

Note 19. Commitments

Long-Term Operating Leases as of September 30, 2018, and 2017

(In billions of dollars)	2018	2017
General Services Administration	21.6	22.4
U.S. Postal Service	3.5	7.6
Department of State	1.4	1.6
Department of Defense	0.9	1.0
Department of Health and Human Services	0.8	1.0
Other operating leases	3.9	3.5
Total long-term operating leases	<u>32.1</u>	<u>37.1</u>

The government has entered into contractual commitments that require future use of financial resources. It has significant amounts of long-term lease obligations.

Undelivered Orders and Other Commitments as of September 30, 2018, and 2017

(In billions of dollars)	2018	Restated 2017
Undelivered Orders:		
Department of Defense	319.8	263.8
Security Assistance Accounts	168.4	140.8
Department of Education	132.7	128.1
Department of Health and Human Services	122.7	114.2
Department of Transportation	110.5	103.7
Department of Agriculture	58.3	62.0
Department of Housing and Urban Development	48.9	39.1
Department of Homeland Security	42.3	37.9
Department of Energy	27.0	22.8
Department of State	24.0	21.8
U.S. Agency for International Development	17.4	17.9
All other entities	126.6	126.0
Total undelivered orders	<u>1,198.6</u>	<u>1,078.1</u>
Other Commitments:		
GSE Senior Preferred Stock Purchase Agreements	254.1	258.1
U.S. Participation in the International Monetary Fund	154.9	157.0
Callable Capital Subscriptions for Multilateral Development Banks	121.1	120.6
All other commitments	22.4	30.0
Total other commitments	<u>552.5</u>	<u>565.7</u>

Undelivered Orders and Other Commitments

Undelivered Orders

Undelivered orders represent the value of goods and services ordered that have not yet been received. As of September 30, 2018, and 2017, DOD reported undelivered orders of \$319.8 billion and \$263.8 billion, respectively. The \$56.0 billion increase primarily resulted from an increase in activity (available budgetary resources) and continued refinement of estimation methods used in the classification of non-federal undelivered orders.

Certain amounts related to DOJ have been restated. Refer to Note 1.U—Restatements for more information.

GSE Senior Preferred Stock Purchase Agreements

At September 30, 2018 and 2017, the maximum remaining potential commitment to the GSEs for the remaining life of the SPSPAs was \$254.1 billion and \$258.1 billion, respectively, which was established on December 31, 2012. Refer to Note 8—Investments in Government-Sponsored Enterprises for a full description of the SPSPAs related commitments and contingent liability, if any, as well as additional information.

U.S. Participation in the International Monetary Fund

The government participates in the IMF through a quota subscription and certain borrowing arrangements that supplement IMF resources. As of September 30, 2018, and 2017, the financial commitment under the U.S. quota and borrowing arrangements was \$154.9 billion and \$157.0 billion, respectively. Refer to Note 2—Cash and Other Monetary Assets for more information regarding the U.S. participation in the IMF.

Callable Capital Subscriptions for Multilateral Development Banks

The government has callable subscriptions in certain MDBs, which are international financial institutions that finance economic and social development projects in developing countries. Callable capital in the MDBs serves as a supplemental pool of resources that may be redeemed and converted into ordinary paid in shares, if the MDB cannot otherwise meet certain obligations through its other available resources. MDBs are able to use callable capital as backing to obtain favorable financing terms when borrowing from international capital markets. To date, there has never been a call on this capital at any MDBs and none is anticipated. As of September 30, 2018, and 2017, the capital commitment to MDBs was \$121.1 billion and \$120.6 billion, respectively.

All Other Commitments

Certain amounts related to Treasury have been restated. Refer to Note 1.U—Restatements for more information.

Other Risks

Terrorism Risk Insurance Program

Congress originally enacted the *Terrorism Risk Insurance Act* in November 2002 to address market disruptions resulting from terrorist attacks on September 11, 2001. Most recently, the *Terrorism Risk Insurance Program Reauthorization Act of 2015* extended the Terrorism Risk Insurance Program (TRIP) until December 31, 2020. The TRIP helps to ensure available and affordable commercial property and casualty insurance for terrorism risk, and simultaneously allows private markets to stabilize. The authority to pay claims under the TRIP Program is activated when the Secretary of the Treasury (in consultation with the Secretary of the Department of Homeland Security and the U.S. Attorney General) certifies an “act of terrorism.” In the event of certification of an “act of terrorism” insurers may be eligible to receive reimbursement from the U.S. government for associated insured losses assuming an aggregate insured loss threshold (“program trigger”) has been reached once a particular insurer has satisfied its designated deductible amount. For calendar years 2018 and 2017, the program trigger amount was \$160.0 million and \$140.0 million, respectively. This amount will increase by \$20.0 million annually through calendar year 2020. Insured losses above insurer deductibles will be shared between insurance companies and the U.S. government. The TRIP includes both mandatory and discretionary authority for Treasury to recoup federal payments made under the TRIP through policyholder surcharges under certain circumstances, and contains provisions designed to manage litigation arising from or relating to a certified act of terrorism. There were no claims under the TRIP as of September 30, 2018 or 2017.

U.S. Contributions to International Organizations

The U.S. government enters into agreements to pay future contributions to international organizations in which it participates as a member. These contributions may include financial and in-kind support, including assessed contributions, voluntary contributions, grants, and other assistance to international organizations. Following are examples of international organizations and their underlying missions which are supported by U.S. contributions:

- Office of the United Nations High Commissioner for Refugees, which supports annual and supplementary appeals for Africa, East Asia, Europe, Near East, South Asia, and the Western Hemisphere, as well as protection activities, refugee resettlement, and the global HIV/AIDS initiative;
- International Committee of the Red Cross, which aids in annual emergency and budget extension appeals for Africa, East Asia, Europe, Near East, South Asia, and the Western Hemisphere to support protection and assistance for conflict-affected populations;
- International Organization for Migration, which supports migration programs and the U.S. Refugee Assistance Program;
- North Atlantic Treaty Organization, which promotes conflict prevention and peaceful resolution of disputes;
- United Nations, which enables the world's nations to work together toward freedom, democracy, peace, and human rights;
- World Food Program, which provides emergency nutrition programming;
- Global Environment Facility, which is a multilateral trust fund that provides grants for global environmental projects;
- Green Climate Fund, established to support the efforts of developing countries to respond to the challenge of climate change;
- United Nations Children's Fund, which promotes humanitarian and developmental assistance to children and mothers in developing countries; and
- World Health Organization, which provides support for collaborative efforts in a wide range of health-related activities, including infectious diseases, maternal and child health, family planning, safe motherhood, newborn health, reproductive health, environmental health, and HIV/AIDS.