



March 9, 2023

U.S. House of Representatives  
Committee on Ways & Means  
Washington, DC 20515

Dear Representative:

On behalf of the 1.7 million members of the American Federation of Teachers, I write today in strong opposition to H.R. 187, the misnamed Default Prevention Act.

Instead of spending valuable time to debate and consider this misguided bill, Congress must pass a clean bill to raise the debt limit immediately. This will protect American families and our economy from a catastrophe that is wholly manufactured but would be devastatingly real in its consequences. Debt “prioritization” is just default by another name.

The full faith and credit of the U.S. government—the expectation that the United States will pay its bills, and ALL its bills—is the underpinning that protects and supports our entire economy and the millions of livelihoods that depend on this stability. As Mark Zandi, chief economist at Moody’s Analytics, testified before the Senate just this week, default on our national debt would have a cataclysmic effect on our economy in both the near term and for generations to come—pushing the economy into a severe recession and resulting in the loss of up to 7 million jobs. In addition, default could mean ceding the geopolitical power that comes with the U.S. dollar acting as the world’s reserve currency, a status that would be jeopardized by a default, or even the threat of default.

The proposed “solution” offered by H.R. 187—to prioritize certain federal payments over others—is, in the opinion of many experts, not an adequate solution at all. It would create a list of who will be losers and who will be even bigger losers under the bill. For example, we believe that it is as important to make timely Social Security benefit payments as it is to pay veterans’ benefits, to pay our active-duty military, and to ensure our food safety inspectors and air traffic controllers are paid for their work, and that bondholders, hospitals and schools all receive the federal funding they’ve been promised.

If the government cannot pay its bills, families and businesses may not be able to pay their own bills as they await money they’ve earned. Interest rates on products that people across the country use every day, from cars to mortgages to credit cards to student loans, will skyrocket, resulting in thousands of dollars in burdensome and unexpected costs. For example, owning a home would cost an additional

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The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

American Federation  
of Teachers, AFL-CIO

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AFT Teachers  
AFT PSRP  
AFT Higher Education  
AFT Public Employees  
AFT Nurses and Health  
Professionals

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\$130,000 in lifetime fees in the case of default. Americans who've put away money for retirement plans would see their 401(k) balances nosedive.

Make no mistake: "Prioritizing" which promises to break is not how Congress should be spending their time. Everyday Americans pay their bills, and the federal government must do the same. I urge you to ensure it does, by opposing H.R. 187 and instead passing a clean debt limit bill as soon as possible.

Thank you for considering our views on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Randi Weingarten". The signature is fluid and cursive, with a prominent loop at the end.

Randi Weingarten  
President, American Federation of Teachers

RW : emc opeiu #2 afl-cio