DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 16, 2017

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I write to keep you apprised of actions the Treasury Department is taking in regards to the debt limit. In my letter of March 8, I noted that the Bipartisan Budget Act of 2015 suspended the statutory debt limit through March 15, and informed you that beginning today, the outstanding debt of the United States would be at the statutory limit. Yesterday at noon, in anticipation of being at the debt limit today, Treasury suspended until further notice the sale of State and Local Government Series securities. My prior letter described the use of this extraordinary measure, as well as the possibility that additional extraordinary measures might be necessary to utilize. This letter serves to notify you, pursuant to the requirements under 5 U.S.C. § 8348(l)(2) and 5 U.S.C. § 8438(h)(2), of additional extraordinary measures Treasury began using today.

First, I have determined that, by reason of the statutory debt limit, I will be unable to fully invest the portion of the Civil Service Retirement and Disability Fund (CSRDF) not immediately required to pay beneficiaries, and that a "debt issuance suspension period" will begin on Thursday, March 16, 2017, and last until Friday, July 28, 2017. My predecessors have declared "debt issuance suspension periods" under similar circumstances. With this determination, the Treasury Department will suspend additional investments of amounts credited to, and redeem a portion of the investments held by, the CSRDF as expressly authorized by law.

In addition, because the Postal Accountability and Enhancement Act of 2006 provides that investments in the Postal Service Retiree Health Benefits Fund (PSRHBF) shall be made in the same manner as investments for the CSRDF, the Treasury Department will suspend additional investments of amounts credited to the PSRHBF. By law, the CSRDF and the PSRHBF will be made whole once the debt limit is increased. Federal retirees and employees will be unaffected by these actions.

Second, I have also determined that, by reason of the statutory debt limit, I will be unable to invest fully the Government Securities Investment Fund (G Fund) of the Federal Employees' Retirement System in interest-bearing securities of the United States, beginning today. The statute governing G Fund investments expressly authorizes the Secretary of the Treasury to suspend investment of the G Fund to avoid breaching the statutory debt limit. My predecessors have taken this suspension action in similar circumstances. By law, the G Fund will be made whole once the debt limit is increased. Federal retirees and employees will be unaffected by this action.

Additional information about Treasury's use of extraordinary measures is available on Treasury's Debt Limit webpage at www.treasury.gov, including prior use by past administrations of both parties.

I respectfully urge Congress to protect the full faith and credit of the United States by acting to increase the statutory debt limit as soon as possible.

Sincerely,

Steven T. Mnuchin

Steven T. Mnuchin

Identical letter sent to:

The Honorable Nancy Pelosi, House Democratic Leader
The Honorable Mitch McConnell, Senate Majority Leader
The Honorable Charles E. Schumer, Senate Democratic Leader

cc: The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means
The Honorable Orrin G. Hatch, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
All other Members of the 115th Congress