

[By Nicole Gaudiano](#)

Vice President Joe Biden will lead congressional negotiations that begin today on reducing the deficit, a job complicated by the starkly different approaches pushed by Democrats and Republicans. President Barack Obama has told Biden to bring the lawmakers together on a plan by the end of June.

Congressional lawmakers, including members of the Vermont delegation, are skeptical about prospects for a deal, given the wide political and ideological divide separating the Democrats and Republicans on the panel. But the stakes are high. The nation's debt is at a record \$14.3 trillion, and Congress must decide soon whether to approve borrowing beyond that limit.

Rep. Peter Welch, D-Vt., said he isn't optimistic. Addressing the deficit will require putting both revenue increases and spending reductions on the table, he said, but Republicans want to limit the discussion to cutting taxes, Medicare benefits and discretionary spending.

"The divide here is really between the folks who think this is an ideological battle to be won versus folks who believe it's a practical problem to be solved," he said. "We can solve the deficit, but in order to do that, we'd have to act like a family budget or a business. And that is, consider everything."

Cutting budget items such as Pell Grants, Medicare, Medicaid and environmental protection programs would be "immoral," said Sen. Bernie Sanders, I-Vt. Instead, negotiators must acknowledge that wealthy Americans are getting richer and corporations often pay no taxes despite earning billions in profits, he said.

"Those are the issues you've got to take a look at," he said. "You cannot balance the budget on the sick and the elderly and children -- on the most vulnerable people in this country."

Obama asked congressional leaders last month to appoint 16 lawmakers to the panel Biden will lead. But they appointed only six: House Majority Leader Eric Cantor, R-Va.; Republican Sen. Jon Kyl of Arizona; Democratic Rep. Chris Van Hollen of Maryland; Assistant Minority Leader Jim Clyburn, D-S.C.; Senate Finance Committee Chairman Max Baucus, D-Mont.; and Senate Appropriations Committee Chairman Daniel Inouye, D-Hawaii.

In a Tuesday letter to Biden, Cantor and Kyl asked that Obama submit a request to increase the

debt limit along with possible proposals to reduce spending and reform the budget process.

"We believe a detailed proposal from the president will be key to the success of the working group and vital for Congress to make progress on these very important issues," they wrote.

Biden will face challenges achieving consensus among group members, some of whom may not be motivated to work toward compromise, said Maya MacGuineas, president of the Committee for a Responsible Federal Budget.

"A self-selecting group that wants to work together to find a solution is more likely to succeed than one where you're not sure the people who are at the table actually want to be at the table," she said.

Sen. Patrick Leahy, D-Vt., said Biden faces a tough assignment.

"The range of differing views in Congress is wide, and viewpoints are strong," he said in a

statement. "But we have done this before when we balanced the budget and created budget surpluses in the 1990s, and I firmly believe we can restore fiscal responsibility without abandoning the equally vital need for key investments in our economy and our future."

The announcement that Biden's group would meet for the first time on Thursday was made April 18, the same day the Standard & Poor's credit ratings agency downgraded the U.S. fiscal outlook to negative, saying it doubts lawmakers can address budgetary challenges.

Congress must vote to raise the debt limit before August. If it doesn't, the government won't be able to make its debt payments. That would lead to an unprecedented default, driving up borrowing costs for the government, companies and consumers, according to Treasury officials.

Many Democrats want to keep the debt-limit bill free of potentially controversial budget policy provisions. Welch has been leading calls for a "clean" bill in the House.

"The debt ceiling is not about authorizing new spending," he said. "It's simply about allowing us to honor obligations already incurred. We shouldn't play chicken with America's reputation for full faith and credit."

But Republicans say they won't consider raising the limit unless the bill includes provisions for long-term spending reductions.

Kyl and Cantor reiterated that position in their letter to Biden.

"Republicans in Congress -- and a number of Democrats -- have made clear what the American people have been saying for some time now: that any increase in the statutory debt limit must be accompanied by meaningful and immediate spending reduction and binding budgetary reforms," they wrote.

Several deficit reduction plans already are on the table.

The commission that Simpson co-chaired with Clinton White House Chief of Staff Erskine Bowles recommended reducing the debt by \$4 trillion over 10 years by capping discretionary spending, doubling the gas tax, eliminating many popular tax deductions and raising the Social Security retirement age.

The plan drew support from more than 60 senators who called it a foundation for progress.

Obama's own plan to reduce the deficit by \$4 trillion over 12 years follows some of the same principles, and the so-called Gang of Six -- composed of three Democratic and three Republican senators -- is crafting a fiscal 2012 budget that's expected to lean on the recommendations from the Simpson-Bowles commission.

House lawmakers have approved a dramatically different approach from Republican Rep. Paul Ryan of Wisconsin, chairman of the House Budget Committee. His proposal would cut \$4.4 trillion over 10 years, turn Medicare into a voucher program and fund Medicaid with block grants while lowering income tax rates.

Welch said Democrats need to demonstrate a willingness to cut programs they value while Republicans need to look at tax increases and closing tax loopholes.

"As long as it's a package where at the end of the day you're sharing the sacrifice, it makes it possible for people to give things up," he said.

