

*A version of this article appeared Mar. 28, 2012, on page A4 in some U.S. editions of The Wall Street Journal, with the headline: [Group Backs Simpson-Bowles Plan](#) .*

## ***House Members' Bid to Cut Deficit Looks a Long Shot but May Test Congress's Resolve for Budget Deal***

By Damian Paletta

WASHINGTON—A small bipartisan group of House lawmakers, bucking their Democratic and Republican leaders, is advancing a plan to reduce the federal budget deficit by more than \$4 trillion over 10 years through a combination of spending cuts and tax increases.

A vote on the measure could come as soon as Wednesday. It is widely expected to fail, but the degree of support for the plan could prove a bellwether of whether Congress decides to pursue a broad bipartisan budget deal this election year.

The proposal pushed by Reps. Steve LaTourette (R., Ohio) and Jim Cooper (D., Tenn.), largely reflects the outline offered in 2010 by the White House's deficit-reduction commission chaired by Republican former Sen. Alan Simpson and Democrat Erskine Bowles.

The new plan comes amid a number of budget proposals in recent weeks, including from the White House and Republican leaders. But the new House proposal is the first to be pushed in Congress this year with any level of bipartisan support and is already attracting support from top executives who are eager to see Congress tackle the deficit.

The LaTourette-Cooper proposal would lower tax rates but also eliminate or dramatically limit tax breaks, accounting for close to \$1 trillion in deficit reduction over 10 years. It would also set a new limit on the long-term growth of federal health-care spending. It would instruct congressional panels to find \$300 billion in spending cuts in federal programs, such as agriculture and federal retirement benefits.

The proposal would direct broader changes in Social Security and other entitlement programs than many Democrats have supported and larger increases in tax revenue than many Republicans have backed

At least seven other House members—Reps. Charles Bass (R., N.H.), Tom Reed (R., N.Y.), Robert Dold (R., Ill.), **Mike Quigley (D., Ill.)** and three more Democrats—support the plan.

The U.S. government is projected to have a deficit of roughly \$1.2 trillion in the year ending Sept. 30, the fourth straight year with deficits over \$1 trillion. The total U.S. debt reached \$15.544 trillion on Monday.

Now lawmakers in both chambers are trying to begin negotiations on a budget deal ahead of the November elections. They warn that a chaotic political environment awaits them before the end of the year, when large tax cuts are set to expire, \$1.2 trillion in spending cuts will kick in, and the federal debt level again nears its statutory ceiling.

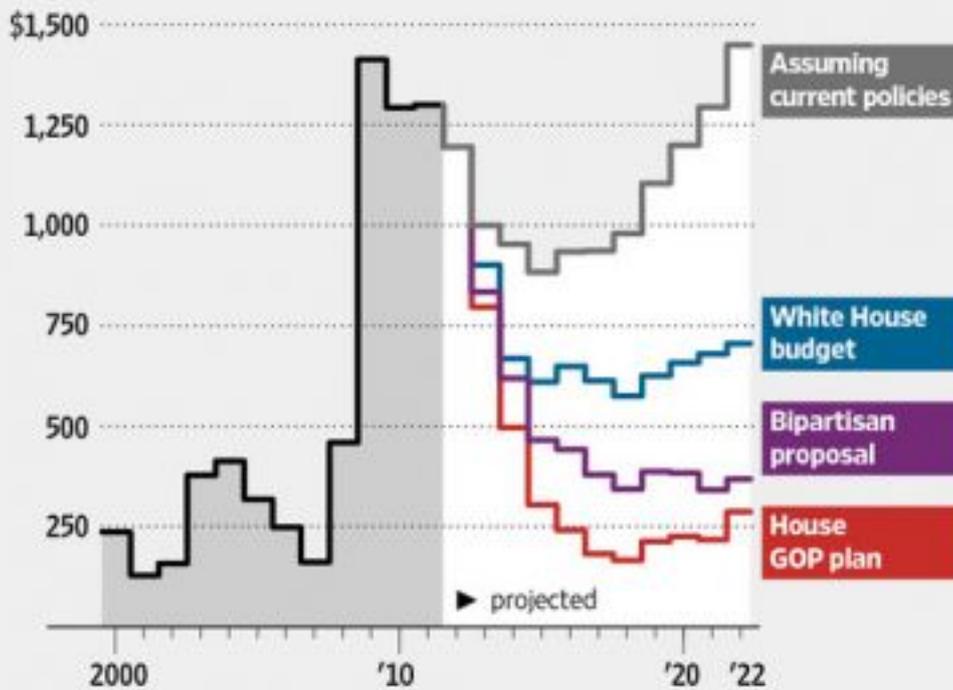
The LaTourette-Cooper plan would repeal the \$1.2 trillion in scheduled spending cuts.

Outside groups and chief executives are starting to pressure Congress to come up with a plan soon to avoid the year-end tax increases and spending cuts.

"Our view is get everybody together, get everybody focused, and make sure there is a plan ready to be pulled out of a drawer" after the November elections, said Terry Lundgren, chief executive of Macy's Inc., one of the business executives pushing for a deal.

## Shortfall Scenarios

Federal budget deficit under three proposals; in billions



Note: Fiscal year ends Sept. 30.

Sources: White House Office of Management and Budget; Congressional Budget Office; the plans

The Wall Street Journal

[damian.paletta@wsj.com](mailto:damian.paletta@wsj.com)