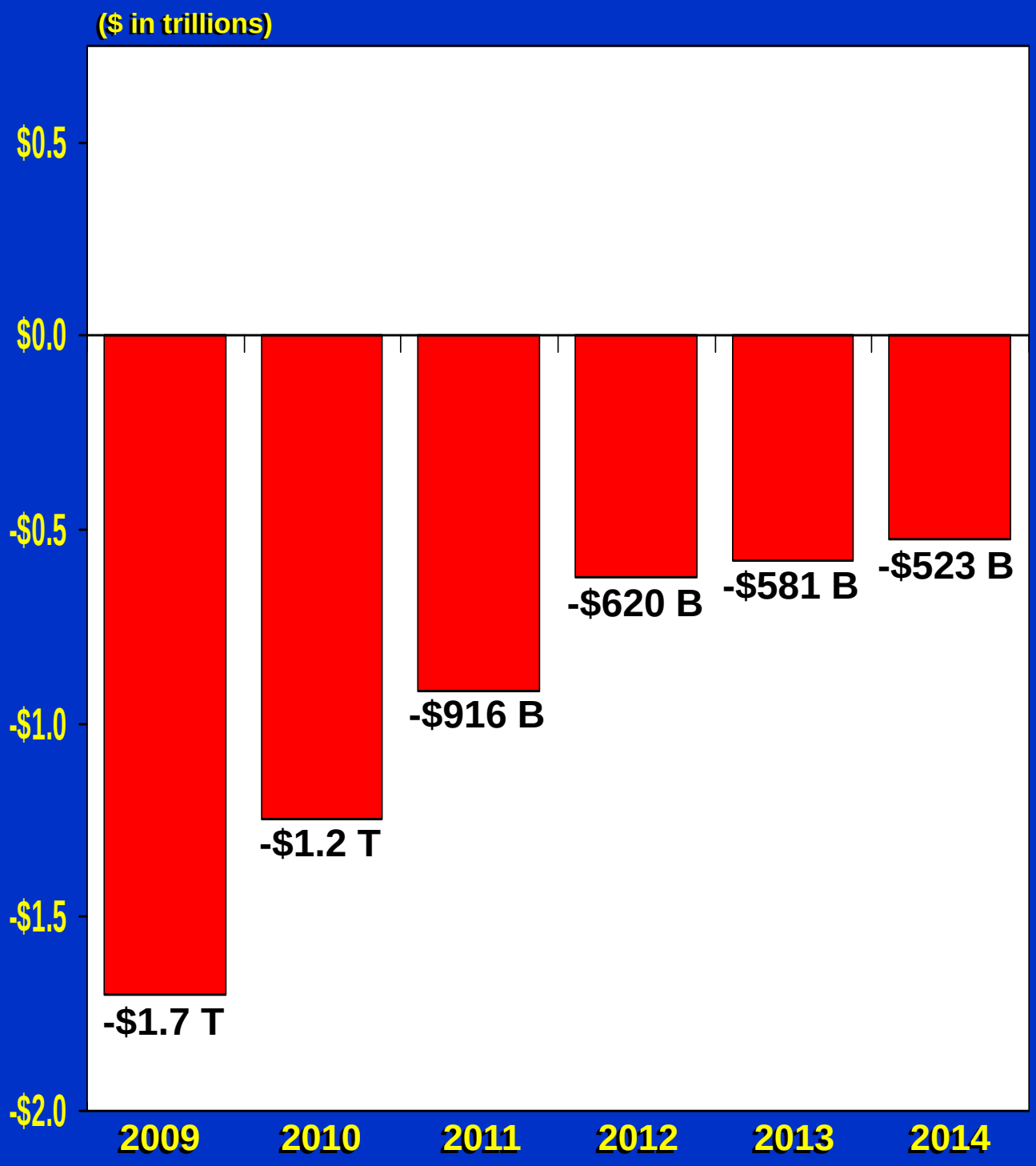
What President Obama Inherited

- Record deficits, doubling of national debt
- Worst recession since Great Depression
- Financial market and housing crises
- 3.7 million jobs lost in last six months
- Ongoing wars in Iraq and Afghanistan

Key Elements of Conrad-Spratt Conference Agreement Proposal

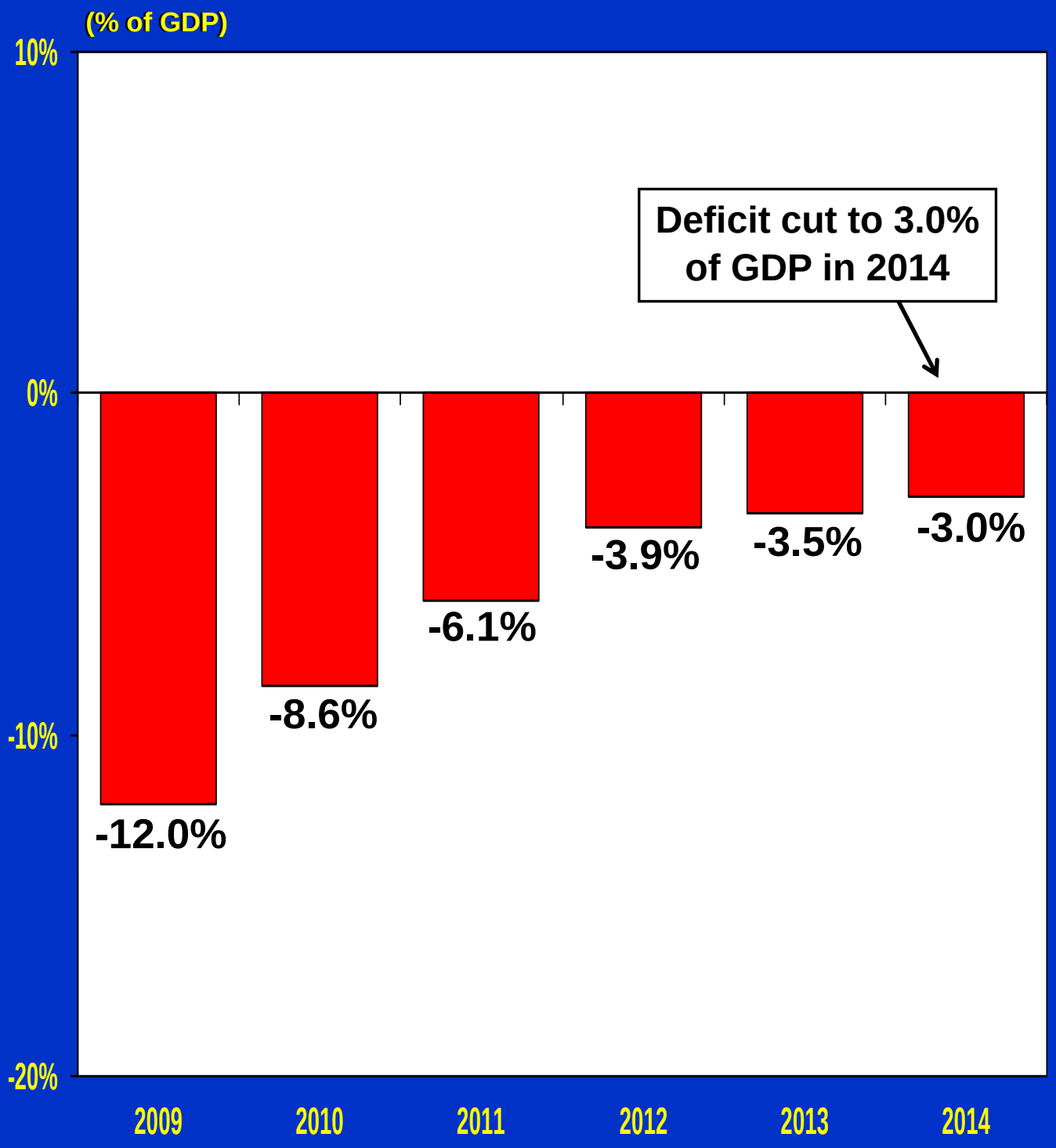
- Preserve President's priorities in energy, education, and health care
- Provide $764 billion in tax cuts, focused on middle-class
- Cut deficit in half by 2012 and by two-thirds by 2014, to 3% of GDP
- Discretionary level $10 B below President
- Reconciliation for health care and education – require at least $2 B in deficit reduction
- AMT fix for 3 years
- Disaster relief placeholder for 2 years

Deficit Cut by Two-Thirds by 2014 Under Budget Resolution



Source: SBC

Deficit as Percent of GDP Under Budget Resolution



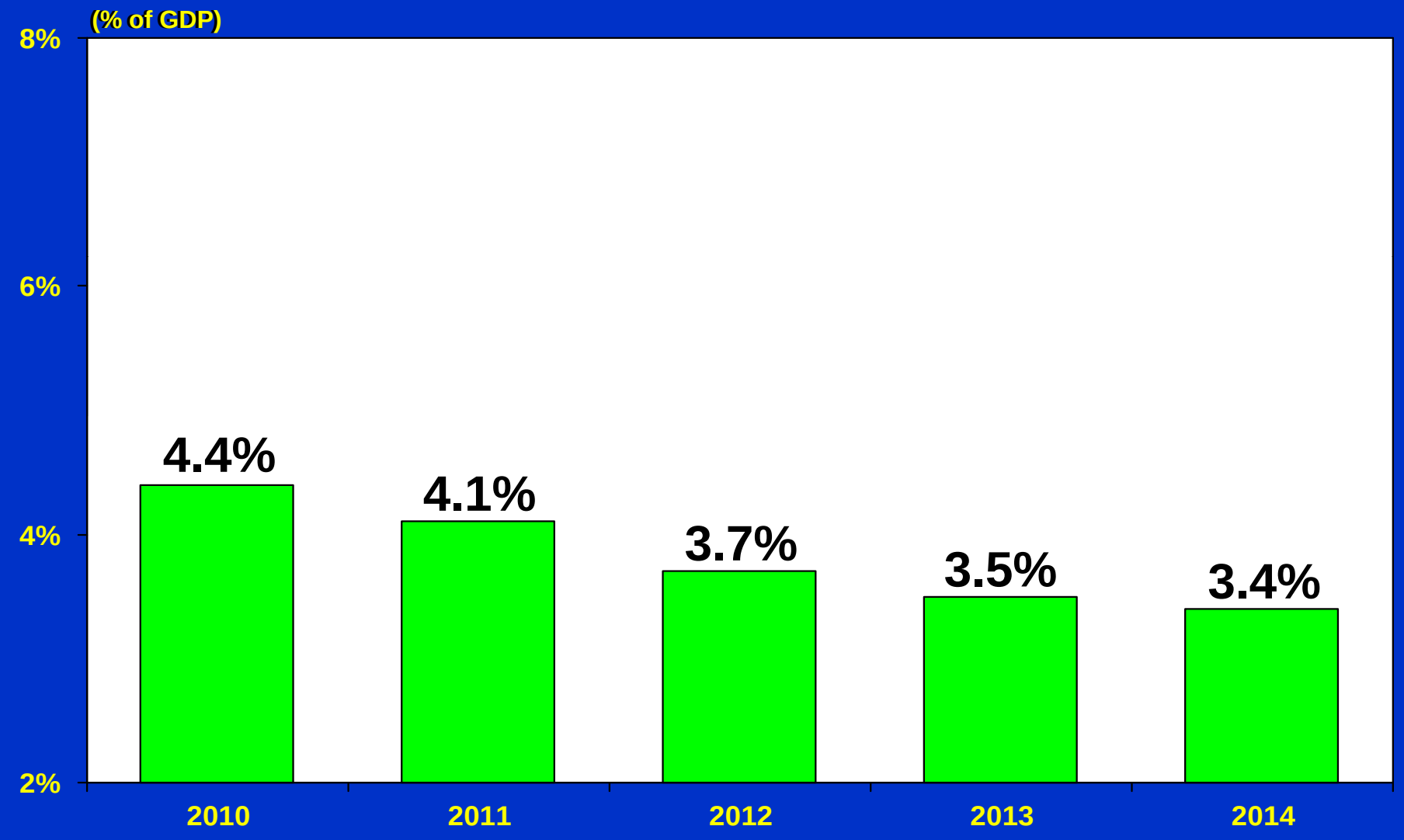
Source: SBC

Revenue Changes in Budget Resolution

		2010-2014
Middle-Class Tax Relief		-$512 B
- 10% bracket	- Child tax credit	
- Marriage penalty	- Education incentives	
- All other 2001 and 2003 cuts for those under $250,000		
AMT Reform		-$214 B
Estate Tax Reform		-$72 B
Extenders, Other		-$63 B
Subtotal, Tax Relief		-$861 B
Loophole Closers, Raisers		$97 B
Total Tax Cuts		**-$764 B**

Source: SBC

Domestic Discretionary Spending as Percent of GDP Under Budget Resolution



Source: SBC

Non-defense Discretionary Average Annual Increase Under Budget Resolution

2.9%

President Obama on Need for Further Action to Address Long-Term Fiscal Imbalance

"Now, I want to be very clear. While we are making important progress towards fiscal responsibility this year, in this budget, this is just the beginning. In the coming years, we'll be forced to make more tough choices, and do much more to address our long-term challenges."

– President Barack Obama
Remarks at Fiscal Responsibility Summit
February 23, 2009