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Commission's final deficit report preserves controversial spending cuts

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The leaders of President Obama's fiscal commission released a final report Wednesday that is full of political dynamite, recommending sharp cuts in military spending, a higher retirement age and reforms that could cost the average taxpayer an extra \$1,700 a year.

But as commission co-chairmen Erskine Bowles and Alan K. Simpson unveiled the plan at a Capitol Hill hearing, it was unclear whether they would be able to build a convincing bipartisan consensus before the panel's 18 members - 12 of them sitting lawmakers - are scheduled to vote on the report Friday.

The White House continued Wednesday to reserve judgment on the commission's work, which is intended to help shape the administration's next budget request, due out in February.

"The president looks forward to reviewing their work at the conclusion of their votes ... and evaluating their proposals and their votes as we move forward and put together a budget of our own for next year," said White House press secretary Robert Gibbs. "So let me not get too far out on the commission until they've had a chance to complete their work."

Two panel members - Sen. Kent Conrad (D-N.D.) and Sen. Judd Gregg (R-N.H.) - immediately came out in strong support, saying that although they don't like everything in the package, it charts a responsible path away from the abyss of rising debt and potential fiscal crisis.

"America is in danger. And we can either look the other way, hope somebody else does something, or we can act," Conrad said. "I'm going to support this plan and support it strongly. Because I don't see another alternative. I just don't."

Still, after two days of one-on-one meetings with their members, Bowles, White House chief of staff in the Clinton administration, and Simpson, a former Republican senator from Wyoming, said that it will be difficult to assemble the 14 votes that would allow them

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to issue official recommendations.

"I don't know if we can agree on a plan. I know we're going to get two votes. Maybe we'll get five. Maybe we'll get 14," Bowles said. "But I know the world is moving in our direction. ... There's no turning back now. The era of debt denial and its consequences are over."

The final blueprint for rebalancing the federal budget hews closely to an earlier plan released before Thanksgiving. Like the original, it offers an aggressive prescription for reducing deficits by nearly \$4 trillion by the end of the decade, in large part by slashing domestic and military spending.

In hopes of satisfying the concerns of the panel's Republicans, those cuts would be even deeper than in the original document, slicing more than \$1.6 trillion from Obama's proposed budgets by 2020 and reducing overall government spending to just under 22 percent of the nation's gross domestic product.

Among the most painful of those decisions, Bowles said, is a recommendation to reduce the federal workforce by 10 percent by the end of the decade, eliminating 200,000 jobs.

Still, two of the three House Republicans on the commission - Reps. Paul Ryan (Wisc.) and Jeb Hensarling (Tex.) - indicated that they

were unlikely to lend their support, primarily because of the plan's embrace of Obama's newly enacted health-care law and what they view as excessively high levels of taxation.

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