

REVISIONS—Continued

Rules of Procedure—Select Committee on Ethics

Date revised	Amendment
November 1999 .....	Amends Committee Rule 14 by adding the following sentence to paragraph (c). "The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision. With respect to an individual's request for a waiver in connection with the acceptance or reporting the value of gifts on the occasion of the individual's marriage, the Chairman and the Vice Chairman, acting jointly, may rule on the waiver." Extensively amends the Supplementary Procedural Rules to reflect changes to the Committee charter as agreed to by S. Res. 222 ["Senate Ethics Procedure Reform Resolution of 1999"].

FEDERAL DEBT

Mr. PAUL. Madam President, as I stand before you, we are facing a financial calamity that could make the last financial crisis look like the good old days. I have become aware of a committee of respected financial industry experts that has developed a Debt Default Clock, which conceptualizes the risk associated with a potential Federal debt crisis that leads to the insolvency of the government. The Debt Default Clock is the same concept as the famous Doomsday Clock, only in this case illustrating how close we are to fiscal meltdown.

The Debt Default Clock has 12 factors that are used to measure the risk associated with the burgeoning Federal debt. The Clock currently stands at 4 minutes to midnight, which means that insolvency of the Federal Government is close at hand, and we have little time to act. Although the 12 criteria were developed on the basis of defining the circumstances leading to government insolvency and default, they were also created with the idea of identifying metrics that can be measured, watched, and compared over time to identify the time remaining before the sequence of insolvency and default. Eight of these factors are already in negative territory, and the others are moving in that direction.

In 2010, I ran for the Senate out of concern that our out-of-control debt might finally take us off the cliff. It is frustration with rampant, deficit-financed spending that sparked the Tea Party; yet the situation continues to get worse. So I urge my colleagues to find out more about the Debt Default Clock and the role of Congress, the administration, and the States as to how each of the factors might be mitigated if the political will exists to do so before calamity hits us square in the face.

Accordingly, I respectfully request that the following information related to the Debt Default Clock be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOUR MINUTES TO MIDNIGHT: THE REVISED "FEDERAL GOVERNMENT DEBT DEFAULT CLOCK"

[From the Default Clock Committee]

Beyond the troubling debt-ceiling standoffs we witness every few years, looms a far more dire threat: a true U.S. government default, which economists warn could lead to a collapse of confidence in the American economy, a run on the dollar, and perhaps even a global economic meltdown.

How close are we to such a catastrophic federal default?

To answer this question, a group of private-sector economists and fiscal policy ex-

perts has formed a citizens' committee, called the Debt Default Clock Review Committee, to maintain an objective, fact-based federal government Debt Default Clock. The Clock is designed to help the public to see and track the nearness of the danger. On September 10, 2018, the Review Committee announced significant revisions in the design of the Clock from its original version to make it more accurate. This announcement is found at: <https://debtdefaultclock.us/wp-content/uploads/press-release-02a.pdf>.

For the Committee's purposes, "default" is defined simply as a failure by the U.S. Treasury to make a scheduled interest payment on just one direct U.S. Government obligation such as a Treasury note or bond. "Insolvency" is defined as the point beyond which default becomes a virtual certainty.

Since 2013, Congress has gotten into the habit of temporarily suspending the government's statutory debt ceiling, for a year or two at a go, during which time the Treasury may incur unlimited amounts of debt. This practice is dangerous. Repealing the debt ceiling does not repeal the threat of a default. Indeed, to think that it would or could is akin to thinking we can be assured of perpetually sunny days if we simply destroy the barometer! Congress seems to be telling itself: "If I just increase the credit limit on my credit card, I will never have to pay it off!"

The debt ceiling is our most important fiscal barometer, and we hope our new Debt Default Clock will help the public to read that important gauge more easily, by showing us in a clear and simple way how close we are to midnight. Its purpose is to spur fiscal policy makers to change course before it's too late.

THE TWELVE TESTS

The Clock continuously measures twelve of the most relevant budget factors, or tests, each of which is framed as a simple yes-no question. At any given moment, the status of ten of the twelve factors collectively determines the number of minutes from midnight the Clock stands at any point in time. The number of minutes, of course, changes as time passes and new data is received. Each factor assesses, not just where things currently stand, but also where things are projected to move over the course of the next ten years. Each of the twelve tests is objective. None is arbitrary or influenced by opinion.

Here are the twelve factors:

1. Do federal outlays exceed 17.5 percent of gross domestic product (GDP)?
2. Is there a U.S. dollar-denominated debt ceiling in law presently, and will the projected federal debt stay below that ceiling during the ten-year budget period?
3. Does the debt held by the public exceed 70 percent of GDP, and does the gross federal debt exceed 100 percent of GDP?
4. Do gross federal interest payments exceed 15 percent of federal revenues?
5. Do gross federal interest payments, on a sustained basis, exceed 70 percent of the money the federal government brings in through the issuance of new debt?
6. Does the debt held by the public exceed 80 percent of the gross debt?
7. Does the debt held by foreigners exceed 50 percent of the debt held by the public?
8. Will short-term maturities and floating rate obligations of the Treasury decline from

the current level of 73.1 percent of all marketable Treasury debt?

9. Are federal revenues below 17.5 percent of GDP?

10. Does the rate of real U.S. economic growth, as measured in GDP, exceed 3 percent annually?

11. Has Congress enacted a law prohibiting the Treasury from resorting to "extraordinary measures" in the future?

12. Is Congress scaling back programmatic "mandatory spending" and eventually phasing it out?

While economists and financial experts will readily appreciate the relevance of each of these factors, we realize that the lay reader may find them confusing. For everyone's benefit, the following is a detailed, plain-English explanation of each factor, together with all of its underlying data and assumptions.

WARNING: DEFAULT AHEAD

The United States will reach insolvency—the point of no return—when the federal government fails at least ten of the twelve tests set according to the questions listed above. As of right now, the federal government is currently failing in seven of them. These are Factors 1, 2, 3, 8, 10, 11 and 12, but one (Factor 9) is projected to right itself before the end of the current ten-year budget period. The design of the Clock permits the Review Committee to discount up to two factors at any one time. The Committee is currently discounting Factor 9 in accordance with the design. The federal government is passing the remaining four tests now, but are projected to fail in all of them sometime during the 10-year budget period.

As of today, the Federal Government Default Clock stands at just four minutes from midnight. If the federal government remains on its currently projected fiscal trajectory, the more politically difficult and economically painful its choices will become as time passes.

The Default Clock is ticking.

DATABASES BEHIND TEN OF THE FACTORS OF DEBT DEFAULT CLOCK

(Note: graphs for each of the factors are shown at <https://DebtDefaultClock.us>)

FACTOR #1: DO FEDERAL OUTLAYS EXCEED 17.5 PERCENT OF GDP?

The data associated with Factor #1 in the initial Debt Default Clock showed that federal outlays were already well above 17.5 percent of GDP, and peaked in the final year of the budget period (2027) at 23.1 percent of GDP. The updated version shows that in the final year of the current budget period (2028) outlays will rise to 23.3 percent of GDP. Thus, Factor #1 remains set at buying zero minutes from midnight. The data bases for this factor are as follows: (1) Congressional Budget Office, "Budget and Economic Data," under the headings "Historical Budget Data/Revenues, Outlays, Deficits, Surpluses, and Debt Held by the Public Since 1967 to 2017," April 2018; and (2) "10-Year Budget Projections/CBO's Baseline Budget Projections, by Category," April 2018.

FACTOR #2: IS THERE A DOLLAR-DENOMINATED DEBT CEILING IN PLACE, AND IF SO, DOES THE DEBT SUBJECT TO LIMIT STAY UNDER THE CEILING DURING THE BUDGET PERIOD?

Currently, there is no dollar-denominated debt ceiling in place because the debt ceiling

law has been suspended. Thus, Factor #2 also buys zero minutes from midnight. Accordingly, there are no data bases and graph associated with Factor #2 at this point. They will appear when a dollar-denominated debt ceiling is put back into place.

**FACTOR #3: DOES THE DEBT HELD BY THE PUBLIC EXCEED 70 PERCENT OF GDP, AND DOES THE GROSS DEBT EXCEED 100 PERCENT OF GDP?**

Under the initial Default Clock setting, the gross debt peaked in the final year of the budget period (2027) at just under 110 percent of GDP. The initial version did not include data on the debt held by the public. The current version shows that the gross debt will again peak in the final year of the budget period (2028) at over 113 percent of GDP. The debt held by the public is also projected to peak in 2028 at over 96 percent of GDP. Since both the debt held by the public and the gross debt exceeded 70 and 100 percent of GDP respectively in 2012, and are projected to grow, Factor #3 will continue to buy zero minutes from midnight. The data bases for Factor #3 are as follows: (1) Office of Management and Budget, "Historical Tables," Table 7.1, February 2018; (2) Congressional Budget Office, "Budget and Economic Data," under the headings "10-Year Budget Projections/Federal Debt Projected in CBOs Baseline," Table 5, April 2018; and (3) Congressional Budget Office, "Budget and Economic Data," under the headings "10-Year Economic Projections/April 2018 Baseline Projection—Data Release (Fiscal Year)."

**FACTOR #4: WILL GROSS INTEREST COSTS EXCEED 15 PERCENT OF FEDERAL REVENUES?**

In the initial Default Clock assessment, gross federal interest costs were projected to exceed 15 percent of federal revenues in 2020. The revised assessment shows the threshold will be exceeded this year. This is shown in the accompanying graph. While the actual data is not yet available, the gross interest costs may already be above 15 percent of revenues, and are all but certain to remain above this threshold during the budget period. For the time being, Factor #4 continues to buy one minute from midnight. It remains likely, however, that Factor #4 will buy no minutes away from midnight at the time of the next assessment. If so, this will force the Clock to three minutes from midnight if all the other factors remain stable relative to their thresholds. The data bases for this Factor are as follows: (1) Department of the Treasury, "Interest Expense on the Debt Outstanding," at here (accessed April 12, 2018); (2) Congressional Budget Office, "Budget and Economic Data," under the headings "Historical Budget Data/Historical Budget Data/ Revenues, Outlays, Deficits, Surpluses, and Debt Held by the Public Since 1967," April 2018, here; and (3) Congressional Budget Office, "Budget and Economic Data," under the headings "10-Year Budget Projections/CBO's Baseline Budget Projections by Category" and "Spending Projections by Budget Account" (specifically Line 1682, "Interest on Treasury Debt Securities (gross)"), April 2018, also here. The formula for Factor #4 is: gross interest costs + federal revenues = percent of federal revenues going to cover gross interest costs.

**FACTOR #5: DO GROSS FEDERAL INTEREST PAYMENTS, ON A SUSTAINED BASIS, EXCEED 70 PERCENT OF THE MONEY THE FEDERAL GOVERNMENT BRINGS IN THROUGH THE ISSUANCE OF NEW DEBT?**

The original version of the Default Clock estimated that the level of gross interest costs would exceed 70 percent of the money brought in by the issuance of new debt (in net terms) in 2023. The updated version shows the cross-over point should be reached in the same year. Thus, Factor #5 continues

to buy one minute from midnight. The data bases for this factor are: (1) Office of Management and Budget, "Historical Tables," Table 7.1, February 2018, at <https://www.whitehouse.gov/omb/historical-tables/>; (2) Congressional Budget Office, "Budget and Economic Data," under the headings "10-Year Budget Projections/Federal Debt Projected in CBOs Baseline," Table 5, April 2018; (3) Department of the Treasury, "Interest Expense on the Debt Outstanding," (accessed April 12, 2018); and (4) Congressional Budget Office, "Budget and Economic Data," under the headings "10-Year Budget Projections/CBO's Baseline Budget Projections by Category" and "Spending Projections by Budget Account" (specifically Line 1682, "Interest on Treasury Debt Securities (gross)"), April 2018.

**FACTOR #6: DOES THE DEBT HELD BY THE PUBLIC EXCEED 80 PERCENT OF THE GROSS DEBT?**

The original version of the Default Clock estimated that the debt held by the public would exceed 80 percent of the gross debt starting in 2025. This same year is the estimated cross-over point for Factor #6 under the updated Default Clock. Once again, this Factor will buy one minute from midnight. The data bases for this factor are: 1) Office of Management and Budget, "Historical Tables," Table 7.1, February 2018, here; and 2) Congressional Budget Office, "Budget and Economic Data," under the headings "Historical Budget Data/Revenues, Outlays, Deficits, Surpluses, and Debt Held by the Public Since 1967" and "10-Year Budget Projections/CBO's Baseline Budget Projections, by Category," April 2018, here.

**FACTOR #7: DOES THE DEBT HELD BY FOREIGNERS EXCEED 50 PERCENT OF THE DEBT HELD BY THE PUBLIC?**

The original version of the Default Clock showed that the share of the debt held by the public owned by foreigners would exceed 50 percent in 2021. The updated version of the Clock shows this Factor's cross-over date remains 2021. Thus, Factor #8 continues to buy one minute from midnight. The data bases for this Factor are: 1) here, under the heading "Ownership of Federal Securities;" 2) here (accessed on April 13, 2018); and 3) here, February 2018.

**FACTOR #8: WILL SHORT-TERM MATURITIES AND FLOATING RATE OBLIGATIONS OF THE TREASURY DECLINE FROM THE CURRENT LEVEL OF 73.1 PERCENT OF ALL MARKETABLE TREASURY DEBT?**

The Monthly Statement of the Public Debt of the United States (the "Monthly Statement") describes six types of securities comprising the marketable Treasury debt outstanding. They are Treasury Bills ("Bills"), Treasury Notes ("Notes"), Treasury Bonds ("Bonds"), Treasury Inflation-Protected Securities ("TIPS"), Treasury Floating Rate Notes ("FRN's") and Federal Financing Bank ("FFB") securities. The Monthly Statements, including attached Excel spreadsheets, are available at <https://www.treasurydirect.gov/govt/reports/pd/mspd/mspd.htm>.

Treasury Bills are short-term obligations with a maturity of less than one year. Treasury Notes are issued with maturities of between one and ten years. Treasury Bonds are issued with maturities in excess of ten years. For purposes of the Debt Default Clock on any given date, all Bills and previously issued Notes and Bonds maturing within five years of that date, along with all TIPS and FRN's, which are adjustable rate securities subject to periodic adjustments in their interest rates, are categorized as short-term maturities and floating rate obligations ("STMFROs"). The Monthly Statement does not provide the maturity dates for FFB secu-

rities, but generally describes them as long term. Thus, they are not included in STMFROs and set aside here.

As of September 30, 2018, all the STMFROs constituted 73.1 percent of all the marketable Treasury debt outstanding, as measured in dollars. This structure of the marketable debt jeopardizes the financial position of the Treasury by leaving it vulnerable to increases in both the inflation rate and interest rates. Specifically, Treasury interest costs would rise very quickly with higher inflation and interest rates because of the current structure of the debt. It is the view of the Debt Default Clock Review Committee that the portion of all Treasury marketable securities made up by the STMFROs, as measured in dollars, should be reduced to 50 percent of the total. Factor #8 of the Debt Default Clock will move the minute hand one minute away from midnight for every five percentage points reduced from the 71.3 percent of marketable securities that constitute the STMFROs at the end of fiscal year 2018. Currently, Factor #8 buys zero minutes from midnight. The formula for arriving at this percentage at any particular time is as follows: the value of the STMFROs + the total value of all marketable securities outstanding = percent of all marketable securities in STMFROs.

**FACTOR #9: ARE FEDERAL REVENUES BELOW 17.5 PERCENT OF GDP?**

The data bases for this Factor are found at: Congressional Budget Office, "The Budget and Economic Outlook: 2018 to 2028," April 9, 2018, pp. 67 and 145, here. There is no formula for the projected data under this factor because CBO provides the amounts directly.

Federal revenues were at 17.3 percent of GDP in 2017. CBO projects they will fall to 16.5 percent in 2019, but grow to the 17.5 percent of GDP in 2025 and exceed 18 percent of GDP before the end of the budget period. Given that Factor #9 is the only factor among the 12 that moves in the right direction over the course of the budget period, this factor is currently discounted by the Review Committee.

**FACTOR #10: DOES REAL RATE OF U.S. ECONOMIC GROWTH, AS MEASURED IN GDP, MEET OR EXCEED 3 PERCENT ANNUALLY?**

The data bases for Factor #10 are found at: 1) Bureau of Economic Analysis (BEA), Department of Commerce, here, Table 5 under "Tables Only," under the heading "Gross Domestic Product" (historical data); 2) Congressional Budget Office, "The Budget and Economic Outlook: 2018 to 2028," April 9, 2018, p. 140, here (projected data). There is no formula for either the historical or projected data on Factor #10 because BEA and CBO provide the data directly.

GDP grew at the rate of 2.3 percent in real terms in 2017. CBO projects will reach a rate of 3 percent in 2019, but will fall below 3 percent in each of the remaining years of the ten-year budget period. Therefore, Factor #10 currently buys no minutes from midnight.

**FACTOR #11: HAS CONGRESS ENACTED A LAW PROHIBITING THE TREASURY FROM RESORTING TO "EXTRAORDINARY MEASURES" IN THE FUTURE?**

This is a purely qualitative factor. It adjusts the minute hand on the Debt Default Clock on the basis of the legislative actions or the lack thereof taken by Congress in the applicable legislative period. Specifically, if either house of Congress has passed such a bill during the current Congress, it will buy one minute away from midnight. If such a law is enacted and remains on the books at the time of the applicable review by the Review Committee, it will buy two minutes from midnight. Therefore, there are neither

data bases, nor formulas, nor graphs associated with Factor #11. Since current law permits the Treasury to undertake extraordinary measures, Factor #11 buys no minutes from midnight at this time.

**FACTOR #12: IS CONGRESS SCALING BACK PROGRAMMATIC "MANDATORY SPENDING" AND EVENTUALLY PHASING IT OUT?**

Mandatory programmatic spending, which sets aside net interest payments, does not require the annual appropriation of money by Congress. Effectively, these spending programs are on autopilot. According to CBO, programmatic mandatory spending was more than \$2.5 trillion in 2017. It projects this spending to grow to more than \$4.5 trillion in 2028.

Congress needs to rein in these programs by moving them back into the appropriated accounts of the budget. By starting to take such steps, Congress should be able to reduce this category of spending dramatically. In fact, it should phase it out altogether. Under the Debt Default Clock, if Congress returns enough of this spending to the appropriated category so that by the end of the ten-year budget period the mandatory category is less than what it was in 2017, it will buy one minute away from midnight. If the mandatory category is projected to be phased out altogether by the end of the budget period, it will buy two minutes from midnight. Therefore, Factor #12 currently buys no minutes from midnight.

The data bases for Factor #12 are found at: the Congressional Budget Office, "The Budget and Economic Outlook: 2018 to 2028," April 9, 2018, pp. 44 and 148, here. The formula for calculating whether mandatory spending is increasing or decreasing during the projected budget period under Factor #12 is: mandatory outlays (less offsetting receipts)—\$2.5 trillion (mandatory spending in 2017) = dollar level increase (decrease) in mandatory spending. If mandatory spending is projected by CBO to be at zero dollars before the end of the budget period, it will be considered to have been phased out.

#### GRAND CANYON CENTENNIAL

Ms. MCSALLY. Madam President, in January 1908, President Theodore Roosevelt famously declared, "Let this great wonder of nature remain as it is now. You cannot improve on it." He said these words while designating the Grand Canyon as a national monument. Eleven years later, it became a National Park, and today marks the centennial of that designation.

Known as one of the Seven Natural Wonders of the World, the Grand Canyon is more than history to Arizona, it is a part of who we are. Millions of visitors come to see this magnificent national park, from its archeological sites to its one-of-a-kind trails; and for centuries, this vast array of canyons and mountains has served as a home to many different peoples, including many Native American tribes.

It was in 1869 that geologist John Wesley Powell first led an expedition down the hazardous Colorado River, during which he noted the ancient clues he found hidden in the layers of rock that told the story of its creation. His expedition led to future explorations further chartering and mapping the great canyon. By the time it officially became a National Park in 1919, the Grand Canyon attracted some

44,000 visitors. Today, Arizona hosts more than 6 million visitors each year, and with a total economic impact of almost \$1 billion a year, it is the greatest attraction in our State.

All Americans, but especially Arizonans, are truly blessed to have such a natural wonder to visit like the Grand Canyon. I share in Teddy Roosevelt's amazement, passion, and wonderment of the Grand Canyon, and I will continue to advocate for this park so that it may last for many more generations to come.

#### ADDITIONAL STATEMENTS

##### RECOGNIZING THE FORT SMITH NOON LIONS CLUB

• Mr. BOOZMAN. Madam President, today I wish to recognize and congratulate the Fort Smith Noon Lion's Club on its centennial celebration.

The Fort Smith Noon Lions Club first met on March 8, 1919, only 2 years after the creation of Lions Club International. With 25 charter members, the club's mission was to encourage fellowship and civic participation by local businessmen. Many prominent business leaders were part of that founding group, including Dr. Charles Holt, founder of Holt Crock Clinic; Fagan Bourland, who served as the city's mayor for many years; and W.E. Harding, the founder of Harding Glass, one of the city's largest companies at the time.

The club met for many years at the historic Goldman Hotel in downtown Fort Smith and, later, at the Ward Hotel on Garrison Avenue. Among its earliest projects was supporting the Victory Loan Campaign designed to pay off debt from WWI. In the early days, it held festivals, hosted free concerts, and played an annual baseball game against the local Rotary Club.

In addition to supporting local causes and providing a networking tool for businessmen, the club's mission came into focus after Helen Keller spoke at the Lions Club International convention in 1925. She concluded her speech by saying, "I appeal to you Lions, you who have your sight, your hearing, you who are strong and brave and kind. Will you not constitute yourselves Knights of the Blind in this crusade against darkness?" Her eloquent plea transformed the Lions and made sight conservation the organization's primary mission.

Throughout its 100-year history, the Fort Smith Noon Lions Club has contributed greatly to this mission by raising money to provide eye exams and glasses to local students and adults. Lions Club members have also collected thousands of pairs of glasses which are donated to the Southern College of Optometry in Memphis where students take the glasses on international mission trips.

In recent years, the Fort Smith Noon Lions Club has donated more than

\$100,000 to help local residents with sight preservation and provided support to many local children's organizations including the Fort Smith Boys Club, Good Samaritan Clinic, Clearinghouse Backpack Program, Special Olympics, and the Children's Emergency Shelter.

In addition, the club has provided all of the equipment and support needed for the Safety Patrol program in the Fort Smith Public Schools since 1946.

As an optometrist whose hometown is Fort Smith, AR, I am proud of the great work done by this club and Lions chapters around the world.

I congratulate the Fort Smith Noon Lions Club on its 100th anniversary and hope that these Knights for the Blind continue to prosper in their mission.●

##### TRIBUTE TO OLIVER DIEZ

• Mr. RUBIO. Madam President, today I recognize Oliver Diez, the Miami-Dade County Teacher of the Year from Palmetto Elementary School in Pinecrest, FL.

Oliver received this award in recognition for his dedication to teaching children a passion for music before they leave elementary school. He begins teaching students how to play an introductory instrument, the recorder, at an early age. From there, they can join one of his school's before and after-school offerings of chorus, concert band, jazz combo, orchestra, and drumline. Once they join a music program, his lessons focus on teaching them not only how to play instruments, but also its history. He believes this builds an appreciation for music in his young students.

Throughout his two-decade long teaching career at Palmetto Elementary School, he has built a successful music program at south Florida's largest elementary school. His fourth and fifth grade student were invited to play at Carnegie Hall in New York City this March, the only elementary school students to play. While he believes teaching is messy at times, he knows it unites students to work together for the final performance.

Oliver graduated from Florida International University with his bachelor's degree in 1999 and returned for his master's degree in 2016, both majoring in music education. He also helped launch a booster club at his school that is a registered nonprofit for travel expenses for performances.

I express my sincere appreciation to Oliver for all of the accomplished work with his students and wish him continued success in the years to come.●

##### TRIBUTE TO IAN JACKSON

• Mr. RUBIO. Madam President, today I honor Ian Jackson, the Volusia County Teacher of the Year from T. Dewitt Taylor Middle-High School in Pierson, FL.

Ian is an Advancement Via Individual Determination teacher, working