



Congressman Tom Petri

News from Congress



APRIL 2011

ALARMING BUDGET REALITIES

BY REP. TOM PETRI

We Americans have learned through experience that we can accomplish anything if we put our minds to the job. Given our history, I fully believe that we will meet our current budgetary challenges, create the conditions that will give job creators the confidence to invest, and emerge triumphant.

But in order to do so, we need to face the facts and take their full measure. Unfortunately, the facts are alarming. If we fail to change course, our future will be one of higher taxes, high interest rates, inflation, continued sluggish growth and stubbornly high unemployment.

Unsustainable Deficits—In the 2010 budget year, the federal government took in \$2.2 trillion but spent \$3.5 trillion, creating a deficit for the year of \$1.3 trillion. In other words, for every dollar we spent last year, we borrowed 37 cents.

For the current year, the Congressional Budget Office (CBO) projects a federal deficit of \$1.5 trillion, an amount equal to 9.8 percent of our Gross Domestic Product (GDP).

Even more disturbing, the CBO estimates that the total federal debt accumulated over the years and held by the public will double from \$9 trillion (62 percent of GDP) at the end of the year to over \$18 trillion (77 percent of GDP) by 2021. That level of debt is likely to put America's credit rating at risk and could lead to a full-

blown economic crisis if our creditors decide that U.S. government debt has become too risky to justify additional lending at rates we can afford.

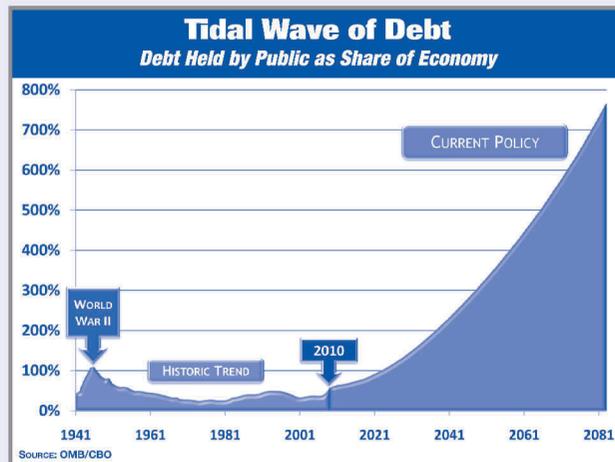
The damage from continued deficit spending will be severe, even if lenders remain cooperative. The CBO calculates that by 2020 the federal government will spend \$800 billion in one year alone just to make interest payments.

We spent the first part of this year fighting over budget cuts in the remaining 19 percent of the budget which funds everything else—federal education and health programs, the federal courts and prisons, roads, environmental protection, food safety, government buildings, Congress itself, the White House, most federal departments, and so on.

But note: Our year to year deficits have become so high over the last three years that if we *eliminated* all federal spending except entitlements, interest on the debt and defense spending, we would nevertheless run annual deficits of close to \$1 trillion.

If we eliminated defense spending and all federal spending except entitlements and interest on the debt, we would still be in the red.

Meanwhile, without such drastic (and impossible) action, rising health care spending continues to drive deficits and threatens to crowd out other important initiatives. Over the next 10 years, according to the CBO, Medicare and Medicaid spending will rise dramatically. Additionally, the full impact of the costs of last year's health care bill remains unclear, but it is likely that pressure from rising health care spending will decrease the percentage of our national income dedicated to anything other than entitlement spending



When discussing budget cuts, most in Congress have up until now steered clear of cuts in entitlements such as Social Security, Medicare and Medicaid. Retaining the status quo in entitlement programs and adding the cost of interest payments, which cannot be avoided, would shield 60 percent of the federal budget from cuts.

Most Americans want to be very careful when considering defense cuts. Defense is a bit more than 20 percent of the budget.

(including health care) and interest payments.

This is why entitlement spending must be in the mix. Careful but comprehensive reform will be necessary—reform which protects current retirees and those nearing retirement.

Options—Americans need jobs. Over the long run, the economic growth needed to provide good, secure jobs and a prosperous nation requires sensible, reliable policies from the federal government so that business people can feel confident about planning, investing and hiring. Out of control federal spending, deficits and debt create uncertainty and cause businesses to be cautious and put off expanding.

So, what are we to do about all this? President Obama calls for trimming the defense budget and raising taxes on upper incomes. He wants targeted spending on education, alternative energy, and infrastructure improvements while saying little about the exploding costs in entitlement spending—almost two-thirds of the budget. He anticipates adding

\$7.2 trillion in deficits over the next ten years, although the CBO disputes that figure, projecting that the President's budget would actually produce deficits of \$9.5 trillion over a ten-year period.

The President's Debt Commission has offered a bipartisan plan that would cut spending, adjust Social Security, control health care costs, and simplify taxes. This plan would reduce deficit spending from the current 9.8 percent of GDP to less than 3 percent of GDP by 2014, but would be a tough sell for many people.

Meanwhile, the House of Representatives is trying to bring about meaningful spending cuts. By the time you read this, difficult decisions should already have been made about the budget for the remainder of 2011, the 2012 budget, and raising the federal debt ceiling.

Balancing the budget will require tough choices, but it can be done. The unanswered question is: what will the public accept? That's what this year's questionnaire is all about. Please add your voice to the debate.

Petri Helps Push FAA Bill Through House

As Chairman of the House Aviation Subcommittee, I am pleased that in early April the House approved major legislation to reform and reauthorize the Federal Aviation Administration. The last FAA reauthorization expired in 2007. Since then, due to disagreements with the Senate, we have had to get by with a series of 18 short-term extensions of the old program. That's no way to run a federal agency.

With the beginning of the new Congress, we have taken swift action to move the FAA reauthorization forward, and I expect to successfully negotiate a final bill with the Senate.

The FAA bill contains numerous reforms that increase the efficiency of aviation programs, reduce federal bureaucracy, create and protect jobs, improve our airport infrastructure and provide taxpayer savings in a manner that protects the FAA's mission to ensure safety. The bill also advances the switch of air traffic control operations from ground based radar to the use of satellites. The result will be a safer, more flexible system which will significantly cut delays for the traveling public and greatly benefit the nation's economy.

Town Meetings With Representative Tom Petri

Town Meetings provide opportunities to discuss national issues in a group setting. My latest round of Town Meetings will take place from May 14th through May 20th at 12 locations throughout the 6th Congressional District. Please come and express your opinions!

Saturday, May 14th

1:00 – 2:00 p.m. — Ripon

Ripon Public Library, 120 Jefferson Street
Silver Creek Room

Monday, May 16th

3:00 – 4:00 p.m. — Howards Grove

Village Hall, 913 South Wisconsin Drive
Community Center

Tuesday, May 17th

1:30 – 2:30 p.m. — Two Rivers

Lester Public Library, 1001 Adams Street
Community Room

4:00 – 5:00 p.m. — Brillion

Brillion Public Library
326 North Main Street
Lower Level Meeting Room

Wednesday, May 18th

9:00 – 10:00 a.m. — Horicon

City Hall
404 East Lake Street
Lower Meeting Room

3:00 – 4:00 p.m. — Watertown

Watertown Senior & Community Center
514 South First Street
Terrace Room (Lower Level)

Thursday, May 19th

11:00 – 12:00 Noon — Town of Rome

Municipal Building
1156 Alpine Drive

1:30 – 2:30 p.m. — Wild Rose

Community Center
500 Division Street

4:00 – 5:00 p.m. - Montello

Marquette County Service Center
460 Underwood Avenue
Demonstration Room

Friday, May 20th

10:00 – 11:00 a.m. — Kimberly

Municipal Complex
515 West Kimberly Avenue
Evergreen Room

1:00 – 2:00 p.m. — Oshkosh

City Hall
215 Church Avenue
Room 404

3:00 – 4:00 p.m. — Berlin

City Hall
108 North Capron Street
City Council Chambers

WHAT ARE YOUR VIEWS?

Your opinions are of vital concern to me. Please take a few minutes to answer these important questions.

You can answer online at <http://petri.house.gov/2011survey> or complete the form at the bottom of the page.

1. Do you believe that federal deficits are a serious matter requiring a strong response?

A. Yes B. No

2. In order to balance the budget, would you be willing to make cuts in the following areas?

A. Health Care — Yes / No

B. Low-Income Assistance (Food Stamps, unemployment, etc.) — Yes / No

C. Defense — Yes / No

D. Homeland Security — Yes / No

E. Foreign Aid — Yes / No

F. Transportation — Yes / No

G. Education — Yes / No

H. Social Security — Yes / No

I. Agriculture — Yes / No

J. Veterans' Benefits — Yes / No

3. Would you favor Congress limiting the availability of the home mortgage interest tax deduction?

A. Yes B. No

4. While the Social Security program may not be responsible for our current budget problems, the program does face several years of operating deficits. Without changing benefits for current retirees or those close to retirement, would you support these changes for future retirees?

A. Slowing the growth of future benefits over several years — Yes / No

B. Raising the cap on income subject to tax (currently \$106,800) — Yes / No

C. Means test for benefits — Yes / No

D. Provide benefits on a sliding scale based on income — Yes / No

E. Gradually increase retirement age for current workers — Yes / No

F. Increase tax rates for all workers — Yes / No

G. Voluntary transfers of some Social Security contributions to private accounts — Yes / No

5. One of the recommendations put forth by the President's Debt Commission was to convert the Medicare system from a government-run insurance program to a system where Medicare participants are

given a voucher to purchase insurance in the private market. Would you support such a change?

A. Yes B. No

6. Despite passage of last year's health care law, the future of health care reform remains an open question. Which of the following most closely matches your current position on this issue?

A. Be patient, find out if the new system works

B. Replace the new system with Republican alternatives (competition, tort reform, health savings accounts, etc.)

C. Single Payer/Government-run system

D. Other

7. Some say that new revenues are necessary to balance the budget. If so, which approach do you prefer?

A. Increase taxes on the wealthy

B. Tax reform to spread the tax burden more broadly

C. No change. Improving economy will increase revenue.

D. Other

To respond to the questionnaire online go to <http://petri.house.gov/2011survey>



Respondent #1

1. A. B.

2. A. Yes No E. Yes No I. Yes No

B. Yes No F. Yes No J. Yes No

C. Yes No G. Yes No

D. Yes No H. Yes No

3. A B

4. A. Yes No D. Yes No G. Yes No

B. Yes No E. Yes No

C. Yes No F. Yes No

5. A. B.

6. A. B. C. D.

7. A. B. C. D.

Please indicate your age range 18-34 35-59 60+

Respondent #2

1. A. B.

2. A. Yes No E. Yes No I. Yes No

B. Yes No F. Yes No J. Yes No

C. Yes No G. Yes No

D. Yes No H. Yes No

3. A B

4. A. Yes No D. Yes No G. Yes No

B. Yes No E. Yes No

C. Yes No F. Yes No

5. A. B.

6. A. B. C. D.

7. A. B. C. D.

Please indicate your age range 18-34 35-59 60+

Questionnaire, Town Meeting Schedule Inside

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Sixth Congressional District
Postal Customer

Tom Petri Representative Reports

Official Business

U.S. House of Representatives
Congress of the United States
Washington, D.C. 20515

M.C.
ECRWSS
RRSRT STD



Rep. Petri, a senior member of the Committee on Education and the Workforce, spent the day of March 21st visiting schools in the Kimberly Area School District. Here, students at Woodland Elementary and Intermediate School listened as Rep. Petri read a book designed for young audiences to learn about Congress.

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Stamp
Here

Congressman Tom Petri

2462 Rayburn Building
Washington, D.C. 20515

Questionnaire Responses