

## ICI VIEWPOINTS

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## GMM Policy Forum

By Andrew Gillies

Addressing America's fiscal challenges will require both raising revenue and cutting government spending, said [Mary John Miller](#), the U.S. Treasury Department's Under Secretary for Domestic Finance, at the Policy Forum of ICI's 55th annual [General Membership Meeting](#) (GMM).

"I don't think that we can balance the budget over the long term and meet the obligations that we have without some revenue," said Miller, who made her remarks as part of a wide-ranging colloquy with ICI President and CEO Paul Schott Stevens. "When people come to talk to me about the Administration's proposals, I say, 'Look, everything has to be on the table,'" she added.

Among revenue-raising measures under consideration by the Administration, Miller defended a [recent budget proposal](#) to cap the amount of retirement savings that can be contributed to tax-deferred accounts, such as 401(k) plans and individual retirement accounts (IRAs).

"It is never our intent to discourage savings, particularly retirement savings," she said, "but I think you have to look for opportunities."

At Treasury, Under Secretary Miller develops and coordinates policies and guidance regarding financial institutions, federal debt financing, financial regulation, and capital markets. Before entering public service, she spent 26 years with the T. Rowe Price Group, where she was director of the firm's fixed-income division and a member of its management committee.

Beyond fiscal matters, Miller and Stevens explored key topics such as the Volcker Rule, [money market funds](#), and implementation of the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#).

Regarding money market funds, Miller emphasized that regulators understand the importance of such funds and the role that they play in the financial system and across the economy. She also acknowledged the value of the reforms adopted by the Securities and Exchange Commission (SEC) in 2010.

Still, Miller said, those reforms "did not go far enough in answering that structural question—in designing a solution where you will not have destabilizing runs on the funds." She added that the Financial Stability Oversight Council (FSOC) will "gladly" defer to the SEC, should that agency proceed with another round of reforms. (Miller oversees Treasury's involvement in FSOC, which was created by the Dodd-Frank Act to enable regulators to identify and respond to risks to U.S. financial stability.)

Reflecting on her career in government, which she entered in 2009, Miller said she thought of it as a unique chance to work on issues affecting investors. "If we can succeed in restoring confidence in our financial markets," she said, "we'll have accomplished a great deal."

Andrew Gillies is managing editor of policy writing at ICI.