



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

March 20, 2014

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner:

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 of the Federal Employees' Thrift Savings Plan (the G Fund) 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 it would have been in had there not been a debt issuance suspension period.

Sincerely,

Alastair M. Fitzpayne
Assistant Secretary for Legislative Affairs

Enclosure

Identical letters sent to:

The Honorable Nancy Pelosi, House Democratic Leader
The Honorable Harry Reid, Senate Majority 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 Ron Wyden, Chairman, Senate Committee on Finance
The Honorable Orrin Hatch, Ranking Member, Senate Committee on Finance



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March 20, 2014

The Honorable Nancy Pelosi
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Pelosi:

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ASSISTANT SECRETARY

March 20, 2014

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

Dear Leader Reid:

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 of the Federal Employees' Thrift Savings Plan (the G Fund) during any debt issuance suspension period.

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March 20, 2014

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

Dear Leader McConnell:

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

March 20, 2014

Mr. Gregory T. Long
Executive Director
Federal Retirement Thrift Investment Board
77 K Street, NE
Washington, DC 20002

Dear Mr. Long:

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 of the Federal Employees' Thrift Savings Plan (the G Fund) 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 it would have been in had there not been a debt issuance suspension period.

Sincerely,

Alastair M. Fitzpayne
Assistant Secretary for Legislative Affairs

Enclosure

**Report on the Operation and Status of the
Government Securities Investment Fund
February 10, 2014 to February 18, 2014
Pursuant to 5 U.S.C. § 8438(h)**

March 20, 2014

On February 8, 2014, 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 February 10, 2014, the Secretary of the Treasury employed statutory authority to suspend investments in the Government Securities Investment Fund (G Fund) of the Federal Employees' Retirement System. The Temporary Debt Limit Extension Act operated to suspend the statutory limit beginning February 15, 2014, rendering further use of this authority unnecessary. The G Fund was fully restored on the following business day, February 18, 2014.

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." § 8438(g)(6)(B).

Reporting requirement: Section 8438(h) requires submission of a report to Congress on the operation and status of the G Fund during this 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." § 8438(h)(2). This document fulfills the requirement of section 8438(h). 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. § 8438(g)(3). Treasury must also pay the G Fund an amount equal to the interest that the fund would have earned. § 8438(g)(4).

Status and operations: Throughout this 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 \$28,163,241.35 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 \$67,972,480,931.76 in principal and \$28,163,241.35 in interest on February 18, 2014, 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) |
| February 10, 2014 | (3,527,254,194.88) | (3,527,254,194.88) | (220,453.39) | (220,453.39) |
| February 11, 2014 | (54,734,158,231.44) | (58,261,412,426.32) | (3,641,352.06) | (3,861,805.45) |
| February 12, 2014 | 10,426,672,253.60 | (47,834,740,172.72) | (2,989,912.63) | (6,851,718.08) |
| February 13, 2014 | (21,208,187,383.89) | (69,042,927,556.61) | (4,315,611.21) | (11,167,329.29) |
| February 14, 2014 | 1,070,446,624.85 | (67,972,480,931.76) | (16,995,912.06) | (28,163,241.35) |
| February 18, 2014 | 67,972,480,931.76 | 0.00 | 28,163,241.35 | 0.00 |