

Congressman Rothman's Statement on Passage of Speaker Boehner's Default Bill in the House of Representatives

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Washington, DC — Congressman Steve Rothman (D-NJ), a member of the House Appropriations Committee, released the following statement on the passage of Speaker Boehner's Default Bill in the House of Representatives by 218-210:

I voted against the Boehner Default Bill because it will lead to drastic cuts in Medicare and Social Security, while unfairly protecting tax breaks and loopholes for those who make millions and billions of dollars in income each year. I also opposed the Boehner Default Bill because, as only a short-term increase in the debt ceiling, it may well have virtually the same consequences on our credit rating as an actual default.

The Boehner plan's threat of a default in six months undermines the certainty that American businesses and families need to create jobs and move our economy forward. With only a short-term increase, the "full faith and credit of the United States" will once again be held hostage to an unprecedented political divide in Congress. With Boehner's short-term plan, domestic and international investors will likely look for more secure places outside the U.S. to invest their money and our nation's credit will be downgraded. That will result in billions of dollars in perpetually higher interest rates than would otherwise be the case.

Higher interest rates will increase the cost of everything from mortgages and car payments to credit cards and college tuition loans — the bills hard working American families struggle to pay every day. To add insult to injury, a rise in interest payments on U.S. borrowing will mean that there will be less money in our federal budget to pay our national obligations, let alone pay down our nation's debt. The Boehner plan represents exactly the type of extreme and ineffective legislation that keeps us from solving America's fiscal crisis.

On July 27, 2011, thankfully, each of the 51 Democratic and two Independent U.S. Senators wrote to Speaker Boehner to say that they oppose the Boehner bill. Therefore, the Boehner bill will be defeated in the U.S. Senate and thus will never become law. I now urge Speaker Boehner and his supporters to work with the President, the Senate, and

Democrats in the House to avoid default by raising the debt ceiling and paying America's debts through 2012. These much needed steps will preserve the reliability of the "full faith and credit of the United States" and will remove the extremely damaging cloud of uncertainty that will otherwise hang over the American economy.

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