



AMERICANS *for* TAX REFORM



COST OF
GOVERNMENT
CENTER

March 7, 2013

The Honorable Tom McClintock
434 Cannon House Office Building
Washington, DC 20515

CC: The United States House of Representatives

Dear Congressman McClintock,

We write to urge support of H.R. 807, the Full Faith and Credit Act. As the nation once again nears its statutory borrowing limit, it is important lawmakers engage in reasoned and thoughtful debate on how to address the country's mounting debt. The Full Faith and Credit Act ensures that the supposed threat of debt default will not be used to pressure lawmakers to avoid real spending reform.

The Full Faith and Credit Act requires the United States Treasury to service its debt before paying any other obligations. The Office of Budget and Management (OMB) estimates the government takes in about ten times the amount needed to fulfill its debt liabilities, proving a default is an unlikely and entirely avoidable event.

Whenever opportunities for spending restraint are present, the Administration has shown a reluctance to work with Congress on achieving these savings. In 2011, Treasury Secretary Timothy Geithner warned Congress that failure to raise the debt limit would result in economic catastrophe and "precipitate a default by the United States." These histrionics were untrue, and similar efforts to demagogue the debt rather than fix it can be put entirely to rest by passing the Full Faith and Credit Act.

Your bill would reassure U.S. creditors that the country will be able to fulfill its obligations, providing certainty as the debate on the debt ceiling draws nearer. It also provides evidence to U.S. investors that the country will work to improve its fiscal health by removing one of the roadblocks to netting significant spending reform.

The Full Faith and Credit Act will demonstrate to taxpayers that Congress is serious about implementing long-term fiscal reform. We urge your colleagues to co-sponsor or otherwise support H.R. 807 and look forward to continuing to work with you to limit federal spending.

Sincerely,

Grover Norquist
President
Americans for Tax Reform

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