THE BIPARTISAN COMPROMISE

EXPLAINED IN THREE STEPS • WHITEHOUSE.GOV

1

DEBT LIMIT *increased* BY AT LEAST **$2.1 TRILLION**

THROUGH **2013** IN TWO STAGES ENABLING US TO PAY FOR EXISTING COMMITMENTS (TWO WARS, BUSH TAX CUTS, INVESTMENTS IN EDUCATION)

Removes the cloud of uncertainty over our economy.

2

10-YEAR SPENDING CUTS OF NEARLY **$1 TRILLION**

Protects Pell Grants.

Done in a way to not harm the economic recovery, are balanced between domestic and security spending.

3

ESTABLISHES A BIPARTISAN COMMITTEE TASKED WITH IDENTIFYING *an additional* **$1.5 TRILLION** IN DEFICIT REDUCTION.

Bipartisan committee is tasked with identifying **$1.5 trillion** in deficit reduction. The committee is required to report legislation by November 23, 2011.

Legislation is **fast tracked through Congress** with protections against filibustering and amendments.

Congress is **required to vote** on Committee recommendations by **December 23, 2011**.

Agreement Met in Congress.

If a balanced agreement is not reached, President Obama can always veto any extension of the Bush high income tax cuts, which would add nearly $1 Trillion to our bottom line.

ENFORCEMENT MECHANISM (AKA TRIGGER)

If an agreement isn't signed into law, automatic cuts are triggered, starting in 2013, on certain spending programs to ensure that an additional $1.2 trillion is removed from the deficit.

The $1.2 trillion would be divided equally between defense and non-defense programs. Social Security, Medicaid, programs for low-income families, and civilian and military retirement are exempt from this trigger.

These cuts provide a strong incentive for both sides to come to the table. If the bipartisan committee takes no action, the trigger automatically adds nearly $500 billion additional defense cuts while also cutting critical programs like infrastructure and education. That outcome is unacceptable to both Republicans and Democrats alike – creating pressure for a bipartisan agreement without requiring the threat of a default with unthinkable consequences for our economy.