



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

February 28, 2023

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

I write to request information about Treasury debt management. Treasury securities play important roles in supporting the provision of financial services, and significant harm to financial markets and economic activity could arise from turbulence in Treasury markets. Turbulence can stem from many places, including cyberattacks, payment-system failures, natural disasters, terrorist attacks, or delayed payments on Treasuries caused by a debt-limit impasse.

The current total U.S. public debt outstanding is nearly \$31.5 trillion, and debt subject to limit is close to the statutory debt limit of \$31,381,463,000,000. Your January 19, 2023 letter to Congress identified that the Department of Treasury (Treasury) began using “extraordinary measures” to stay below the limit, having declared a debt issuance suspension period (DISP) lasting through Monday, June 5, 2023.

Determination of a DISP does not preclude you from making a new DISP determination later. Consequently, June 5 may not be Treasury’s projection of when Treasury’s operating cash, headroom under the limit facilitated by extraordinary measures, and borrowing ability given the limit would be insufficient to allow Treasury to pay all scheduled outlays and maturing Treasury obligations—the so-called X-Date.

According to the nonpartisan Congressional Budget Office (CBO) “...the government’s ability to borrow using extraordinary measures will be exhausted between July and September.” Thus, according to CBO the so-called X-Date is projected to occur sometime in the fourth quarter of the current fiscal year.

Treasury has not provided Congress or the American people with its projection of the X-date, and it is unclear whether recent projections by Treasury fiscal managers concur with the recent CBO projections. Clarity about such fiscal projections is necessary, however uncertain projections may be.

Treasury must be fully transparent about the federal debt, projections about how long headroom under the debt limit can be maintained with “extraordinary measures,” and projections about Treasury’s operating cash balance. As an agent with certain authorities to manage debt and other

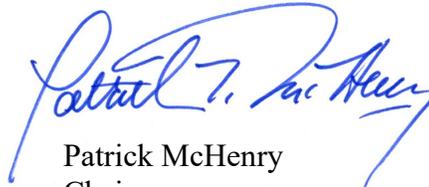
fiscal operations, Treasury has no right to withhold information about debt or any other fiscal operation or projections from the American people or Congress.

Your department has a fundamental duty to the public and Congress to be forthright about federal debt and fiscal operations and planning for known risks.

Therefore, I respectfully request that Treasury provide:

1. Treasury's current projection of the X-Date, along with how Treasury has arrived at the projection and statistical indicators of confidence (e.g., confidence bands) associated with the projections by Monday, March 6, 2023.
2. A briefing to this Committee no later than March 6, 2023, about the current state of federal debt, debt management, contingency planning, and Treasury projections about the so called "X-date."

Sincerely,

A handwritten signature in blue ink that reads "Patrick T. McHenry". The signature is fluid and cursive, with a large initial "P" and "M".

Patrick McHenry
Chairman

CC: The Honorable Maxine Waters, Ranking Member