

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Remarks by Secretary Jacob J. Lew at the Bipartisan Policy Center's Discussion on the Debt Limit

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*As prepared for delivery*

**WASHINGTON** - Thank you for that introduction Bill. I want to thank the Bipartisan Policy Center for hosting this event and for having me here today. For nearly a decade, the Bipartisan Policy Center has been an important forum for discussion across party lines on a variety of complex issues. I want to thank the center for the important work they have been doing on the debt limit, and particularly highlight the contributions by Bill Hoagland and Steve Bell. I also want to take a moment to recognize Senator Kent Conrad and Congressman Vin Weber who will be discussing the debt limit later in the program.

The last time I was here about a year and a half ago, I spoke about our country's progress over the previous several years: private sector job growth was strengthening, the auto industry was making a strong comeback and our deficits were on the decline. At that time I called for leaders in Washington to be a part of the solution and to end the brinkmanship and manufactured crises that had imperiled our economic progress.

A year and a half later, we find ourselves at another pivotal moment for our nation. Today is a particularly fitting time to be speaking here. As you know, Congressional leaders have reached a significant, bipartisan compromise on the budget for the good of the country.

This agreement would fund the government for two years and raise the debt limit so that our country can continue to meet our obligations. It is an agreement that reflects our values by enhancing middle class economic security through investments in infrastructure, schools, public health and other important priorities for our country and by keeping our country safe.

These core public-sector investments are necessary to create a strong environment for business investment and growth, and certainty around these investments is needed to give companies the confidence to take the necessary steps to remain on the cutting edge. Analysis of CBO's previous estimates suggests that this budget agreement will lead to 340,000 additional American jobs in 2016 alone.

These important investments would be fully paid for in a balanced way, by ensuring that entities organized as large partnerships, such as hedge funds, oil and gas producers and pipeline companies, and private equity firms pay the taxes they owe and by cutting billions in wasteful spending. At the same time, it avoids harmful cuts to Medicare or Social Security beneficiaries and protects programs that working families rely upon.

This would be a significant accomplishment, and is a step towards ending the pattern of short-term legislating that has unfortunately become the norm for our country. I urge Congress to move forward as quickly as possible to provide stable funding for the government, and raise the debt limit.

In order to continue our leadership in the world, I also urge Congress to implement the 2010 IMF quota and governance reforms. Failure to act threatens U.S. leadership and influence over the IMF decision-making process, and causes other nations, including some of our allies, to question our commitment to the IMF and other multilateral institutions. The Administration remains committed to finding a legislative vehicle for implementation of these reforms as soon as possible.

Congress is also making bipartisan progress on reauthorizing the Export-Import Bank. For more than 80 years, Ex-Im has been an important tool for American exports and jobs that helps level the playing field for our businesses. Last year alone, Ex-Im supported 164,000 American jobs. And nearly 90 percent of Ex-Im Bank transactions directly supported American small businesses in 2014.

With our economy strengthening, now is a particularly pivotal time for this action. Auto sales are at their strongest levels in 13 years. Jobless claims are close to 40-year lows, and our economy has created 13.2 million private-sector jobs since 2010. Consumer confidence is strong, and small businesses are planning further increases in their payrolls. We should be working together to continue this momentum in our economy.

While progress on a deal is very encouraging, time remains short for Congress to act on the debt limit. As of today, Treasury now has only one week before we run out of borrowing authority to continue to meet our obligations. I am confident that our congressional leadership will act by that time, but it's important that we do not lose sight of that timeframe.

Again, I am encouraged by recent developments and I urge Congress to act as quickly as possible.

Thank you, and I look forward to taking your questions.

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