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COMEBACK AMERICA INITIATIVE UNVEILS FISCAL FRAMEWORKS TO AVOID, ADDRESS ANOTHER ECONOMIC CRISIS

*Former U.S. Comptroller General David M. Walker Provides
Comprehensive Recommendations to Put Nation's Finances in Order*

WASHINGTON, DC – Wednesday, July 20, 2011 – Today, the Comeback America Initiative (CAI), a non-partisan organization dedicated to fostering a national discussion around fiscal challenges and solutions, issued the “Restoring Fiscal Sanity Report.” The report includes two illustrative fiscal frameworks that provide a range of specific reforms for U.S. policy makers and government officials to consider to put the nation’s finances back on track, avoid a U.S. debt crisis and generate job growth. The plan outlines two approaches: a proactive, preemptive framework to address fiscal issues prior to a debt crisis and a reactive recommendation in response to a crisis.

“Putting our nation’s finances in order is a critically important and challenging endeavor,” said David M. Walker, the Founder and CEO of the Comeback America Initiative. “In order to effectively address these challenges, Congress and the White House must act soon. The Preemptive Framework focuses on cutting spending, making selected investments and engaging in a range of transformational reforms. It will also create more certainty regarding future government spending, tax policies and regulatory approaches. I hope lawmakers will act in a preemptive and prudent manner, but this will require strong leadership, political courage and reasoned compromises.”

Both frameworks significantly reduce spending and debt/GDP by imposing budget caps on most major spending categories, reforming Medicare, Medicaid and Social Security, reducing defense and other spending, and engaging in comprehensive tax and revenue reform.

Preemptive Framework

The Preemptive Framework outlines a number of major reforms that can be implemented in installments and, in some cases, phased-in over time to help avoid a debt crisis and maintain the confidence of our foreign lenders. It focuses on a number of key areas including budget

controls and process reform, Social Security, health care, defense, other spending, taxes/revenues and interest.

This framework recommends a short-term, discretionary spending cut to bring spending back to 2008 levels (accounting for inflation) and includes a \$500 billion bill for additional infrastructure, energy and other investments to prevent a double-dip recession and stimulate job growth.

According to Walker, “This framework properly focuses on the true threat to America’s future, which is huge deficits and escalating debt burdens that lie ahead without a course correction. The key fiscal goal of this framework is to ensure that the nation’s public debt/GDP ratio is brought down to a reasonable and sustainable level by 2035.”

Reactive Framework

The Reactive Framework – which addresses the same areas as the Preemptive Framework – details what should be done should another crisis happen similar to 2008. The Reactive Framework includes accelerated measures outlined in the Preemptive Framework, lowered spending caps and debt/GDP targets. This framework also outlines certain Constitutional reforms to reassure the American public and foreign lenders that Washington policymakers will not revert to the present day framework once the immediate crisis has passed.

“If a framework such as this must be implemented, it will be because our political process has failed to avoid a crisis. If that happens, investors and the general public will have little confidence in the politicians who failed to act to avert what was a clear, compelling and foreseeable crisis in the making. As a result, the actions that will be necessary to regain confidence and stabilize the markets will have to be much more dramatic and potentially Draconian in nature. It will be show me time in Washington,” continued Walker.

To download the Restoring Fiscal Sanity report and additional materials, and for more information on the Comeback America Initiative, visit: www.tcaii.org

ABOUT CAI

The Comeback America Initiative (CAI) is a Bridgeport, CT based non-profit organization that promotes fiscal responsibility and sustainability by engaging the public and assisting key policymakers on a non-partisan basis in order to achieve solutions to America’s fiscal imbalances. CAI seeks to foster a national discussion around the themes in the book “Comeback America” with an emphasis on various specific policy, operational and political reforms to put government on a more prudent, sustainable and accountable fiscal path. The organization’s primary focus is federal fiscal issues; however, it will also highlight the larger national fiscal challenge and engage in certain reform initiatives in selected states (e.g., Connecticut) and cities (e.g., Bridgeport, CT).

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