



“Budget Control Act” Rallies Lobbyists Against Spending Cuts

Lobbyists will be busier than ever in the next weeks and months ahead, trying to influence both the makeup and the recommendations of the new "supercommittee" that is supposed to recommend \$1.2 trillion in deficit reductions over the next ten years. Under the terms of Budget Control Act of 2011 passed by the Congress and signed by President Obama on Tuesday, mandatory budget cuts will take effect if Congress cannot agree on the committee recommendations or some other plan to reduce the amounts being added annually to the nation's debt. The prospect of mandatory cuts has alarmed and aroused lobbyists and trade groups, especially those in the powerful defense and health care industries.



"It will be a full-court press to work with the committee to make our views known," said Richard Pollack, executive vice president of the American Hospital Association, told the *Washington Post*. The AHA represents nearly 5,000 hospitals, health care systems, networks and other providers. Its members would lose an estimated \$50 billion in a year in Medicare payments under the mandatory cuts authorized by this week's deficit reduction bill, the *Post* reported. "Our hospitals are in every congressional district in the country. Our patients are Republicans and Democrats. We are very concerned about where this is going to go," Pollack said.

The health care industry spent nearly \$300 million to influence Congress and the Obama administration during the first half of this year, according to the government watchdog group, Center for Responsive Politics. The hospital sector alone has contributed nearly \$50 million to the campaigns of federal candidates since the 2008 election. The defense industry is also rallying in an effort to head off cuts in military spending. The bill passed on Tuesday requires cuts of \$350 in the Pentagon budgets over the next ten years, and another \$600 billion in cuts will be triggered if Congress doesn't come up with another plan by the end of this year. Lockheed Martin, Boeing and other major contractors and trade groups have spent nearly \$70 million on lobbying this year have donated about \$50 million to candidates since 2008, according to the Center for Responsive Politics.

The deficit reduction measure includes about \$350 billion in guaranteed cuts for the Pentagon and other defense-related programs, with up to \$600 billion in additional reductions that will be triggered if Congress fails to reach another agreement in December. Marion C. Blakey (pictured above), president of the Aerospace Industries Association issued a statement this week, saying the budget deal "dangles a Sword of Damocles over our national security." if a compromise is not reached.

"The \$600 billion in additional cuts to defense that are part of the so-called 'trigger' deal are a dangerous approach that could compromise our national security for decades to come," Blakey said.



Written by [Jack Kenny](#) on August 5, 2011

Congressional leaders have two weeks to appoint the 12 members of the Joint Select Committee on Deficit Reduction, with an equal number of Republicans and Democrats chosen from each house of Congress. The committee will have until November 23 to recommend deficit reductions of \$1.2 trillion over the next decade. It is expected to consider a wide range of proposals to slow the growth of entitlement programs like Medicare, Medicaid and Social Security, along with cuts to military spending and ways to raise more revenue.

While lobbyists are looking for ways to influence the new panel, some lawmakers are quietly promoting themselves for appointment to it, the *New York Times* reported. Senate and House members want to appear responsibly engaged in dealing with the nation's debt crisis while at the same time avoiding budget cuts that would have an adverse impact on their own state or district. Among Republican presidential candidates, only former Utah governor and ambassador to China John Huntsman endorsed the budget deal, which also authorized the raising of the debt ceiling by \$2.1 trillion dollars. Reps. Ron Paul of Texas and Michele Bachmann of Minnesota voted against it for that reason. Former Massachusetts Governor Mitt Romney came out against the plan on the day before the vote.

"As president, my plan would have produced a budget that was cut, capped and balanced — not one that opens the door to higher taxes and puts defense cuts on the table," Romney said.

A battle to avoid or minimize cuts military spending will likely be a significant part of the next round of budget negotiations. Military bases or contractors are, like hospitals, in every congressional district. And to "provide for the common defense" is among the primary responsibilities of the federal government. But our wars in Afghanistan and Iraq have already cost more than \$1 trillion and will likely be well over \$3 trillion by the time we are done with them. Meanwhile, our military actions in Libya Yemen and Somalia are adding still more borrowed dollars to our mountain of debt. So are the military outposts from the Cold War era that we continue to maintain, in Europe, in Japan, in Korea and elsewhere around the world. According to Andrew Bacevich, a former Army colonel and currently professor of international relations at Boston University, the Pentagon now spends more in constant dollars than it did at any time during the Cold War." Sen. Rand Paul (R-Ky.), who proposed \$48 billion in military spending cuts earlier this year, argued that military expenditure has increased by nearly 120 percent in the last ten years.

In a study published by the libertarian Cato Institute last year, authors Benjamin Friedman and Christopher Preble concluded that the nation could save more than a trillion over the next ten years by defending the nation, rather than the entire world. "We spend too much because we choose too little," they wrote. "The United States needs a defense budget worthy of its name, one that protects Americans rather than wasting vast sums embroiling us in controversies remote from our interests."



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