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**CONTACT:** [Julia Lawless](#), [Antonia Ferrier](#)  
(202) 224-451

## **HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING WAYS TO EFFECTIVELY ADDRESS THE NATION'S LOOMING FISCAL CRISIS**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining ways to effectively address the nation's looming fiscal crisis:

Thank you Chairman Baucus for holding today's hearing. And welcome back Senator Domenici and Dr. Rivlin. We appreciate your coming here to discuss options for addressing our nation's fiscal challenges.

Given the enormous, and growing, uncertainties associated with the country's fiscal position, it is far past time that Congress and the President act to right our fiscal ship. Market uncertainty is already growing as a result of the historic tax increases set to take effect at the end of this year. And because federal law requires certain employers to give advance notice to workers facing layoffs, the automatic budget cuts — or sequestration — set to begin at the start of next year, mean that we can expect major layoff notices from defense contractors and others starting this fall.

At a time when job growth is anemic, unemployment remains above eight percent, and American workers are struggling, it is unconscionable to gamble with the economy by choosing to ignore the fast approaching fiscal cliff. This is no time to privilege election-year talking points and political brinksmanship over economic growth and the American families and businesses that depend on it.

And make no mistake — the private sector is by no means doing just fine. Since the President took office, the unemployment rate for government workers has averaged 4.2 percent. By contrast, when you include the private sector, the unemployment rate has averaged 9.2 percent during the President's term. Overall unemployment has been above 8.0 percent for 40 consecutive months, while the unemployment rate for government workers over the same period has averaged just over 4.0 percent.

Only someone who is entirely out of touch with the plight of Americans could read these numbers and conclude that the private sector is doing just fine. American families and workers

in the private sector are hurting. And they have been for far too long. They cannot afford any more hits. So Congress and the President should be working now to avert the fiscal cliff that threatens all Americans at every income level with massive tax hikes.

And it is long past time to begin reforms of a tax code that is a burden on families and businesses, and a drag on our economy. Over the past few years, we have seen many plans to do just that, including one our witnesses will address today. What has been noticeably absent, however, is engagement by the administration and leadership by the President. We hear from Treasury officials that the administration has “principles” for corporate tax reform, and for individual taxes, and for Social Security and other entitlements.

But — and I suspect because it is an election year — they refuse to talk about specifics. In spite of his claim that his proposals are available for all to see, no one I know has seen the President’s plans for reforming Medicare or Social Security or the tax code. All we hear are vague principles with the only definitive characteristic being more redistribution. But a sentiment, no matter how strongly felt, is not a plan.

The lack of leadership from the President at such a critical moment for our economy is remarkable. He has ignored numerous fiscal plans that have been crafted by bipartisan groups, like the one we will hear about today, which was originally crafted in November of 2010.

One of today’s witnesses, Dr. Rivlin, expressed frustration about the President’s passive stance toward our slow-rolling fiscal crisis as far back as June of last year, writing that, *[l]eadership can’t be delegated to commissions or taskforces. Mr. President, please get out front!*

I would like to echo that frustration and urge the President to get out front, steer us away from the fiscal cliff, work with us to tackle our unsustainable deficits and debt and entitlements, and assist us in reforming our broken, antiquated tax code.

Mr. Chairman, I commend you for your continued leadership on these matters. I commend you for taking the step this month of outlining your framework and principles for tax reform. I look forward to working with you on tax reform. And I hope to work with you in addressing the fiscal cliff that is creating enormous uncertainty for families and businesses, and contributing to further slowing and weakening of the economy.

I invite the President and the administration, including officials at the Treasury, to join us. While I understand that this is an election year, we cannot let that stand in the way of doing what is right for the American people.

Once again, Mr. Chairman, I thank you for holding today’s hearing. And thanks to our witnesses for appearing. I look forward to their testimony.

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