

## COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515

January 29, 2019

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Mnuchin:

I am writing to request the Administration's plans and timing to ask Congress for an increase in the debt limit to prevent a first-ever default on the full faith and credit of the United States. As you know, the current suspension of the debt limit will expire after March 1, 2019 and after that point Treasury will need to meet our nation's financial obligations using cash on hand and "extraordinary measures" previously authorized by Congress.

The Republican tax bill (P.L. 115-97) caused a significant drop in revenue, from 17.2 percent of GDP in 2017 to 16.4 percent of GDP in 2018, and the Congressional Budget Office (CBO) projects that, as a share of GDP, revenue will remain well below the 2017 level for several years.

In addition to disrupting government services to individuals, farmers, and businesses, costing taxpayers billions of dollars, and putting hundreds of thousands of hard-working federal employees and contractors at risk of financial ruin, the recent partial government shutdown also reduced GDP and disrupted Internal Revenue Service (IRS) operations, which may result in revenue falling even lower than projected. If the President chooses to engage in brinksmanship on the debt limit, as he did on the shutdown, the market reaction and the cost to our economy would likely be far larger than the 0.02 reduction in GDP that CBO attributed to the shutdown.

The United States must continue to pay all of its bills on time and in full. I look forward to hearing from you about what adjustment in the debt limit is needed to meet our obligations, given the impact of the tax bill and the shutdown, and by what date you believe the Ways and Means Committee, and then the Congress, will need to act.

Sincerely,



Richard E. Neal  
Chairman