

The Honorable Harry Reid
Democratic Leader
United States Senate
Washington, DC 20510

Dear Mr. Leader:

I am writing to notify you, as required under 5 U.S.C. § 8348(1)(2), of my determination that, by reason of the statutory debt limit, I will be unable to invest fully the portion of the Civil Service Retirement and Disability Fund (“CSRDF”) not immediately required to pay beneficiaries. For purposes of this statute, I have determined that a “debt issuance suspension period” will begin today, May 16, 2011, and last until August 2, 2011, when the Department of the Treasury projects that the borrowing authority of the United States will be exhausted. During this “debt issuance suspension period,” the Treasury Department will suspend additional investments of amounts credited to, and redeem a portion of the investments held by, the CSRDF, as authorized by law.

In addition, I am notifying you, as required under 5 U.S.C. § 8438(h)(2), of my determination that, by reason of the statutory debt limit, I will be unable to invest fully the Government Securities Investment Fund (“G Fund”) of the Federal Employees’ Retirement System in interest-bearing securities of the United States, beginning today, May 16, 2011. The statute governing G Fund investments expressly authorizes the Secretary of the Treasury to suspend investment of the G Fund to avoid breaching the statutory debt limit.

Each of these actions has been taken in the past by my predecessors during previous debt limit impasses. By law, the CSRDF and G Funds will be made whole once the debt limit is increased. Federal retirees and employees will be unaffected by these actions.

I have written to Congress on previous occasions regarding the importance of timely action to increase the debt limit in order to protect the full faith and credit of the United States and avoid catastrophic economic consequences for citizens. I again urge Congress to act to increase the statutory debt limit as soon as possible.

Sincerely,

Timothy F. Geithner

Identical letter sent to:

The Honorable John A. Boehner, Speaker of the House
The Honorable Nancy Pelosi, House Democratic Leader
The Honorable Mitch McConnell, Senate Republican Leader

cc: The Honorable Dave Camp, Chairman, House Committee on Ways and Means
The Honorable Sander M. Levin, Ranking Member, House Committee on Ways and Means
The Honorable Max Baucus, Chairman, Senate Committee on Finance
The Honorable Orrin Hatch, Ranking Member, Senate Committee on Finance
All other Members of the 112th Congress