

# Union Calendar No. 279

118<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 187

**[Report No. 118-340]**

To ensure the payment of interest and principal of the debt of the United States.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2023

Mr. McCLINTOCK (for himself, Mr. DUNCAN, Mr. GROTHMAN, and Mr. GAETZ) introduced the following bill; which was referred to the Committee on Ways and Means

JANUARY 9, 2024

Additional sponsor: Mrs. LESKO

JANUARY 9, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on January 9, 2023]

# **A BILL**

To ensure the payment of interest and principal of the debt  
of the United States.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Default Prevention Act”.*

5 **SEC. 2. PAYMENT OF OBLIGATIONS.**

6 *(a) IN GENERAL.—At any time that the debt of the*  
7 *United States Government subject to limitation under sec-*  
8 *tion 3101 of title 31, United States Code, has reached the*  
9 *limitation imposed under such section, the Secretary of the*  
10 *Treasury (hereafter in this section referred to as “the Sec-*  
11 *retary”)* shall—

12 *(1) pay Tier I obligations as such obligations be-*  
13 *come due,*

14 *(2) issue such obligations under chapter 31 of*  
15 *title 31, United States Code, as—*

16 *(A) are necessary to make the payments de-*  
17 *scribed in paragraph (1), or*

18 *(B) are to be held exclusively by a trust*  
19 *fund referred to in subsection (b)(1)(A),*

20 *(3) pay Tier III obligations only to the extent*  
21 *that the Secretary can still pay all Tier II obligations*  
22 *as such obligations become due,*

23 *(4) pay Tier IV obligations only to the extent*  
24 *that the Secretary can still pay all Tier II and Tier*  
25 *III obligations as such obligations become due,*

1           (5) *pay Tier V obligations only to the extent that*  
2           *the Secretary can still pay all Tier II, Tier III, and*  
3           *Tier IV obligations as such obligations become due,*  
4           *and*

5           (6) *submit to the Committee on Ways and Means*  
6           *of the House of Representatives and the Committee on*  
7           *Finance of the Senate a weekly written report con-*  
8           *taining the information described in subsection (d).*

9           (b) *DEFINITIONS.—For purposes of this section—*

10           (1) *TIER I OBLIGATIONS.—The term “Tier I ob-*  
11           *ligations” means payments necessary to provide any*  
12           *of the following:*

13                   (A) *Payment with legal tender pursuant to*  
14                   *the authority provided under section 3123 of title*  
15                   *31, United States Code, of principal and interest*  
16                   *on debt held by—*

17                           (i) *the public,*

18                           (ii) *the Federal Old-Age and Survivors*  
19                           *Insurance Trust Fund or the Federal Dis-*  
20                           *ability Insurance Trust Fund, or*

21                           (iii) *the Federal Hospital Insurance*  
22                           *Trust Fund or the Federal Supplementary*  
23                           *Medical Insurance Trust Fund.*

1           (B) *Payments under the Medicare program*  
2           *under title XVIII of the Social Security Act (42*  
3           *U.S.C. 1395 et seq.).*

4           (2) *TIER II OBLIGATIONS.—The term “Tier II*  
5           *obligations” means payments necessary to provide*  
6           *any of the following:*

7                   (A) *Any obligation of the Department of*  
8                   *Defense.*

9                   (B) *Benefits under laws administered by the*  
10                  *Secretary of Veterans Affairs.*

11           (3) *TIER III OBLIGATIONS.—The term “Tier III*  
12           *obligations” means any obligation of the United*  
13           *States which is not a Tier I, Tier II, Tier IV, or Tier*  
14           *V obligation.*

15           (4) *TIER IV OBLIGATIONS.—The term “Tier IV*  
16           *obligations” means any payment which constitutes*  
17           *any of the following:*

18                   (A) *Compensation for any Federal employee*  
19                   *for official time under section 7131 of such title*  
20                   *5, United States Code.*

21                   (B) *Any payment for travel expenses for*  
22                   *any officer or employee of the Executive branch*  
23                   *of Government, including the President and Vice*  
24                   *President, unless such payment is a Tier I or*  
25                   *Tier II obligation.*

1           (C) *Compensation of any officer or em-*  
2           *ployee of the Executive branch of Government*  
3           *(other than an individual in the competitive*  
4           *service, as defined in section 2102 of title 5,*  
5           *United States Code), including the President and*  
6           *Vice President, unless such compensation is a*  
7           *Tier I or Tier II obligation.*

8           (5) *TIER V OBLIGATIONS.—The term “Tier V ob-*  
9           *ligations” means compensation of any Member of*  
10          *Congress (as that term is defined in section 2106 of*  
11          *title 5, United States Code).*

12          (c) *COORDINATION WITH PUBLIC DEBT LIMIT.—Obli-*  
13          *gations issued under subsection (a)(2) shall not be taken*  
14          *into account as subject to the limitation imposed under sec-*  
15          *tion 3101(b) of title 31, United States Code. The preceding*  
16          *sentence shall not apply with respect to any obligation after*  
17          *the first date (after the issuance of such obligation) on*  
18          *which any modification or suspension of such limitation*  
19          *takes effect.*

20          (d) *WEEKLY REPORTS.—The written report referred*  
21          *to in subsection (a)(6) shall include, with respect to the pe-*  
22          *riod covered by such report—*

23                  (1) *the amount of Tier I obligations paid under*  
24          *subsection (a)(1) during such period,*

1           (2) *the amount of obligations issued under sub-*  
2           *section (a)(2) during such period, and*

3           (3) *the amount of Tier II obligations, Tier III*  
4           *obligations, Tier IV obligations, and Tier V obliga-*  
5           *tions which were paid during such period (stated sep-*  
6           *arately for each tier) and the aggregate amount of*  
7           *such obligations which were due and unpaid as of the*  
8           *close of such period (stated separately for each tier).*

9           (e) *NO INFERENCE WITH RESPECT TO EXISTING AU-*  
10          *THORITY TO PRIORITIZE PAYMENTS.—During any period*  
11          *with respect to which this section does not apply, nothing*  
12          *in this section shall be interpreted to restrict the authority*  
13          *of the Secretary to prioritize the payment of certain obliga-*  
14          *tions over other obligations.*

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