



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 19, 2013

The Honorable John A. Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Last week, the House of Representatives passed—with an overwhelming bipartisan majority—a budget agreement that provides partial relief from the sequester for FY 2014 and FY 2015, and enacts spending and other reforms. Yesterday, a bipartisan majority of the United States Senate passed the same agreement. With these votes, Congress again has demonstrated its ability to work constructively to address the country's most pressing fiscal issues.

In this spirit, I am writing to urge Congress to take prompt action to protect the full faith and credit of the United States by extending the nation's borrowing authority. It is incumbent on Congress to allow Treasury to finance the spending levels established in the budget agreement as well as the commitments previously approved by Congress.

In October, Congress passed the Continuing Appropriations Act to suspend the statutory debt limit through February 7, 2014. When that suspension period ends, the United States will reach the debt limit again. At that time, in the absence of Congressional action, Treasury would be forced to take extraordinary measures to continue to finance the government on a temporary basis. We currently estimate that through the use of these measures, we would be able to extend the nation's borrowing authority only until late February or early March 2014. While this forecast is subject to inherent variability, we do not foresee any reasonable scenario in which the extraordinary measures would last for an extended period of time—principally because the government experiences large net cash outflows in February and March due to tax refunds.

Protecting the full faith and credit of the United States is the responsibility of Congress, because only Congress can extend the nation's borrowing authority. No Congress in our history has failed to meet that responsibility. The creditworthiness of the United States is an essential underpinning of our strength as a nation; it is not a bargaining chip to be used for partisan political ends. Moreover, as you know, increasing the debt limit does not authorize new spending commitments. It simply allows the government to pay for expenditures Congress has already approved.

The American public expects its leaders to put an end to governing by crisis and to focus on promoting economic growth and job creation. I respectfully urge Congress to take action to raise the debt limit at the earliest possible moment and ideally well before February 7, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jacob J. Lew

Identical letter sent to:

The Honorable Nancy Pelosi, House Democratic Leader
The Honorable Harry Reid, Senate Majority Leader
The Honorable Mitch McConnell, Senate Republican Leader

cc: The Honorable Dave Camp, Chairman, House Committee on Ways and Means
The Honorable Sander M. Levin, Ranking Member, House Committee on Ways and Means
The Honorable Max Baucus, Chairman, Senate Committee on Finance
The Honorable Orrin G. Hatch, Ranking Member, Senate Committee on Finance
All other Members of the 113th Congress