EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 22, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 325 – Temporary Suspension of Debt Ceiling
(Rep. Camp, R-MI, and Rep. Miller, R-MI)

The Administration supports a long-term increase in the debt limit that would increase certainty and economic stability. Although H.R. 325 is a short-term measure and introduces unnecessary complications, needlessly perpetuating uncertainty in the Nation's fiscal system, the Administration is encouraged that H.R. 325 lifts the immediate threat of default and indicates that congressional Republicans have backed off an insistence on holding the Nation's economy hostage to extract drastic cuts in Medicare, education, and other programs that middle-class families depend on. For these reasons, the Administration would not oppose a short-term solution to the debt limit and looks forward to continuing to work with both the House and the Senate to increase certainty and stability for the economy.

Instead of short-term management of self-inflicted fiscal crises, the President believes there is now an opportunity to strengthen the economy by putting the Nation on a sounder fiscal path. Progress has already been made towards that goal. In 2011, the President signed into law $1.4 trillion in spending reductions, not counting additional savings from winding down the wars in Iraq and Afghanistan. The fiscal agreement the President signed at the beginning of January increased revenue from high-income households by over $600 billion. Together with interest savings, these two steps will cut the deficit by more than $2.5 trillion over the next decade. The President has made clear that he remains willing to work with both parties in the Congress to budget responsibly and to achieve additional deficit reduction consistent with the principles of balance, shared growth, and shared opportunity.

The President has also made clear that he will not have another debate with the Congress over whether or not they should pay the bills that they have already racked up through the laws that they passed. The President has made clear that the Congress has only two options – pay their bills, or fail to do so and put the Nation into default.

H.R. 325 would temporarily allow the Congress to fund commitments to which it has already agreed. A temporary solution is not enough to remove the threat of default that Republicans in the Congress have held over the economy. The Congress should commit to paying its bills and pass a long-term clean debt limit increase that lifts self-inflicted and unnecessary uncertainty from the Nation's economy.

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