



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

August 24, 2011

The Honorable John A. Boehner  
Speaker of the House  
U.S. 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 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.

An additional report covering the operation and status of the Civil Service Retirement and Disability Fund during the recent debt issuance suspension period will be transmitted to Congress, as required by 5 U.S.C. § 8348, no later than thirty days after December 31, 2011, the first normal interest payment date for this fund.

Sincerely,

Richard L. Gregg  
Fiscal Assistant Secretary

Identical letter sent to:

The Honorable Nancy Pelosi, House Democratic Leader  
The Honorable Harry Reid, Senate Democratic 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 Max Baucus, Chairman, Senate Committee on Finance  
The Honorable Orrin Hatch, Ranking Member, Senate Committee on Finance

Enclosure

**Report on the Operation and Status of the  
Government Securities Investment Fund  
May 16, 2011 to August 3, 2011  
Pursuant to 5 U.S.C. § 8438(h)**

August 24, 2011

On May 16, 2011, Treasury's outstanding debt reached the statutory limit of \$14,294 billion. In order to protect the full faith and credit of the United States, the Secretary of the Treasury used his legal authority to suspend investments in the Government Securities Investment Fund (G Fund) of the Federal Employees' Retirement System. On August 2, 2011, President Obama signed legislation and submitted a written certification thereunder to Congress, thus increasing the statutory debt limit to \$14,694 billion and rendering further suspensions unnecessary. The G Fund was fully restored on August 3, 2011.

*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 [in 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)(1). This document fulfills the requirement of U.S.C. § 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 immediately 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 \$378,483,688.01 for interest it would have earned, accounting for receipts and withdrawals for the period.

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 \$137,543,151,298.77 in principal on August 2, 2011, and of \$378,483,688.01 in interest on August 3, 2011, the G Fund was fully restored to the position it would have been in had there not been a debt issuance suspension period.

Richard L. Gregg  
Fiscal Assistant Secretary

**Status of the  
Government Securities Investment Fund  
May 16, 2011 - August 3, 2011**

Date	Principal		Interest	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Suspension) or Restoration	Cumulative (Suspension)
May 16, 2011	(\$19,348,968,000.00)	(\$19,348,968,000.00)	(\$1,545,230.08)	(\$1,545,230.08)
May 17, 2011	(\$9,532,282,000.00)	(\$28,881,250,000.00)	(\$2,306,612.11)	(\$3,851,842.19)
May 18, 2011	\$9,578,135,734.42	(\$19,303,114,265.58)	(\$1,541,875.76)	(\$5,393,717.95)
May 19, 2011	\$8,294,022,092.32	(\$11,009,092,173.26)	(\$879,629.08)	(\$6,273,347.03)
May 20, 2011	\$1,008,417,080.35	(\$10,000,675,092.91)	(\$2,397,498.06)	(\$8,670,845.09)
May 23, 2011	(\$1,617,756,931.00)	(\$11,618,432,023.91)	(\$928,553.36)	(\$9,599,398.45)
May 24, 2011	(\$4,266,150,412.41)	(\$15,884,582,436.32)	(\$1,269,327.02)	(\$10,868,725.47)
May 25, 2011	\$10,502,761,282.46	(\$5,381,821,153.86)	(\$430,666.20)	(\$11,299,391.67)
May 26, 2011	\$5,381,821,153.86	\$0.00	(\$902.38)	(\$11,300,294.05)
May 27, 2011	\$0.00	\$0.00	(\$3,609.82)	(\$11,303,903.87)
May 31, 2011	(\$56,296,795,247.11)	(\$56,296,795,247.11)	(\$4,496,827.36)	(\$15,800,731.23)
June 1, 2011	\$17,826,646,008.65	(\$38,470,149,238.46)	(\$2,672,635.41)	(\$18,473,366.64)
June 2, 2011	\$8,891,481,835.00	(\$29,578,667,403.46)	(\$2,055,357.00)	(\$20,528,723.64)
June 3, 2011	\$5,648,561,800.04	(\$23,930,105,603.42)	(\$4,989,715.48)	(\$25,518,439.12)
June 6, 2011	(\$3,128,240,899.10)	(\$27,058,346,502.52)	(\$1,880,823.96)	(\$27,399,263.08)
June 7, 2011	(\$4,740,801,894.12)	(\$31,799,148,396.64)	(\$2,210,176.92)	(\$29,609,440.00)
June 8, 2011	\$9,012,782,023.00	(\$22,786,366,373.64)	(\$1,584,442.77)	(\$31,193,882.77)
June 9, 2011	\$284,085,203.45	(\$22,502,281,170.19)	(\$1,564,824.66)	(\$32,758,707.43)
June 10, 2011	(\$37,578,270.24)	(\$22,539,859,440.43)	(\$4,702,628.78)	(\$37,461,336.21)
June 13, 2011	(\$2,954,496,656.76)	(\$25,494,356,097.19)	(\$1,773,042.88)	(\$39,234,379.09)
June 14, 2011	(\$6,165,435,217.23)	(\$31,659,791,314.42)	(\$2,201,321.23)	(\$41,435,700.32)
June 15, 2011	(\$42,457,921,265.46)	(\$74,117,712,579.88)	(\$5,149,940.85)	(\$46,585,641.17)
June 16, 2011	\$3,862,318,999.76	(\$70,255,393,580.12)	(\$4,882,081.89)	(\$51,467,723.06)
June 17, 2011	(\$3,391,043,608.72)	(\$73,646,437,188.84)	(\$15,353,730.19)	(\$66,821,453.25)
June 20, 2011	(\$1,764,899,768.86)	(\$75,411,336,957.70)	(\$5,241,538.78)	(\$72,062,992.03)
June 21, 2011	(\$5,436,918,400.71)	(\$80,848,255,358.41)	(\$5,619,466.55)	(\$77,682,458.58)
June 22, 2011	\$8,766,739,910.72	(\$72,081,515,447.69)	(\$5,011,055.41)	(\$82,693,513.99)
June 23, 2011	\$4,575,982,388.13	(\$67,505,533,059.56)	(\$4,693,626.85)	(\$87,387,140.84)

**Status of the  
Government Securities Investment Fund  
May 16, 2011 - August 3, 2011**

Date	Principal		Interest	
	Daily (Suspension) or Restoration	Cumulative (Suspension)	Daily (Suspension) or Restoration	Cumulative (Suspension)
June 24, 2011	\$967,418,579.17	(\$66,538,114,480.39)	(\$13,880,312.84)	(\$101,267,453.68)
June 27, 2011	(\$2,799,105,630.76)	(\$69,337,220,111.15)	(\$4,822,117.19)	(\$106,089,570.87)
June 28, 2011	(\$5,743,724,500.10)	(\$75,080,944,611.25)	(\$5,221,321.82)	(\$111,310,892.69)
June 29, 2011	\$7,183,455,933.15	(\$67,897,488,678.10)	(\$4,722,833.30)	(\$116,033,725.99)
June 30, 2011	(\$36,520,385,353.80)	(\$104,417,874,031.90)	(\$7,259,299.15)	(\$123,293,025.14)
July 1, 2011	\$27,588,873,559.67	(\$76,829,000,472.23)	(\$22,444,418.94)	(\$145,737,444.08)
July 5, 2011	(\$8,257,397,482.49)	(\$85,086,397,954.72)	(\$6,214,843.21)	(\$151,952,287.29)
July 6, 2011	(\$5,315,428,841.75)	(\$90,401,826,796.47)	(\$6,602,879.72)	(\$158,555,167.01)
July 7, 2011	\$9,616,886,433.94	(\$80,784,940,362.53)	(\$5,902,129.88)	(\$164,457,296.89)
July 8, 2011	(\$687,022,513.98)	(\$81,471,962,876.51)	(\$17,857,966.91)	(\$182,315,263.80)
July 11, 2011	(\$4,407,534,564.30)	(\$85,879,497,440.81)	(\$6,275,340.51)	(\$188,590,604.31)
July 12, 2011	(\$4,195,706,039.03)	(\$90,075,203,479.84)	(\$6,581,734.99)	(\$195,172,339.30)
July 13, 2011	\$10,568,972,359.53	(\$79,506,231,120.31)	(\$5,811,560.67)	(\$200,983,899.97)
July 14, 2011	\$7,693,256,196.53	(\$71,812,974,923.78)	(\$5,251,017.83)	(\$206,234,917.80)
July 15, 2011	(\$61,573,441,073.03)	(\$133,386,415,996.81)	(\$29,223,392.39)	(\$235,458,310.19)
July 18, 2011	(\$138,442,121.49)	(\$133,524,858,118.30)	(\$9,753,356.41)	(\$245,211,666.60)
July 19, 2011	(\$261,608,501.70)	(\$133,786,466,620.00)	(\$9,773,143.21)	(\$254,984,809.81)
July 20, 2011	(\$125,955,326.88)	(\$133,912,421,946.88)	(\$9,783,040.08)	(\$264,767,849.89)
July 21, 2011	\$41,704,784.54	(\$133,870,717,162.34)	(\$9,780,712.45)	(\$274,548,562.34)
July 22, 2011	\$609,606,405.98	(\$133,261,110,756.36)	(\$29,210,925.47)	(\$303,759,487.81)
July 25, 2011	(\$1,409,197,307.91)	(\$134,670,308,064.27)	(\$9,841,859.09)	(\$313,601,346.90)
July 26, 2011	(\$818,588,190.96)	(\$135,488,896,255.23)	(\$9,902,265.45)	(\$323,503,612.35)
July 27, 2011	\$62,547,075.89	(\$135,426,349,179.34)	(\$9,898,426.77)	(\$333,402,039.12)
July 28, 2011	\$18,748,741,261.78	(\$116,677,607,917.56)	(\$8,532,052.81)	(\$341,934,091.93)
July 29, 2011	(\$10,552,482,400.08)	(\$127,230,090,317.64)	(\$27,906,380.34)	(\$369,840,472.27)
August 1, 2011	(\$10,313,060,981.13)	(\$137,543,151,298.77)	(\$8,619,561.99)	(\$378,460,034.26)
August 2, 2011	\$137,543,151,298.77	\$0.00	(\$23,653.75)	(\$378,483,688.01)
August 3, 2011	\$0.00	\$0.00	\$378,483,688.01	\$0.00



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

August 24, 2011

Mr. Gregory T. Long  
Executive Director  
Federal Retirement Thrift Investment Board  
1250 H Street, NW  
Washington, DC 20005

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,

Richard L. Gregg  
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*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 [in 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)(1). This document fulfills the requirement of U.S.C. § 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 immediately 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).

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July 12, 2011	(\$4,195,706,039.03)	(\$90,075,203,479.84)	(\$6,581,734.99)	(\$195,172,339.30)
July 13, 2011	\$10,568,972,359.53	(\$79,506,231,120.31)	(\$5,811,560.67)	(\$200,983,899.97)
July 14, 2011	\$7,693,256,196.53	(\$71,812,974,923.78)	(\$5,251,017.83)	(\$206,234,917.80)
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July 22, 2011	\$609,606,405.98	(\$133,261,110,756.36)	(\$29,210,925.47)	(\$303,759,487.81)
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July 26, 2011	(\$818,588,190.96)	(\$135,488,896,255.23)	(\$9,902,265.45)	(\$323,503,612.35)
July 27, 2011	\$62,547,075.89	(\$135,426,349,179.34)	(\$9,898,426.77)	(\$333,402,039.12)
July 28, 2011	\$18,748,741,261.78	(\$116,677,607,917.56)	(\$8,532,052.81)	(\$341,934,091.93)
July 29, 2011	(\$10,552,482,400.08)	(\$127,230,090,317.64)	(\$27,906,380.34)	(\$369,840,472.27)
August 1, 2011	(\$10,313,060,981.13)	(\$137,543,151,298.77)	(\$8,619,561.99)	(\$378,460,034.26)
August 2, 2011	\$137,543,151,298.77	\$0.00	(\$23,653.75)	(\$378,483,688.01)
August 3, 2011	\$0.00	\$0.00	\$378,483,688.01	\$0.00