



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 14, 2018

The Honorable Paul Ryan
Speaker of the House
United States House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Section 8438 of Title 5 of the United States Code requires the Secretary of the Treasury to report to Congress on the operation and status of the Government Securities Investment Fund (the G Fund) of the Thrift Savings Fund, part of the Federal Employees' Retirement System, during any debt issuance suspension period.

Enclosed is the report covering the operation and status of the G Fund during the most recent debt issuance suspension period. As explained in the report, Treasury has fully restored the G Fund to the position that it would have been in had there not been a debt issuance suspension period.

Sincerely,

Drew Maloney
Assistant Secretary for Legislative Affairs

Enclosure

Identical letter sent to:

The Honorable Nancy Pelosi, House Democratic Leader
The Honorable Mitch McConnell, Senate Majority Leader
The Honorable Charles Schumer, Senate Democratic Leader

Cc: The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means
The Honorable Orrin G. Hatch, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance



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March 14, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

Dear Mr. Leader:

Section 8438 of Title 5 of the United States Code requires the Secretary of the Treasury to report to Congress on the operation and status of the Government Securities Investment Fund (the G Fund) of the Thrift Savings Fund, a part of the Federal Employees' Retirement System, during any debt issuance suspension period.

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 14, 2018

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, DC 20510

Dear Mr. Leader:

Section 8438 of Title 5 of the United States Code requires the Secretary of the Treasury to report to Congress on the operation and status of the Government Securities Investment Fund (the G Fund) of the Thrift Savings Fund, a part of the Federal Employees' Retirement System, during any debt issuance suspension period.

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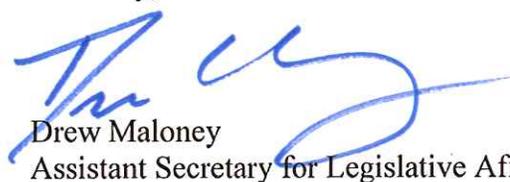
The Honorable Nancy Pelosi
Democratic Leader
United States House of Representatives
Washington, DC 20515

Dear Madam Leader:

Section 8438 of Title 5 of the United States Code requires the Secretary of the Treasury to report to Congress on the operation and status of the Government Securities Investment Fund (the G Fund) of the Thrift Savings Fund, a part of the Federal Employees' Retirement Systems, during any debt issuance suspension period.

Enclosed is the report covering the operation and status of the G Fund during the most recent debt issuance suspension period. As explained in the report, Treasury has fully restored the G Fund to the position that it would have been in had there not been a debt issuance suspension period.

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The Honorable Mitch McConnell, Senate Majority Leader
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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 14, 2018

Mr. Ravindra Deo
Executive Director
Federal Retirement Thrift Investment Board
77 K Street, NE
Washington, DC 20002

Dear Mr. Deo:

Section 8438 of Title 5 of the United States Code requires the Secretary of the Treasury to report to Congress on the operation and status of the Government Securities Investment Fund (the G Fund) of the Thrift Savings Fund, a part of the Federal Employees' Retirement System, during any debt issuance suspension period. The Secretary is also required to send a copy of this report to the Executive Director of the Federal Retirement Thrift Investment Board.

Enclosed is the report covering the operation and status of the G Fund during the most recent debt issuance suspension period. As explained in the report, Treasury has fully restored the G Fund to the position that it would have been in had there not been a debt issuance suspension period.

Sincerely,

Drew Maloney
Assistant Secretary for Legislative Affairs

Enclosure

**Report on the Operation and Status of the
Government Securities Investment Fund
December 12, 2017 to February 12, 2018
Pursuant to 5 U.S.C. § 8438(h)**

March 14, 2018

On December 9, 2017, the outstanding debt subject to the limit was at the statutory debt limit. In order to protect the full faith and credit of the United States, beginning on December 12, 2017, the Secretary of the Treasury employed statutory authority to suspend investments in the Government Securities Investment Fund (G Fund) of the Thrift Savings Fund, part of the Federal Employees' Retirement System. Public Law 115-123 operated to suspend the statutory limit beginning February 9, 2018, rendering further use of this authority unnecessary. The G Fund was fully restored by February 12, 2018.

Legal authority: Section 8438(g)(1) of Title 5, United States Code, empowers the Secretary of the Treasury to “suspend the issuance of additional amounts of obligations of the United States [to this fund], if such issuances could not be made without causing the public debt of the United States to exceed the public debt limit.” The statute defines the period of this suspension as a “debt issuance suspension period.” 5 U.S.C. § 8438(g)(6)(B).

Reporting requirement: Section 8438(h)(1) requires submission of a report to Congress on the operation and status of the G Fund during each debt issuance suspension period. The report is to be made “as soon as possible after the expiration of such period, but not later than 30 days after the first business day after the expiration of such period.” 5 U.S.C. § 8438(h)(1). This document fulfills the requirement of section 8438(h)(1). A copy of this report is being concurrently transmitted to the Executive Director of the Federal Retirement Thrift Investment Board.

Restoration requirement: Section 8438(g) requires the Secretary to make the G Fund whole upon expiration of a debt issuance suspension period. Treasury must issue obligations sufficient to ensure that the G Fund's portfolio replicates what it would have been upon the expiration of the period, as if the suspension had not occurred. 5 U.S.C. § 8438(g)(3). Treasury must also pay the G Fund an amount equal to the interest that the fund would have earned. 5 U.S.C. § 8438(g)(4).

Status and operations: Throughout this debt issuance suspension period, a portion of the G Fund's holdings could not be re-invested without exceeding the debt limit. Treasury has now replicated the portfolio the G Fund would have held but for the suspension, and has paid the G Fund \$484,556,888.35 for interest it would have earned, accounting for receipts and withdrawals.

The table included as Attachment 1 details the daily and cumulative amounts of G Fund principal and interest that were suspended and restored. With the restoration of \$156,702,408,283.52 in principal on February 9, 2018, and \$484,556,888.35 in interest on February 12, 2018, the G Fund was fully restored to the condition it would have been in had there not been a debt issuance suspension period.

**Status of the
Government Securities Investment Fund**

Attachment 1

Date	Principal		Interest	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Foregone) or Restoration	Cumulative (Foregone)
December 12, 2017	(275,978,175.22)	(275,978,175.22)	(18,206.89)	(18,206.89)
December 13, 2017	275,978,175.22	0.00	(1.20)	(18,208.09)
December 14, 2017	(542,311,937.44)	(542,311,937.44)	(35,778.73)	(53,986.82)
December 15, 2017	(28,968,267,255.54)	(29,510,579,192.98)	(5,840,646.15)	(5,894,632.97)
December 18, 2017	(4,238,961,523.30)	(33,749,540,716.28)	(2,226,921.09)	(8,121,554.06)
December 19, 2017	(13,031,119,336.88)	(46,780,660,053.16)	(3,086,759.90)	(11,208,313.96)
December 20, 2017	11,690,729,637.85	(35,089,930,415.31)	(2,315,700.13)	(13,524,014.09)
December 21, 2017	(15,456,040,070.12)	(50,545,970,485.43)	(3,335,522.21)	(16,859,536.30)
December 22, 2017	(6,454,151,425.09)	(57,000,121,910.52)	(15,046,147.88)	(31,905,684.18)
December 26, 2017	(5,740,304,701.56)	(62,740,426,612.08)	(4,141,230.25)	(36,046,914.43)
December 27, 2017	1,217,009,700.59	(61,523,416,911.49)	(4,061,214.63)	(40,108,129.06)
December 28, 2017	(9,321,597,417.53)	(70,845,014,329.02)	(4,676,449.05)	(44,784,578.11)
December 29, 2017	(80,788,013,181.79)	(151,633,027,510.81)	(40,026,089.30)	(84,810,667.41)
January 2, 2018	52,372,923,267.87	(99,260,104,242.94)	(6,554,004.80)	(91,364,672.21)
January 3, 2018	(2,119,218,829.79)	(101,379,323,072.73)	(6,694,246.76)	(98,058,918.97)
January 4, 2018	(30,905,118,408.28)	(132,284,441,481.01)	(8,733,567.73)	(106,792,486.70)
January 5, 2018	(3,847,487,527.22)	(136,131,929,008.23)	(26,963,913.63)	(133,756,400.33)
January 8, 2018	(1,344,099,919.26)	(137,476,028,927.49)	(9,078,423.34)	(142,834,823.67)
January 9, 2018	(7,614,066,142.94)	(145,090,095,070.43)	(9,581,339.12)	(152,416,162.79)
January 10, 2018	13,140,288,807.07	(131,949,806,263.36)	(8,715,077.17)	(161,131,239.96)
January 11, 2018	(22,202,161,002.07)	(154,151,967,265.43)	(10,180,378.03)	(171,311,617.99)

**Status of the
Government Securities Investment Fund**

Attachment 1

Date	Principal		Interest	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Foregone) or Restoration	Cumulative (Foregone)
January 12, 2018	619,981,423.80	(153,531,985,841.63)	(40,560,592.39)	(211,872,210.38)
January 16, 2018	(24,427,423,974.75)	(177,959,409,816.38)	(11,754,355.41)	(223,626,565.79)
January 17, 2018	(638,484,298.65)	(178,597,894,115.03)	(11,797,253.10)	(235,423,818.89)
January 18, 2018	4,183,624,903.71	(174,414,269,211.32)	(11,522,028.36)	(246,945,847.25)
January 19, 2018	(2,034,942,104.95)	(176,449,211,316.27)	(34,971,114.43)	(281,916,961.68)
January 22, 2018	(1,662,306,970.19)	(178,111,518,286.46)	(11,769,011.36)	(293,685,973.04)
January 23, 2018	(7,354,313,060.38)	(185,465,831,346.84)	(12,254,968.16)	(305,940,941.20)
January 24, 2018	13,111,789,067.80	(172,354,042,279.04)	(11,390,762.78)	(317,331,703.98)
January 25, 2018	(8,100,974,877.50)	(180,455,017,156.54)	(11,925,953.57)	(329,257,657.55)
January 26, 2018	2,760,006,861.55	(177,695,010,294.99)	(35,233,969.70)	(364,491,627.25)
January 29, 2018	223,141,774.85	(177,471,868,520.14)	(11,732,259.87)	(376,223,887.12)
January 30, 2018	(4,164,520,420.01)	(181,636,388,940.15)	(12,007,776.54)	(388,231,663.66)
January 31, 2018	802,669,396.08	(180,833,719,544.07)	(11,955,614.84)	(400,187,278.50)
February 1, 2018	45,578,941,697.87	(135,254,777,846.20)	(10,362,532.06)	(410,549,810.56)
February 2, 2018	5,826,792,505.16	(129,427,985,341.04)	(29,754,664.30)	(440,304,474.86)
February 5, 2018	(4,651,803,730.18)	(134,079,789,071.22)	(10,275,840.48)	(450,580,315.34)
February 6, 2018	(7,719,855,102.62)	(141,799,644,173.84)	(10,866,336.59)	(461,446,651.93)
February 7, 2018	(1,644,727,899.24)	(143,444,372,073.08)	(10,992,805.60)	(472,439,457.53)
February 8, 2018	(13,258,036,210.44)	(156,702,408,283.52)	(12,006,411.98)	(484,445,869.51)
February 9, 2018	156,702,408,283.52	0.00	(111,018.84)	(484,556,888.35)
February 12, 2018	0.00	0.00	484,556,888.35	0.00