



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

ASSISTANT SECRETARY

November 15, 2013

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  
May 31, 2013 to October 18, 2013  
Pursuant to 5 U.S.C. § 8438(h)**

November 15, 2013

On May 19, 2013, 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 May 31, 2013, 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 Continuing Appropriations Act, 2014, operated to suspend the statutory limit beginning October 17, 2013, rendering further use of this authority unnecessary. The G Fund was fully restored by October 18, 2013.

*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 for 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 \$652,673,686.42 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 \$173,947,950,096.87 in principal on October 17, 2013 and \$652,673,686.42 in interest on October 18, 2013, the G Fund was fully restored to the condition it would have been in had there not been a debt issuance suspension period.