



BUDGET COMMITTEE



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For Immediate Release

July 23, 2010

Senator Gregg: Bleak Budget Outlook from White House Underscores Need for Action

Administration Lacks Plan to Address Deficits, Which Remain at Astronomical Levels

Senator Judd Gregg (R-NH), ranking member of the Senator Budget Committee and a member of the President's National Commission on Fiscal Responsibility and Reform, today commented on the White House Office of Management and Budget's (OMB) mid-year budget outlook. The outlook showed that the 2010 deficit will be approximately \$1.5 trillion, and that deficits for the next three years will be higher than previously projected.

"It should come as no surprise that after five months of unchecked spending by the Democratic Congress, our fiscal situation is getting worse, not better," said Senator Gregg. "Deficits in the coming years will be astronomical, for as far as economists are able to project. We knew the outlook was dire earlier in the year, but that didn't stand in the way of the Democrat's \$2.5 trillion health care package or the \$34 billion in new mandatory spending that the President has proposed since he put his budget out in February.

"Furthermore, the Mid-Session Review applauds the Administration's Statutory Pay-As-You-Go Act as a fiscal discipline tool enacted since the Budget was sent to Congress in February this year. What it fails to mention is that the Democrats have abandoned fiscal responsibility by excluding \$69 billion of deficit spending from the official Pay-Go ledger.

"As a member of the President's Fiscal Commission, I can attest the group is working hard to develop bipartisan recommendations to Congress on how to make inroads towards stabilizing our staggering levels of debt. However, that cannot be the only action taking place. The President and the Democratic Congress should be asserting leadership on this issue and seeking other, more immediate avenues for debt reduction as well. It is worrisome that the Administration still lacks a definitive plan to address the debt – nothing was included in either of the last two budget blueprints – and is instead relying solely on the Commission for guidance that won't come until the end of this year."