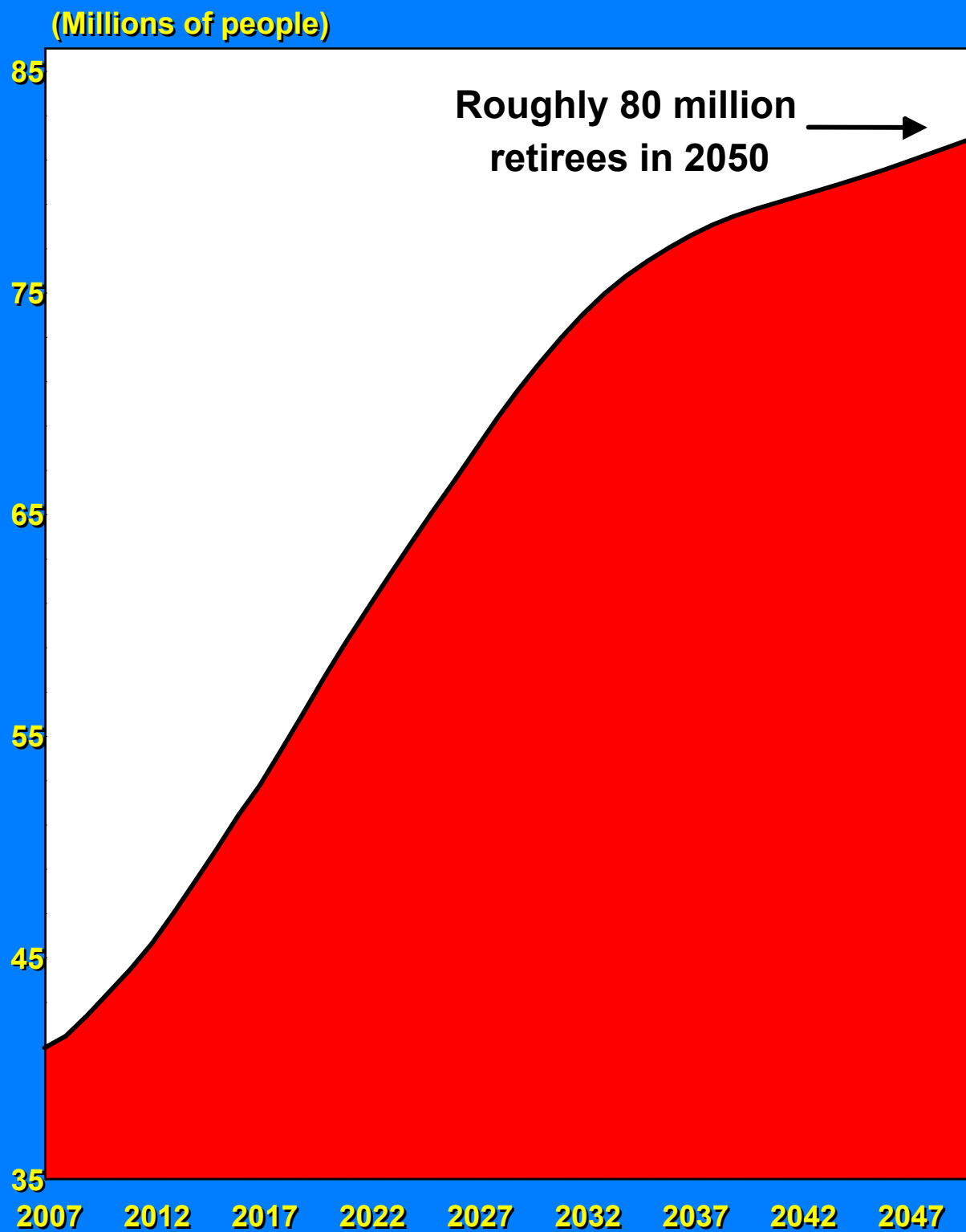
Gross Federal Debt Soars



Source: OMB, CBO and SBC

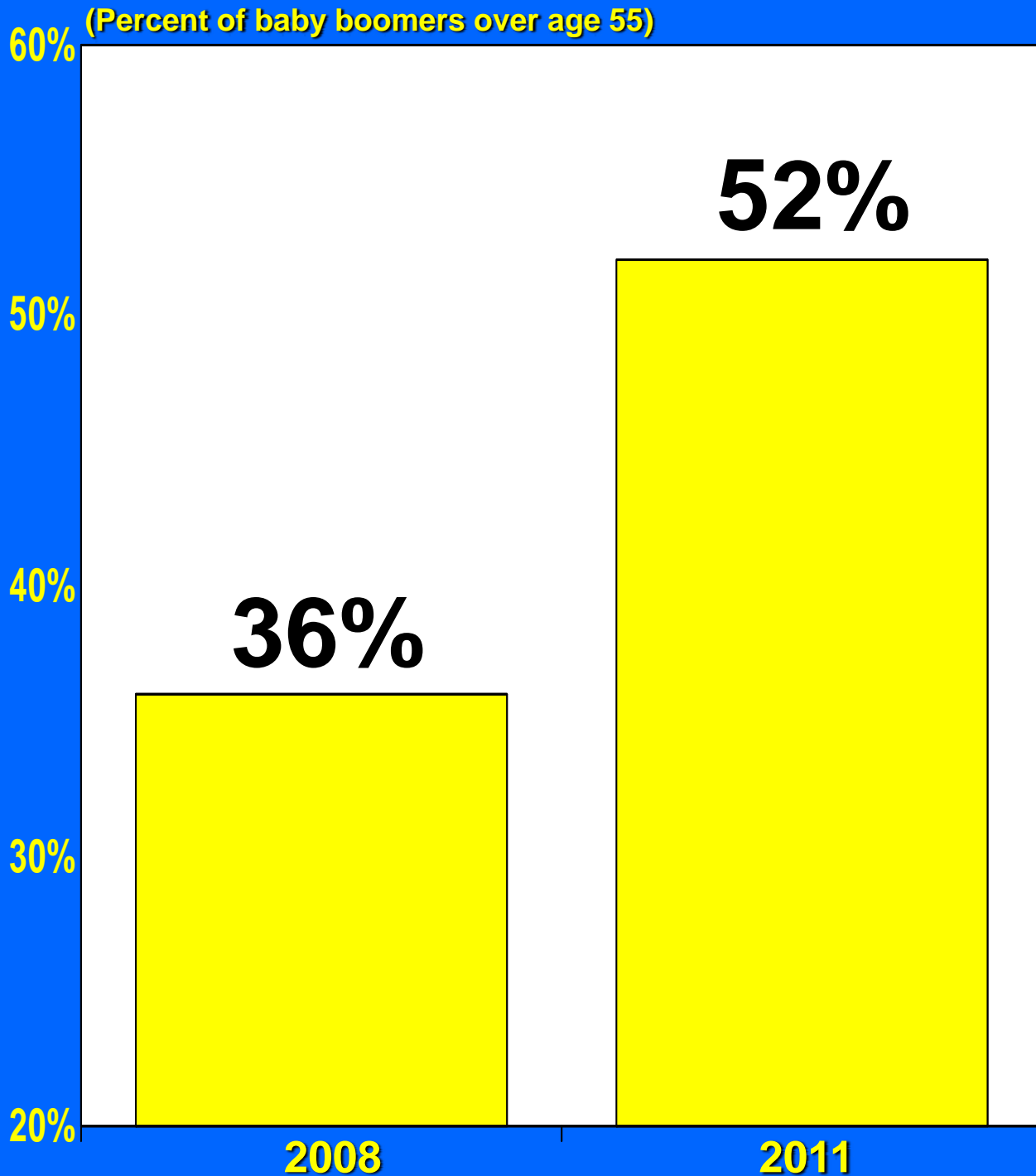
Note: CBO January 2008 estimate with tax cuts made permanent, AMT reform, ongoing war costs, stimulus package, and without extension of 2008 emergencies.

Baby Boom Generation Creates Demographic Tidal Wave



Source: 2007 Social Security Trustees Report
Note: OASI beneficiaries

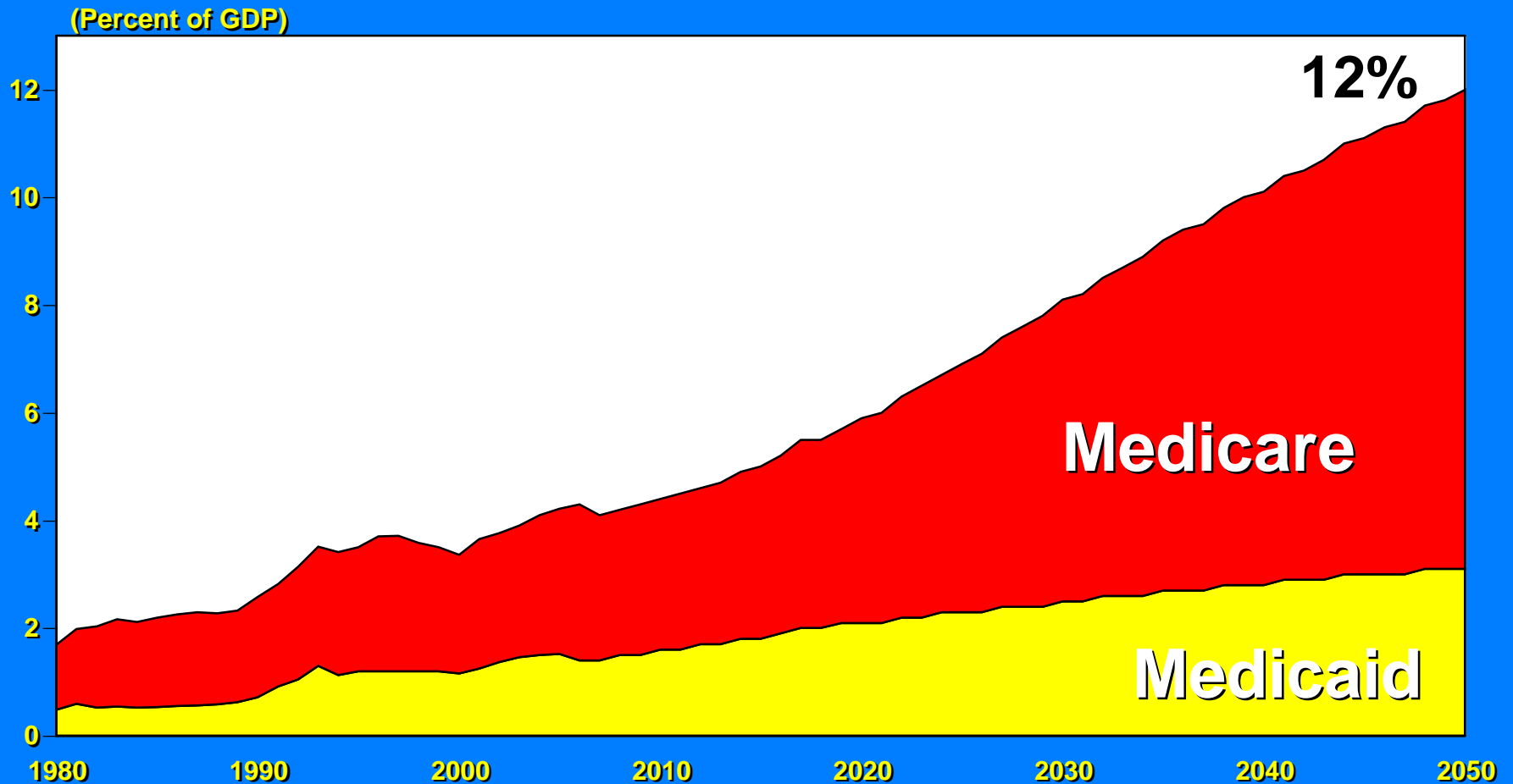
Within Four Years, More Than Half of Baby Boomers Will Be At or Near Retirement



Source: CBO

Medicare and Medicaid Spending as a Percent of GDP

1980-2050



Source: CBO Long-Term Budget Outlook, December 2007.

Note: CBO extended baseline.

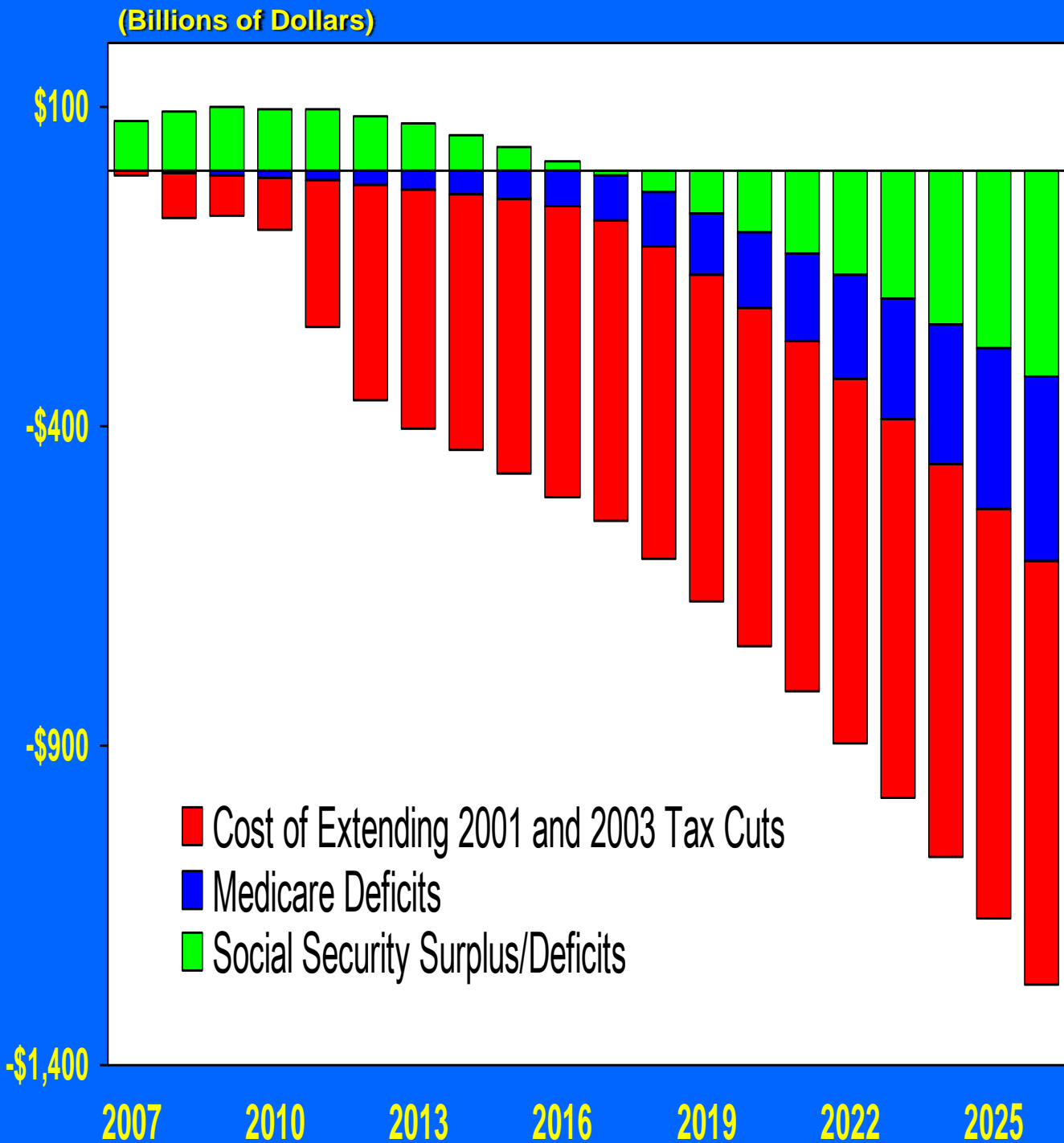
CBO Director Orszag on Urgency of Starting Health Care Reform

“...[T]here are a variety of [health care reform] approaches that hold promise. One of the challenges that we have is that I have not seen ... a comprehensive plan that would ... credibly bend [the cost] curve sustainably over the long term. So one of the challenges is we need to be trying different things, seeing what works, and then readjusting as we figure it out. And the sooner we start that, the better off we’re going to wind up being.”

**– CBO Director Peter Orszag
Testimony before Senate Budget Committee
June 21, 2007**

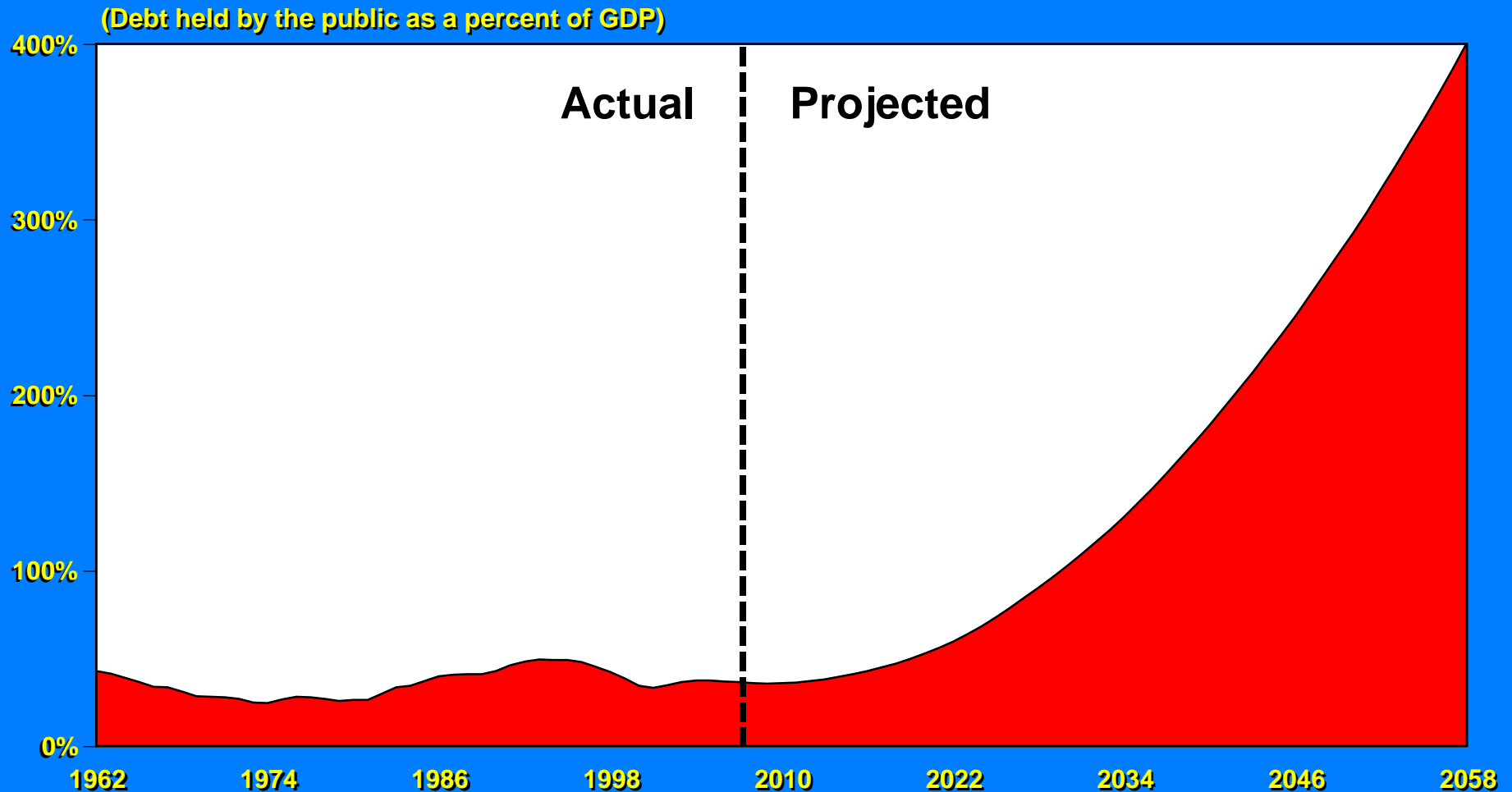
Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits

FY 2007-2026



Source: Social Security Trustees 2007 Annual Report, CBO, CBPP, and SBC Democratic staff
 Note: Cost of extending tax cuts includes cost of AMT reform and interactive effect.

Federal Debt Soars Under CBO Long-Term Budget Scenario



Source: CBO Long-Term Budget Outlook, December 2007

Note: CBO alternative fiscal scenario with tax cuts made permanent, AMT indexed for inflation, and Medicare physician payments growing with higher MEI rate.

Former Treasury Secretary Snow Acknowledges Need for Bipartisan Approach to Solving Long-Term Challenges

“You can’t do health care reform or Social Security reform ... without a bipartisan consensus.... If we made a mistake, it was not approaching it in more of a bipartisan way.”

**–Former Treasury Secretary John Snow
As quoted by *The Wall Street Journal*
February 6, 2007**

Conrad-Gregg Bipartisan Fiscal Task Force

- **To address long-term fiscal imbalance**
- **Panel of lawmakers and Administration officials**
- **Everything on table**
- **Fast-track consideration; Congress must vote**
- **Bipartisan outcome**