

July 18, 2011
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H. R. 2560 – Cut, Cap and Balance Act of 2011

(Rep. Chaffetz, R-UT, and 87 cosponsors)

The Administration strongly opposes H.R. 2560, the “Cut, Cap and Balance Act of 2011.” Neither setting arbitrary spending levels nor amending the Constitution is necessary to restore fiscal responsibility. Increasing the Federal debt limit, which is needed to avoid a Federal government default on its obligations and a severe blow to the economy, should not be conditioned on taking these actions. Instead of pursuing an empty political statement and unrealistic policy goals, it is necessary to move beyond politics as usual and find bipartisan common ground.

The bill would undercut the Federal Government’s ability to meet its core commitments to seniors, middle-class families and the most vulnerable, while reducing our ability to invest in our future. H. R. 2560 would set unrealistic spending caps that could result in significant cuts to education, research and development, and other programs critical to growing our economy and winning the future. It could also lead to severe cuts in Medicare and Social Security, which are growing to accommodate the retirement of the baby boomers, and put at risk the retirement security for tens of millions of Americans.

Furthermore, H. R. 2560 could require even deeper cuts, since it conditions an increase in the Federal debt limit on Congressional passage of a Balanced Budget Amendment. H. R. 2560 sets out a false and unacceptable choice between the Federal Government defaulting on its obligations now or, alternatively, passing a Balanced Budget Amendment that, in the years ahead, will likely leave the Nation unable to meet its core commitment of ensuring dignity in retirement.

The President has proposed a comprehensive and balanced framework that ensures we live within our means and reduces the deficit by \$4 trillion, while supporting economic growth and long-term job creation, protecting critical investments, and meeting the commitments made to provide economic security to Americans no matter their circumstances. H.R. 2560 is inconsistent with this responsible framework to restore fiscal responsibility and is not an appropriate method of reducing the Nation’s deficits and debt. The Administration is committed to working with the Congress on a bipartisan basis to achieve real solutions.

If the President were presented this bill for signature, he would veto it.

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