

how the proposed accounts would offer only a few, regulated investments options, much like the Thrift Savings Plan for government employees.

The speech will focus on the policy, but its aim is highly political, Republicans say. After surveying roughly half a dozen Senate Democrats whom the White House considers potential converts to Bush's plan, the president and his congressional allies realize they must limit the budget impact of creating a new system and protect lower-income workers, who rely heavily on Social Security for their retirement income.

One way of holding down short-term costs would be to allow Americans to shift gradually part of their payroll taxes into private accounts. Critics say this would do little to reduce the overall transition cost, which experts say could cost \$1 trillion to \$2 trillion over the next two decades.

Bush plans to target Senate Democrats facing reelection with speeches and town hall meetings on Thursday and Friday. He suffered a minor political blow yesterday, when the Congressional Budget Office released new projections for Social Security's financial health, pushing forward the year when Social Security benefits begin to exceed Social Security taxes. The CBO now projects that date for 2020, a year later than its earlier assessment and two years earlier than the Social Security Administration's projection.

The new forecast, by Congress's nonpartisan, official budget scorekeeper, highlights the uncertainty about the system's future.

CBO officials attributed the slight improvement to small economic revisions, but CBO Director Douglas Holtz-Eakin was quick to say the changes are economically insignificant.

"Anyone who's making policy based on what they think is a change in these numbers would be making a mistake," he said.

But what is economically significant and what is politically significant are two very different things. Democrats who contend that Bush is exaggerating the need to act and the benefits of his plan pounced on the latest report.

"Today's numbers from the Congressional Budget Office provide further confirmation that Social Security is on solid financial footing for decades to come," said Senate Minority Leader Harry Reid (D-Nev.). "While we do face a long-term challenge that should be addressed, there is no reason to rush to privatize Social Security while making deep cuts in benefits and exploding our national debt."

Indeed, the politics of Social Security are playing a prominent role in shaping the debate. Even before Bush has detailed his plan, almost every Democrat has vowed to oppose it, and a large number of Republicans have expressed deep concerns. This has forced Bush to rethink his strategy and rework his proposal.

MoveOn.org, a liberal group that was highly critical of Bush throughout the 2004 presidential campaign, today will begin airing television ads warning three House members not to "privatize" Social Security: Reps. Allen Boyd Jr. (D-Fla.), Chris Chocola (R-Ind.), and Jim Gerlach (R-Pa.).

The 2006 elections are nearly two years away, and Chocola is already facing MoveOn.org's ads and a flurry of automated phone calls to his constituents from an unidentified group condemning plans to change the system. Chocola, a second-term lawmaker likely to face a tough reelection in 2006, said the offensive will prove futile.

At the same time, Republican-leaning groups are readying their own ad campaigns. The Business Roundtable, which represents large corporations, is planning to spend \$15 million to \$20 million on ads and other lobbying efforts in support of Bush's plan, according to spokeswoman Johanna Schneider. And Progress for America, a group with close ties to the White House, will spend \$250,000 next week on national cable ads to support the president's efforts.

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