



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

July 30, 2007

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

The Treasury Department now projects that the statutory debt limit, currently \$8,965 billion, will be reached in early October 2007. Accordingly, I am writing to request that Congress raise the statutory debt limit as soon as possible.

The actions that are available to the Treasury Department to take in order to avoid breaching the statutory debt limit would create unnecessary uncertainty for the financial markets and result in costs to the government. These actions should be reserved only for extraordinary circumstances, and should be avoided.

As you know, the "full faith and credit" of the United States is a unique asset that serves as the underpinning for the United States' leadership position in world capital markets and for our unparalleled access to those markets at the lowest possible cost of funding. Increasing the debt limit in a timely manner will not only preserve this unique and important position, but is also fully consistent with our practice of transparent and predictable debt management. I know you share the President's and my commitment to maintaining the "full faith and credit" of the U.S. government, and I am confident we can work together to increase the debt limit before it is reached.

I appreciate your attention to this important matter.

Sincerely,

Henry M. Paulson, Jr.