

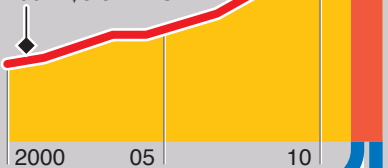
# Two-step U.S. debt deal

The Budget Control Act allows President Barack Obama to raise the \$14.29 trillion debt limit by up to \$2.4 trillion, sufficient to last until after the 2012 presidential election

## National debt

2012: \$16.7 trillion

2001: \$5.8 trillion



**Step 1:** Congress raises debt limit by **\$900 billion**, while cutting government spending by **\$917 billion**

**Step 2:** Newly-created bipartisan Congressional Committee to identify additional **\$1.5 trillion** in cuts – Obama requests up to **\$1.5 trillion** increase in debt limit

**Bush tax cuts:** If Congress fails to find cuts, Obama can veto extending nearly **\$1 trillion** in high-income tax cuts, due to expire at end of 2012