

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON OVERSIGHT

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-5522

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Boustany Announces Hearing Examining the Government's Ability to Continue Operations When at the Statutory Debt Limit

Congressman Charles W. Boustany Jr., M.D. (R-LA), Chairman of the Subcommittee on Oversight of the Committee on Ways and Means, today announced the Subcommittee will hold a hearing examining the government's ability to prioritize its obligations and continue operations should the U.S. Treasury reach its statutory debt limit. **The hearing will take place on Wednesday, April 10, 2013, in Room 1100 of the Longworth House Office Building, beginning at 10:00 A.M.**

Oral testimony at this hearing will be limited to Members of Congress who have introduced or co-sponsored legislation related to the government's ability to continue operating when the debt limit has been reached during the 112th or 113th Congresses. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Subcommittee and for inclusion in the printed record of the hearing.

BACKGROUND:

The U.S. Constitution grants Congress the authority to fund the government, including the power to "lay and collect taxes," and to "borrow [m]oney on the credit of the United States." Congress provided the President with a limited delegation of borrowing authority in 1917, and created the first statutory aggregate debt limit in 1939 to pay obligations authorized by Congress.

On December 31, 2012, the U.S. Department of the Treasury announced the public debt had reached the statutory limit of \$16.4 trillion and that additional means called "extraordinary measures" were in use to fund the government for a limited time. On January 23, 2013, the U.S. House of Representatives passed, and on February 4 President Obama signed into law, a temporary debt limit suspension to ensure the complete and timely payment of U.S. obligations through May 18, 2013. After this date, the aggregate

debt limit will be amended to reflect the total amount borrowed, which may lead the Department of Treasury to again utilize extraordinary measures.

While negotiations over congressional delegation of the borrowing power are not new, recent experience has led many to question how the government might operate when the debt limit is reached and extraordinary measures have been exhausted. The Council of Inspector Generals on Financial Oversight has stated that “Treasury officials determined that there is no fair or sensible way to pick and choose among the many bills that come due every day. Furthermore, because Congress has never provided guidance to the contrary, Treasury’s systems are designed to make each payment in the order it comes due.” However, according to Bob Woodward, author of the *Price of Politics*, which examined the “grand bargain” and debt limit discussions between President Obama and Congress, one option contemplated in August 2011 was the prioritization of certain obligations, “[Secretary] Geithner was planning a press conference that... would outline the payments that would get priority if the U.S. government went into default.”¹ The Subcommittee on Oversight will examine both how the government would operate upon reaching the debt limit and exhaustion of extraordinary measures, as well as concerns Members of Congress have about the operation of current law under these circumstances.

In announcing the hearing, Chairman Boustany said, "The Congress created the debt limit as a check on the delegated borrowing power of the President. Given its jurisdiction, it is important that the Committee understand how the government could operate if the government reaches the statutory limit on the debt. This hearing will provide Members the ability to carefully examine and evaluate what steps are necessary to guarantee responsible management of the government’s finances. "

FOCUS OF THE HEARING:

The hearing will focus on the government’s ability to prioritize its obligations and continue operations should the U.S. Treasury reach its statutory debt limit and exhaust extraordinary measures, and concerns by Members of Congress about the operation of current law in such a circumstance.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission

¹ The Price of Politics at 345.

for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, April 24, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.