



The Joint Select Committee on Deficit Reduction*

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NOTE: Lost in the waning days of summer has been the importance of the Joint Select Committee on Deficit Reduction, the key that unlocked the debt ceiling problem that didn't want to be resolved. The committee is still there, of course. Does it have a chance of making significant changes that will satisfy skeptical observers who fail to accept that this violently partisan government can really address serious financial issues? That remains to be seen, but here are some administrative mechanics faced by the committee, and some questions about how it will address them.

The Budget Control Act of 2011 created a process by which spending would be automatically reduced by \$1.2T through implementation of a trigger if certain other things in the Act did not happen. If the Joint Select Committee on Deficit Reduction were to generate a bill that reduced the deficit by \$1.2T and it became law, then the sequestration would not occur. If Congress failed to pass a bill that reduced the deficit by \$1.2T, but the Balanced Budget amendment was passed, the Treasury could borrow \$1.5T but sequestration would still occur.

Structure

The Committee is composed of six Republicans and six Democrats, is co-chaired by Senator Murray and Congressman Hensarling. A Staff Director and Deputy Staff Director have been chosen jointly by the Co-Chairs. A staff is being hired. The Co-Chairs have met for preliminary discussions. The Committee goes out of business on January 31, 2012.

Rules of Operation

Rules will be determined by the Committee, but there shall be no proxy

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voting. A member remains a member for the life of the Committee as long as he or she remains a Member of Congress. A vacancy in the Committee shall not affect its powers but shall be filled within 14 days in the manner the original appointment was made. The Act is silent on the status of a Member who becomes incapacitated but still remains a Member of Congress. Any seven members constitute a quorum for voting, holding hearings or meeting.

Co-Chairs shall publicly announce the date, place, time, and subject matter of any hearing seven days in advance, and shall provide an agenda to Members of the Joint Committee 48 hours in advance. There is no requirement that the hearings be open to the public.

Calendar:

August 13: Iowa Straw poll for president held

August 16: Members appointed

September 5: House and Senate return from August recess

September 16: First meeting of the Joint Committee (agenda due September 14)

October 1: End of fiscal year

September 26 -October 2: House and Senate recess

October 7-10: Senate recess

October 10: House recess

October 14: Each committee of the House and Senate may submit to the Joint Committee its recommendations for Joint Committee consideration

October 17-23: House recess

October 24 — 30: Senate recess

November 7 — 13: House recess

November: Senate recesses not yet announced

November 11: Veteran's Day

November 21-27: House recess

November 21: CBO estimates of the legislative language must be received and available to the Members of the Committee 48 hours before the date mandated for a vote on the report. The agenda for the November 23 meeting must be available to the Members

November 23: The Committee votes on a report that includes CBO's estimates, recommendations and legislative language. Approval requires an affirmative vote of a majority of the Members of the Committee. The report, legislative language and vote shall be made public.

December 2: If the Joint Committee has approved a report, recommendations and legislative language, it must transmit that report to the President, the Vice President, the Speaker of the House, and the majority and minority leaders of both Houses.

December 3: The approved legislative language shall be introduced in the House and Senate and referred to appropriate committees.

December 8: Target House adjournment date. Senate date TBA.

December 9: Each House committee of jurisdiction must report its recommendations regarding passage of the legislation without amendment, and if it does not do so, the House may discharge that committee from further consideration of the bill.

December 11: Each Senate committee of jurisdiction shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation.

December 23: Both the Senate and the House must vote on final passage of the bill without amendment by this date. If legislation produces savings in excess of \$1.2T, then automatic cuts and sequestration does not take place. If savings is less than \$1.2T, then amount of automatic cuts is reduced by the savings in the legislation.

January 16, 2012: Iowa selects delegates to presidential nominating convention, followed closely by NH, NV, and SC. This date could move to December, 2011.

January 15, 2013: Trigger date for sequestration, if necessary

Comments

1. What is the baseline for calculating savings? The Republicans think that it includes any expected changes in expense or revenue that are already in the law and that would include revenue from the expiration of the Bush tax cuts (the baseline assumes Congress makes no changes in the existing laws, so those due to expire will expire).
2. A great deal of the deficit reduction comes from interest on savings (In the sequestration, \$200B of the \$1.2T come from savings on interest).
3. Nothing prevents Congress from amending the law at any time; history suggests it will. Any changes will have an effect over a 10 year period, which is a long time for Congress to do nothing.
4. All members of the committee have significant other assignments in Congress, including such positions as Chairs of Foreign Relations, Finance Ways and Means, Energy and Commerce, and Leadership positions such as Minority Senate Whip, Vice Chair of the House Democratic Caucus, etc. Those assignments must still be served.
5. Some time between September 30 and December 31, 2011, the House and Senate must vote on a Joint Resolution that would add a Balanced Budget Amendment to the U.S. Constitution.
6. One member of the committee has already said that the committee should declare that it will not raise taxes or cut Medicare or Social Security. Rump groups such as the Gang of Six continue to meet.
7. The House is currently scheduled to be in session only 40 days during the months of September through December 23, the date on which they must vote on the Committee recommendations. The Senate will probably follow much the same schedule.

Conclusion

Time will tell, but it seems unlikely that anything dramatic will come from the deliberations of this committee.

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