

2017 FISCAL SUMMIT

Rising Debt in a Changing Economy

SUMMARY AND HIGHLIGHTS | MAY 23, 2017 | WASHINGTON, D.C.

2017 FISCAL SUMMIT

RISING DEBT IN A CHANGING ECONOMY

SPONSORED BY THE PETER G. PETERSON FOUNDATION





INTRODUCTION

America faces the dynamic combination of an evolving economy, a crowded legislative agenda, and an unsustainable fiscal outlook. As Congress and a new administration explore major changes in key areas—healthcare, taxes, infrastructure, trade, and more—our fiscal condition remains as important as ever.

With many reforms on the table, one issue impacts all the others: our unsustainable national debt. America's fiscal outlook is connected to all these issues because our growing debt threatens our economy and weakens our ability to address our most important budget priorities.

The 2017 Fiscal Summit convened leading voices and policymakers from across the political spectrum to discuss the legislative agenda, its connection to our growing national debt, and solutions to put us on a better path.

The Summit brought together top policymakers and thought leaders to discuss the significant fiscal implications of current reform proposals, and examined the opportunities that exist to ensure policy solutions are sustainable, fiscally responsible, and supportive of economic growth.

Adding to the day's significance, the Summit coincided with the release of the Trump administration's 2018 budget. A number of panelists, including leading members of the administration and Congress, gave their first public statements on the budget from the stage, offering real-time reactions and analysis.

2017 FISCAL SUMMIT: RISING DEBT IN A CHANGING ECONOMY

About the Peter G. Peterson Foundation

Founded in 2008, the non-partisan Peter G. Peterson Foundation is dedicated to increasing public awareness of the nature and urgency of key fiscal challenges threatening America's future and accelerating action on them. To meet these challenges successfully, the Foundation works to bring Americans together to find sensible, sustainable solutions that transcend age, party lines, and ideological divides. The Foundation works with leading policy experts, elected officials, and the public to build support for solutions to put America on a sustainable fiscal path. We engage in grant-making, partnerships, and research to educate and engage Americans from a variety of perspectives.

TABLE OF CONTENTS

A Sustainable Fiscal Future	6
<i>Peter G. Peterson</i> , Founder and Chairman, Peter G. Peterson Foundation	
Welcome and Opening Remarks: Rising Debt in a Changing Economy	8
<i>Michael A. Peterson</i> , President and Chief Executive Officer, Peter G. Peterson Foundation	
Congressional Leaders: Rising Debt and the Legislative Agenda	10
<i>Senator John S. McCain</i> (R-AZ), Chairman, U.S. Senate Committee on Armed Services	
<i>Senator Mark Warner</i> (D-VA), Vice Chairman, U.S. Senate Select Committee on Intelligence; U.S. Senate Committee on Finance; U.S. Senate Committee on Banking, Housing, and Urban Affairs; U.S. Senate Committee on the Budget	
<i>House Democratic Leader Nancy Pelosi</i> (D-CA)	
INTERVIEWER: <i>Dana Bash</i> , Chief Political Correspondent, CNN	
Getting To Yes: Finding Consensus in a Divided Congress	14
<i>Representative Charlie Dent</i> (R-PA), Chairman, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, U.S. House Committee on Appropriations	
<i>Representative Jim Himes</i> (D-CT), Chair, New Democrat Coalition; U.S. House Committee on Financial Services; Ranking Member, NSA and Cybersecurity Subcommittee, U.S. House Permanent Select Committee on Intelligence	
MODERATOR: <i>Lisa Desjardins</i> , Correspondent, PBS NewsHour	
U.S. Treasury Secretary Steven T. Mnuchin	16
<i>Secretary Steven T. Mnuchin</i> , U.S. Department of the Treasury	
INTERVIEWER: <i>John Harwood</i> , Editor at Large, CNBC	
Sustaining American Leadership in an Uncertain World	18
<i>Admiral Michael G. Mullen</i> , USN (Ret.); 17th Chairman, Joint Chiefs of Staff; President, MGM Consulting LLC; Chairman, Coalition for Fiscal and National Security	
INTERVIEWER: <i>John Harwood</i> , Editor at Large, CNBC	
Up to Us: Engaging the Next Generation	20
Up to Us is a non-partisan, grassroots initiative that engages students on campuses across the country in a competition to raise awareness among their peers about the nation’s fiscal future and the economic opportunities the next generation will inherit. Michael Peterson recognized this year’s winning team from Jackson State University.	
Growth and Fiscal Sustainability in a Changing Economy	22
<i>Mitch Landrieu</i> , Mayor of New Orleans; Vice President, U.S. Conference of Mayors	
<i>Joshua Bolten</i> , President and Chief Executive Officer, Business Roundtable	
<i>Jason Furman</i> , Chairman, Council of Economic Advisers, 2013–2017	
MODERATOR: <i>John Harwood</i> , Editor at Large, CNBC	
The Tax Reform Opportunity	24
<i>House Democratic Whip Steny Hoyer</i> (MD-05)	
<i>Representative Kevin Brady</i> (R-TX), Chairman, U.S. House Committee on Ways and Means and Joint Committee on Taxation	
INTERVIEWER: <i>Richard Rubin</i> , U.S. Tax Policy Reporter, <i>The Wall Street Journal</i>	
Improving Healthcare to Deliver Better Quality Care at Lower Cost	26
<i>Sylvia Mathews Burwell</i> , President-Designate, American University; 22nd U.S. Secretary of Health and Human Services	
<i>James C. Capretta</i> , Resident Fellow and Milton Friedman Chair, American Enterprise Institute	
<i>Atul Gawande, MD, MPH</i> , Executive Director, Ariadne Labs; Surgeon, Brigham and Women’s Hospital; Professor, Harvard T.H. Chan School of Public Health	
MODERATOR: <i>Julie Rovner</i> , Chief Washington Correspondent, <i>Kaiser Health News</i>	
Annex: 2017 Fiscal Summit Agenda	30



A SUSTAINABLE FISCAL FUTURE

Peter G. Peterson

FOUNDER AND CHAIRMAN PETE PETERSON established the Foundation in 2008 to raise awareness of America's long-term fiscal challenges and to find solutions to help build a growing, thriving economy.

Explaining the origins of the Foundation, Peterson shared his longstanding concern that if we fail to address our fiscal imbalance, we will put the American Dream at risk as interest costs begin to crowd out investments in our economic future, threatening the opportunities available to the next generation.

With key structural factors, including an aging population and rising healthcare costs, building pressure on our fiscal outlook, Peterson called for more action to address the current unsustainable course. Through the non-partisan Foundation, focused work is underway to find and implement sensible, long-term solutions that transcend age, party lines, and ideological divides to achieve real results.

Peterson encouraged experts and policymakers at the eighth annual Fiscal Summit to continue advancing recommendations for putting our nation on a solid and sustainable fiscal path if we are to ensure widely shared economic prosperity and opportunity in the future.

WELCOME AND OPENING REMARKS: RISING DEBT IN A CHANGING ECONOMY

Michael A. Peterson

FOUNDATION PRESIDENT and Chief Executive Officer Michael Peterson delivered opening remarks for the Fiscal Summit, setting the tone for the day's program.

"America faces a new and uncertain landscape," Peterson said—noting the challenges and opportunities related to our nation's fiscal and economic outlook. While our nation is still recuperating from a politically turbulent election year, Peterson said, the economy is evolving and a new president and Congress are pursuing an ambitious legislative agenda.

On the morning of the Summit, the Trump administration released its first full budget proposal, which Peterson addressed during his remarks. "The administration deserves credit for putting forth policy options to significantly improve our nation's unsustainable fiscal outlook," he said. However, he added, key questions remain surrounding the budget's economic growth projections, which many

economists found to be overly optimistic. Additionally, he noted that the two key drivers of spending—Social Security and Medicare—are not addressed in the budget, leaving these essential programs "vulnerable to insolvency" based on their current outlook. Calling for a collaborative approach, Peterson said that "the president and Congress should work together and across party lines to find common ground in order to achieve lasting policy solutions for the long-term health of the nation."

Set against this backdrop, Peterson warned that our fiscal condition remains "as important and serious as ever." He noted that our national debt is currently 75 percent of gross domestic product, which is "the highest since just after World War II." He added that while annual deficits have come down since the recession, "they will begin rising again over the next ten years. In just six years we'll be back to trillion dollar deficits."

To secure our nation's future, "we must address this before it's too late," Peterson said. In just over 10 years, interest costs will become the third-largest federal program, and in just over two years, "we'll spend more on interest than we do on our kids."

Peterson outlined the fact that all of the major reform proposals under consideration by lawmakers will impact, and are impacted by, the national debt. Given that 70 percent of the spending growth in our major entitlement programs is for healthcare, addressing the U.S. healthcare system is essential to improving our fiscal outlook. Tax reform can have a significant and direct effect on our fiscal path, making it far better or far worse. While many agree that there is a need to address our infrastructure, there is considerable uncertainty surrounding our ability to pay for it given our growing debt and interest burden. And as America's workforce adapts to globalization, the national debt threatens our economic growth and leadership role in the world, Peterson said.

With our national debt set to increase by \$7 trillion over the next eight years, Peterson argued that America's rising debt must be a central part of any 2017 policy discussion. "It's time to transcend the uncertainty and focus on building a strong economy with a stable fiscal foundation," he told the audience. "This is why the Peterson Foundation exists and why we're here today."

Setting a stable and sustainable fiscal course, he said, "is essential for us to meet the most pressing challenges of a changing economy."



Michael A. Peterson
President and Chief Executive Officer,
Peter G. Peterson Foundation



Senator John S. McCain (R-AZ)
Chairman, U.S. Senate Committee
on Armed Services

CONGRESSIONAL LEADERS: RISING DEBT AND THE LEGISLATIVE AGENDA

Senator John S. McCain, Senator Mark Warner, and House Democratic Leader Nancy Pelosi

INTERVIEWER: *Dana Bash*

IN THE DAY'S OPENING CONVERSATIONS, CNN chief political correspondent Dana Bash conducted one-on-one interviews with three leading voices in Congress: Senator John S. McCain (R-AZ), Senator Mark Warner (D-VA), and House Democratic Leader Nancy Pelosi (D-CA). Their discussions explored the connection between America's rising national debt and a crowded legislative agenda where major areas of reform—including healthcare reform, tax reform, infrastructure, trade, and more—have significant fiscal implications. These timely conversations centered on ways to craft policy solutions that are both fiscally responsible and supportive of economic growth.

Senator John S. McCain (R-AZ)

SENATOR JOHN S. MCCAIN discussed President Donald Trump's newly released budget plan. McCain said that solving our fiscal challenges will require difficult choices—choices that must be made sooner rather than later.



Senator Mark Warner (D-VA)
 Vice Chairman, U.S. Senate Select Committee on Intelligence; U.S. Senate Committee on Finance; U.S. Senate Committee on Banking, Housing, and Urban Affairs; U.S. Senate Committee on the Budget



House Democratic Leader Nancy Pelosi (D-CA)

Dana Bash
 Chief Political Correspondent, CNN

Indiscriminate cuts to discretionary spending are a poor strategy, he argued. Instead, Congress should focus on reforming the significant long-term drivers of our fiscal imbalance, he explained, noting, “If you want to address the deficit you’re going to have to address entitlements.” But these tough decisions can’t be made by one party acting unilaterally, remarked McCain; a collaborative approach is needed to bridge the partisan divide.

McCain reflected on President Ronald Reagan and Democratic House Speaker Tip O’Neill joining together to reform Social Security in 1986. “We raised taxes, we raised the retirement age, we did some really tough things, but we couldn’t do it with Republicans alone or Democrats alone,” he said. “We’ve got to have people sit down together. If you’re going to fix entitlements it’s going to mean sacrifice and it has to be bipartisan.”

Senator Mark Warner (D-VA)

AMERICA’S NATIONAL DEBT is “singularly the most important issue” facing our country, said Senator Mark Warner in his conversation with Bash.

Warner cautioned that the road to fixing our national debt won’t be easy and will require significant reforms to both our spending and revenue programs. “The truth is, we’ve got the world’s most complicated tax code. We’ve got the highest nominal rate at 35 percent on the business side. We have to lower that rate, and we have to repatriate dollars.”

Difficult decisions and changes can no longer be put off, said Warner. “We’re starting to see interest rates go back up, and for every 100 basis points that interest rates go up, we add a minimum of \$140 billion of additional debt-service payments. That’s more than we spend on the Department of Homeland Security and the Federal Department of Education combined.”

If we continue to kick the can down the road on tackling our long-term national debt, the problem will only become larger and more difficult to solve, said Warner. “It’s not going to be the annual deficit that cripples us. It’s the debt that has been accumulated by Democrats and Republicans alike for the last 75 years.”

If we don’t decrease our long-term deficit, we’ll be doing a “great disservice to our kids,” he said.

House Democratic Leader Nancy Pelosi (D-CA)

HOUSE DEMOCRATIC LEADER NANCY PELOSI offered her analysis of President Trump’s budget, arguing that the proposal includes too many cuts affecting lower-income Americans. “The budget is a statement of our values,” she said. “What’s important to our country as a nation should be reflected in how we allocate our resources. I don’t think this budget does that.”

Pelosi emphasized the importance of looking at annual budgets through the lens of our long-term national debt. “We

should subject every dollar we spend, every tax break we give to its justification,” ensuring that policies are fiscally sustainable and supportive of economic growth.

Pelosi highlighted tax reform as an essential part of improving our long-run fiscal outlook. Eliminating tax expenditures that do not support of economic growth holds particular promise as a “place you can look as we examine every opportunity to reduce the deficit,” she said.

Pelosi believes Democrats and Republicans can join together to create a budget and tax plan that reduces the deficit and boosts the economy. “There’s plenty of common ground we can find to create growth,” she said.

GETTING TO YES: FINDING CONSENSUS IN A DIVIDED AMERICA

Rep. Charlie Dent
and Rep. Jim Himes

MODERATOR: *Lisa Desjardins*

PBS NEWSHOUR CORRESPONDENT Lisa Desjardins moderated a bipartisan panel with Representatives Charlie Dent (R-PA) and Jim Himes (D-CT) about breaking congressional gridlock and crafting lasting legislative solutions with good ideas from both sides of the aisle.

Dent made the case that any meaningful, durable, and sustainable reform passed by Congress “always ends up being done on a bipartisan level.” Himes agreed, saying that politics only works through compromise, because “that’s the only way you govern the country.”

The Republican and Democratic congressmen identified two specific policy areas that they hope to see bipartisan compromise and agreement on: tax reform and infrastructure.

Himes stated that both parties could agree on the need for corporate tax reform. “Most Democrats

will agree with you that a 35 percent corporate tax rate...is too high. There’s no question that we could agree that the tax code is too complicated.” Dent concurred, calling for an inclusive, rather than one-party, strategy for developing the legislation.

Discussing a bill to rebuild America’s aging infrastructure, Dent said, “There’s a real desire to move

forward. That issue lends itself to some sort of bipartisan collaboration.” Himes agreed that infrastructure legislation has the ability to draw bipartisan support and potentially help heal divisions within Congress.

Looking more broadly, Himes argued that there should also be bipartisan support around solving our long-term national debt. He cautioned that rising interest rates will lead

to accelerated interest costs for the government, crowding out spending on other priorities and hurting the economy—issues that Americans from both parties care about.

Coming to a consensus on our fiscal policy won’t be “as hard as people think,” agreed Dent. “We have an idea of what the policy discussion should be. It’s a matter of political will at this point.”



Representative Jim Himes (D-CT)
Chair, New Democrat Coalition; U.S. House
Committee on Financial Services;
Ranking Member, NSA and Cybersecurity
Subcommittee, U.S. House Permanent
Select Committee on Intelligence

Lisa Desjardins
Correspondent, PBS NewsHour

Representative Charlie Dent (R-PA)
Chairman, Subcommittee on
Military Construction, Veterans Affairs,
and Related Agencies, U.S. House
Committee on Appropriations

U.S. TREASURY SECRETARY STEVEN T. MNUCHIN

INTERVIEWER: *John Harwood*



John Harwood
Editor at Large, CNBC

CNBC EDITOR AT LARGE John Harwood led an engaging discussion with U.S. Treasury Secretary Steven T. Mnuchin about the administration's budget, goals, and principles underlying President Trump's tax reform blueprint and the administration's policies to achieve higher economic growth.

Mnuchin told Harwood that the president is prioritizing comprehensive tax reform as a key part of boosting growth. The U.S. tax system, which hasn't

seen major change in 30 years, "is way too complicated," he said.

Mnuchin echoed many other of the day's panelists by describing the U.S. corporate tax rate as "one of the highest in the world." He explained that his administration wants to make business tax rates more competitive to "benefit American workers," which is "a big priority of ours."

The secretary stressed that if any major reform is to be achieved, he hopes that it can be done on a bipartisan basis. "I hope that there are Democrats that are on board with that plan," he said.

Harwood noted that the Trump administration's tax plan is inextricably linked to its budget plans, to which Mnuchin agreed. President Trump wants to reach a "balanced budget within 10 years," and he believes the best way to do that is by "creating economic growth," he said. Harwood noted that the administration's estimate of economic growth reaching three percent annually is more optimistic than what is predicted by most economists. Mnuchin argued that a strong emphasis on job creation, productivity, and capital investment can increase growth beyond levels currently projected.

"We fundamentally believe that the economy can get back to more normalized levels of sustained economic growth," he said.

Mnuchin identified the U.S. healthcare system as a key part of our fiscal challenges—and an essential area of focus for improved efficiency. "Healthcare costs are one of the largest challenges," he remarked. "We have a system that is broken, and we're trying to fix that system."

Secretary Steven T. Mnuchin
U.S. Department of the Treasury





Admiral Michael G. Mullen
USN (Ret.); 17th Chairman,
Joint Chiefs of Staff;
President, MGM Consulting
LLC; Chairman, Coalition for
Fiscal and National Security

SUSTAINING AMERICAN LEADERSHIP IN AN UNCERTAIN WORLD

Admiral Michael G. Mullen

INTERVIEWER: *John Harwood*

JOHN HARWOOD sat for a conversation with Admiral Michael G. Mullen, the 17th chairman of the Joint Chiefs of Staff and chairman of the Coalition for Fiscal and National Security. Their discussion focused on maintaining our nation’s global economic and diplomatic leadership in a way that is both sustainable and sufficient to the security challenges that we face.

Mullen began by making a strong connection between our national security and fiscal health, saying that our debt is an issue that requires a “sense of urgency...and we really need fix it very, very quickly” as a fundamental part of ensuring our strength at home and abroad.

At a time when security threats and challenges facing the United States are “growing,” Mullen said that we need not only budget flexibility but also enhanced strategic vision to balance competing priorities.

Unfortunately, the current state of partisan politics does not “allow anybody to work across the aisle,” he said. “It’s one of those things that’s a complete intellectual disconnect. Everybody says, ‘We know we need to do this,’ and then no one does it.”

Mullen argued that uncertainty surrounding America’s fiscal future impedes our ability to form a long-term strategy for national security. “Quite frankly,” he said, “the debt is a big part of that.”

Mullen highlighted the urgency of the issue and the complexity of the challenge, outlining America’s current security landscape, including multiple potential threats: an increase in global terrorism, our continued efforts in Afghanistan and Iraq, and our evolving relationships with Russia and China.

Mullen concluded the discussion by warning that we need to find a solution to our fiscal problems before we face a crisis. He said that a key lesson he has learned from his experience is that once you get into a crisis—the real firestorm—you don’t come out with the best solutions.”

UP TO US: ENGAGING THE NEXT GENERATION



Michael A. Peterson (center) with members of 2017 Up to US competition teams

PRESIDENT AND CEO MICHAEL A. PETERSON welcomed the winners of the 2017 Up to Us competition to the stage. Launched in 2011 in partnership with Net Impact, Up to Us is a rapidly growing millennial initiative on more than 200 college and university campuses that engages and empowers students to raise awareness about the nation's fiscal challenges. As a key part of the program, student teams from across the country take part in an annual competition to run substantive and highly visible campaigns to educate their peers and inspire action on the national debt and the economic opportunities the millennial generation will inherit.

The students who participated in the fifth annual competition attest that when it comes to our steep fiscal challenges, the country's emerging leaders have been galvanized into action.

Jackson State University took home first prize in this year's competition, and the team attended the Fiscal Summit along with representatives from the other 19 top teams. The Jackson State team members engaged their local community by meeting with state lawmakers, delivering classroom presentations, and creatively engaging their peers through a variety of events.

"Students walk away from these events with a little more entertainment and a little more enlightenment about our fiscal issues facing our country," said Peterson.

"The fact that this debt will be inherited, not just for us but for future generations, shows you how important [this issue] is," said Terrence Dillon, leader of the winning team. "You can't just shrug it off just because we aren't seeing the consequences right now. We have to do something about it. We have to get the ball rolling now, or we'll see something possibly catastrophic later on. And I don't want to put that [burden] on my future children."

Taking that message to policymakers and thought leaders in Washington following the Fiscal Summit, the Up to Us participants met with several members of Congress and their staff on Capitol Hill. The students also attended meetings with budget policy experts to sharpen their insights as advocates for fiscal responsibility.

Since launching on 10 campuses five years ago, Up to Us has engaged more than 100,000 students across almost 400 campuses and provides a platform for emerging civic leaders to help their peers take charge of their economic future.

"While the national debt affects everyone, the millennial generation has the most at stake. The budget decisions that we make today will impact the opportunities that they have tomorrow. Our growing debt will affect everything from finding a job to paying off loans to accessing capital to start a business or buy a home," said Peterson. "Well, it turns out the next generation is catching on."



FROM LEFT
John Harwood
 Editor at Large, CNBC
Jason Furman
 Chairman, Council of Economic
 Advisers, 2013–2017
Joshua Bolten
 President and Chief Executive
 Officer, Business Roundtable
Mitch Landrieu
 Mayor of New Orleans;
 Vice President, U.S. Conference
 of Mayors

GROWTH AND FINANCIAL STABILITY IN A CHANGING ECONOMY

Mitch Landrieu, Joshua Bolten,
 and Jason Furman

MODERATOR: *John Harwood*

A DYNAMIC PANEL brought perspectives from across the country to assess the current state of America’s economic engine and the role that state and local governments play in our nation’s fiscal and economic future. New Orleans Mayor Mitch Landrieu, Business Roundtable President and CEO Joshua Bolten, and Former Council of Economic Advisers Chairman Jason Furman joined CNBC’s John Harwood to explore policies that will enable communities and businesses across the country to bolster innovation, sustainability, and competitiveness in a changing economy.

The relationship between tax policy and economic growth was a key focus of the conversation. Though Bolten said that sustained GDP growth as high as 3 percent is unlikely, he

did warn not to “underestimate the kind of dynamism that can—and should—be released from fundamental tax reform in this country.” He argued that there could be “enormous potential” within the U.S. economy from tax reform that lowers the corporate rate and shifts to a territorial system of taxation.

Landrieu brought an on-the-ground perspective, describing how federal tax and spending decisions affect local policy in New Orleans. Debt isn’t necessarily a bad thing, said Landrieu, but “how you use it and how you manage it” are critically important. He said that when managing debt, policymakers must ensure it doesn’t become “an anchor around your neck instead of a tool to help you grow your economy.”

Landrieu highlighted Medicaid as an example of a policy decision at the federal level that has large consequences for states and localities. “If you block grant Medicaid and don’t create some level of growth, a governor is going to have to make a decision about whether they’re funding healthcare, education, or workforce training,” he said. “Somebody is not going to get something.”

Bolten related his experience advocating for Social Security reform in his role as the director of the Office of Management and Budget and as chief of staff under President George W. Bush. Bolten emphasized that because they’re such a large part of our budget, reforming government health and retirement security programs will necessarily be part of addressing our fiscal imbalance. At some point in the near future, he said, “we need to recognize that there is no solution to our long-term budget challenge unless we dig in on Medicare and Social Security.”

Furman, who was the chairman of the Council of Economic Advisers under President Barack Obama, argued that any changes to entitlement programs should make sure “the most vulnerable and the most indefensible” remain protected.

Landrieu emphasized the need for balance and fairness as part of fiscal policy reforms. “You can’t ask some people to sacrifice and not others,” he said. He suggested that “everybody go back to their corners and get as apolitical as they can. Then find a solution that requires everyone to make a little bit of a sacrifice.”

Furman concluded that the issue of growing the economy and stabilizing our long-term debt is a “walk and chew gum” problem, meaning that we can and need to do both at once. “We absolutely want lower business tax rates. We want a more competitive international system. But we don’t want to solve that problem while making the debt and deficit problem worse,” he said.

Bolten felt optimistic that we’ll be able to find “a political moment where Republicans and Democrats can come together and hold hands on this issue and come up with a bargain before the United States becomes uncreditworthy.”

THE TAX REFORM OPPORTUNITY

House Democratic Whip Steny Hoyer and Rep. Kevin Brady

INTERVIEWER: *Richard Rubin*



Richard Rubin
U.S. Tax Policy
Reporter, *The Wall
Street Journal*

EVEN IN A HIGHLY polarized political landscape, there is broad congressional support for reforming the U.S. tax code. Tax reform could promote economic growth, reduce complexity, increase transparency and fairness, and improve our nation's fiscal outlook. Yet comprehensive tax reform remains elusive. In one-on-one conversations with *Wall Street Journal* tax policy reporter Richard Rubin, Chairman of the House Ways and Means Committee Kevin Brady (R-TX) and House

Democratic Whip Steny Hoyer (D-MD) discussed tax reform proposals and how to get legislation over the goal line.

House Democratic Whip Steny Hoyer (MD-05)

HOUSE DEMOCRATIC WHIP Steny Hoyer outlined conditions required for progress on tax reform.

Hoyer said that the last time there was tax reform, in 1986, both parties were able to come to the table and work to find middle ground. While in 2017 there is “certainly is a consensus that we need tax reform,” Hoyer said a continued lack of agreement on the details has prevented meaningful forward movement.

Like many panelists, Hoyer identified corporate tax reform as an area ripe for activity, but he stressed the need for reforms to be fiscally responsible. “Certainly I don’t think that anybody believes you can bring corporate and personal rates down to 15 percent and still balance the budget,” he said.

Looking big picture, Hoyer’s final analysis was that we need to make sure we create a world where our “grandchildren and great-grandchildren aren’t unable to fund the priorities of their time, because we did not give them the resources to do so.”



**House Democratic Whip
Steny Hoyer (MD-05)**



**Representative
Kevin Brady (R-TX)**
Chairman, U.S. House
Committee on
Ways and Means and
Joint Committee on
Taxation

Representative Kevin Brady (R-TX)

NEXT, Representative Kevin Brady (R-TX), chairman of the U.S. House Committee on Ways and Means and Joint Committee on Taxation, joined Rubin. Like Hoyer, Brady advocated for reforming the tax code, both by simplifying personal taxes and by lowering the corporate tax rate. Improving our tax system to make it more supportive of economic growth, he said, will be necessary if we want to balance the budget and start paying down our national debt.

Brady acknowledged that getting tax reform done is “tremendously hard work” and said that some disagreement is “healthy” to the process. But he added, “I think that it’s critical to the economy and to businesses that they can have confidence this will get done.”

Brady stressed the importance of reform that affects all earners, saying, “if we flatten these brackets out, lower the rates at every level, protect more of those first dollars, and really encourage families to save and invest,” then that “passes down to the middle class as well.” Ultimately, he said, “This isn’t our tax code; it belongs to the American people.”



FROM LEFT

Julie Rovner
Chief Washington Correspondent,
Kaiser Health News

Atul Gawande, MD, MPH
Executive Director, Ariadne Labs;
Surgeon, Brigham and Women's
Hospital; Professor, Harvard T.H.
Chan School of Public Health

James C. Capretta
Resident Fellow and Milton Friedman
Chair, American Enterprise Institute

Sylvia Mathews Burwell
President-Designate, American
University; 22nd U.S. Secretary of
Health and Human Services

IMPROVING HEALTHCARE TO DELIVER BETTER QUALITY CARE AT LOWER COST

Sylvia Mathews Burwell,
James Capretta,
and Atul Gawande

MODERATOR: *Julie Rovner*

THE DAY'S FINAL PANEL centered on health-care innovations that will improve the quality of care and lower costs, as well as the implications and possibilities surrounding the legislative debate on coverage and access. This conversation was moderated by Julie Rovner, chief Washington correspondent for *Kaiser Health News*, and featured American University President-Designate and former U.S. Secretary of Health and Human Services Sylvia Mathews Burwell, American Enterprise Institute Chair James Capretta and Atul Gawande, executive director of Ariadne Labs.

While much of the discussion in the public sphere and in Congress has centered on “repeal and replace” of the Affordable Care Act, Gawande urged his fellow panelists to take a step back and examine the larger picture. “What is the goal from a healthcare point of

view about what we're going to do with healthcare?" he asked. "In what way are we making people's lives better or the healthcare system, or a long-run approach to healthcare better?"

Capretta identified three overarching goals for healthcare reform. The first, he said, should be a better understanding of the distribution of financial responsibility and societal responsibility. Second, he said, was to achieve a level at or near "100 percent enrollment in health insurance." Capretta said his third goal is "to bring discipline to the system," which means identifying and making available low-cost, high-value options in healthcare.

Burwell outlined her own objectives for improving the healthcare system: access, affordability, and quality, all in a "fiscally responsible way." Burwell added that we must make sure we consider the entire healthcare landscape: employer-based care, Medicare, Medicaid, and the marketplace. Burwell cautioned that proposed cuts to Medicaid, in particular, would have a "devastating" impact on low-income, elderly, and disabled Americans.

Capretta noted that demographic changes and rising healthcare costs are creating a fiscal pressure that will need to be addressed. "We're well into the retirement of the baby boom generation," he said. "And within five or ten years the fiscal situation is going to get pretty bad. So something has got to give."

Gawande agreed that as a nation, we should strive to expand healthcare coverage to include the "20 or 30 million people" who lack it. Additionally, he said, we must transition to a system of portability, where healthcare coverage is not tied to employment.

"Healthcare is [important] for every individual and their families," Burwell agreed.

The panel ended with a discussion of major misunderstandings about the healthcare system and how to best educate the public, policymakers, and people in the health systems themselves.

All three panelists agreed on the critical need for greater public education and engagement to build the political will for change and ultimately to produce policy that is responsive to Americans' needs.

Michael A. Peterson and Atul Gawande

Atul Gawande joined Michael Peterson on stage for an impromptu one-on-one conversation about how healthcare delivery reform can help reduce costs and improve quality of care. The session served as an in-depth introduction to the Summit's broader healthcare panel later in the day.

Gawande and Peterson began by discussing the difficult but important subject of end-of-life care, which has significant implications for the U.S. healthcare system. Gawande said, "The reality is we're making many bad choices towards the end of life." He said a lack of adequate planning often leads to decisions that cause more harm than good and increases suffering.

Gawande highlighted the importance of palliative care communication—clinicians having in-depth conversations with their patients about goals and values—as a key way to reduce suffering and improve quality of care.

Peterson discussed the work of the Peterson Center on Healthcare, which focuses on identifying, validating, and spreading solutions that lower cost and improve care. Gawande noted the difficulty in scaling that sometimes exists because of a lack of physicians or other resources.

Gawande emphasized one evidence-based tool that is being scaled around the world with impressive results. The Surgical Safety Checklist, developed by Gawande and a team of experts with the World Health Organization, has been shown to reduce surgical complications and mortality by 18 to 47 percent. Simple tools like checklists hold great promise for "better, more efficient, lower-cost, higher-quality healthcare delivery."



ANNEX: 2017 FISCAL SUMMIT AGENDA

7:30 AM REGISTRATION AND CONTINENTAL BREAKFAST

8:30 AM **CONGRESSIONAL LEADERS: RISING DEBT AND THE LEGISLATIVE AGENDA, SESSION 1**

Senator John S. McCain (R-AZ), Chairman, U.S. Senate Committee on Armed Services

Senator Mark Warner (D-VA), Vice Chairman, U.S. Senate Select Committee on Intelligence; U.S. Senate Committee on Finance; U.S. Senate Committee on Banking, Housing, and Urban Affairs; U.S. Senate Committee on the Budget

INTERVIEWER: **Dana Bash**, Chief Political Correspondent, CNN

In a series of one-on-one interviews, House and Senate congressional leaders will explore the connection between America's rising national debt and a crowded legislative agenda. The major areas of reform—including healthcare reform, tax reform, infrastructure, trade, and more—all have significant fiscal implications. These timely conversations will center on ways to craft policy solutions that are both fiscally responsible and supportive of economic growth.

9:20 AM **GETTING TO YES: FINDING CONSENSUS IN A DIVIDED CONGRESS**

Representative Charlie Dent (R-PA), Chairman, Subcommittee on Military Construction, Veterans Affairs, and Related Agencies, U.S. House Committee on Appropriations

Representative Jim Himes (D-CT), Chair, New Democrat Coalition; U.S. House Committee on Financial Services; Ranking Member, NSA and Cybersecurity Subcommittee, U.S. House Permanent Select Committee on Intelligence

MODERATOR: **Lisa Desjardins**, Correspondent, PBS NewsHour

In a polarized, highly partisan Congress, fierce ideological battles often prevent cooperation and compromise. However, bipartisan solutions are often the key to breaking legislative gridlock and achieving lasting reform. In this conversation, Rep. Charlie Dent (R-PA), co-chair of the Tuesday Group, and Rep. Jim Himes (D-CT), chair of the New Democrat Coalition, will assess the political and electoral forces shaping today's policy environment, the "middle" of American politics, and the possibilities that exist to find consensus in a shifting landscape.

9:45 AM MID-MORNING BREAK

10:00 AM **OPENING REMARKS: RISING DEBT IN A CHANGING ECONOMY**

Michael A. Peterson, President and Chief Executive Officer, Peter G. Peterson Foundation

10:10 AM **U.S. TREASURY SECRETARY STEVEN T. MNUCHIN**

Secretary Steven T. Mnuchin, U.S. Department of the Treasury

INTERVIEWER: **John Harwood**, Editor at Large, CNBC
The White House recently released a blueprint outlining President Trump's tax reform plan. In this

one-on-one conversation, Treasury Secretary Mnuchin will discuss the goals and principles underlying that plan, addressing key details such as target rates for corporations and individuals, how tax expenditures will be treated, and the effect on economic growth and the nation's fiscal condition.

10:40 AM **SUSTAINING AMERICAN LEADERSHIP IN AN UNCERTAIN WORLD**

Admiral Michael G. Mullen, USN (Ret.); 17th Chairman, Joint Chiefs of Staff; President, MGM Consulting LLC; Chairman, Coalition for Fiscal and National Security

INTERVIEWER: **John Harwood**, Editor at Large, CNBC

Today's global security challenges demand American leadership. However, our country's safety, strength, and international influence are built on our nation's fiscal and economic health. Our elected officials face tough choices in maintaining the economic growth that underlies our security, while at the same time meeting the challenges of the moment and seizing the technological possibilities of the future. Admiral Michael G. Mullen, former chairman of the Joint Chiefs of Staff, will draw from his considerable experience to explore how our nation can maintain global economic and diplomatic leadership that is both sustainable and sufficient to the challenges we face.

11:00 AM **CONGRESSIONAL LEADERS: RISING DEBT AND THE LEGISLATIVE AGENDA, SESSION 2**

House Democratic Leader Nancy Pelosi (D-CA)

INTERVIEWER: **Dana Bash**, Chief Political Correspondent, CNN

11:30 AM LUNCH BEGINS

12:00 PM **UP TO US: ENGAGING THE NEXT GENERATION**

Up to Us is a non-partisan, grassroots initiative that engages students on campuses across the country in a competition to raise awareness among their peers about the nation's fiscal future and the economic opportunities the next generation will inherit. Michael A. Peterson will recognize this year's winning team from Jackson State University.

12:15 PM **GROWTH AND FISCAL SUSTAINABILITY IN A CHANGING ECONOMY**

Mitch Landrieu, Mayor of New Orleans; Vice President, U.S. Conference of Mayors

Joshua Bolten, President and Chief Executive Officer, Business Roundtable

Jason Furman, Chairman, Council of Economic Advisers, 2013–2017

MODERATOR: **John Harwood**, Editor at Large, CNBC

A growing, thriving economy is critical to stabilizing our nation's fiscal outlook. And stabilizing our fiscal outlook is essential for long-run economic health and prosperity. How do we balance these interacting priorities to generate successful and sustainable fiscal and economic policies in both the short term and the long term? How much growth is really possible? What are the current and future challenges for American corporations? What role do state and

local governments play in securing these objectives? President and CEO of Business Roundtable Josh Bolten and New Orleans Mayor Mitch Landrieu will provide an outside-of-Washington perspective, assessing the current state of America's economic engine and describing policies that will bolster innovation, sustainability, and competitiveness in a changing economy.

1:15 PM LUNCH ENDS

1:30 PM **THE TAX REFORM OPPORTUNITY**

House Democratic Whip Steny Hoyer (MD-05)

Representative Kevin Brady (R-TX), Chairman, U.S. House Committee on Ways and Means and Joint Committee on Taxation

INTERVIEWER: **Richard Rubin**, U.S. Tax Policy Reporter, *The Wall Street Journal*

Even in a highly polarized Congress, there is broad support for reforming the U.S. tax code. Tax reform done right would promote economic growth, reduce complexity, increase transparency and fairness, and improve the nation's fiscal outlook. Yet getting major tax reform across a goal line has always been elusive. *Wall Street Journal* tax policy reporter Richard Rubin will lead back-to-back conversations with House Democratic Whip Steny Hoyer (MD-05) and Chairman of the House Ways and Means Committee Kevin Brady (R-TX) on goals for tax reform legislation, specific proposals under discussion, and ways to overcome deeply entrenched interests across the economy.

2:30 PM **IMPROVING HEALTHCARE TO DELIVER BETTER QUALITY CARE AT LOWER COST**

Sylvia Mathews Burwell, President-Designate, American University; 22nd U.S. Secretary of Health and Human Services

James C. Capretta, Resident Fellow and Milton Friedman Chair, American Enterprise Institute

Atul Gawande, MD, MPH, Executive Director, Ariadne Labs; Surgeon, Brigham and Women's Hospital; Professor, Harvard T.H. Chan School of Public Health

MODERATOR: **Julie Rovner**, Chief Washington Correspondent, *Kaiser Health News*

Improving our healthcare system to deliver higher-quality care at a lower cost is critical to our nation's long-term economic and fiscal well-being. The United States spends twice as much on healthcare as other advanced nations—often with outcomes that are no better. And healthcare represents 70 percent of the future growth in major entitlement spending, so there's no viable solution to our debt problem that does not include healthcare reform. Healthcare is also a key economic issue that affects wages, growth, and opportunity. In this timely conversation, three renowned healthcare experts will discuss the current prospects for healthcare reform in Congress and ways innovations in delivery reform, payment reform, and data transparency can lead to better health outcomes at lower cost.

3:00 PM SUMMIT CLOSE





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For more photos and full video from the 2017 Fiscal Summit, please visit www.fiscalsummit.org.

Photos by Ralph Alswang and Chris Williams