

MEMORANDUM

June 9, 2009

To: Reporters and Editors

From: Dan Virkstis for Senate Finance Committee Chairman Max Baucus (D-Mont.)

Re: Baucus statement on President's pay-as-you-go proposal

Senate Finance Committee Chairman Max Baucus (D-Mont.) issued the following brief statement today following the President's press conference on a proposal that would require Congress to pay for any new programs or expansion of existing entitlement programs or tax cuts, by covering the costs incurred through spending cuts or tax increases. Baucus applauded the President's initiative toward fiscal responsibility, but noted that Congress already has pay-go requirements in both the House and Senate. He expressed concern that this extra statutory pay-as-you-go regulation would put the U.S. agriculture industry and Medicare program at risk of automatic benefit reduction if Congress does not meet the additional requirement.

"I commend the President's extra effort to rein in deficit spending but I remain concerned about the potential effect of this proposal on American farmers, seniors and veterans. As Chairman of the Senate Finance Committee, I know full well the importance of keeping costs and spending under control, and that's why I'm working to move comprehensive health care reform in the coming weeks. If we don't reform health care, government spending on Medicare will double to \$519 billion in the next ten years. There is no denying the connection between our nation's fiscal discipline and health care reform, which is why it is time to reform health care now."