

SCOTT H. PETERS
50th DISTRICT, CALIFORNIA

1201 LONGWORTH OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-0508

4350 EXECUTIVE DRIVE, SUITE 105
SAN DIEGO, CA 92121
(858) 455-5550

SCOTTPETERS.HOUSE.GOV



Congress of the United States
House of Representatives
Washington, DC 20515

**COMMITTEE ON
ENERGY & COMMERCE**

SUBCOMMITTEE ON ENERGY, CLIMATE &
GRID SECURITY

SUBCOMMITTEE ON ENVIRONMENT &
MANUFACTURING CRITICAL MATERIALS

SUBCOMMITTEE ON OVERSIGHT
& INVESTIGATIONS

**COMMITTEE ON THE
BUDGET**

Testimony to the House Budget Committee

November 29, 2023

Despite a healthy economy, our country's deficit is growing. We are borrowing nearly \$2 trillion dollars a year just to pay our expenses, and as a result, this year we're spending \$663 billion dollars on interest alone – more than we spend on Medicaid or our children, and soon to be more than what we spend on Defense.

These interest payments crowd out investments like an expanded child tax credit, crowd out investments like making college affordable and expanding apprenticeships, crowd out our ability to ensure the clean energy transition leaves no one behind. Democrats should be very worried about what the ballooning debt and interest payments will mean for current and future investments in our kids.

I've heard many of my Democratic colleagues argue emphatically that we should get our debt under control through regular order and with the tools we already have. Of course, they are right but we all know that just won't happen.

There is no cop on the beat to save us from ourselves. It's much easier to get 218 and 60 to spend more and to keep tax cuts in place than to discipline ourselves. This is a problem of historic proportions, and it did not appear overnight. Congress' failure to manage the national debt is not the sole responsibility of one party or one administration.

Over the last 20 years, our conflicts in Afghanistan and Iraq, President Bush's tax cuts, President Obama's extension of the Bush tax cuts, the Trump tax cuts, and vital COVID relief programs, on top of our trillions in annual borrowing have added more than \$10 trillion to the national debt. When the Trump tax cuts expire in a couple of years, we will have every incentive to extend them. A commission with outside experts can ensure we are driven by data and help us break that cycle.

Finally, I take Republicans at their word when they say want to cut Social Security and Medicare. And under current law, Republicans are in the driver's seat. Current law says, in ten years when the trust fund is insolvent, there will be automatic cuts to close the gap – an overnight 23% benefit cut for the average recipients. I worry that come 2033, Republicans will say, "okay let's compromise and call it a 15% benefit cut instead." And with a pending 23% cut, they will have all the leverage in the room.

The best thing we can do to protect Social Security and Medicare is to act now. A commission gives us a fact-driven venue, instead of some backdoor, eleventh-hour deal between party leaders, to do just that.

I introduced the bipartisan Fiscal Commission Act with my friend, Bill Huizenga, in September with 10 Democrats and 10 Republicans. I welcome each of your thoughts, input, and recommendations to ensure we can make this process better. A commission is a good start and I sincerely look forward to working with each of you. Thank you.