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## Senate to Vote on Debt-Ceiling Bill

By ANDREW ACKERMAN



Getty Images

Senate Majority Leader Sen. Harry Reid talks with Sen. Debbie Stabenow as they enter the Capitol on Aug. 2.

WASHINGTON—The Senate is expected at noon Tuesday to sign off on a bipartisan agreement to raise the federal debt ceiling and cut as much as \$2.4 trillion from budget deficits, after the House passed the measure 269-161 last night.

The deal is the product of one of the most ferocious fights ever over government spending and political brinkmanship that caused economic uncertainty and continues to threaten the nation's prized AAA credit rating. Its passage through the Senate makes it likely that Congress won't break Tuesday's deadline set by the Treasury Department after which the nation could run out of money to pay all of its bills.



WSJ's Alan Murray and Joe White join the News Hub panel to discuss Monday evening's House vote to raise the debt ceiling by \$2.4 trillion, and look ahead to Tuesday's vote in the Senate. WSJ Photo.

Passage in the House came despite the opposition of both conservative Republicans and liberal Democrats, both of whom balked at the deal reached over the weekend between President Barack Obama and congressional leaders.

However, the agreement was expected to obtain the 60 votes needed for it to pass the Senate, paving the way for Mr. Obama to sign it into law Tuesday afternoon.

"Finally Washington is taking some responsibility for spending money that we don't have," said Sen. Lamar Alexander (R., Tenn.) on the Senate floor, who said he would support it. "Make no mistake, this is a change in behavior, from spend, spend,

spend to cut, cut, cut."

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### Live Blog: The Debt Battle

The White House and congressional leaders are scrambling to agree on a deal before Aug. 2 to raise the U.S. federal borrowing limit. Follow developments in Washington and reaction globally here.

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Are you satisfied with the deal?

Sen. Richard Durbin (D., Ill.), the second ranking Democrat in the chamber, said he is "conflicted" about the bill but would nonetheless vote for it with "a heavy heart."

He said allowing the measure to fail would translate into an economic calamity, while voting for it would lead to cuts in "critical" spending programs, such as medical research and education programs for poor children.

The framework ironed out between congressional leaders and Mr. Obama over the weekend creates a multistep process for raising the debt ceiling and cutting federal spending.

In the first stage, which has been described as a down payment, more than \$900 billion over 10 years will be cut and the debt limit will be raised by \$900 billion. A special committee of six Democrats and six Republicans will then identify about \$1.5 trillion in spending cuts by Nov. 23, and the Senate will vote on it by Dec. 23. The cuts are expected to come from entitlement programs and a tax overhaul.



The WSJ's Joseph White talks to Lee Hawkins about the House's 269 to 161 vote to approve the debt ceiling deal and its broader meaning, as the Senate prepares for a vote on Tuesday.

The committee is required to come up with at least \$1.2 trillion in cuts or a backup set of cuts would be triggered and the debt limit would be raised another \$1.2 trillion.

This backup was a major sticking point for negotiators. These cuts would be 50% defense and 50% domestic spending. About \$50 billion would be cut from defense. Cuts to Medicare would be capped at 2%, with no reduction in benefits, and Social Security, Medicaid, veteran's benefits, military pay and low-income programs would be exempt.

The agreement also guarantees that the House and Senate will vote on a balanced-budget amendment by the end of the year, but it doesn't have to pass for the deal to proceed.