



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

December 29, 2005

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Senator Baucus:

The Administration now projects that the statutory debt limit, currently \$8,184 billion, will be reached in mid-February 2006. At that time, unless the debt limit is raised or the Treasury Department takes authorized extraordinary actions, we will be unable to continue to finance government operations.

Accordingly, I am writing to request that Congress raise the statutory debt limit as soon as possible. You should note that even if the Treasury Department were to take all available prudent and legal actions to avoid breaching the statutory debt limit, we anticipate that we can finance government operations no longer than mid-March.

As you know, the "full faith and credit" of the United States is a unique asset that underlies the leadership position of our country in world capital markets and our unparalleled access to those markets at the lowest possible funding cost. A failure to increase the debt limit in a timely manner would threaten this unique and important position.

Thank you for your attention to this matter.

Sincerely,

John W. Snow