

Thank you, Senator Manchin, and thank you Chairman Arrington and Ranking Member Boyle for this opportunity.

Let me first underscore what Senator Manchin has said about the urgency of the spending, fiscal and debt crisis, with three simple observations:

First ([show chart 1](#)), we have a serious interest problem. Defense spending and domestic discretionary spending have held pretty stable as a share of the economy, or GDP. They are actually headed downward.

([Chart 2](#)) But because of us baby boomers aging, Social Security and Medicare are growing...fast. The result has been ever widening deficits and debt, as Senator Manchin has shown.

([Chart 3](#)) And this is what it means to our spending on interest on the debt. In 2030, just 6 years from now, the interest expense on debt held by the public will be greater than either defense spending or domestic spending.

Unless we fix the fiscal calamity, we will no longer be the military leader of the world—which could have major consequences for our safety and national security.

Second, our mounting debt is placing us in the same hazardous category as Greece and Italy. ([Chart 4](#)) In just four years, we are projected to have greater debt as a share of the economy than Italy. That's why the rating agencies are already starting to write down our credit rating! And what that means leads to my third point.

If we don't fix the fiscal mess, our country will have a hard time getting people to loan us money—to buy our debt. That means higher interest rates, regardless of what the Fed wanted to do. Even higher interest rates would lead to spiraling deficits, soaring debt and Latin America-style inflation.

The only chance we have of repairing the fiscal mess is a bipartisan, bicameral commission, comprised of people who are sincere and determined to save the country. Nothing else stands a chance. And it will succeed where Simpson-Bowles did not for two reasons:

First, the crisis Simpson-Bowles warned about is already here.

And second, our legislation has a built-in path to a floor vote.

([Chart 5](#)) Here is what the bill does:

Our legislation would establish a 16-member bipartisan, bicameral commission consisting of 12 elected officials and four outside experts. The Speaker of the House, House Minority Leader, Senate Majority Leader, and Senate Minority Leader each appoint four individuals to the

Commission, of which three must be members of their respective chambers and one must be an outside expert.

The objective of this commission would be to stabilize debt as a percentage of GDP within 15 years.

The commission can consider all federal spending—everything is on the table.

If a bipartisan consensus is reached within the commission—among elected members of Congress—the package of legislative solutions will receive expedited consideration in both chambers.

You and I have grown up in the prosperous years won for America by the Greatest Generation. If we fail to fix our fiscal mess, we will become known as the worst generation, the one that failed to preserve our country and its experiment in liberty as the leader of the free world.