United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

Chairman's Mark of H.R. 187 – Default Prevention Act

Avoiding Default and Protecting Seniors, Service Members, and Veterans

Government spending is out of control. Here are the numbers:

- In FY 2023, the federal government is projected to run a $1.4 trillion deficit.
- Over the next 10 years, the government is projected to spend $1.33 for every $1 in revenue.
- In December 2021, Democrats raised the debt ceiling by a record $2.5 trillion, which they exhausted in a little over a year.
- That current debt ceiling—set at $31.4 trillion—was reached on January 19, 2023.
- Treasury is financing the government on a temporary basis using "extraordinary measures," but those measures run out later this year.
- Over 60 percent of Americans want Congress to restrain future spending through the debt ceiling – and Republicans agree. We will not allow Democrats' inaction to threaten default and harm seniors, military members, or veterans—we are taking action to ensure America *never* defaults on our debt.

The Chairman's Mark of the Default Prevention Act (H.R. 187) takes a three-part approach to:

- **Protect the Full Faith and Credit of the United States** by ensuring we never default on our debt.
- **Protect seniors** by guaranteeing that the debt ceiling doesn't prevent timely Social Security and Medicare benefits.
- **Stand with Americans in uniform** by ensuring our nation's security while protecting benefits and pay for our veterans and military members.
- **Hold the President and lawmakers accountable** by withholding pay of the President, Vice President, Political Appointees and Members of Congress and prohibiting their travel until ALL other obligations are met.

Part I. Default Prevention and Senior Protection: Modifies Treasury's debt authority when the debt ceiling is reached to issue debt to pay:

1) Principal and interest on the public debt; and,
2) Social Security and Medicare benefits.

Part II. Prioritization: Consistent with Treasury's authority, directs the Treasury to meet the following obligations before all others:

1) Department of Defense and Veterans Benefits.

Part III. De-Prioritization: Prohibits the Treasury from paying the following unless *all other* obligations of the federal government have already been met:

1) Payment for government travel;
2) Compensation for official union time;
3) Compensation to the President, Vice President, and Executive Branch Appointees; and,
4) Pay for Members of Congress.