

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
United States Senate
S-221, The Capitol
Washington, DC 20510

Dear Speaker Pelosi and Leader Schumer,

Last October, a bicameral group of nearly 80 lawmakers wrote to Congressional leadership requesting that House and Senate Democrats act to permanently end the threat that the federal debt ceiling poses to our economy and our standing in the world. In the weeks that followed that letter, the United States averted default with little time to spare, when President Biden signed a debt ceiling increase into law. Remarkably, that measure received the support of only a single Republican in both chambers of Congress.

Absent Congressional action, the federal government is slated to once again approach the borrowing limit within the next year. While the exact date on which the government would become unable to meet its financial obligations is not yet clear, estimates forecast it will occur during the second half of 2023. If Republicans refuse to support efforts to increase the debt limit or prevent the Senate from filing cloture on debate, the U.S. will enter into default and the full faith and credit of our country will be threatened.

As such, we are once again calling on leadership to act to avoid default in order to protect the American economy and the financial security of all Americans. With the 117th Congress coming to a close at the end of 2022, and the makeup of the 118th Congress' House and Senate not yet known, we urge you to use the remaining months to take legislative action that will permanently undo the threat posed by the debt limit.

If the counterintuitive nature of the current debt ceiling process is not reason enough to drive change, then the prospect of Republicans sending our economy into default for political gain should be. Republicans have repeatedly signaled that they are willing and eager to use the debt limit as a bargaining tool if given the opportunity, and we should take them at their word.

This past August, former President Trump wrote that Senate Minority Leader Mitch McConnell "never used the Debt Ceiling for negotiating purposes (gave it away for NOTHING!)" when commenting on his efforts to file cloture on debate for an increase last year. Just last week, Rep. Jason Smith, ranking member of the House Budget Committee, stated, "The debt limit is clearly one of those tools that Republicans – that a Republican-controlled Congress – will use to make sure that we do everything we can to make this economy strong."

It is no secret that Republicans will weaponize the debt ceiling the first chance they get. In our view, the state of the U.S. economy is simply far too important for us to allow a scenario in which Republicans are able to even have the option to put our standing on the global stage in jeopardy for some perceived political gain.

The only hope of avoiding these potential repercussions is for us to implement a solution more permanent and reliable than the current practice of hastily taking action each time we approach the dollar amount of the debt limit or the expiration of an enacted suspension. As we have detailed in the past, there are several options to do this, including proposals to authorize the Secretary of the Treasury to raise the debt limit unilaterally (e.g., H.R. 5415) and to permanently repeal the federal debt limit (e.g., H.R. 1041 or H.R. 3305), among others.

It is imperative that we promptly advance one of these proposals to finally put an end to this toxic brinkmanship that only serves to create a dangerous financial cliff for our nation and put American families' financial futures at risk. We urge quick action on passing a permanent solution to the debt ceiling.

Sincerely,