

Department of the Army Core Materials Relied Upon for FY2013  
Administrative Furlough

*Note: These core materials do not constitute all of the materials relied upon to support the FY 2013 administrative furlough action. Agency representatives likely will supplement this file by submitting additional Department of the Army guidance, command/local policies, and employee specific documents.*

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One Hundred Twelfth Congress  
of the  
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Wednesday,  
the fifth day of January, two thousand and eleven*

An Act

To provide for budget control.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Budget Control Act of 2011”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Severability.

**TITLE I—TEN-YEAR DISCRETIONARY CAPS WITH SEQUESTER**

- Sec. 101. Enforcing discretionary spending limits.
- Sec. 102. Definitions.
- Sec. 103. Reports and orders.
- Sec. 104. Expiration.
- Sec. 105. Amendments to the Congressional Budget and Impoundment Control Act of 1974.
- Sec. 106. Senate budget enforcement.

**TITLE II—VOTE ON THE BALANCED BUDGET AMENDMENT**

- Sec. 201. Vote on the balanced budget amendment.
- Sec. 202. Consideration by the other House.

**TITLE III—DEBT CEILING DISAPPROVAL PROCESS**

- Sec. 301. Debt ceiling disapproval process.
- Sec. 302. Enforcement of budget goal.

**TITLE IV—JOINT SELECT COMMITTEE ON DEFICIT REDUCTION**

- Sec. 401. Establishment of Joint Select Committee.
- Sec. 402. Expedited consideration of joint committee recommendations.
- Sec. 403. Funding.
- Sec. 404. Rulemaking.

**TITLE V—PELL GRANT AND STUDENT LOAN PROGRAM CHANGES**

- Sec. 501. Federal Pell grants.
- Sec. 502. Termination of authority to make interest subsidized loans to graduate and professional students.
- Sec. 503. Termination of direct loan repayment incentives.
- Sec. 504. Inapplicability of title IV negotiated rulemaking and master calendar exception.

**SEC. 2. SEVERABILITY.**

If any provision of this Act, or any application of such provision to any person or circumstance, is held to be unconstitutional, the remainder of this Act and the application of this Act to any other person or circumstance shall not be affected.

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**TITLE I—TEN-YEAR DISCRETIONARY  
CAPS WITH SEQUESTER**

**SEC. 101. ENFORCING DISCRETIONARY SPENDING LIMITS.**

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

**“SEC. 251. ENFORCING DISCRETIONARY SPENDING LIMITS.**

**“(a) ENFORCEMENT.—**

**“(1) SEQUESTRATION.—**Within 15 calendar days after Congress adjourns to end a session there shall be a sequestration to eliminate a budget-year breach, if any, within any category.

**“(2) ELIMINATING A BREACH.—**Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the enacted level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to eliminate a breach within that category.

**“(3) MILITARY PERSONNEL.—**If the President uses the authority to exempt any personnel account from sequestration under section 255(f), each account within subfunctional category 051 (other than those military personnel accounts for which the authority provided under section 255(f) has been exercised) shall be further reduced by a dollar amount calculated by multiplying the enacted level of non-exempt budgetary resources in that account at that time by the uniform percentage necessary to offset the total dollar amount by which outlays are not reduced in military personnel accounts by reason of the use of such authority.

**“(4) PART-YEAR APPROPRIATIONS.—**If, on the date specified in paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account, then the dollar sequestration calculated for that account under paragraphs (2) and (3) shall be subtracted from—

**“(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and**

**“(B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by the full-year appropriation for that account.**

**“(5) LOOK-BACK.—**If, after June 30, an appropriation for the fiscal year in progress is enacted that causes a breach within a category for that year (after taking into account any sequestration of amounts within that category), the discretionary spending limits for that category for the next fiscal year shall be reduced by the amount or amounts of that breach.

**“(6) WITHIN-SESSION SEQUESTRATION.—**If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach within a category for that year (after taking into account any prior sequestration of amounts within that category), 15 days later there shall be a sequestration to eliminate that breach within that category following the procedures set forth in paragraphs (2) through (4).

**“(7) ESTIMATES.—**

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“(A) CBO ESTIMATES.—As soon as practicable after Congress completes action on any discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation.

“(B) OMB ESTIMATES AND EXPLANATION OF DIFFERENCES.—Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation, and an explanation of any difference between the 2 estimates. If during the preparation of the report OMB determines that there is a significant difference between OMB and CBO, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation shall include, to the extent practicable, written communication to those committees that affords such committees the opportunity to comment before the issuance of the report.

“(C) ASSUMPTIONS AND GUIDELINES.—OMB estimates under this paragraph shall be made using current economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the Committees on the Budget of the House of Representatives and the Senate, CBO, and OMB.

“(D) ANNUAL APPROPRIATIONS.—For purposes of this paragraph, amounts provided by annual appropriations shall include any discretionary appropriations for the current year, if any, and the budget year in accounts for which funding is provided in that legislation that result from previously enacted legislation.

“(b) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—

“(1) CONCEPTS AND DEFINITIONS.—When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions, minus those levels using the concepts and definitions in effect before such changes. Such changes may only be made after consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate, and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to such changes.

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“(2) SEQUESTRATION REPORTS.—When OMB submits a sequestration report under section 254(e), (f), or (g) for a fiscal year, OMB shall calculate, and the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31, United States Code, shall include adjustments to discretionary spending limits (and those limits as adjusted) for the fiscal year and each succeeding year, as follows:

“(A) EMERGENCY APPROPRIATIONS; OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM.—If, for any fiscal year, appropriations for discretionary accounts are enacted that—

“(i) the Congress designates as emergency requirements in statute on an account by account basis and the President subsequently so designates, or

“(ii) the Congress designates for Overseas Contingency Operations/Global War on Terrorism in statute on an account by account basis and the President subsequently so designates,

the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements or for Overseas Contingency Operations/Global War on Terrorism, as applicable.

“(B) CONTINUING DISABILITY REVIEWS AND REDETERMINATIONS.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, then the adjustments for that fiscal year shall be the additional new budget authority provided in that Act for such expenses for that fiscal year, but shall not exceed—

“(I) for fiscal year 2012, \$623,000,000 in additional new budget authority;

“(II) for fiscal year 2013, \$751,000,000 in additional new budget authority;

“(III) for fiscal year 2014, \$924,000,000 in additional new budget authority;

“(IV) for fiscal year 2015, \$1,123,000,000 in additional new budget authority;

“(V) for fiscal year 2016, \$1,166,000,000 in additional new budget authority;

“(VI) for fiscal year 2017, \$1,309,000,000 in additional new budget authority;

“(VII) for fiscal year 2018, \$1,309,000,000 in additional new budget authority;

“(VIII) for fiscal year 2019, \$1,309,000,000 in additional new budget authority;

“(IX) for fiscal year 2020, \$1,309,000,000 in additional new budget authority; and

“(X) for fiscal year 2021, \$1,309,000,000 in additional new budget authority.

“(ii) As used in this subparagraph—

“(I) the term ‘continuing disability reviews’ means continuing disability reviews under sections 221(i) and 1614(a)(4) of the Social Security Act;

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“(II) the term ‘redetermination’ means redetermination of eligibility under sections 1611(c)(1) and 1614(a)(3)(H) of the Social Security Act; and

“(III) the term ‘additional new budget authority’ means the amount provided for a fiscal year, in excess of \$273,000,000, in an appropriation Act and specified to pay for the costs of continuing disability reviews and redeterminations under the heading ‘Limitation on Administrative Expenses’ for the Social Security Administration.

“(C) HEALTH CARE FRAUD AND ABUSE CONTROL.—(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for the health care fraud abuse control program at the Department of Health and Human Services (75–8393–0–7–571), then the adjustments for that fiscal year shall be the amount of additional new budget authority provided in that Act for such program for that fiscal year, but shall not exceed—

“(I) for fiscal year 2012, \$270,000,000 in additional new budget authority;

“(II) for fiscal year 2013, \$299,000,000 in additional new budget authority;

“(III) for fiscal year 2014, \$329,000,000 in additional new budget authority;

“(IV) for fiscal year 2015, \$361,000,000 in additional new budget authority;

“(V) for fiscal year 2016, \$395,000,000 in additional new budget authority;

“(VI) for fiscal year 2017, \$414,000,000 in additional new budget authority;

“(VII) for fiscal year 2018, \$434,000,000 in additional new budget authority;

“(VIII) for fiscal year 2019, \$454,000,000 in additional new budget authority;

“(IX) for fiscal year 2020, \$475,000,000 in additional new budget authority; and

“(X) for fiscal year 2021, \$496,000,000 in additional new budget authority.

“(ii) As used in this subparagraph, the term ‘additional new budget authority’ means the amount provided for a fiscal year, in excess of \$311,000,000, in an appropriation Act and specified to pay for the costs of the health care fraud and abuse control program.

“(D) DISASTER FUNDING.—

“(i) If, for fiscal years 2012 through 2021, appropriations for discretionary accounts are enacted that Congress designates as being for disaster relief in statute, the adjustment for a fiscal year shall be the total of such appropriations for the fiscal year in discretionary accounts designated as being for disaster relief, but not to exceed the total of—

“(I) the average funding provided for disaster relief over the previous 10 years, excluding the highest and lowest years; and

“(II) the amount, for years when the enacted new discretionary budget authority designated as being for disaster relief for the preceding fiscal

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year was less than the average as calculated in subclause (I) for that fiscal year, that is the difference between the enacted amount and the allowable adjustment as calculated in such subclause for that fiscal year.

“(ii) OMB shall report to the Committees on Appropriations and Budget in each House the average calculated pursuant to clause (i)(II), not later than 30 days after the date of the enactment of the Budget Control Act of 2011.

“(iii) For the purposes of this subparagraph, the term ‘disaster relief’ means activities carried out pursuant to a determination under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)).

“(iv) Appropriations considered disaster relief under this subparagraph in a fiscal year shall not be eligible for adjustments under subparagraph (A) for the fiscal year.

“(c) DISCRETIONARY SPENDING LIMIT.—As used in this part, the term ‘discretionary spending limit’ means—

“(1) with respect to fiscal year 2012—

“(A) for the security category, \$684,000,000,000 in new budget authority; and

“(B) for the nonsecurity category, \$359,000,000,000 in new budget authority;

“(2) with respect to fiscal year 2013—

“(A) for the security category, \$686,000,000,000 in new budget authority; and

“(B) for the nonsecurity category, \$361,000,000,000 in new budget authority;

“(3) with respect to fiscal year 2014, for the discretionary category, \$1,066,000,000,000 in new budget authority;

“(4) with respect to fiscal year 2015, for the discretionary category, \$1,086,000,000,000 in new budget authority;

“(5) with respect to fiscal year 2016, for the discretionary category, \$1,107,000,000,000 in new budget authority;

“(6) with respect to fiscal year 2017, for the discretionary category, \$1,131,000,000,000 in new budget authority;

“(7) with respect to fiscal year 2018, for the discretionary category, \$1,156,000,000,000 in new budget authority;

“(8) with respect to fiscal year 2019, for the discretionary category, \$1,182,000,000,000 in new budget authority;

“(9) with respect to fiscal year 2020, for the discretionary category, \$1,208,000,000,000 in new budget authority; and

“(10) with respect to fiscal year 2021, for the discretionary category, \$1,234,000,000,000 in new budget authority;

as adjusted in strict conformance with subsection (b).”.

**SEC. 102. DEFINITIONS.**

Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Strike paragraph (4) and insert the following new paragraph:

“(4)(A) The term ‘nonsecurity category’ means all discretionary appropriations not included in the security category defined in subparagraph (B).

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“(B) The term ‘security category’ includes discretionary appropriations associated with agency budgets for the Department of Defense, the Department of Homeland Security, the Department of Veterans Affairs, the National Nuclear Security Administration, the intelligence community management account (95–0401–0–1–054), and all budget accounts in budget function 150 (international affairs).

“(C) The term ‘discretionary category’ includes all discretionary appropriations.”

(2) In paragraph (8)(C), strike “the food stamp program” and insert “the Supplemental Nutrition Assistance Program”.

(3) Strike paragraph (14) and insert the following new paragraph:

“(14) The term ‘outyear’ means a fiscal year one or more years after the budget year.”

(4) At the end, add the following new paragraphs:

“(20) The term ‘emergency’ means a situation that—

“(A) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

“(B) is unanticipated.

“(21) The term ‘unanticipated’ means that the underlying situation is—

“(A) sudden, which means quickly coming into being or not building up over time;

“(B) urgent, which means a pressing and compelling need requiring immediate action;

“(C) unforeseen, which means not predicted or anticipated as an emerging need; and

“(D) temporary, which means not of a permanent duration.”

#### **SEC. 103. REPORTS AND ORDERS.**

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) In subsection (c)(2), strike “2002” and insert “2021”.

(2) At the end of subsection (e), insert “This report shall also contain a preview estimate of the adjustment for disaster funding for the upcoming fiscal year.”

(3) In subsection (f)(2)(A), strike “2002” and insert “2021”; before the concluding period insert “, including a final estimate of the adjustment for disaster funding”.

#### **SEC. 104. EXPIRATION.**

(a) **REPEALER.**—Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 is repealed.

(b) **CONFORMING CHANGE.**—Sections 252(d)(1), 254(c), 254(f)(3), and 254(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall not apply to the Congressional Budget Office.

#### **SEC. 105. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.**

(a) **ADJUSTMENTS.**—Section 314 of the Congressional Budget Act of 1974 is amended as follows:

(1) Strike subsection (a) and insert the following:

“(a) **ADJUSTMENTS.**—After the reporting of a bill or joint resolution or the offering of an amendment thereto or the submission



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of a conference report thereon, the chairman of the Committee on the Budget of the House of Representatives or the Senate may make appropriate budgetary adjustments of new budget authority and the outlays flowing therefrom in the same amount as required by section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(2) Strike subsections (b) and (e) and redesignate subsections (c) and (d) as subsections (b) and (c), respectively.

(3) At the end, add the following new subsections:

“(d) EMERGENCIES IN THE HOUSE OF REPRESENTATIVES.— (1) In the House of Representatives, if a reported bill or joint resolution, or amendment thereto or conference report thereon, contains a provision providing new budget authority and outlays or reducing revenue, and a designation of such provision as an emergency requirement pursuant to 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, the chair of the Committee on the Budget of the House of Representatives shall not count the budgetary effects of such provision for purposes of title III and title IV of the Congressional Budget Act of 1974 and the Rules of the House of Representatives.

“(2)(A) In the House of Representatives, if a reported bill or joint resolution, or amendment thereto or conference report thereon, contains a provision providing new budget authority and outlays or reducing revenue, and a designation of such provision as an emergency pursuant to paragraph (1), the chair of the Committee on the Budget shall not count the budgetary effects of such provision for purposes of this title and title IV and the Rules of the House of Representatives.

“(B) In the House of Representatives, a proposal to strike a designation under subparagraph (A) shall be excluded from an evaluation of budgetary effects for purposes of this title and title IV and the Rules of the House of Representatives.

“(C) An amendment offered under subparagraph (B) that also proposes to reduce each amount appropriated or otherwise made available by the pending measure that is not required to be appropriated or otherwise made available shall be in order at any point in the reading of the pending measure.

“(e) ENFORCEMENT OF DISCRETIONARY SPENDING CAPS.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause the discretionary spending limits as set forth in section 251 of the Balanced Budget and Emergency Deficit Control Act to be exceeded.”

(b) DEFINITIONS.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

“(11) The terms ‘emergency’ and ‘unanticipated’ have the meanings given to such terms in section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(c) APPEALS FOR DISCRETIONARY CAPS.—Section 904(c)(2) of the Congressional Budget Act of 1974 is amended by striking “and 312(c)” and inserting “312(c), and 314(e)”.

**SEC. 106. SENATE BUDGET ENFORCEMENT.**

(a) IN GENERAL.—

(1) For the purpose of enforcing the Congressional Budget Act of 1974 through April 15, 2012, including section 300 of

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that Act, and enforcing budgetary points of order in prior concurrent resolutions on the budget, the allocations, aggregates, and levels set in subsection (b)(1) shall apply in the Senate in the same manner as for a concurrent resolution on the budget for fiscal year 2012 with appropriate budgetary levels for fiscal years 2011 and 2013 through 2021.

(2) For the purpose of enforcing the Congressional Budget Act of 1974 after April 15, 2012, including section 300 of that Act, and enforcing budgetary points of order in prior concurrent resolutions on the budget, the allocations, aggregates, and levels set in subsection (b)(2) shall apply in the Senate in the same manner as for a concurrent resolution on the budget for fiscal year 2013 with appropriate budgetary levels for fiscal years 2012 and 2014 through 2022.

(b) COMMITTEE ALLOCATIONS, AGGREGATES, AND LEVELS.—

(1) As soon as practicable after the date of enactment of this section, the Chairman of the Committee on the Budget shall file—

(A) for the Committee on Appropriations, committee allocations for fiscal years 2011 and 2012 consistent with the discretionary spending limits set forth in this Act for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(B) for all committees other than the Committee on Appropriations, committee allocations for fiscal years 2011, 2012, 2012 through 2016, and 2012 through 2021 consistent with the Congressional Budget Office's March 2011 baseline adjusted to account for the budgetary effects of this Act and legislation enacted prior to this Act but not included in the Congressional Budget Office's March 2011 baseline, for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(C) aggregate spending levels for fiscal years 2011 and 2012 and aggregate revenue levels for fiscal years 2011, 2012, 2012 through 2016, 2012 through 2021 consistent with the Congressional Budget Office's March 2011 baseline adjusted to account for the budgetary effects of this Act and legislation enacted prior to this Act but not included in the Congressional Budget Office's March 2011 baseline, and the discretionary spending limits set forth in this Act for the purpose of enforcing section 311 of the Congressional Budget Act of 1974; and

(D) levels of Social Security revenues and outlays for fiscal years 2011, 2012, 2012 through 2016, and 2012 through 2021 consistent with the Congressional Budget Office's March 2011 baseline adjusted to account for the budgetary effects of this Act and legislation enacted prior to this Act but not included in the Congressional Budget Office's March 2011 baseline, for the purpose of enforcing sections 302 and 311 of the Congressional Budget Act of 1974.

(2) Not later than April 15, 2012, the Chairman of the Committee on the Budget shall file—

(A) for the Committee on Appropriations, committee allocations for fiscal years 2012 and 2013 consistent with the discretionary spending limits set forth in this Act for

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the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(B) for all committees other than the Committee on Appropriations, committee allocations for fiscal years 2012, 2013, 2013 through 2017, and 2013 through 2022 consistent with the Congressional Budget Office's March 2012 baseline for the purpose of enforcing section 302 of the Congressional Budget Act of 1974;

(C) aggregate spending levels for fiscal years 2012 and 2013 and aggregate revenue levels for fiscal years 2012, 2013, 2013–2017, and 2013–2022 consistent with the Congressional Budget Office's March 2012 baseline and the discretionary spending limits set forth in this Act for the purpose of enforcing section 311 of the Congressional Budget Act of 1974; and

(D) levels of Social Security revenues and outlays for fiscal years 2012 and 2013, 2013–2017, and 2013–2022 consistent with the Congressional Budget Office's March 2012 baseline budget for the purpose of enforcing sections 302 and 311 of the Congressional Budget Act of 1974.

(c) SENATE PAY-AS-YOU-GO SCORECARD.—

(1) Effective on the date of enactment of this section, for the purpose of enforcing section 201 of S. Con. Res. 21 (110th Congress), the Chairman of the Senate Committee on the Budget shall reduce any balances of direct spending and revenues for any fiscal year to 0 (zero).

(2) Not later than April 15, 2012, for the purpose of enforcing section 201 of S. Con. Res. 21 (110th Congress), the Chairman of the Senate Committee on the Budget shall reduce any balances of direct spending and revenues for any fiscal year to 0 (zero).

(3) Upon resetting the Senate paygo scorecard pursuant to paragraph (2), the Chairman shall publish a notification of such action in the Congressional Record.

(d) FURTHER ADJUSTMENTS.—

(1) The Chairman of the Committee on the Budget of the Senate may revise any allocations, aggregates, or levels set pursuant to this section to account for any subsequent adjustments to discretionary spending limits made pursuant to this Act.

(2) With respect to any allocations, aggregates, or levels set or adjustments made pursuant to this section, sections 412 through 414 of S. Con. Res. 13 (111th Congress) shall remain in effect.

(e) EXPIRATION.—

(1) Subsections (a)(1), (b)(1), and (c)(1) shall expire if a concurrent resolution on the budget for fiscal year 2012 is agreed to by the Senate and House of Representatives pursuant to section 301 of the Congressional Budget Act of 1974.

(2) Subsections (a)(2), (b)(2), and (c)(2) shall expire if a concurrent resolution on the budget for fiscal year 2013 is agreed to by the Senate and House of Representatives pursuant to section 301 of the Congressional Budget Act of 1974.

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## **TITLE II—VOTE ON THE BALANCED BUDGET AMENDMENT**

### **SEC. 201. VOTE ON THE BALANCED BUDGET AMENDMENT.**

After September 30, 2011, and not later than December 31, 2011, the House of Representatives and Senate, respectively, shall vote on passage of a joint resolution, the title of which is as follows: “Joint resolution proposing a balanced budget amendment to the Constitution of the United States.”

### **SEC. 202. CONSIDERATION BY THE OTHER HOUSE.**

#### **(a) HOUSE CONSIDERATION.—**

(1) REFERRAL.—If the House receives a joint resolution described in section 201 from the Senate, such joint resolution shall be referred to the Committee on the Judiciary. If the committee fails to report the joint resolution within five legislative days, it shall be in order to move that the House discharge the committee from further consideration of the joint resolution. Such a motion shall not be in order after the House has disposed of a motion to discharge the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion except twenty minutes of debate equally divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the joint resolution in accordance with paragraph (3). A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(2) PROCEEDING TO CONSIDERATION.—After the joint resolution has been referred to the appropriate calendar or the committee has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the joint resolution in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed with respect to the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(3) CONSIDERATION.—The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the joint resolution. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

(b) SENATE CONSIDERATION.—(1) If the Senate receives a joint resolution described in section 201 from the House of Representatives, such joint resolution shall be referred to the appropriate committee of the Senate. If such committee has not reported the joint resolution at the close of the fifth session day after its receipt by the Senate, such committee shall be automatically discharged from further consideration of the joint resolution and it shall be placed on the appropriate calendar.

(2) Consideration of the joint resolution and on all debatable motions and appeals in connection therewith, shall be limited to

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not more than 20 hours, which shall be divided equally between the majority and minority leaders or their designees. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the joint resolution, including time used for quorum calls and voting, shall be counted against the total 20 hours of consideration.

(3) If the Senate has voted to proceed to a joint resolution, the vote on passage of the joint resolution shall be taken on or before the close of the seventh session day after such joint resolution has been reported or discharged or immediately following the conclusion of consideration of the joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate.

### **TITLE III—DEBT CEILING DISAPPROVAL PROCESS**

#### **SEC. 301. DEBT CEILING DISAPPROVAL PROCESS.**

(a) IN GENERAL.—Subchapter I of chapter 31 of subtitle III of title 31, United States Code, is amended—

- (1) in section 3101(b), by striking “or otherwise” and inserting “or as provided by section 3101A or otherwise”; and
- (2) by inserting after section 3101 the following:

#### **“§ 3101A. Presidential modification of the debt ceiling**

“(a) IN GENERAL.—

“(1) \$900 BILLION.—

“(A) CERTIFICATION.—If, not later than December 31, 2011, the President submits a written certification to Congress that the President has determined that the debt subject to limit is within \$100,000,000,000 of the limit in section 3101(b) and that further borrowing is required to meet existing commitments, the Secretary of the Treasury may exercise authority to borrow an additional \$900,000,000,000, subject to the enactment of a joint resolution of disapproval enacted pursuant to this section. Upon submission of such certification, the limit on debt provided in section 3101(b) (referred to in this section as the ‘debt limit’) is increased by \$400,000,000,000.

“(B) RESOLUTION OF DISAPPROVAL.—Congress may consider a joint resolution of disapproval of the authority under subparagraph (A) as provided in subsections (b) through (f). The joint resolution of disapproval considered under this section shall contain only the language provided in subsection (b)(2). If the time for disapproval has lapsed without enactment of a joint resolution of disapproval under this section, the debt limit is increased by an additional \$500,000,000,000.

“(2) ADDITIONAL AMOUNT.—

“(A) CERTIFICATION.—If, after the debt limit is increased by \$900,000,000,000 under paragraph (1), the

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President submits a written certification to Congress that the President has determined that the debt subject to limit is within \$100,000,000,000 of the limit in section 3101(b) and that further borrowing is required to meet existing commitments, the Secretary of the Treasury may, subject to the enactment of a joint resolution of disapproval enacted pursuant to this section, exercise authority to borrow an additional amount equal to—

“(i) \$1,200,000,000,000, unless clause (ii) or (iii) applies;

“(ii) \$1,500,000,000,000 if the Archivist of the United States has submitted to the States for their ratification a proposed amendment to the Constitution of the United States pursuant to a joint resolution entitled ‘Joint resolution proposing a balanced budget amendment to the Constitution of the United States’; or

“(iii) if a joint committee bill to achieve an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted, an amount equal to the amount of that deficit reduction, but not greater than \$1,500,000,000,000, unless clause (ii) applies.

“(B) RESOLUTION OF DISAPPROVAL.—Congress may consider a joint resolution of disapproval of the authority under subparagraph (A) as provided in subsections (b) through (f). The joint resolution of disapproval considered under this section shall contain only the language provided in subsection (b)(2). If the time for disapproval has lapsed without enactment of a joint resolution of disapproval under this section, the debt limit is increased by the amount authorized under subparagraph (A).

“(b) JOINT RESOLUTION OF DISAPPROVAL.—

“(1) IN GENERAL.—Except for the \$400,000,000,000 increase in the debt limit provided by subsection (a)(1)(A), the debt limit may not be raised under this section if, within 50 calendar days after the date on which Congress receives a certification described in subsection (a)(1) or within 15 calendar days after Congress receives the certification described in subsection (a)(2) (regardless of whether Congress is in session), there is enacted into law a joint resolution disapproving the President’s exercise of authority with respect to such additional amount.

“(2) CONTENTS OF JOINT RESOLUTION.—For the purpose of this section, the term ‘joint resolution’ means only a joint resolution—

“(A)(i) for the certification described in subsection (a)(1), that is introduced on September 6, 7, 8, or 9, 2011 (or, if the Senate was not in session, the next calendar day on which the Senate is in session); and

“(ii) for the certification described in subsection (a)(2), that is introduced between the date the certification is received and 3 calendar days after that date;

“(B) which does not have a preamble;

“(C) the title of which is only as follows: ‘Joint resolution relating to the disapproval of the President’s exercise of authority to increase the debt limit, as submitted under section 3101A of title 31, United States Code, on

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\_\_\_\_\_’ (with the blank containing the date of such submission); and

“(D) the matter after the resolving clause of which is only as follows: ‘That Congress disapproves of the President’s exercise of authority to increase the debt limit, as exercised pursuant to the certification under section 3101A(a) of title 31, United States Code.’.

“(c) EXPEDITED CONSIDERATION IN HOUSE OF REPRESENTATIVES.—

“(1) RECONVENING.—Upon receipt of a certification described in subsection (a)(2), the Speaker, if the House would otherwise be adjourned, shall notify the Members of the House that, pursuant to this section, the House shall convene not later than the second calendar day after receipt of such certification.

“(2) REPORTING AND DISCHARGE.—Any committee of the House of Representatives to which a joint resolution is referred shall report it to the House without amendment not later than 5 calendar days after the date of introduction of a joint resolution described in subsection (a). If a committee fails to report the joint resolution within that period, the committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be referred to the appropriate calendar.

“(3) PROCEEDING TO CONSIDERATION.—After each committee authorized to consider a joint resolution reports it to the House or has been discharged from its consideration, it shall be in order, not later than the sixth day after introduction of a joint resolution under subsection (a), to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on a joint resolution addressing a particular submission. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(4) CONSIDERATION.—The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

“(d) EXPEDITED PROCEDURE IN SENATE.—

“(1) RECONVENING.—Upon receipt of a certification under subsection (a)(2), if the Senate has adjourned or recessed for more than 2 days, the majority leader of the Senate, after consultation with the minority leader of the Senate, shall notify the Members of the Senate that, pursuant to this section, the Senate shall convene not later than the second calendar day after receipt of such message.

“(2) PLACEMENT ON CALENDAR.—Upon introduction in the Senate, the joint resolution shall be immediately placed on the calendar.

“(3) FLOOR CONSIDERATION.—

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“(A) IN GENERAL.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the day after the date on which Congress receives a certification under subsection (a) and, for the certification described in subsection (a)(1), ending on September 14, 2011, and for the certification described in subsection (a)(2), on the 6th day after the date on which Congress receives a certification under subsection (a) (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the joint resolution shall remain the unfinished business until disposed of.

“(B) CONSIDERATION.—Consideration of the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority leaders or their designees. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

“(C) VOTE ON PASSAGE.—If the Senate has voted to proceed to a joint resolution, the vote on passage of the joint resolution shall occur immediately following the conclusion of consideration of the joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate.

“(D) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

“(e) AMENDMENT NOT IN ORDER.—A joint resolution of disapproval considered pursuant to this section shall not be subject to amendment in either the House of Representatives or the Senate.

“(f) COORDINATION WITH ACTION BY OTHER HOUSE.—

“(1) IN GENERAL.—If, before passing the joint resolution, one House receives from the other a joint resolution—

“(A) the joint resolution of the other House shall not be referred to a committee; and

“(B) the procedure in the receiving House shall be the same as if no joint resolution had been received from the other House until the vote on passage, when the joint resolution received from the other House shall supplant the joint resolution of the receiving House.

“(2) TREATMENT OF JOINT RESOLUTION OF OTHER HOUSE.—If the Senate fails to introduce or consider a joint resolution under this section, the joint resolution of the House shall be entitled to expedited floor procedures under this section.



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“(3) TREATMENT OF COMPANION MEASURES.—If, following passage of the joint resolution in the Senate, the Senate then receives the companion measure from the House of Representatives, the companion measure shall not be debatable.

“(4) CONSIDERATION AFTER PASSAGE.—(A) If Congress passes a joint resolution, the period beginning on the date the President is presented with the joint resolution and ending on the date the President signs, allows to become law without his signature, or vetoes and returns the joint resolution (but excluding days when either House is not in session) shall be disregarded in computing the appropriate calendar day period described in subsection (b)(1).

“(B) Debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

“(5) VETO OVERRIDE.—If within the appropriate calendar day period described in subsection (b)(1), Congress overrides a veto of the joint resolution with respect to authority exercised pursuant to paragraph (1) or (2) of subsection (a), the limit on debt provided in section 3101(b) shall not be raised, except for the \$400,000,000,000 increase in the limit provided by subsection (a)(1)(A).

“(6) SEQUESTRATION.—(A) If within the 50-calendar day period described in subsection (b)(1), the President signs the joint resolution, the President allows the joint resolution to become law without his signature, or Congress overrides a veto of the joint resolution with respect to authority exercised pursuant to paragraph (1) of subsection (a), there shall be a sequestration to reduce spending by \$400,000,000,000. OMB shall implement the sequestration forthwith.

“(B) OMB shall implement each half of such sequestration in accordance with section 255, section 256, and subsections (c), (d), (e), and (f) of section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985, and for the purpose of such implementation the term ‘excess deficit’ means the amount specified in subparagraph (A).

“(g) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subsection and subsections (b), (c), (d), (e), and (f) (other than paragraph (6)) are enacted by Congress—

“(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

“(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.”.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 31 of title 31, United States Code, is amended by inserting after the item relating to section 3101 the following new item:

“3101A. Presidential modification of the debt ceiling.”.

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**SEC. 302. ENFORCEMENT OF BUDGET GOAL.**

(a) IN GENERAL.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after section 251 the following new section:

**“SEC. 251A. ENFORCEMENT OF BUDGET GOAL.**

“Unless a joint committee bill achieving an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted by January 15, 2012, the discretionary spending limits listed in section 251(c) shall be revised, and discretionary appropriations and direct spending shall be reduced, as follows:

“(1) REVISED SECURITY CATEGORY; REVISED NONSECURITY CATEGORY.—(A) The term ‘revised security category’ means discretionary appropriations in budget function 050.

“(B) The term ‘revised nonsecurity category’ means discretionary appropriations other than in budget function 050.

“(2) REVISED DISCRETIONARY SPENDING LIMITS.—The discretionary spending limits for fiscal years 2013 through 2021 under section 251(c) shall be replaced with the following:

“(A) For fiscal year 2013—

“(i) for the security category, \$546,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$501,000,000,000 in budget authority.

“(B) For fiscal year 2014—

“(i) for the security category, \$556,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$510,000,000,000 in budget authority.

“(C) For fiscal year 2015—

“(i) for the security category, \$566,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$520,000,000,000 in budget authority.

“(D) For fiscal year 2016—

“(i) for the security category, \$577,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$530,000,000,000 in budget authority.

“(E) For fiscal year 2017—

“(i) for the security category, \$590,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$541,000,000,000 in budget authority.

“(F) For fiscal year 2018—

“(i) for the security category, \$603,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$553,000,000,000 in budget authority.

“(G) For fiscal year 2019—

“(i) for the security category, \$616,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$566,000,000,000 in budget authority.

“(H) For fiscal year 2020—

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“(i) for the security category, \$630,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$578,000,000,000 in budget authority.

“(I) For fiscal year 2021—

“(i) for the security category, \$644,000,000,000 in budget authority; and

“(ii) for the nonsecurity category, \$590,000,000,000 in budget authority.

“(3) CALCULATION OF TOTAL DEFICIT REDUCTION.—OMB shall calculate the amount of the deficit reduction required by this section for each of fiscal years 2013 through 2021 by—

“(A) starting with \$1,200,000,000,000;

“(B) subtracting the amount of deficit reduction achieved by the enactment of a joint committee bill, as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011;

“(C) reducing the difference by 18 percent to account for debt service; and

“(D) dividing the result by 9.

“(4) ALLOCATION TO FUNCTIONS.—On January 2, 2013, for fiscal year 2013, and in its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 254(c), OMB shall allocate half of the total reduction calculated pursuant to paragraph (3) for that year to discretionary appropriations and direct spending accounts within function 050 (defense function) and half to accounts in all other functions (nondefense functions).

“(5) DEFENSE FUNCTION REDUCTION.—OMB shall calculate the reductions to discretionary appropriations and direct spending for each of fiscal years 2013 through 2021 for defense function spending as follows:

“(A) DISCRETIONARY.—OMB shall calculate the reduction to discretionary appropriations by—

“(i) taking the total reduction for the defense function allocated for that year under paragraph (4);

“(ii) multiplying by the discretionary spending limit for the revised security category for that year; and

“(iii) dividing by the sum of the discretionary spending limit for the security category and OMB’s baseline estimate of nonexempt outlays for direct spending programs within the defense function for that year.

“(B) DIRECT SPENDING.—OMB shall calculate the reduction to direct spending by taking the total reduction for the defense function required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

“(6) NONDEFENSE FUNCTION REDUCTION.—OMB shall calculate the reduction to discretionary appropriations and to direct spending for each of fiscal years 2013 through 2021 for programs in nondefense functions as follows:

“(A) DISCRETIONARY.—OMB shall calculate the reduction to discretionary appropriations by—

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“(i) taking the total reduction for nondefense functions allocated for that year under paragraph (4);

“(ii) multiplying by the discretionary spending limit for the revised nonsecurity category for that year; and

“(iii) dividing by the sum of the discretionary spending limit for the revised nonsecurity category and OMB’s baseline estimate of nonexempt outlays for direct spending programs in nondefense functions for that year.

“(B) DIRECT SPENDING.—OMB shall calculate the reduction to direct spending programs by taking the total reduction for nondefense functions required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

“(7) IMPLEMENTING DISCRETIONARY REDUCTIONS.—

“(A) FISCAL YEAR 2013.—On January 2, 2013, for fiscal year 2013, OMB shall calculate and the President shall order a sequestration, effective upon issuance and under the procedures set forth in section 253(f), to reduce each account within the security category or nonsecurity category by a dollar amount calculated by multiplying the baseline level of budgetary resources in that account at that time by a uniform percentage necessary to achieve—

“(i) for the revised security category, an amount equal to the defense function discretionary reduction calculated pursuant to paragraph (5); and

“(ii) for the revised nonsecurity category, an amount equal to the nondefense function discretionary reduction calculated pursuant to paragraph (6).

“(B) FISCAL YEARS 2014–2021.—On the date of the submission of its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 254(c) for each of fiscal years 2014 through 2021, OMB shall reduce the discretionary spending limit—

“(i) for the revised security category by the amount of the defense function discretionary reduction calculated pursuant to paragraph (5); and

“(ii) for the revised nonsecurity category by the amount of the nondefense function discretionary reduction calculated pursuant to paragraph (6).

“(8) IMPLEMENTING DIRECT SPENDING REDUCTIONS.—On the date specified in paragraph (4) during each applicable year, OMB shall prepare and the President shall order a sequestration, effective upon issuance, of nonexempt direct spending to achieve the direct spending reduction calculated pursuant to paragraphs (5) and (6). When implementing the sequestration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in section 6 of the Statutory Pay-As-You-Go Act of 2010, the exemptions specified in section 255, and the special rules specified in section 256, except that the percentage reduction for the Medicare programs specified in section 256(d) shall not be more than 2 percent for a fiscal year.

“(9) ADJUSTMENT FOR MEDICARE.—If the percentage reduction for the Medicare programs would exceed 2 percent for a fiscal year in the absence of paragraph (8), OMB shall

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increase the reduction for all other discretionary appropriations and direct spending under paragraph (6) by a uniform percentage to a level sufficient to achieve the reduction required by paragraph (6) in the non-defense function.

“(10) IMPLEMENTATION OF REDUCTIONS.—Any reductions imposed under this section shall be implemented in accordance with section 256(k).

“(11) REPORT.—On the dates specified in paragraph (4), OMB shall submit a report to Congress containing information about the calculations required under this section, the adjusted discretionary spending limits, a listing of the reductions required for each nonexempt direct spending account, and any other data and explanations that enhance public understanding of this title and actions taken under it.”.

(b) CONFORMING AMENDMENT.—The table of contents set forth in section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after the item relating to section 251 the following:

“Sec. 251A. Enforcement of budget goal.”.

## **TITLE IV—JOINT SELECT COMMITTEE ON DEFICIT REDUCTION**

### **SEC. 401. ESTABLISHMENT OF JOINT SELECT COMMITTEE.**

(a) DEFINITIONS.—In this title:

(1) JOINT COMMITTEE.—The term “joint committee” means the Joint Select Committee on Deficit Reduction established under subsection (b)(1).

(2) JOINT COMMITTEE BILL.—The term “joint committee bill” means a bill consisting of the proposed legislative language of the joint committee recommended under subsection (b)(3)(B) and introduced under section 402(a).

(b) ESTABLISHMENT OF JOINT SELECT COMMITTEE.—

(1) ESTABLISHMENT.—There is established a joint select committee of Congress to be known as the “Joint Select Committee on Deficit Reduction”.

(2) GOAL.—The goal of the joint committee shall be to reduce the deficit by at least \$1,500,000,000,000 over the period of fiscal years 2012 to 2021.

(3) DUTIES.—

(A) IN GENERAL.—

(i) IMPROVING THE SHORT-TERM AND LONG-TERM FISCAL IMBALANCE.—The joint committee shall provide recommendations and legislative language that will significantly improve the short-term and long-term fiscal imbalance of the Federal Government.

(ii) RECOMMENDATIONS OF COMMITTEES.—Not later than October 14, 2011, each committee of the House of Representatives and the Senate may transmit to the joint committee its recommendations for changes in law to reduce the deficit consistent with the goal described in paragraph (2) for the joint committee's consideration.

(B) REPORT, RECOMMENDATIONS, AND LEGISLATIVE LANGUAGE.—

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(i) IN GENERAL.—Not later than November 23, 2011, the joint committee shall vote on—

(I) a report that contains a detailed statement of the findings, conclusions, and recommendations of the joint committee and the estimate of the Congressional Budget Office required by paragraph (5)(D)(ii); and

(II) proposed legislative language to carry out such recommendations as described in subclause (I), which shall include a statement of the deficit reduction achieved by the legislation over the period of fiscal years 2012 to 2021.

Any change to the Rules of the House of Representatives or the Standing Rules of the Senate included in the report or legislative language shall be considered to be merely advisory.

(ii) APPROVAL OF REPORT AND LEGISLATIVE LANGUAGE.—The report of the joint committee and the proposed legislative language described in clause (i) shall require the approval of a majority of the members of the joint committee.

(iii) ADDITIONAL VIEWS.—A member of the joint committee who gives notice of an intention to file supplemental, minority, or additional views at the time of final joint committee vote on the approval of the report and legislative language under clause (ii) shall be entitled to 3 calendar days in which to file such views in writing with the staff director of the joint committee. Such views shall then be included in the joint committee report and printed in the same volume, or part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the joint committee report may be printed and transmitted immediately without such views.

(iv) TRANSMISSION OF REPORT AND LEGISLATIVE LANGUAGE.—If the report and legislative language are approved by the joint committee pursuant to clause (ii), then not later than December 2, 2011, the joint committee shall submit the joint committee report and legislative language described in clause (i) to the President, the Vice President, the Speaker of the House of Representatives, and the majority and minority Leaders of each House of Congress.

(v) REPORT AND LEGISLATIVE LANGUAGE TO BE MADE PUBLIC.—Upon the approval or disapproval of the joint committee report and legislative language pursuant to clause (ii), the joint committee shall promptly make the full report and legislative language, and a record of the vote, available to the public.

(4) MEMBERSHIP.—

(A) IN GENERAL.—The joint committee shall be composed of 12 members appointed pursuant to subparagraph (B).

(B) APPOINTMENT.—Members of the joint committee shall be appointed as follows:

(i) The majority leader of the Senate shall appoint three members from among Members of the Senate.

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(ii) The minority leader of the Senate shall appoint three members from among Members of the Senate.

(iii) The Speaker of the House of Representatives shall appoint three members from among Members of the House of Representatives.

(iv) The minority leader of the House of Representatives shall appoint three members from among Members of the House of Representatives.

(C) CO-CHAIRS.—

(i) IN GENERAL.—There shall be two Co-Chairs of the joint committee. The majority leader of the Senate shall appoint one Co-Chair from among the members of the joint committee. The Speaker of the House of Representatives shall appoint the second Co-Chair from among the members of the joint committee. The Co-Chairs shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(ii) STAFF DIRECTOR.—The Co-Chairs, acting jointly, shall hire the staff director of the joint committee.

(D) DATE.—Members of the joint committee shall be appointed not later than 14 calendar days after the date of enactment of this Act.

(E) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the joint committee. Any vacancy in the joint committee shall not affect its powers, but shall be filled not later than 14 calendar days after the date on which the vacancy occurs, in the same manner as the original designation was made. If a member of the joint committee ceases to be a Member of the House of Representatives or the Senate, as the case may be, the member is no longer a member of the joint committee and a vacancy shall exist.

(5) ADMINISTRATION.—

(A) IN GENERAL.—To enable the joint committee to exercise its powers, functions, and duties, there are authorized to be disbursed by the Senate the actual and necessary expenses of the joint committee approved by the co-chairs, subject to the rules and regulations of the Senate.

(B) EXPENSES.—In carrying out its functions, the joint committee is authorized to incur expenses in the same manner and under the same conditions as the Joint Economic Committee is authorized by section 11 of Public Law 79–304 (15 U.S.C. 1024 (d)).

(C) QUORUM.—Seven members of the joint committee shall constitute a quorum for purposes of voting, meeting, and holding hearings.

(D) VOTING.—

(i) PROXY VOTING.—No proxy voting shall be allowed on behalf of the members of the joint committee.

(ii) CONGRESSIONAL BUDGET OFFICE ESTIMATES.—The Congressional Budget Office shall provide estimates of the legislation (as described in paragraph (3)(B)) in accordance with sections 308(a) and 201(f) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a) and 601(f)) (including estimates of the effect of

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interest payment on the debt). In addition, the Congressional Budget Office shall provide information on the budgetary effect of the legislation beyond the year 2021. The joint committee may not vote on any version of the report, recommendations, or legislative language unless such estimates are available for consideration by all members of the joint committee at least 48 hours prior to the vote as certified by the Co-Chairs.

(E) MEETINGS.—

(i) INITIAL MEETING.—Not later than 45 calendar days after the date of enactment of this Act, the joint committee shall hold its first meeting.

(ii) AGENDA.—The Co-Chairs of the joint committee shall provide an agenda to the joint committee members not less than 48 hours in advance of any meeting.

(F) HEARINGS.—

(i) IN GENERAL.—The joint committee may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, require attendance of witnesses and production of books, papers, and documents, take such testimony, receive such evidence, and administer such oaths as the joint committee considers advisable.

(ii) HEARING PROCEDURES AND RESPONSIBILITIES OF CO-CHAIRS.—

(I) ANNOUNCEMENT.—The Co-Chairs of the joint committee shall make a public announcement of the date, place, time, and subject matter of any hearing to be conducted, not less than 7 days in advance of such hearing, unless the Co-Chairs determine that there is good cause to begin such hearing at an earlier date.

(II) WRITTEN STATEMENT.—A witness appearing before the joint committee shall file a written statement of proposed testimony at least 2 calendar days before the appearance of the witness, unless the requirement is waived by the Co-Chairs, following their determination that there is good cause for failure to comply with such requirement.

(G) TECHNICAL ASSISTANCE.—Upon written request of the Co-Chairs, a Federal agency shall provide technical assistance to the joint committee in order for the joint committee to carry out its duties.

(c) STAFF OF JOINT COMMITTEE.—

(1) IN GENERAL.—The Co-Chairs of the joint committee may jointly appoint and fix the compensation of staff as they deem necessary, within the guidelines for employees of the Senate and following all applicable rules and employment requirements of the Senate.

(2) ETHICAL STANDARDS.—Members on the joint committee who serve in the House of Representatives shall be governed by the ethics rules and requirements of the House. Members of the Senate who serve on the joint committee and staff of the joint committee shall comply with the ethics rules of the Senate.



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(d) TERMINATION.—The joint committee shall terminate on January 31, 2012.

**SEC. 402. EXPEDITED CONSIDERATION OF JOINT COMMITTEE RECOMMENDATIONS.**

(a) INTRODUCTION.—If approved by the majority required by section 401(b)(3)(B)(ii), the proposed legislative language submitted pursuant to section 401(b)(3)(B)(iv) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the majority leader of the Senate or by a Member of the Senate designated by the majority leader of the Senate and shall be introduced in the House of Representatives (by request) on the next legislative day by the majority leader of the House or by a Member of the House designated by the majority leader of the House.

(b) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(1) REFERRAL AND REPORTING.—Any committee of the House of Representatives to which the joint committee bill is referred shall report it to the House without amendment not later than December 9, 2011. If a committee fails to report the joint committee bill within that period, it shall be in order to move that the House discharge the committee from further consideration of the bill. Such a motion shall not be in order after the last committee authorized to consider the bill reports it to the House or after the House has disposed of a motion to discharge the bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion except 20 minutes of debate equally divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the joint committee bill in accordance with paragraphs (2) and (3). A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(2) PROCEEDING TO CONSIDERATION.—After the last committee authorized to consider a joint committee bill reports it to the House or has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the joint committee bill in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed with respect to the joint committee bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(3) CONSIDERATION.—The joint committee bill shall be considered as read. All points of order against the joint committee bill and against its consideration are waived. The previous question shall be considered as ordered on the joint committee bill to its passage without intervening motion except 2 hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the joint committee bill. A motion to reconsider the vote on passage of the joint committee bill shall not be in order.

(4) VOTE ON PASSAGE.—The vote on passage of the joint committee bill shall occur not later than December 23, 2011.

(c) EXPEDITED PROCEDURE IN THE SENATE.—

(1) COMMITTEE CONSIDERATION.—A joint committee bill introduced in the Senate under subsection (a) shall be jointly

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referred to the committee or committees of jurisdiction, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation, not later than December 9, 2011. If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

(2) MOTION TO PROCEED.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than 2 days of session after the date on which a joint committee bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the joint committee bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the joint committee bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the joint committee bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint committee bill is agreed to, the joint committee bill shall remain the unfinished business until disposed of.

(3) CONSIDERATION.—All points of order against the joint committee bill and against consideration of the joint committee bill are waived. Consideration of the joint committee bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 30 hours which shall be divided equally between the Majority and Minority Leaders or their designees. A motion further to limit debate on the joint committee bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the joint committee bill, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

(4) NO AMENDMENTS.—An amendment to the joint committee bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint committee bill, is not in order.

(5) VOTE ON PASSAGE.—If the Senate has voted to proceed to the joint committee bill, the vote on passage of the joint committee bill shall occur immediately following the conclusion of the debate on a joint committee bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the joint committee bill shall occur not later than December 23, 2011.

(6) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure

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relating to a joint committee bill shall be decided without debate.

(d) AMENDMENT.—The joint committee bill shall not be subject to amendment in either the House of Representatives or the Senate.

(e) CONSIDERATION BY THE OTHER HOUSE.—

(1) IN GENERAL.—If, before passing the joint committee bill, one House receives from the other a joint committee bill—

(A) the joint committee bill of the other House shall not be referred to a committee; and

(B) the procedure in the receiving House shall be the same as if no joint committee bill had been received from the other House until the vote on passage, when the joint committee bill received from the other House shall supplant the joint committee bill of the receiving House.

(2) REVENUE MEASURE.—This subsection shall not apply to the House of Representatives if the joint committee bill received from the Senate is a revenue measure.

(f) RULES TO COORDINATE ACTION WITH OTHER HOUSE.—

(1) TREATMENT OF JOINT COMMITTEE BILL OF OTHER HOUSE.—If the Senate fails to introduce or consider a joint committee bill under this section, the joint committee bill of the House shall be entitled to expedited floor procedures under this section.

(2) TREATMENT OF COMPANION MEASURES IN THE SENATE.—If following passage of the joint committee bill in the Senate, the Senate then receives the joint committee bill from the House of Representatives, the House-passed joint committee bill shall not be debatable. The vote on passage of the joint committee bill in the Senate shall be considered to be the vote on passage of the joint committee bill received from the House of Representatives.

(3) VETOES.—If the President vetoes the joint committee bill, debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

(g) LOSS OF PRIVILEGE.—The provisions of this section shall cease to apply to the joint committee bill if—

(1) the joint committee fails to vote on the report or proposed legislative language required under section 401(b)(3)(B)(i) not later than November 23, 2011; or

(2) the joint committee bill does not pass both Houses not later than December 23, 2011.

**SEC. 403. FUNDING.**

Funding for the joint committee shall be derived in equal portions from—

(1) the applicable accounts of the House of Representatives; and

(2) the contingent fund of the Senate from the appropriations account “Miscellaneous Items”, subject to the rules and regulations of the Senate.

**SEC. 404. RULEMAKING.**

The provisions of this title are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply,

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and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

## **TITLE V—PELL GRANT AND STUDENT LOAN PROGRAM CHANGES**

### **SEC. 501. FEDERAL PELL GRANTS.**

Section 401(b)(7)(A)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)(A)(iv)) is amended—

(1) in subclause (II), by striking “\$3,183,000,000” and inserting “\$13,183,000,000”; and

(2) in subclause (III), by striking “\$0” and inserting “\$7,000,000,000”.

### **SEC. 502. TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.**

Section 455(a) of the Higher Education Act of 1965 (20 U.S.C. 1087e(a)) is amended by adding at the end the following new paragraph:

“(3) TERMINATION OF AUTHORITY TO MAKE INTEREST SUBSIDIZED LOANS TO GRADUATE AND PROFESSIONAL STUDENTS.—

“(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any provision of this part or part B, for any period of instruction beginning on or after July 1, 2012—

“(i) a graduate or professional student shall not be eligible to receive a Federal Direct Stafford loan under this part; and

“(ii) the maximum annual amount of Federal Direct Unsubsidized Stafford loans such a student may borrow in any academic year (as defined in section 481(a)(2)) or its equivalent shall be the maximum annual amount for such student determined under section 428H, plus an amount equal to the amount of Federal Direct Stafford loans the student would have received in the absence of this subparagraph.

“(B) EXCEPTION.—Subparagraph (A) shall not apply to an individual enrolled in course work specified in paragraph (3)(B) or (4)(B) of section 484(b).”.

### **SEC. 503. TERMINATION OF DIRECT LOAN REPAYMENT INCENTIVES.**

Section 455(b)(8) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)(8)) is amended—

(1) in subparagraph (A)—

(A) by amending the header to read as follows: “(A) INCENTIVES FOR LOANS DISBURSED BEFORE JULY 1, 2012.—”; and

(B) by inserting “with respect to loans for which the first disbursement of principal is made before July 1, 2012,” after “of this part”;

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(2) in subparagraph (B), by inserting “with respect to loans for which the first disbursement of principal is made before July 1, 2012” after “repayment incentives”; and

(3) by adding at the end the following new subparagraph:

“(C) NO REPAYMENT INCENTIVES FOR NEW LOANS DISBURSED ON OR AFTER JULY 1, 2012.—Notwithstanding any other provision of this part, the Secretary is prohibited from authorizing or providing any repayment incentive not otherwise authorized under this part to encourage on-time repayment of a loan under this part for which the first disbursement of principal is made on or after July 1, 2012, including any reduction in the interest or origination fee rate paid by a borrower of such a loan, except that the Secretary may provide for an interest rate reduction for a borrower who agrees to have payments on such a loan automatically electronically debited from a bank account.”.

**SEC. 504. INAPPLICABILITY OF TITLE IV NEGOTIATED RULEMAKING AND MASTER CALENDAR EXCEPTION.**

Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to the amendments made by this title, or to any regulations promulgated under those amendments.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

**RECORD VERSION**

**STATEMENT BY**

**GENERAL RAYMOND T. ODIERNO  
CHIEF OF STAFF UNITED STATES ARMY**

**BEFORE THE**

**SENATE ARMED SERVICES COMMITTEE**

**FIRST SESSION, 113<sup>TH</sup> CONGRESS**

**ON IMPACTS OF SEQUESTRATION AND/OR A FULL-YEAR CONTINUING RESOLUTION  
ON THE ARMY**

**FEBRUARY 12, 2013**

**NOT FOR PUBLICATION UNTIL RELEASED BY THE  
COMMITTEE ON ARMED SERVICES**

The fiscal outlook which the U.S. Army faces today is dire and, to our knowledge, unprecedented. The Army has been in a state of continuous war for nearly twelve years – the longest in our Nation’s history. Today we have more than 81,000 Soldiers committed to operations around the world with approximately 58,000 in Afghanistan. Nearly 1.5 million Soldiers have deployed and more than half a million have deployed multiple times, some as many as four, five, and six times. More than 4,800 Soldiers have given their lives on behalf of this Nation.

The magnitude of today’s fiscal uncertainty will have grave consequences for our Soldiers, our civilians, and our families who have sacrificed so much over the past decade. We cannot put the weight of these cuts on their shoulders. If nothing is done to mitigate the effects of operations under a continuing resolution, shortfalls in our funding of overseas operations, and the enactment of sequestration, the Army will be forced to make dramatic cuts to its personnel, its readiness, and its modernization programs, hence putting our national security at risk.

Before I describe the challenges we face this fiscal year, let me remind the committee of the actions we are taking to comply with the Budget Control Act of 2011. This act required \$487 billion in cuts over ten years across the Department of Defense, of which the Army’s share is estimated to be \$170 billion. As a result of these cuts, the Army is reducing the active duty endstrength from a wartime high of about 570,000 to 490,000, the Army National Guard from 358,000 to 350,000, the U.S. Army Reserve from 206,000 to 205,000, and the civilian workforce from 272,000 to 255,000 by the end of fiscal year 2017 (FY17). This is a net loss of 106,000 Soldier and civilian positions. By FY17, we will downsize our active component force structure from 45 Brigade Combat Teams to potentially as low as 32. On January 18th, we released a Programmatic Environmental Assessment describing the impact of potential force structure reductions across the Army. We began these force reductions in FY12 focused initially on our overseas formations. In 2014, however, we will begin significant force reductions in the United States.

In addition to personnel and force structure reductions, we have had to extend the timelines of our modernization programs and reduce the frequency of our training exercises putting us on the outer edge of acceptable risk for our future force and our ability to meet our National Security Strategy.

The actions we have taken to adapt to the new defense strategic guidance are independent of the continuing resolution and sequestration. However, the domestic impacts of these actions are only now beginning to be felt and will be magnified over next several years.

The fiscal crisis we now face is due in part to the fundamental lack of predictability in the budget cycle. Since FY11, the Department of Defense has operated under a continuing resolution for 14 of the last 28 months. Each continuing resolution prevents new starts for needed programs, limits reprogramming actions, creates inefficiency, and often results in wasteful funding for accounts that we no longer want or need. This uncertainty creates challenges in projecting future funding requirements that inform our annual budgets over time. The lack of predictability has been exacerbated by the threat of sequestration for the past year and a half. In FY13, we now find ourselves in the midst of a perfect storm created by a continuing resolution, a shortfall in funds for overseas contingency operations, and the threat

of sequestration. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army readiness for the next five to ten years.

The FY13 continuing resolution has funded the Army's base budget at fiscal year 2012 levels, resulting in a shortfall of more than \$6 billion in the Operation and Maintenance, Army (OMA) accounts relative to the President's Budget. Unless DoD is given sufficient authorities that will allow the Army to reprogram the necessary funds across appropriations, this shortfall will impact readiness.

Under the continuing resolution, we also face an approximate \$5-6 billion shortfall in OMA Overseas Contingency Operations (OCO) funding for FY13 because of costs related to the war in Afghanistan. This impacts the preparation of units about to deploy, current operations in support of Operation Enduring Freedom (OEF), and our ability to reset equipment and personnel. In order to ensure our Soldiers are prepared, we have committed and will continue to commit 100% of our operation and maintenance requirements for OEF. However, this exacerbates the funding shortfalls for the rest of the Army that is not deploying to Afghanistan, creating unacceptable readiness for the future.

In addition to the impacts that the continuing resolution and OCO shortfalls are having on the force, a sequestration order is scheduled to be issued on March 1, and a second sequestration order due to the breach in the FY13 discretionary caps is scheduled to be implemented on March 27. Using DoD planning assumptions for sequester, we estimate that sequestration will impose an additional \$12 billion cut on the Army's budget in the remaining months of FY13, to include a \$5 billion cut in OMA, and approximately \$1 billion in the Reserve Component operation and maintenance accounts. The remaining \$6 billion will be taken across the board from our procurement; Research, Development, Test, and Evaluation (RTDE); and military construction accounts.

While budgetary uncertainty negatively affects each of the Army's operating and investment accounts, our OMA account is the most heavily burdened. Together, the continuing resolution, OCO shortfall, and sequestration will equate to \$18 billion in shortfalls to the OMA account in the final seven months of FY13.

As always, our priority will be to ensure that all Soldiers in Afghanistan and those next to deploy are prepared and ready. We will ensure that the Forces in Korea are properly equipped and ready. We will continue to fund all programs related to Wounded Warrior care. Then we will determine if we have sufficient funds to continue training the Division-Ready Brigade at Fort Bragg – the Army's Global Response Force. These priority efforts will consume 43% of our OMA but are applied to only 22% of the force. Therefore, the remaining 78% of the force will have to absorb the \$18 billion in shortfalls out of the remaining 57% of the OMA budget. What that means is that the 78% of the force – more than three-quarters of the Army not in Afghanistan or Korea or deploying this year – will significantly curtail training today. Even with training and sustainment spending curtailed, we expect our accounts to be exhausted by July. The impact will translate into significant readiness issues through FY14 and beyond, and put at risk our ability to deploy forces to meet all contingency operations.

Given these challenges, the Secretary of the Army and I have taken the following steps to reduce our expenditure rate and mitigate, to the extent possible, the risk to current and future fiscal year budget execution:



## Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

- We are terminating an estimated 3,100 temporary and term employees and have directed an immediate Army-wide hiring freeze. These employees typically fill gaps in our installation services such as Army substance abuse programs, law enforcement, physical security, public works, and installation education programs.
- We have initiated planning to furlough up to 251,000 civilians for one day a week for twenty-two weeks, in full recognition of the risks of decreased productivity, morale, and the loss of 20% of their pay while furloughed. In addition to the hardship this poses to our dedicated workforce, this furlough will have an immediate trickle-down effect as the majority of these civilians are located throughout the U.S. on our posts and stations, and their spending directly impacts local economies and contributes towards state and local taxes. Any furlough would have an immediate impact on fire and emergency services, law enforcement, airfield operations, and all of our Army family programs.
- We are making plans to cancel 3<sup>rd</sup> and 4<sup>th</sup> quarter depot maintenance. As a result, we are terminating employment of an estimated 5,000 temporary, term, contractor, and permanent employees due to the reduced Depot Maintenance workload. We will reduce Army purchase orders with 3,000 companies, of which 37%, or approximately 1,100, may consequently face moderate to high risk for bankruptcy. The reduction in maintenance will delay equipment readiness for six Divisions (3<sup>rd</sup> Infantry Division [Georgia], 4<sup>th</sup> Infantry Division [Colorado], 10<sup>th</sup> Mountain Division [Louisiana and New York], 25<sup>th</sup> Infantry Division [Alaska and Hawaii], 101<sup>st</sup> Airborne Division (Air Assault) [Kentucky] and 82d Airborne Division [North Carolina]). These delays will halt the reset of 1,000 Tactical Wheeled vehicles, 14,000 communication devices and 17,000 weapons in Active and Reserve units for three to four years following redeployment.
- We will cancel all but one of the Brigade Maneuver Combat Training Center (CTC) rotations for non-deploying units. Our inability to train non-deploying units will degrade our units' readiness posture and inhibit the progressive build of unit capability to meet early FY14 missions, emergent requirements, and timelines associated with Combatant Commanders war plans.
- We are reducing institutional training across the Army. This will result in a backlog across our education and individual training courses well into FY14 and shortfalls in critical specialties.

For example, we will curtail seven courses that support our Homeland Defense/Civil Support Mission resulting in a shortfall of over 1,600 trained operators and severely degrading Chemical, Biological, Radiological and Nuclear Response Enterprise. These teams require all unit members to be trained and certified with specific individual certifications tied to both National Fire Protection Agency standards and public law for operations in the Homeland. There are no other courses within the Army or the Joint Forces that provide this level of certification..

We will cut 37,000 flying hours from our aviation training at Fort Rucker, which will create a shortfall of over 500 aviators by the end of FY13 and will create a backlog at flight school that will take over two years to reduce. We are curtailing sixteen military intelligence training courses, resulting in over 4,000 fewer Soldiers with the intelligence skills the Army requires. At Fort Sill, we will have to cancel fifteen Field Artillery

Advanced Individual Training courses. Soldier training for recruiting duties will be curtailed in March resulting in over 900 untrained recruiters.

The Army Corps of Engineers will reduce training slots at the Prime Power School for the Army's 249<sup>th</sup> Engineer Battalion, which provides power for the Department of Defense Disaster Response. Over time, reductions in training to critical specialties will decrease the Active Army, the Army National Guard, and the U.S. Army Reserves' responsiveness to crises and natural disasters in our communities across the United States.

We are cancelling attendance at some of our mid-career officer and noncommissioned officer training programs across the Total Army including the Captains Career Common Core Course, Intermediate Level Education, and Noncommissioned Officer Education System (NCOES) common core. This will add to the already tremendous backlog of midgrade officer and NCO education that has built up during the almost twelve years of war.

We have curtailed our civilian professional development training and education. This will cause an interruption in our intern training programs, reducing the pipeline and the functional and technical competency of the next generation of our Army civilians. It will also delay or eliminate civilian education and training opportunities – from entry level to senior management courses – impacting the growth and development of the Army's future civilian leaders at all levels of government service.

- We are in the process of reducing our base sustainment funds by \$2 billion in FY13, a 70% drop from what has been historically required to run our installations. This means even bare minimum maintenance cannot be sustained. In the event of water main breaks, clogged sewage, water damage, or power failure, there will not be adequate funding to repair these facilities, which would likely result in closure and personnel relocation. This also translates into an estimated 100,000 facility work orders per month that will not be executed, which places the Army on an accelerated slippery slope where our buildings will fail faster than we can fix them.

All restoration and modernization projects, including renovations to the United States Military Academy Cadet Barracks, the Training Barracks Upgrade Program that consists of 12 projects at 8 locations in the U.S., and our ability to complete relocation plans and projected closures in Europe will be eliminated. All projects under the Army Energy Program, to include upgraded energy efficiencies, utility system modernizations, and small renewable projects will also be cancelled. We have postponed all new construction projects, such as the Landstuhl Hospital in Germany and the Arlington National Cemetery expansion.

- We have initiated an Army-wide service contract review to identify savings and we are taking action to potentially terminate all non-essential contracts in coordination with our commands. These contracts support a myriad of programs, including facility maintenance, education and training, medical support, and equipment and provide thousands of jobs across our Army installations. Many of these contracts provide direct support to our Soldiers, civilians, and their families, and their cancellation will cause backlogs in services rendered at our hospitals, our education centers, our schools, and

our child development centers. Once a contract is terminated, it takes at least 150 days to restart a cancelled program, increasing the workload on an already taxed acquisition workforce, and increasing costs of the program in the short term.

- Our National Guard and Reserve will experience cuts of 22% and 50% respectively in their medical readiness accounts. For example, we have cancelled pre-mobilization medical support for nearly 200,000 Army National Guard and U.S. Army Reserve Soldiers, which will degrade reserve unit readiness and increase post-mobilization training costs.
- We will curtail Operational Test and Evaluation operations affecting program of record development and fielding schedules which will add costly delays to critical acquisition programs and the fielding of equipment to Soldiers. Particularly in the areas of networking capability and precision munitions, we will experience delays in key network programs such as the Warfighter Information Network-Tactical (WIN-T) and the Joint Battle Command-Platform (JBC-P).
- We are reducing our Science and Technology (S&T) programs by approximately \$300 million. We anticipate making reductions to our federal civilian employees and support contractors, and reducing programs with our academic and industry partners across all fifty states and the District of Columbia. The Assistant Secretary of the Army (Acquisition, Logistics, and Technology) [ASA(ALT)] provided an assessment to the Assistant Secretary of Defense (Research and Engineering) on 1 February 2013 detailing the impact to Department of Defense research priorities.

In addition to impact of sequestration for FY13, the lowering of discretionary caps for FY14-FY21 will have long term impacts that extend beyond the current fiscal year. In order to maintain a balance between End Strength, readiness and modernization, the Army will have to reduce additional 100,000 personnel across the Active Army, Army National Guard and U.S. Army Reserve. This will generate a total reduction of approximately 189,000 personnel in the coming years.

We succeeded in recent years to bring personnel readiness in the Army National Guard and U.S. Army Reserve from 40% up to 70%; that readiness will rapidly drop, and indeed the degradation has already begun. Let me emphasize that these readiness issues are not limited to the Active Component. They will hit the Total Army. In fact, the reduction in overseas deployments which has sustained our reserve readiness over the past twelve years may result in us being unable to maintain our Operational Reserve.

Sequestration will continue to affect our valued civilian workforce, which would likely absorb cuts that would be sized proportionally to the cuts in our uniformed military endstrength. Sequestration threatens the civilian workforce with enormous uncertainty, and may to some extent encourage the most capable to seek more predictability through employment outside the Department, resulting in the loss of critical continuity and stability that our civilian employees provide to the uniformed force that rotates on a routine basis.

The losses in training and readiness we accrue in FY13 mean that we start FY14 already at a marked disadvantage. One of the primary challenges we face over the next five years is to re-orient our force to the broader array of missions we may face in the years ahead,

whether it be weapons of mass destruction (WMD) recovery, cyber operations, support to civilian authorities, or high-intensity combat. To get our leaders and their formations to the state of preparedness we need, we must train hard on a wide number of tasks at our home station and at our combat training centers. Many of our leaders and their units will be conducting these tasks for the first time, meaning that we actually need to invest in longer periods of training to achieve proficiency. Sequestration will place in jeopardy our ability to achieve this readiness, so we will have to fundamentally reconsider whether the Army has the ability to meet Combatant Commander requirements.

The long term nature of sequestration puts every one of the Army's ten major investment priorities in jeopardy including vital network, combat vehicle and aviation modernization programs. The industrial base assorted with supporting the Army is also likely to make cost-benefit decisions about where best to be competitive, with the attendant decline in developing and producing the equipment our soldiers need. We will also be finalizing the withdrawal of the bulk of our equipment from Afghanistan, which, along with equipment still being reset from Iraq, will require additional investment to return to full use.

Additionally, leader development will continue to be shortchanged. While we can recruit and train soldiers in relatively short order, we cannot build their leaders in a similar time span. The professional non-commissioned and commissioned officers who carry the Army across the years need the benefit of not only serving in units that train for and conduct wide ranging missions but also the professional education that deepens their knowledge of and commitment to the profession.

While all of these trends are ultimately reversible, the critical variable is time. Maintaining a capable and ready Army is not like flipping a light switch; it takes years of dedicated effort by a large number of dedicated professionals. Sequestration will take that time from us.

Ladies and Gentlemen, sequestration is not in the best interest of our country, our Soldiers, or our national security. Our current fiscal uncertainty is resulting in the cancellation of training today, the reduction of services to Army Families today, and the firing of 3,100 valuable civilian employees today. The cumulative effect of the Army's budget shortfalls and the enactment of sequestration put at risk the Army's ability to execute Department of Defense Strategic Guidance.

We have a talented, committed, experienced, well-led, and professional force. Our Army has performed its missions in Iraq and Afghanistan with great proficiency, professionalism, and courage. We cannot take the readiness of our force for granted. We cannot send our Soldiers into combat unprepared. If we don't have the resources to ensure their readiness, our Soldiers will be the ones who pay the price. It is incomprehensible to me that we will put this burden on the shoulders of those who have sacrificed so much during nearly twelve years at war.

Mr. Chairman, Members of the Committee: Thank you again for the opportunity to speak here today. The Army leadership understands the seriousness of our country's fiscal situation, but we need a legislative solution that averts sequestration and gives our leaders the flexibility to work with the resources you provide to shape our Forces for the future. We will be good stewards of the resources you give us. It is an honor to serve this great Nation and stand beside the dedicated professionals of our Army.

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

The strength of our Nation is our Army  
The strength of our Army is our Soldiers  
The strength of our Soldiers is our Families.  
This is what makes us Army Strong!

I look forward to your questions.



SECRETARY OF DEFENSE  
1 000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

FEB 20 2013

MEMORANDUM FOR DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES

SUBJECT: Preparations for Potential Sequestration on March 1 and Furlough Notifications

For more than a year and a half, the President, the Joint Chiefs of Staff, and I have repeatedly voiced our deep concerns over the half a trillion dollars in automatic across-the-board cuts that would be imposed under sequestration and the severe damage that it would do to both this Department and our national defense.

The Administration continues to work with Congress to reach agreement on a balanced deficit reduction plan to avoid these cuts. Meanwhile, because another trigger for sequestration is approaching on March 1<sup>st</sup>, the Department's leadership has begun extensive planning on how to implement the required spending reductions. These cuts will be magnified because the Department has been forced to operate under a six-month continuing resolution that has already compelled us to take steps to reduce spending.

In the event of sequestration, we will do everything we can to continue to perform our core mission of providing for the security of the United States, but there is no mistaking that the rigid nature and scale of the cuts forced upon this Department will result in a serious erosion of readiness across the force.

I have also been deeply concerned about the potential direct impact of sequestration on you and your families. We are doing everything possible to limit the worst effects on DoD personnel – but I regret that our flexibility within the law is extremely limited. The President has used his legal authority to exempt military personnel funding from sequestration, but we have no legal authority to exempt civilian personnel funding from reductions. As a result, should sequestration occur and continue for a substantial period, DoD will be forced to place the vast majority of its civilian workforce on administrative furlough.

Today, I notified Congress that furloughs could occur under sequestration. I can assure you that, if we have to implement furloughs, all affected employees will be provided at least 30 days' notice prior to executing a furlough and your benefits will be protected to the maximum extent possible. We will work to ensure that furloughs are executed in a consistent and appropriate manner, and we will also continue to engage in discussions with employee unions as appropriate. More information and answers to frequently asked questions regarding furloughs can be found at [www.opm.gov/furlough](http://www.opm.gov/furlough), under the "administrative furlough" section.



OSD001644-13

Working with your component heads and supervisors, the Department's leaders will continue to keep you informed. As we deal with these difficult issues, I want to thank you for your patience, hard work, and continued dedication to our mission of protecting the country.

Our most important asset in the Department is our world-class personnel. You are fighting every day to keep our country strong and secure, and rest assured that the leaders of this Department will continue to fight with you and for you.

A handwritten signature in black ink, appearing to be "John M. ...", with a long horizontal flourish extending to the right.



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

**FEB 20 2013**

The Honorable Joseph R. Biden, Jr.  
President of the Senate  
United States Senate  
S-212 Capitol Building  
Washington, DC 20510

Dear Mr. President:

In accordance with statute, I am providing a report on potential civilian furloughs within the Department of Defense. Specifically, title 10, U.S.C., section 1597(e), provides that the Secretary of Defense “may not implement any involuntary reduction or furlough of civilian positions ... until the expiration of the 45-day period beginning on the date on which the Secretary submits to Congress a report setting forth the reasons why such reduction or furloughs are required and a description of any change in workload or positions requirements that will result from such reductions or furloughs.” This letter provides the report and information required by this section.

We remain hopeful that the Administration and Congress will reach an agreement to avoid the across-the-board reductions in Federal spending required by the Budget Control Act of 2011, commonly known as “sequestration.” The Department must, however, continue to plan for such reductions should Congress not take action prior to sequestration taking effect on March 1, 2013. If sequestration is not avoided, the magnitude of the potential reductions will damage force readiness, slow major acquisition programs, and necessitate civilian furlough actions that will negatively affect our Federal civilian workforce. Overall, sequestration will put us on a path toward a hollow force and inflict serious damage on our national security.

If faced with sequestration, the Defense Department will be forced to forego critical objectives. As we make the difficult decisions about how to maintain our national security to the greatest extent we can in light of these destructive cuts, the Department will have to consider furloughs across the entire defense civilian workforce in order to meet the fiscal target mandated by sequestration. Because there will be no change in the requirements for work to be performed by the Department’s workforce to maintain our national security, the workload on each employee and the requirements for each position that will result from such furloughs will be increased beyond what can reasonably be achieved. The furloughs contemplated by this notice will do real harm to our national security. Moreover, we understand that furloughs would have serious adverse effects on the livelihood, morale, and productivity of our workforce, and where possible we will take steps to minimize those effects.





Nevertheless, if required, it is my goal to apply furlough actions in a consistent and equitable manner across the Department, though variations may occur because of the mission and budgetary requirements of each military department and agency. Each military department and agency within the Department will prepare detailed sequestration plans, and the Department will submit an updated plan for operations under a sequestration to Congress, as required by section 116(b) of the Continuing Appropriations Resolution, 2013, Public. Law 112-175.

Finally, if furlough actions prove to be necessary, every affected employee would be subject to furlough for up to 22 discontinuous work days (176 total hours), the maximum number of furlough days allowed without triggering additional notification requirements that follow reduction-in-force procedures (though such an extended furlough action would still constitute a temporary placement on non-pay/non-duty status, rather than a permanent separation from service). We will provide affected employees the requisite advance notice before a furlough occurs. The Department is also engaged in the necessary and appropriate discussions with employee unions, and will discharge any applicable collective bargaining obligations that may arise. In the event an agreement is reached that averts sequestration and restores needed funding, we will immediately cancel any furloughs that have resulted and cease furlough planning.

While furloughs would be disruptive and damaging to our ability to carry out the defense mission, there are no viable alternatives for the Department if sequestration actually occurs. We will continue to work with Congress in an effort to avoid sequestration and furloughs. A similar letter is being sent to the Speaker of the House and the defense oversight committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Asa Carter", with a long, sweeping horizontal line extending to the right.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000



READINESS AND  
FORCE MANAGEMENT

FEB 21 2013

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Total Force Management and Budgetary Uncertainty

- Reference: (a) Deputy Secretary of Defense Memorandum, "Handling Budget Uncertainty in Fiscal Year 2013", dated 10 January 2013  
(b) Under Secretary of Defense of Personnel & Readiness Memorandum, "Prohibition on Converting Certain Functions to Contract Performance", dated 1 December 2011  
(c) Deputy Secretary of Defense Memorandum, "Guidance for Limitation on Aggregate Annual Amount Available for Contracted Services", dated 3 June 2012  
(d) Under Secretary of Defense of Personnel & Readiness Memorandum, "Guidance Related to the Utilization of Military Manpower to Perform Certain Functions", dated 2 March 2012  
(e) DoD Instruction 1100.22, "Guidance for Determining Workforce Mix", dated 12 April 2010

This memorandum provides guidance for the management of the Total Force (active and reserve military, government civilians, and contracted support) during this time of continued budget uncertainty. The Department must maintain the viability of the All-Volunteer Force and sustain its operational readiness in the most cost-conscious manner. To do so, the Department must also maintain a properly sized, highly capable civilian workforce that is aligned to mission and workload; complements and delivers support to the military; supports the well-being of the warfighters and their families; and recognizes evolving critical demands while guarding against an erosion of organic skills and an overreliance on contracted services. Finally, the use of contracted services must continue to be reviewed to ensure the most appropriate, cost effective, and efficient support aligned to mission.

As DoD Components begin to take actions consistent with reference (a) – including the implementation of civilian hiring freezes, the release of term or temporary civilian employees, and other personnel related actions – they must be mindful of the Department's obligations to manage the Total Force consistent with Title 10 statutory requirements and references (b) through (e). These considerations are required in planning for the potential reduction or unavailability of fiscal year 2013 funds (with the exception of funds for military personnel) associated with sequester or the continuing resolution.

Consistent with section 2461 of title 10, United States Code, and reference (b), the conversion of functions or work performed by, or designated for performance by, civilian employees to contract performance without a public-private competition is expressly prohibited. Currently such competitions are prohibited under section 325 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84). Workload currently performed by, or designated for performance by, civilian employees may not be transferred or assumed by contractors performing against prior year obligations. Most importantly, contractors may not perform inherently governmental work, and section 2464 of title 10, United States Code expressly prohibits contracting of certain functions (enclosure 1). DoD

## Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component heads, as well as field commanders and line managers, are urged to be particularly vigilant to prevent the inappropriate conversion of work to contract performance.

Additionally, limits on contracted support spending enacted in section 808 of the National Defense Authorization Act for Fiscal Year 2012, Public Law 112-81, and implemented via reference (c) still apply. The statutory obligations in section 2330a of title 10, United States Code, to minimize reliance on contract performance of work closely associated with inherently governmental functions (see illustrative examples at enclosure 2) remain in force. Moreover, the guidance in reference (c) to achieve reductions of such reliance, as well as in staff augmentation contract support, remains in effect. Planning for budgetary uncertainty does not relieve DoD Components from compliance with these mandates.

As we continue planning during this period of budgetary uncertainty, the Department must also ensure military personnel are not inappropriately utilized, particularly in a manner that may degrade readiness or result in unnecessary costs to the Department. Consistent with references (d) and (e), except in extraordinary, and typically temporary, circumstances, individual military personnel or units should not perform functions or work that is not military essential (see illustrative examples in enclosure 3). The use of "borrowed" or "repurposed" military can harm readiness and operational capabilities by diverting service members from training or performance of military essential functions, particularly when military members are required to work outside of their occupational specialties. In addition to the risk of hollowing the force, this practice could adversely impact the All-Volunteer Force and have negative effects on the recruitment, retention, and career progression of individual members. During this period of budgetary uncertainty, military units may perform work previously performed by civilian employees or contracted support as part of a rotation base for an operational capability (if this has been reflected in Operational Orders), provided this is done on a limited and temporary basis. In the event of sequestration, where military personnel accounts are exempted, there may be instances where military personnel can be used on a short-term, emergency basis to satisfy a demand that is of mission critical importance.

Please ensure maximum distribution of this memorandum throughout your organization, particularly to your manpower, personnel, and resourcing communities. Questions regarding application and implementation of this memorandum should be addressed to the following points of contact within the Office of Total Force Planning & Requirements: Mr. Thomas Hessel (thomas.hessel@osd.mil or 703-697-3402), and Ms. Amy Parker (amy.parker@osd.mil or 703-697-1735). Thank you for your support in the mitigating risks from budgetary uncertainty that could adversely affect the sustainability and readiness of the All Volunteer Force.



Frederick Vollrath  
Principal Deputy Assistant Secretary of Defense for  
Readiness and Force Management  
Performing the Duties of the Assistant Secretary of  
Defense for Readiness and Force Management

Enclosures: As stated

DISTRIBUTION:

SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DEPUTY CHIEF MANAGEMENT OFFICER  
COMMANDERS OF THE COMBATANT COMMANDS  
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

**Non-Exhaustive Examples of Inherently Governmental Functions  
(Extract from Office of Federal Procurement Policy Letter 11-1 (September 12, 2011))**

1. The direct conduct of criminal investigation.
2. The control of prosecutions and performance of adjudicatory functions (other than those relating to arbitration or other methods of alternative dispute resolution).
3. The command of military forces.
4. Combat.
5. Security provided under any of the circumstances set out below. This provision should not be interpreted to preclude contractors taking action in self-defense or defense of others against the imminent threat of death or serious injury. (a) Security operations performed in direct support of combat as part of a larger integrated armed force. (b) Security operations performed in environments where, in the judgment of the responsible Federal official, there is significant potential for the security operations to evolve into combat. (c) Security that entails augmenting or reinforcing others (whether private security contractors, civilians, or military units) that have become engaged in combat.
6. The conduct of foreign relations and the determination of foreign policy.
7. The determination of agency policy, such as determining the content and application of regulations.
8. The determination of budget policy, guidance, and strategy.
9. The determination of Federal program priorities or budget requests.
10. The selection or non-selection of individuals for Federal Government employment, including the interviewing of individuals for employment.
11. The direction and control of Federal employees.
12. The direction and control of intelligence and counter-intelligence operations.
13. The approval of position descriptions and performance standards for Federal employees.
14. The determination of what government property is to be disposed of and on what terms (although an agency may give contractors authority to dispose of property at prices with specified ranges and subject to other reasonable conditions deemed appropriate by the agency).
15. In Federal procurement activities with respect to prime contracts:
  - (a) determining what supplies or services are to be acquired by the government
  - (b) participating as a voting member on any source selection boards;
  - (c) approving of any contractual documents, including documents defining requirements, incentive plans and evaluation criteria;
  - (d) determining that prices are fair and reasonable;
  - (e) awarding contracts;
  - (f) administering contracts (including ordering changes in contract performance or contract quantities, making final determinations about a contractor's performance, including approving award fee determinations or past performance evaluations and taking action based on those evaluations, and accepting or rejecting contractor products or services);
  - (g) terminating contracts
  - (h) determining whether contract costs are reasonable, allocable, and allowable;
  - (i) And participating as a voting member on performance evaluation boards.

16. The selection of grant and cooperative agreement recipients including: (a) approval of agreement activities; (b) negotiating the scope of work to be conducted under grants/cooperative agreements; (c) approval of modifications to grant/cooperative agreement budgets and activities; and (d) performance monitoring.
17. The approval of agency responses to Freedom of Information Act requests (other than routine responses that, because of statute, regulation, or agency policy, do not require the exercise of judgment in determining whether documents are to be released or withheld), and the approval of agency response to the administrative appeals of denials of Freedom of Information Act requests.
18. The conduct of administrative hearings to determine the eligibility of any person for a security clearance, or involving actions that affect matters of personal reputation or eligibility to participate in government programs.
19. The approval of Federal licensing actions and inspections.
20. The collection, control, and disbursement of fees, royalties, duties, fines, taxes and other public funds, unless authorized by statute, such as title 31 United States Code section 952 (relating to private collection contractors) and title 31 United States Code section 3718 (Relating to private attorney collection services), but not including (a) collection of fees, fines, penalties, costs or other charges from visitors to or patrons of mess halls, post or base exchange concessions, national parks, and similar entities or activities, or from other persons, where the amount to be collected is predetermined or can be readily calculated and the funds collected can be readily controlled using standard cash management techniques; and (b) routine voucher and invoice examination.
21. The control of the Treasury accounts.
22. The administration of public trusts.
23. The drafting of official agency proposals for legislation, Congressional testimony responses to Congressional correspondence, or responses to audit reports from an inspector general, the Government Accountability Office, or other Federal audit entity.
24. Representation of the government before administrative and judicial tribunals, unless statute expressly authorizes the use of attorney whose services are procured through contract.

**Statutory Restrictions on Contracting  
(Title 10 United States Code Section 2465)**

- (a) Except as provided in subsection (b), funds appropriated to Department of Defense may not be obligated or expended for the purpose of entering into a contract for the performance of fire-fighting or security-guard functions at any military installation or facility.
- (b) The prohibition in subsection (a) does not apply to the following contracts:
  - (1) A contract to be carried out at a location outside the United States (including its commonwealths, territories, and possessions) at which members of the armed forces would have to be used for the performance of a function described in subsection (a) at the expense of unit readiness.
  - (2) A contract to be carried out on a Government-owned but privately operated installation.

- (3) A contract (or the renewal of a contract) for the performance of a function under contract on September 24, 1983.
- (4) A contract for the performance of firefighting functions if the contract is-
  - (A) for a period of one year or less; and
  - (B) covers only the performance of firefighting functions that, in the absence of the contract, would have to be performed by members of the armed forces who are not readily available to perform such functions by reason of a deployment.

**Non-Exhaustive Examples of Closely Associated With Inherently Governmental Functions  
(Extract from Office of Federal Procurement Policy Letter 11-1 (September 12, 2011))**

1. Services in support of inherently governmental functions, including, but not limited to the following:
  - a. Performing budget preparation activities, such as workload modeling, fact finding, efficiency studies, and should-cost analysis.
  - b. Undertaking activities to support agency planning and reorganization.
  - c. Providing support for developing policies, including drafting documents, and conducting analyses, feasibility studies, and strategy options.
  - d. Providing services to support the development of regulations and legislative proposals pursuant to specific policy direction.
  - e. Supporting acquisition, including in the areas of:
    - i. Acquisition planning, such as by conducting market research; developing inputs for government cost estimates, and drafting statements of work and other pre-award documents.
    - ii. Source selection, such as by preparing a technical evaluation and associated documentation; participating as a technical advisor to a source selection board or as a nonvoting member of a source selection evaluation board; and drafting the price negotiations memorandum.
    - iii. Contract management, such as by assisting in the evaluation of a contractor's performance (e.g. by collecting information performing an analysis, or making a recommendation for a proposed performance rating), and providing support for assessing contract claims and preparing termination settlement documents.
  - f. Preparation of responses to Freedom of Information Act requests.
2. Work in a situation that permits or might permit access to confidential business information or other sensitive information (other than situations covered by the National Industrial Security Program described in Federal Acquisition Regulation 4.402(b)).
3. Dissemination of information regarding agency policies or regulations, such as conducting community relations campaigns, or conducting agency training courses.
4. Participation in a situation where it might be assumed that participants are agency employees or representatives, such as attending conferences on behalf of an agency.
5. Services as arbitrators or provision of alternative dispute resolution (ADR) services.
6. Construction of buildings or structures intended to be secure from electronic eavesdropping or other penetration by foreign governments.
7. Provision of inspection services.
8. Provision of legal advice and interpretations of regulations and statutes to government officials.
9. Provision of non-law enforcement security activities that do not directly involve criminal investigations, such as prisoner detention or transport and non-military national security details.



**Examples of Military Essential Functions  
(summarized from DoD Instruction 1100.22)**

1. Missions involving operational risks and combatant status under the Law of War.
2. Specialized collective and individual training requiring military unique knowledge and skills based on recent operational experience
3. Independent advice to senior civilian leadership in Department requiring military unique knowledge and skills based on recent operational experience
4. Command and control arrangements best performed within the Uniform Code of Military Justice.
5. Rotation base for an operational capability.
6. Career progression.
7. Esprit de corps (such as military recruiters, military bands)

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

March 1, 2013

SEQUESTRATION ORDER FOR FISCAL YEAR 2013 PURSUANT  
TO SECTION 251A OF THE BALANCED BUDGET AND  
EMERGENCY DEFICIT CONTROL ACT, AS AMENDED

By the authority vested in me as President by the laws of the United States of America, and in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (the "Act"), 2 U.S.C. 901a, I hereby order that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget in its report to the Congress of March 1, 2013.

Pursuant to sections 250(c)(6), 251A, and 255(e) of the Act, budgetary resources subject to sequestration shall be new budget authority, unobligated balances of defense function accounts carried over from prior fiscal years, direct spending authority, and obligation limitations.

All sequestrations shall be made in strict accordance with the requirements of section 251A of the Act and the specifications of the Office of Management and Budget's report of March 1, 2013, prepared pursuant to section 251A(11) of the Act.

BARACK OBAMA

THE WHITE HOUSE,  
March 1, 2013.

# # #



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

MAY 14 2013

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DEPUTY CHIEF MANAGEMENT OFFICER  
CHIEFS OF THE MILITARY SERVICES  
COMMANDERS OF THE COMBATANT COMMANDS  
CHIEF OF THE NATIONAL GUARD BUREAU  
DIRECTOR, COST ASSESSMENT AND PROGRAM  
EVALUATION  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Furloughs

This memo directs defense managers to prepare to furlough most Department of Defense (DoD) civilians for up to 11 days. The schedule for furloughs, and some specific exceptions, are described later in this memo and in the attachment. I have made this decision very reluctantly, because I know that the furloughs will disrupt lives and impact DoD operations. I, along with the senior civilian and military leadership of the Department, have spent considerable time reviewing information related to the need for furloughs, and I would like to share with you the reasoning that led me to this difficult decision.

Major budgetary shortfalls drove the basic furlough decision. On March 1, sequestration went into effect across the federal government. DoD's budget for FY 2013 was reduced by \$37 billion, including \$20 billion in the operation and maintenance (O&M) accounts that pay many of our civilian workers. In addition, because our wartime budget is also subject to sequestration, we must utilize funds originally budgeted for other purposes in order to provide our troops at war with every resource they need. To compound our problems, when we estimated future wartime operating costs more than a year ago, we planned on fuel costs below what we are currently experiencing. Taken together, all these factors lead to a shortfall in our O&M accounts of more than \$30 billion – a level that exceeds 15 percent of our budget request, with fewer than six months left in the fiscal year in which to accommodate this dramatic reduction in available resources.

We are taking actions to reduce this shortfall. One main priority has governed our decisions: to minimize the adverse effects on our military mission, including military readiness. With this in mind, early this calendar year we cut back sharply on facilities maintenance and worked to hold down base operating costs -- decisions we knew would build a backlog of maintenance and adversely affect our bases. We are also preparing a request to Congress that would permit us to shift some funding from investment and military personnel accounts into the O&M accounts. If approved by Congress, this initiative -- known as a reprogramming -- would help close the gap.

But these actions are not enough. We have begun making sharp cuts in the training and maintenance of our operating forces -- cutbacks that are seriously harming military readiness. The Army, for example, has terminated most remaining FY 2013 training rotations at its combat training centers. The Air Force has or soon will stop all flying at about one-third of its combat-coded squadrons in the active forces. The Navy and Marine Corps are cutting back on training and on deployments -- including a decision not to send a second carrier strike group to the Gulf. These are only a few of the many cutbacks we have made in training and maintenance. These actions reduce our ability to handle future military contingency needs, both this year and in subsequent years.

Even after taking all these actions, we are still short of needed operating funds for FY 2013, and we cannot rule out unexpected increases in costs during the next few months. So we confront a difficult set of trade offs. We can make even larger cutbacks in training and maintenance, further reducing readiness to handle contingency operations and putting into even greater jeopardy our military readiness in future fiscal years. Alternatively, we can furlough civilian personnel to help close the gap and, knowing that morale, productivity and readiness would be affected. This is an unpleasant set of choices, but this is the situation we face.

Before making a decision, I sought advice and inputs from senior leaders in the military departments and agencies as well as advice from my senior civilian and military staff. I asked them to keep in mind our fundamental criterion to minimize adverse mission effects and, subject to that criterion, to ensure reasonable consistency and fairness across the Department for any furloughs that we impose.

Based on all these inputs, I have decided to direct furloughs of up to 11 days for most of the Department's civilian personnel. Furloughs for up to 11 days represent about half of the 22 days that can legally be imposed in a year and also about half the number we had originally planned. This halving of previous furlough plans reflects vigorous efforts to meet our budgetary shortfalls through actions other than furloughs as well as Congressional passage of an appropriations bill in late March that reduced the shortfalls in our operating budget and expectations of Congressional action on our reprogramming request.

Furloughs will be imposed in every military department as well as almost every agency and in our working capital funds. All of our civilian employees are important, and I would prefer not to furlough any of them. However, there will only be limited exceptions driven by law and by the need to minimize harm to mission execution. We will except civilians deployed to combat zones and civilians necessary to protect life and property (but only to the extent needed to provide that protection). A few categories of workers will be excepted for specific mission reasons while some categories of workers will be excepted because furloughing them would not

free up money for critical DoD mission needs. The attachment provides details regarding approved exceptions. Fewer than one fifth of all civilians paid with appropriated funds will be excepted from furloughs.

The planning and implementation of furloughs will be carried out based on the schedule below:

- May 28 - June 5: Furlough proposal notices will be served to individual employees subject to furloughs.
- June 4 - June 12: Individual employee reply periods end 7 calendar days from when the proposal was received, unless Component procedures allow for a different reply period.
- June 5 - July 5: Furlough decision letters will be served to individual employees subject to furloughs, depending on when the proposal was received and prior to the first day of furlough.
- July 8: Furlough period begins no earlier than this date.

We will begin furloughs on July 8 at the rate of 1 furlough day per week for most personnel. For now, we plan to continue furloughs through the end of FY 2013. That schedule would lead to 11 furlough days – one fifth of the week for about one quarter of the year. Moreover, I am directing all components to monitor funding closely for the remainder of FY 2013. If our budgetary situation permits us to end furloughs early, I would strongly prefer to do so. That is a decision I will make later in the year.

Consistent with this memo and with applicable laws and rules, commanders and managers will have the authority to develop the specifics of furlough procedures in order to minimize adverse mission effects and also limit the harm to morale and productivity. Further bargaining with unions may also be required. The Under Secretary for Personnel and Readiness has already issued guidance as appropriate regarding personnel and union issues related to furloughs and will issue additional guidance as needed. Overall coordination of sequester and furlough policies will be the responsibility of the Under Secretary of Defense (Comptroller).

Each of the Department's civilian employees makes an important contribution to the readiness of our Department to meet the nation's national security needs. I understand that the decision to impose furloughs imposes financial burdens on our valued employees, harms overall morale, and corrodes the long-term ability of the Department to carry out the national defense mission. I deeply regret this decision. I will continue to urge that our nation's leaders reach an agreement to reduce the deficit and de-trigger sequestration. If no agreement is reached, I will continue to look for ways to limit the adverse effects of sequestration and associated budgetary shortfalls both on the men and women of the Department of Defense, and on our national defense.

Attachment:  
As stated.



### **Department of Defense Furlough Exceptions**

This attachment provides Components with final dispositions on categorical exceptions to the Department of Defense (DoD) plan to furlough civilian employees for a maximum of 88 hours or 11 discontinuous workdays because of the current financial crisis caused by a sequestration for Fiscal Year (FY) 2013, increased costs for ongoing Overseas Contingency Operations, and other emerging requirements. In order to minimize adverse effects on mission, employees in the following categories are excepted from furlough for the reasons noted:

- a) In order to avoid harm to war efforts, all employees deployed (in a Temporary Duty status) or temporarily assigned (to include Temporary Change of Station) to a combat zone (as defined in notes below) are excepted from furlough.
- b) In order to avoid harm to mission, those employees necessary to protect safety of life and property are excepted to the extent necessary to protect life and property. This includes selected medical personnel. Later portions of this attachment provide details.
- c) Employees in Navy shipyards will be excepted from furlough because it would be particularly difficult to make up delays in maintenance work on nuclear vessels and these vessels are critical to mission success. All other depot employees, whether mission-funded or working capital fund employees, will be subject to furlough.
- d) Furloughs for employees funded with National Intelligence Program (NIP) funds will be determined by the Director of National Intelligence. Employees funded with Military Intelligence Program (MIP) funds will be subject to furlough.
- e) Because there would be no savings, Foreign Military Sales (FMS) employees whose positions are exclusively funded from FMS Administrative and FMS case funds (case number may be required to validate funding source) and from Foreign Military Financing accounts are excepted from furlough. Furloughing employees in this category would not reduce the expenditure of DoD budgetary resources and so would not assist in meeting sequestration reductions. The FMS case-funded positions funded in whole or part by DoD appropriations (to include "pseudo-FMS" cases) are subject to furlough.
- f) By law, all individuals appointed by the President, with Senate confirmation, who are not covered by the leave system in title 5, U.S. Code, chapter 63, or an equivalent formal leave system, are excepted from furlough.
- g) All employees funded by non-appropriated funds (NAF)<sup>1</sup> (regardless of source of NAF funding) are excepted from furlough. Furloughing employees in this category would not reduce the DoD budget and so would not assist in meeting sequestration reductions.
- h) All Outside Contiguous United States foreign national employees, many of whom are subject to Status of Forces Agreements, are excepted from furlough because their situation vary greatly by country/region and because, in some cases, they are paid by host governments.

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<sup>1</sup> NAF employees are not covered by the requirements and procedures applicable to furloughs of appropriated fund employees under FY13 sequestration. However, NAF employees may be furloughed under DoD NAF and Component policies and procedures for business-based reasons.

- i) Any employees who are not paid directly by accounts included in the Department of Defense-Military (subfunction 051) budget are excepted from furlough. For example, this would include employees funded by the Arlington National Cemetery (705 function) and DoD Civil Works (various non-051 functions) programs. These exceptions have been identified by the Components. Furloughing these employees would not reduce the expenditure of DoD budgetary resources and so would not assist in meeting sequestration reductions.

The following portion of this document provides the definitive list of additional approved exceptions beyond those listed in the preceding paragraph. The exceptions approved for the safety of life and protection of property category are granted with the understanding that these are the minimum exceptions needed to maintain operations and provide security on a 24/7 basis and that furloughing these employees would result in the Department incurring additional costs for premium pay. Similarly, the exceptions for the medical category are approved with the understanding these exceptions preserve the minimum level of personnel needed to maintain quality of care in 24/7 emergency rooms and other critical care areas such as behavioral health, wounded warrior support, and disability evaluation. Furloughing these employees would result in unacceptable care being provided, and the Department would incur increased costs for premium pay or TRICARE. The exception for Child Development Centers is granted with the understanding that this is the minimum level needed to maintain accreditation and maintain quality care for children in military families. Some Department of Defense Education Activity employees, while not excepted from furlough, may only be furloughed when they are in a pay status. Therefore, they will only be subject to furlough for up to five days at the beginning of the 2013 school year.

Recognizing that circumstances can change in this dynamic environment, the Secretaries of the Military Departments, and the Principal Staff Assistants for the Defense Agencies and Field Activities, may approve up to 50 additional individual, mission-based, exceptions as needed to ensure safe and efficient operations of their respective Departments. Any such exception must be reported to the Acting Under Secretary of Defense (USD) for Personnel and Readiness and the USD Comptroller. There are no other approved exceptions provided based on the Components' submissions. Furlough proposal notices should be issued to all impacted employees beginning May 28, 2013.

Relative to the review and decision on individual employee requests for exception, per guidance issued via the Principal Deputy Assistant Secretary of Defense, Readiness and Force Management, memorandum, dated March 13, 2013, activities should designate the Deciding Official. The designated Deciding Official will be no lower than a local Installation Commander, senior civilian or equivalent who would be in the best position to determine the fair and equitable application of the furlough. Deciding Official responsibilities may not be further delegated. Deciding Officials are charged with, and are accountable for, making final decisions on furloughs for individual employees after carefully considering the employee's reply, if any, and the needs of the Department. Deciding Officials must also ensure they make final decisions in cases where an employee does not submit a reply. Deciding Officials will have the authority to execute the full range of options with respect to providing relief in individual employee cases. This authority includes, but is not limited to, reducing the number of days/hours an individual employee is furloughed, or granting the individual employee an exception from the furlough altogether.

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
DoN	7,543	1,418	212 CIVPERS at Sea  4,712 CIVMARS  514 Appropriated Fund (APF) Child Development Centers (CDCs)  15  28,000  1,657	CIVPERS deployed at sea are subject to furlough upon return from deployment  CIVMARS are subject to furlough upon return from deployment  Maintain safety standards and quality of care  Support to classified programs  Shipyard Workers, General  Shipyard Workers, Nuclear and Naval Reactors Staff
USA	263	Up to 6,600	555 APF CDC Employees  75  17  257	Maintain safety standards and quality of care  ARNG Dual Status Technicians for Alerts, Firefighting, Personnel Recovery and other missions  Support to classified programs  Non-immigrant employees requiring H-1B visas at Defense Language Institute



Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
USAF	933	410	62  1,123  30 Students  94 Multi-IOC 24/7 Plant Operators  2  3  1,634 APF CDCs	Support to classified programs  ANG Dual Status Technicians for Alerts, Firefighting, Personnel Recovery and other missions  Intel School & FLETC  Heating/Waste Water Plant minimum safe manning  Contingency Planners  Special Law Enforcement Pay  Maintain safety standards and quality of care
DLA	363			
DA&M	623			546 are from the Pentagon Force Protection Agency; the remaining 77 are Washington Headquarters Services for Pentagon safety and emergency communications.  Most will be furloughed fewer than 11 days due to the need to maintain operations and security 24/7.
US Court of Appeals for Armed Services			59	The Chief Judge will decide how many days to furlough employees, if at all.
JTFCAPMED		368		165 @ Walter Reed  203 @ Fort Belvoir

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
USUHS	22		5	Animal Husbandry Technicians Non-immigrant employees requiring H-1B visas
Office of the Military Commissions – Defense Legal Services Agency			9	Civilian Trial Practitioners
Department of Defense Education Activity (DoDEA)			10,950	9-month DoDEA employees, which includes teachers, educational aids, and support staff may only be furloughed for up to 5 days at the beginning of the 2013 school year.
DCAA			1	Non-immigrant employees requiring H-1B visa

Notes:

1. Safety of life and property exceptions are based on need for 24/7 coverage in most instances. It is expected all Components will furlough for less than 88 hours in these areas where feasible.
2. Individuals for whom law enforcement premium pay would result in no loss of pay if furloughed will be excepted from the furlough.
3. 20 CFR 655.731 requires that the employer of a H-1B non-immigrant who is not performing work and is placed in a nonproductive status due to a decision by the employer (e.g., placed in a non-pay/non-duty status due to administrative furlough) pay the salaried employee the full pro-rata amount due, or to pay the hourly-wage employee for a full-time week (40 hours or such other number of hours as the employer can demonstrate to be full-time employment for hourly employees, or the full amount of the weekly salary for salaried employees) at the required wage for the occupation.

1. References.

- a) Title 26, U.S. Code, Section 112, Certain combat zone compensation of members of the Armed Forces
- b) Executive Order 12744, January 21, 1991
- c) Executive Order 13119, April 13, 1999
- d) Executive Order 13239, December 12, 2001
- e) Public Law 104-117, To provide that members of the Armed Forces performing services for peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone.

2. The following locations are designated as "Combat Zones" by law, Presidential Executive Order or by DoD certification that members of the Armed Forces serving in such locations are serving in direct support of military operations in a combat zone:

Countries:

Afghanistan (EO 13239)	United Arab Emirates (EO 12744)
Albania (EO 13119)	Uzbekistan (DoD certification)
Bahrain (EO 12744)	Yemen (DoD certification)
Bosnia (PL 104-117)	Croatia (PL 104-117)
Djibouti (DoD certification)	Herzegovina (PL 104-117)
Iraq (EO 12744)	Jordan (DoD certification)
Kuwait (EO 12744)	Kyrgyzstan (DoD certification)
Macedonia (PL 104-1170)	Montenegro (EO 13119)
Oman (EO 12744)	Pakistan (DoD certification)
Philippines (Only troops with orders referencing Operation Enduring Freedom) (DoD certification)	Qatar (EO 12744)
Saudi Arabia (EO 12744)	Serbia (includes Kosovo) (EO 13119)
Somalia (DoD certification)	Tajikistan (DoD certification)

Sea Areas:

Adriatic Sea (EO 13119)

That portion of the Arabian Sea that lies north of 10 degrees north latitude, and west of 68 degrees east longitude (EO 12744)

Gulf of Aden (EO 12744)

Gulf of Oman (EO 12744)

Ionian Sea north of the 39<sup>th</sup> Parallel (EO 13119)

Persian Gulf (EO 12744)

Red Sea (EO 12744)

3. Adherence to the following principles ensures consistency in applying the "deployed to combat zone" exemption to civilian employees in the context of the administrative furlough:

- a) "Deployed civilian" is defined as a civilian employee who is deployed (in temporary duty (TDY) status) or temporarily assigned (to include temporary change of station (TCS)) to a "combat zone" as set forth above.
- b) "Combat zone" is defined as those locations listed as combat zones in Executive Orders 12744, 13119 or 13239 and locations where military are eligible for combat zone tax benefits under law or because DoD has certified that they are providing direct support to military operations.
- c) A "deployed civilian's" period of deployment includes time spent in attendance at mandatory pre-deployment training as well as in completing mandatory post-deployment requirements.
- d) A civilian employee who was deployed to a combat zone but redeploys mid-way through the furlough period will receive a notice of proposed furlough upon return to their parent organization and prior to any furlough. Further, the number of hours for which the employee will be furloughed will be pro-rated.

**\*EMBARGOED FROM PUBLIC/PRESS RELEASE\***  
**\*UNTIL 1430 HRS, 14 MAY 2013\***

**MESSAGE FROM SECRETARY HAGEL ON FURLOUGHS**  
**TUESDAY, MAY 14, 2013**

To all Department of Defense personnel:

As you are fully aware, the Department of Defense is facing a historic shortfall in our budget for the current fiscal year. This is the result of current law that went into effect March 1. It imposes deep across-the-board cuts on DoD and other federal agencies. Combined with higher than expected wartime operating costs, we are now short more than \$30 billion in our operation and maintenance (O&M) accounts – which are the funds that we use to pay most civilian employees, maintain our military readiness, and respond to global contingencies.

The Department has been doing everything possible to reduce this shortfall while ensuring we can defend the nation, sustain wartime operations, and preserve DoD's most critical asset – our world-class civilian and military personnel. To that end, we have cut back sharply on facilities maintenance, worked to shift funds from investment to O&M accounts, and reduced many other important but non-essential programs.

Still, these steps have not been enough to close the shortfall. Each of the military services has begun to significantly reduce training and maintenance of non-deployed operating forces – steps that will adversely impact military readiness. And even these reductions are not enough. Since deeper cuts to training and maintenance could leave our nation and our military exposed in the event of an unforeseen crisis, we have been forced to consider placing the majority of our civilian employees on administrative furlough.

After extensive review of all options with the DoD's senior military and civilian leadership on how we address this budget crisis, today I am announcing that I have decided to direct furloughs of up to 11 days for most of the Department's civilian personnel. I have made this decision very reluctantly, because I know that the furloughs will disrupt lives and impact DoD operations. I recognize the significant hardship this places on you and your families.

After required notifications, we will begin the furlough period on July 8 at the rate of one furlough day per week for most personnel. We plan to continue these furloughs through the end of the current fiscal year. If our budgetary situation permits us to end furloughs early, I would strongly prefer to do so. That is a decision I will make later in the year.

Furloughs for 11 days represent about half of the number we had originally planned, reflecting the Department's vigorous efforts to meet our budgetary shortfalls through actions other than furlough. There will be exceptions driven by law and by the need to minimize harm to the execution of our core missions. For example, all employees deployed or temporarily assigned to a combat zone will be excepted from furloughs.

Your managers have been given authority to develop specific furlough procedures to minimize adverse mission effects and also limit the harm to morale and productivity. They will be in touch with you to provide guidance and answers.

The President and I are deeply appreciative of your patience, your hard work, and your dedication and contributions to the critical mission of helping protect America's national security. I am counting on all of you to stay focused on this vital mission in the days ahead. As I said the day I assumed the responsibilities of Secretary of Defense, I'm proud to be part of your team and I'm proud to serve with you.

###



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY**  
**MANPOWER AND RESERVE AFFAIRS**  
111 ARMY PENTAGON  
WASHINGTON, DC 20310-0111

SAMR

MAY 17 2013

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Department of the Army Fiscal Year 2013 Administrative Furlough

**This memorandum supersedes reference 1.c., below and is issued for planning and execution.**

1. References:

- a. Secretary of Defense memorandum, 14 May 2013, subject: Furloughs.
- b. U.S. Office of Personnel Management Guidance for Administrative Furloughs, as amended.
- c. Assistant Secretary of the Army (Manpower and Reserve Affairs) memorandum, 20 March 2013, subject: Department of the Army Administrative Furlough Planning (rescinded).

2. Reference 1.a. announced the Secretary of Defense decision to require an administrative furlough of the Department of Defense (DoD) civilian workforce in Fiscal Year (FY) 2013. An administrative furlough differs from an emergency or government shutdown furlough which occurs when there is a lapse in appropriations. But both types of furlough place employees in a temporary no-pay, non-duty status because of lack of work or funds, or for other non-disciplinary reasons. Administrative furloughs of up to 22 workdays are considered adverse actions. Reference 1.b. provides information about administrative furloughs.

3. This memorandum constitutes the Secretary of the Army's authorization to issue notices of proposed furlough and proceed to execute the furlough in accordance with reference 1.a. and this memorandum. It is the intent of DoD and the Army that all employees be furloughed, with extremely limited exceptions, in order to maximize cost savings. Accordingly, the Army intends to furlough all civilian employees for up to 88 hours, or 11 workdays, prior to the end of FY 2013, unless an employee is excepted from furlough as set forth in: reference 1.a.; paragraphs 4 through 6, below; or as authorized by the Secretary of the Army. Employees who were previously identified as "excepted" or "exempt" from past government shutdown furloughs are not automatically excepted from the current administrative furlough.

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**SUBJECT: Department of the Army Fiscal Year 2013 Administrative Furlough**

4. Pursuant to my authority under provisions of Title 10, U.S. Code, Section 3016, and at the direction of the Secretary of the Army, I hereby designate: the Commanders of Army Commands, Army Service Component Commands and Direct Reporting Units (DRU); the Commanders of U.S. European Command, U.S. Forces Korea, U.S. Southern Command, U.S. Africa Command and Joint Special Operations Command; and the Administrative Assistant to the Secretary of the Army for Headquarters, Department of the Army (HQDA), as Deciding Officials for purposes of the adverse action process associated with the FY 2013 administrative furlough.

a. For purposes of the adverse action process associated with the FY 2013 administrative furlough and the administration of the restrictions on overtime work set forth in this memorandum, the Administrative Assistant to the Secretary of the Army will exercise authority, direction and control over the personnel of the following organizations as if they were part of HQDA:

- (1) Armed Services Board of Contract Appeals;
- (2) DoD Explosives Safety Board;
- (3) Joint Improvised Explosive Device Defeat Organization;
- (4) Special Inspector General for Iraq Reconstruction;
- (5) Special Inspector General for Afghanistan Reconstruction; and
- (6) Military Entrance Processing Command.

b. Civilian employees of the Office of the Chief, Army Reserve (an HQDA Principal Official), who are associated with Unit Identification Code W0Z4AA, are considered a part of HQDA. By reference 1.a., the Secretary of Defense authorized the Chief, National Guard Bureau to exercise independent furlough authority for personnel of the National Guard Bureau. In accordance with DoD Directive 5105.77, *National Guard Bureau*, paragraph 7.1, the Chief, National Guard Bureau may develop and promulgate publications on National Guard matters, consistent with DoD and Department of the Army policies. Accordingly, the policies set forth in reference 1.a. and this memorandum should be applied in administering the furlough and related matters for Department of the Army civilian employees associated with National Guard Bureau Unit Identification Codes W00QAA, W39LAA, W36VAA and W3G2AA.

c. As authorized by the Secretary of the Army, for purposes of the FY 2013 administrative furlough and the restrictions on overtime work set forth in this memorandum, a DRU led by a civilian employee will be considered an HQDA organization or activity subject to the authority, direction and control of the HQDA Principal Official to whom the DRU reports.



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d. As Deciding Officials in the context of the adverse action process associated with the FY 2013 administrative furlough, the officials designated as Deciding Officials in paragraph 4, above are hereby empowered to issue final furlough decisions to:

(1) except from furlough any individual employee in the grade of GS-15 (and equivalents) and below; and

(2) limit to less than 88 hours or 11 workdays the number of hours/days that any full-time individual employee in the grade of GS-15 (and equivalents) and below will be furloughed before the end of FY 2013.

e. Deciding Officials are charged with, and are accountable for, making final decisions on furloughs for individual employees based on the efficiency of the Service<sup>1</sup>, after carefully considering the employee's reply, if any, and the needs of the Department of the Army. Deciding Officials must also ensure they make final decisions in cases in which an employee does not submit a reply. Deciding Officials will have the authority to execute the full range of options with respect to providing relief in individual employee cases. This authority includes, but is not limited to, reducing the number of hours/days an employee will be furloughed, or granting the individual employee an exception from the furlough altogether.

f. Deciding Officials may recall an employee from furlough (resulting in an overall reduction in the number of FY 2013 furlough hours for that employee) only as necessary to protect the health, safety and security of personnel or property; to ensure the direct and timely provision of services and materiel to deployed units or to units that are preparing to deploy; or to perform similar mission critical functions. No additional funds will be authorized for furlough recall.

5. The officials designated as Deciding Officials in paragraph 4, above, may designate as a Deciding Official(s) for purposes of the adverse action process associated with the FY 2013 administrative furlough, one or more military officers or senior civilians under their supervision in grades no lower than Colonel or GS-15 (or equivalents). Designated individuals may subsequently designate as Deciding Officials other military officers or senior civilians serving under their supervision (also in grades no lower than Colonel/GS-15 (or equivalents)). No person lower than Colonel/GS-15 (or equivalents) may be designated as a Deciding Official. An individual may be designated as a Deciding Official in accordance with this paragraph only when such individuals would be in the best position to determine the fair and equitable application of the furlough to employees. Required as part of the designation of a Deciding Official is a re-delegation to that individual of the authorities enumerated in paragraph 4, above.

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<sup>1</sup> 5 U.S.C. § 7513 (a); see Hatfield v. Department of the Interior, 28 M.S.P.R. 673, 675 (1985) (“[a]n adverse action promotes the efficiency of the service when the grounds for the action relate to either an employee's ability to accomplish his duties satisfactorily or to some other legitimate government interest.”).

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**SUBJECT: Department of the Army Fiscal Year 2013 Administrative Furlough**

6. Any designation as a Deciding Official and re-delegation of the requisite authorities will take effect only when it is in writing and signed by the designating official. I will hold each of the officials designated as Deciding Officials in paragraph 4, above, responsible for any and all actions he or she takes as a Deciding Official, including the exercise of authorities inherent in such a designation, and for any actions taken by individuals under his/her supervision who are subsequently designated as Deciding Officials. Should conditions warrant, any designating official should suspend or rescind a subordinate's designation as a Deciding Official, as appropriate.

7. This memorandum and its Appendices do not apply to employees managed by the Civilian Senior Leader Management Office (CSLMO). Separate guidance addressing CSLMO-managed employees is forthcoming.

8. Organizations may not transfer any work from Army civilians to contractors or use premium pay (overtime or compensatory time off) to offset federal employee absence due to furlough. Organizations are reminded that furloughed employees are prohibited from working on-site or on a telework basis during furlough hours/days, and furloughed employees may not substitute paid leave or other paid time off for furlough hours/days.

9. Employee overtime work, whether paid or awarded as compensatory time off, is prohibited during the sequester through the end of FY 2013 except as necessary to protect the health, safety and security of personnel or property; to ensure the direct and timely provision of services and materiel to deployed unit or to units that are preparing to deploy; or to perform similar mission critical functions.

a. These provisions concerning overtime work apply equally to all Army employees, to include those excepted from furlough. Overtime work for an employee subject to furlough must be approved by an official designated as the Deciding Official for that employee for purposes of the FY 2013 furlough. Overtime work for employees not subject to furlough must be approved by an official designated as a Deciding Official in paragraph 4, above. The officials designated as Deciding Officials in paragraph 4 may delegate the authority to approve overtime work for employees excepted from furloughed through the chain of command or supervision to an official in a grade no lower than Colonel/GS-15 (or equivalents).

b. Before recommending the approval of overtime work, commanders, supervisors and other management officials must make every effort to meet mission requirements by using the latitude to adjust (in advance) each employee's scheduled furlough hours/days. All other options will be considered before overtime work is authorized; overtime work will be approved only when all other options are impracticable.

c. Any approval of overtime work must be documented in advance of the time and date on which the work is to be performed, signed and dated by the appropriate approving official and must also set forth: the purpose of the overtime work and the rationale for

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SUBJECT: Department of the Army Fiscal Year 2013 Administrative Furlough

concluding that the work meets the above criteria; whether the overtime work will be paid or awarded as compensatory time off; and the number of hours of overtime work authorized.

d. I will hold the officials designated as Deciding Officials in paragraph 4, above, together with individuals under their supervision with the authority to approve overtime work, accountable for managing workload properly and for ensuring that employees are not permitted to work overtime in contravention of this policy.

e. No additional funds will be authorized for overtime work.

#### 10. Reports.

a. The officials designated as Deciding Officials in paragraph 4, above, ***will inform me of each grant of an exception from the FY 2013 furlough; decision to limit or reduce the number of furlough hours/days to which an employee is subject; or decision to recall an employee from furlough that results in an overall reduction in FY 2013 furlough hours for that employee rendered by that official or any subordinate Deciding Official or delegate. Such reports shall be in writing and include a description of the action taken and the underlying rationale. Reports will be forwarded to me concurrent with the decision at issue.*** I will compile and submit corresponding reports to the Secretary of the Army.

b. The officials designated as Deciding Officials in paragraph 4, above, will provide periodic reports to the Assistant G-1 (Civilian Personnel), Office Deputy Chief of Staff, G-1, HQDA as to:

(1) The number of notices of proposed furlough issued to employees;

(2) The number of employees to whom notices of proposed furlough were not issued because the employee was subject to an approved furlough exception.

(3) The number of notices of final furlough decisions issued to employees;

(4) The number of individual furlough exceptions granted through the adverse action process.

The Assistant G-1 (Civilian Personnel) will issue additional guidance and reporting formats under separate cover.

c. Furlough-related actions and the approval of overtime work also will be included in the monthly reports presented at the ASA(M&RA) and ASA(FM&C) Civilian Workforce Shaping Teleconferences. The content and format for submission of these reports will be provided separately.

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11. To the fullest extent practicable, management must engage its unions in pre-decisional discussions regarding the possible actions to be taken with regard to the furlough. Additionally, management must fulfill its statutory and contractual labor relations obligations in implementing actions addressed in this memorandum.

12. Both DoD and the Department of the Army will continue to keep you informed as this situation develops. It is imperative that we continue to communicate with our workforce and labor partners. As we address this difficult and fluid fiscal situation, we want you and your employees to know that your patience, hard work and continued dedication are deeply appreciated. As conditions change or senior leadership decisions provide clarity or modify direction, we will provide you further guidance.

13. Commands and organizations will execute the furlough in accordance with the timelines in Appendix C and with applicable bargaining obligations and agreements. Templates for furlough proposal and decision notices, the use of which is mandatory, have been disseminated through command human resources channels.



THOMAS R. LAMONT  
Assistant Secretary of the Army  
(Manpower and Reserve Affairs)

4 Appendices

- A. General Administrative Furlough Guidelines and Procedures
- B. Civilian Training
- C. Furlough Schedule
- D. Secretary of Defense memo, 14 May 2013  
subject: Furlough

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OFFICE OF THE JUDGE ADVOCATE GENERAL, ATTN: DAJA-LE (MS. NUGENT)  
ARMED SERVICES BOARD OF CONTRACT APPEALS  
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JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION  
SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION  
SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION  
MILITARY ENTRANCE PROCESSING COMMAND

Appendix A: General Administrative Furlough Guidelines and Procedures

1. General. Administrative furloughs differ from emergency furloughs, as outlined in reference 1.b. of the base memorandum. Administrative furloughs of up to 22 workdays are considered adverse actions. Commanders, supervisors and other management officials may find it helpful to review the references listed in paragraph 3, below.

a. As a result of major budgetary shortfalls, the Army intends to furlough all civilian employees for up to 88 hours or 11 workdays in Fiscal Year (FY) 2013. At this time, the furlough period is expected to run from 8 July through 30 September 2013, subject to fulfillment of labor relations obligations, as appropriate. As authorized by the officials designated as Deciding Officials in paragraph 4 of the base memorandum, commanders, supervisors and other management officials have latitude in scheduling furlough hours/days for furloughed employees in their chains of command or supervision, consistent with mission requirements, bargaining agreements, fairness, equity and consideration for employee preferences.

b. Furloughs may not be scheduled solely on designated federal holidays. Additionally, furloughs may not be scheduled for a three-day period where the designated holiday falls in the middle of the three days, with the purpose of saving three days of pay while only losing two days of work. *The employee will receive holiday pay if he or she is in a paid status either on the workday preceding the holiday or the workday after the holiday.* Employees may, however, be furloughed for substantial periods of time that include holidays. In all cases, organizations should select furlough days based on factors that are unrelated to the fact that the furlough period includes a holiday.

c. A furloughed employee may not volunteer to perform his/her duties on a no-pay basis during any hours or days designated as furlough time for that employee. Unless otherwise authorized by law, an organization may not accept the voluntary services of any employee.

d. Furloughed employees may not take paid leave or substitute any form of paid time off for any hours or days designated as the employee's furlough time.

e. Based on operational needs or due to established use of alternate (compressed and flexible) work schedules, supervisors/managers may manage furloughs by hours to ensure that employees are furloughed exactly 88 hours over the period designated for furlough. Alternate work schedules may be modified or temporarily suspended to accommodate employee absences for furlough. Supervisors and managers must be aware, however, that pursuant to Title 5, U.S. Code, Section 6126, termination of an employee's flexible work schedule may obligate the Army to pay the employee for up to 24 hours of accumulated credit hours. Employees should be informed of work schedule changes at least a week in advance of the change. Labor relations obligations will be met before action is taken to change established work schedules.

f. Careful consideration should be given to the timing of furlough hours and days. Some organizations may need to rotate employee furlough time to enable continued operations. Other commands and organizations may be able to furlough all employees during the same period to garner added savings. Commanders, supervisors and other management officials

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Appendix A: General Administrative Furlough Guidelines and Procedures

should consider opportunities for cost savings in base operations and utilities by synchronizing employee furlough schedules across an installation. For example, organizations may establish the same day each week to furlough employees across an installation, thereby reducing both staffing levels and the installation's utility bills.

g. To the extent possible, furlough hours/days should not be scheduled during periods of temporary duty (TDY). If furlough during an employee's TDY appears unavoidable and the employee is not approved for an exception to the furlough, consideration should be given to cancelling the TDY. Either per diem or actual expenses must be provided to an employee whose travel status requires a stay that includes a furlough day (even though the employee is in a no-pay, non-duty status).

h. The furlough hours of part-time employees will be pro-rated. An employee working only 40 hours per pay period, for instance, will be furloughed only 44 hours over the period during which furloughs will occur (one-half of the 88 hours mandated for full-time employees). Similarly, employees who are currently in a furlough-excepted category or position, but who subsequently become subject to furlough, or vice versa, will have their furlough hours pro-rated across the pay periods remaining in FY 2013 from the day after a notice of final furlough decision is issued or the statutory 30-day notice period expires, whichever is later.

i. Furlough guidance applicable to employees on detail is provided in reference 1.b. of the base memo. Detailed employees remain officially assigned to their permanent positions during the detail. During a furlough, each **parent organization** will determine the status of each of its employees. If furlough is required, the **parent organization** will determine how and when the detailed employee will be affected. Parent organizations are encouraged to work with the detailed organization in scheduling the detailee's furlough days.

j. If an employee is scheduled to be on Leave Without Pay (LWOP) during the furlough period, the supervisor/manager has discretion whether or not to furlough the employee. If the supervisor/manager decides to place the employee in a furlough status during hours that were originally scheduled for LWOP, all applicable procedural requirements must be met, to include providing a notice of proposed furlough. No proposed furlough notice or notice of final furlough decision is required for employees who are on LWOP and not expected to return to work at all during the period of furlough (e.g., an employee on a one-year period of LWOP to accompany a military spouse on assignment). Should an employee who was expected to be on LWOP for the entire period of the furlough return to work during the furlough period, the supervisor/manager should issue a notice of proposed furlough to the employee as soon as possible after the employee's return to duty. The Office of the Deputy Chief of Staff, G-1 will update you should this guidance change.

k. Newly hired Army employees; employees moving within Army from a position excepted from furlough to a position subject to furlough; employees permanently moving from one Army position to another position under a different Deciding Official; and employees moving to Army from another DoD Component or from another Federal agency, will be provided a 30-day notice of proposed furlough immediately on reporting to the new Army position. If furloughed, the employee's hours of furlough will be pro-rated across the pay periods remaining from the

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough  
Appendix A: General Administrative Furlough Guidelines and Procedures

day after a notice of final furlough decision is issued or the statutory 30-day notice period expires, whichever is later. Under no circumstance may any individual employee exceed 88 total furlough hours in FY 2013, regardless of where employed.

I. Firefighters and other employees serving "uncommon" tours of duty also shall be furloughed for 88 hours, absent an approved exception to the furlough. However, the furlough should not disproportionately impact these employees and care should be taken to ensure that their regular pay is not disproportionately reduced in comparison to other furloughed employees. For instance, if full time employees on a normal work schedule are furloughed for two days per 10-day pay period, the reduction in firefighter regular pay as a result of furlough should not exceed 20% per pay period.

2. Procedures.

a. Administrative furloughs of 22 workdays or less are covered under adverse action procedures. Each employee, as defined in Title 5, U.S. Code, Section 7511, must receive at least a 30-calendar-day advance notice of proposed furlough, a minimum 7-calendar-day response period and a notice of final furlough decision. The 7-calendar-day response period runs concurrently with the 30-day advance notice. A notice of final furlough decision must be issued whether or not the employee submits a response to the notice of proposed furlough.

b. Key Personnel in the Furlough Process:

(1) An employee's first line supervisor generally will serve as the Furlough Proposing Official. Proposing Officials will issue individual notices of proposed furlough to each employee to be furloughed.

(2) Deciding Officials will be designated in accordance with paragraphs 4 through 6 of the base memorandum and empowered with all requisite authorities. Deciding Officials are charged with, and accountable for, making and issuing notices of final furlough decision to each individual employee subject to furlough, whether or not that employee submits any response to the notice of proposed furlough. In making a final decision on the proposed notice of furlough of each employee, the Deciding Official must carefully review and consider all evidence of record, giving full and fair consideration to any response that may be submitted by an employee to the notice of proposed furlough.

(3) The Deciding Official may appoint one or more designated Reply Official(s). A Reply Official must be appointed in writing and may be either a military officer or a civilian employee. The Reply Official will: (1) serve as the official designated to hear, receive and document any verbal and/or written replies made by an employee in response to a notice of proposed furlough; (2) receive and respond to any requests for an extension to the period allocated for employee reply to a notice of proposed furlough; (3) prepare a written summary of an employee's oral reply, if any, and present the summary to the employee for review for accuracy; (4) provide the Deciding Official with a copy of all documents or information provided by the employee and a summary of any verbal reply provided by the employee; and (5) based solely on the information provided in support of the notice of proposed furlough and the



Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough  
Appendix A: General Administrative Furlough Guidelines and Procedures

employee's reply, if any, recommend to the Deciding Official a final decision on the proposed furlough of the employee and the rationale for any such recommendation.

c. OSD-approved notices of proposed furlough and final furlough decision templates, the use of which is mandatory, have been disseminated through human resources channels. To the extent possible, management officials will deliver to the receiving employee in person both the notice of proposed furlough and the notice of final furlough decision rendered by the Deciding Official. Each employee will be asked to sign a copy of the notice of proposed furlough and notice of final furlough decision, acknowledging receipt. A copy of the employee's acknowledgment will be retained in the adverse action file. Should an employee decline to acknowledge receipt, a management official will annotate the delivery and the employee's refusal to sign on a copy of the notice and/or decision and retain that copy in the adverse action file. When an employee is absent from the workplace at the time notices or decisions are to be delivered personally, a management official must mail the notice by certified mail with return receipt to the employee's current mailing address. It is recommended, however, that supervisors/managers send notices to the employee by both first class mail and certified mail with return receipt. Supervisors/managers also may undertake personal delivery to the employee's home. Although not the preferred method, the officials designated as Deciding Officials in paragraph 4 of the base memorandum may permit their subordinate Proposing and Deciding Officials to issue furlough-related notices by email. Additional guidance on the use of email will be published through human resources channels. In each case, the Proposing and Deciding Officials must retain a record documenting the means by which each furlough-related document was provided to the employee and proof of employee receipt.

d. Other:

(1) The servicing Civilian Personnel Advisory Center (CPAC) will provide advice and guidance on: (1) Impact and Implementation bargaining; (2) preparation of notices of proposed furlough and final furlough decision; (3) processing of Standard Form (SF)-50, *Notification of Personnel Action*; and (4) other questions and issues that may arise during the furlough.

(2) The Civilian Human Resources Agency (CHRA) will process a *Notification of Personnel Action* (SF-50) for each employee furloughed. CHRA will provide additional processing guidance and guidance on records retention and maintenance, through the servicing CPACs, under separate cover.

(3) Employees and supervisors/managers must document furlough hours/days in the Automated Time Attendance and Production System (ATAAPS) or other approved time and attendance system. Furlough hours/days will be coded as KE.

(4) Throughout the process, statutory and contractual labor relations obligations must be met for bargaining unit employees. Servicing CPACs will assist in this effort.

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough  
Appendix A: General Administrative Furlough Guidelines and Procedures

3. Additional Resources. Commanders, supervisors/managers and other leaders are encouraged to review the websites referenced below for assistance in planning for the furlough. Leaders also may find it helpful to refer employees to one or more of the websites below for information.

a. Office of Personnel Management Furlough Guidance at <http://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/>

b. Defense Civilian Personnel Administrative Services Furlough Guidance at <http://www.cpbs.osd.mil/Subpage/FurloughGuidance/>

c. Army Information, Frequently Asked Questions and Fact Sheets at <http://cpol.army.mil/library/general/2013sequestration/>

d. Thrift Savings Plan information at <https://www.tsp.gov/PDF/formspubs/oc13-7.pdf>

## Appendix B: Administrative Furlough Guidance – Civilian Training

1. General. Administrative furloughs differ from emergency or government shutdown furloughs, as outlined in reference 1.b. of the base memorandum. Organizations should review and apply that reference and the guidance below in planning for the Fiscal Year (FY) 2013 administrative furlough.

a. The Army will continue to support mission critical functional and leader development training within available funding. Career Program (CP) Managers and commands must continue to spend every training dollar wisely, considering mission essential training, career program and command priorities, together with revised funding levels. The Army encourages all commands and organizations to continue to support CP and other centrally funded training (Senior Leader Seminar, Army Civilian Education System, DoD Leader Development Programs, etc.), but will also support a commander's/supervisor's decision to impose travel and training restrictions on their employees.

b. Reference 1.b. states: "In the event that scheduled training occurs during a furlough period, affected employees must be placed in a furlough status and ordered **NOT** to attend the scheduled training on the day of their scheduled furlough." The following guidance is provided with regard to Army Civilians participating in long- and short-term training during the furlough period.

(1) Long-Term training is defined in AR 350-1 as continuous, full-time training for more than 120 calendar days and is most applicable to the military Senior Service Colleges (SSCs) (i.e., Army War College, Air War College, Naval War College, Dwight D. Eisenhower School for National Security and Resource Strategy, etc.). Civilian students and employees of the military SSCs are not exempt from furlough.

(2) Army Civilian employees attending civilian-managed college or university long-term training (i.e., Comptroller Career Program employees attending the fourteen-month Defense Comptrollership Program at Syracuse University—a civilian-managed university) or attending long-term developmental assignments (internal or external to Army) will be furloughed in accordance with the procedures implemented by the employee's **parent organization**. Parent organizations may give consideration to adjusting the employee's/student's furlough schedule to accommodate course work and educational requirements while still meeting the mandated 88 hours of furlough before the end of FY 2013.

Appendix B: Administrative Furlough Guidance – Civilian Training

(3) Short Term Training: Short-term training is defined as training for less than 120 days. An employee attending short term Civilian training will be furloughed in accordance with the procedures implemented by the employee's **parent organization**. This includes students attending the Army's Civilian Education System program as well as civilian-managed college and university courses. Parent organizations may give consideration to adjusting the employee's/student's furlough schedule to accommodate course work and educational requirements while still meeting the mandated 88 hours of furlough before the end of FY 2013.

c. Travel and per diem in a training context: In reference 1.b., OPM states: "Agencies must provide per diem or actual expenses to employees whose travel status requires a stay that includes a furlough day" (even though the employee is in a no-pay, non-duty status). This guidance applies to all travel, whether centrally funded or command funded.

2. Additional guidance as it relates to Civilian employee training during the administrative furlough will be provided as it becomes available.

# FURLOUGH SCHEDULE\*

- Notices of proposed furlough served on employees
  - 28 May through 5 June
- Employee reply period
  - 7 days after receipt of notice of proposed furlough
- Notice of final furlough decision issued to employees
  - 5 June through 5 July, but in any case, only after the reply period has passed
- Furlough period
  - No earlier than 8 July through 30 September

\*Timelines for bargaining unit employees are subject to fulfillment of labor relations obligations



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

MAY 14 2013

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DEPUTY CHIEF MANAGEMENT OFFICER  
CHIEFS OF THE MILITARY SERVICES  
COMMANDERS OF THE COMBATANT COMMANDS  
CHIEF OF THE NATIONAL GUARD BUREAU  
DIRECTOR, COST ASSESSMENT AND PROGRAM  
EVALUATION  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
ASSISTANT SECRETARIES OF DEFENSE  
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTOR, NET ASSESSMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Furloughs

This memo directs defense managers to prepare to furlough most Department of Defense (DoD) civilians for up to 11 days. The schedule for furloughs, and some specific exceptions, are described later in this memo and in the attachment. I have made this decision very reluctantly, because I know that the furloughs will disrupt lives and impact DoD operations. I, along with the senior civilian and military leadership of the Department, have spent considerable time reviewing information related to the need for furloughs, and I would like to share with you the reasoning that led me to this difficult decision.

Major budgetary shortfalls drove the basic furlough decision. On March 1, sequestration went into effect across the federal government. DoD's budget for FY 2013 was reduced by \$37 billion, including \$20 billion in the operation and maintenance (O&M) accounts that pay many of our civilian workers. In addition, because our wartime budget is also subject to sequestration, we must utilize funds originally budgeted for other purposes in order to provide our troops at war with every resource they need. To compound our problems, when we estimated future wartime operating costs more than a year ago, we planned on fuel costs below what we are currently experiencing. Taken together, all these factors lead to a shortfall in our O&M accounts of more than \$30 billion – a level that exceeds 15 percent of our budget request, with fewer than six months left in the fiscal year in which to accommodate this dramatic reduction in available resources.



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We are taking actions to reduce this shortfall. One main priority has governed our decisions: to minimize the adverse effects on our military mission, including military readiness. With this in mind, early this calendar year we cut back sharply on facilities maintenance and worked to hold down base operating costs -- decisions we knew would build a backlog of maintenance and adversely affect our bases. We are also preparing a request to Congress that would permit us to shift some funding from investment and military personnel accounts into the O&M accounts. If approved by Congress, this initiative -- known as a reprogramming -- would help close the gap.

But these actions are not enough. We have begun making sharp cuts in the training and maintenance of our operating forces -- cutbacks that are seriously harming military readiness. The Army, for example, has terminated most remaining FY 2013 training rotations at its combat training centers. The Air Force has or soon will stop all flying at about one-third of its combat-coded squadrons in the active forces. The Navy and Marine Corps are cutting back on training and on deployments -- including a decision not to send a second carrier strike group to the Gulf. These are only a few of the many cutbacks we have made in training and maintenance. These actions reduce our ability to handle future military contingency needs, both this year and in subsequent years.

Even after taking all these actions, we are still short of needed operating funds for FY 2013, and we cannot rule out unexpected increases in costs during the next few months. So we confront a difficult set of trade offs. We can make even larger cutbacks in training and maintenance, further reducing readiness to handle contingency operations and putting into even greater jeopardy our military readiness in future fiscal years. Alternatively, we can furlough civilian personnel to help close the gap and, knowing that morale, productivity and readiness would be affected. This is an unpleasant set of choices, but this is the situation we face.

Before making a decision, I sought advice and inputs from senior leaders in the military departments and agencies as well as advice from my senior civilian and military staff. I asked them to keep in mind our fundamental criterion to minimize adverse mission effects and, subject to that criterion, to ensure reasonable consistency and fairness across the Department for any furloughs that we impose.

Based on all these inputs, I have decided to direct furloughs of up to 11 days for most of the Department's civilian personnel. Furloughs for up to 11 days represent about half of the 22 days that can legally be imposed in a year and also about half the number we had originally planned. This halving of previous furlough plans reflects vigorous efforts to meet our budgetary shortfalls through actions other than furloughs as well as Congressional passage of an appropriations bill in late March that reduced the shortfalls in our operating budget and expectations of Congressional action on our reprogramming request.

Furloughs will be imposed in every military department as well as almost every agency and in our working capital funds. All of our civilian employees are important, and I would prefer not to furlough any of them. However, there will only be limited exceptions driven by law and by the need to minimize harm to mission execution. We will except civilians deployed to combat zones and civilians necessary to protect life and property (but only to the extent needed to provide that protection). A few categories of workers will be excepted for specific mission reasons while some categories of workers will be excepted because furloughing them would not

free up money for critical DoD mission needs. The attachment provides details regarding approved exceptions. Fewer than one fifth of all civilians paid with appropriated funds will be excepted from furloughs.

The planning and implementation of furloughs will be carried out based on the schedule below:

- May 28 - June 5: Furlough proposal notices will be served to individual employees subject to furloughs.
- June 4 - June 12: Individual employee reply periods end 7 calendar days from when the proposal was received, unless Component procedures allow for a different reply period.
- June 5 - July 5: Furlough decision letters will be served to individual employees subject to furloughs, depending on when the proposal was received and prior to the first day of furlough.
- July 8: Furlough period begins no earlier than this date.

We will begin furloughs on July 8 at the rate of 1 furlough day per week for most personnel. For now, we plan to continue furloughs through the end of FY 2013. That schedule would lead to 11 furlough days – one fifth of the week for about one quarter of the year. Moreover, I am directing all components to monitor funding closely for the remainder of FY 2013. If our budgetary situation permits us to end furloughs early, I would strongly prefer to do so. That is a decision I will make later in the year.

Consistent with this memo and with applicable laws and rules, commanders and managers will have the authority to develop the specifics of furlough procedures in order to minimize adverse mission effects and also limit the harm to morale and productivity. Further bargaining with unions may also be required. The Under Secretary for Personnel and Readiness has already issued guidance as appropriate regarding personnel and union issues related to furloughs and will issue additional guidance as needed. Overall coordination of sequester and furlough policies will be the responsibility of the Under Secretary of Defense (Comptroller).

Each of the Department's civilian employees makes an important contribution to the readiness of our Department to meet the nation's national security needs. I understand that the decision to impose furloughs imposes financial burdens on our valued employees, harms overall morale, and corrodes the long-term ability of the Department to carry out the national defense mission. I deeply regret this decision. I will continue to urge that our nation's leaders reach an agreement to reduce the deficit and de-trigger sequestration. If no agreement is reached, I will continue to look for ways to limit the adverse effects of sequestration and associated budgetary shortfalls both on the men and women of the Department of Defense, and on our national defense.

Attachment:  
As stated.

A handwritten signature in black ink, appearing to read "OAKLEY HABEL". The signature is written in a stylized, cursive font with a long horizontal stroke extending to the right.



**Department of Defense Furlough Exceptions**

This attachment provides Components with final dispositions on categorical exceptions to the Department of Defense (DoD) plan to furlough civilian employees for a maximum of 88 hours or 11 discontinuous workdays because of the current financial crisis caused by a sequestration for Fiscal Year (FY) 2013, increased costs for ongoing Overseas Contingency Operations, and other emerging requirements. In order to minimize adverse effects on mission, employees in the following categories are excepted from furlough for the reasons noted:

- a) In order to avoid harm to war efforts, all employees deployed (in a Temporary Duty status) or temporarily assigned (to include Temporary Change of Station) to a combat zone (as defined in notes below) are excepted from furlough.
- b) In order to avoid harm to mission, those employees necessary to protect safety of life and property are excepted to the extent necessary to protect life and property. This includes selected medical personnel. Later portions of this attachment provide details.
- c) Employees in Navy shipyards will be excepted from furlough because it would be particularly difficult to make up delays in maintenance work on nuclear vessels and these vessels are critical to mission success. All other depot employees, whether mission-funded or working capital fund employees, will be subject to furlough.
- d) Furloughs for employees funded with National Intelligence Program (NIP) funds will be determined by the Director of National Intelligence. Employees funded with Military Intelligence Program (MIP) funds will be subject to furlough.
- e) Because there would be no savings, Foreign Military Sales (FMS) employees whose positions are exclusively funded from FMS Administrative and FMS case funds (case number may be required to validate funding source) and from Foreign Military Financing accounts are excepted from furlough. Furloughing employees in this category would not reduce the expenditure of DoD budgetary resources and so would not assist in meeting sequestration reductions. The FMS case-funded positions funded in whole or part by DoD appropriations (to include "pseudo-FMS" cases) are subject to furlough.
- f) By law, all individuals appointed by the President, with Senate confirmation, who are not covered by the leave system in title 5, U.S. Code, chapter 63, or an equivalent formal leave system, are excepted from furlough.
- g) All employees funded by non-appropriated funds (NAF)<sup>1</sup> (regardless of source of NAF funding) are excepted from furlough. Furloughing employees in this category would not reduce the DoD budget and so would not assist in meeting sequestration reductions.
- h) All Outside Contiguous United States foreign national employees, many of whom are subject to Status of Forces Agreements, are excepted from furlough because their situation vary greatly by country/region and because, in some cases, they are paid by host governments.

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<sup>1</sup> NAF employees are not covered by the requirements and procedures applicable to furloughs of appropriated fund employees under FY13 sequestration. However, NAF employees may be furloughed under DoD NAF and Component policies and procedures for business-based reasons.

- i) Any employees who are not paid directly by accounts included in the Department of Defense-Military (subfunction 051) budget are excepted from furlough. For example, this would include employees funded by the Arlington National Cemetery (705 function) and DoD Civil Works (various non-051 functions) programs. These exceptions have been identified by the Components. Furloughing these employees would not reduce the expenditure of DoD budgetary resources and so would not assist in meeting sequestration reductions.

The following portion of this document provides the definitive list of additional approved exceptions beyond those listed in the preceding paragraph. The exceptions approved for the safety of life and protection of property category are granted with the understanding that these are the minimum exceptions needed to maintain operations and provide security on a 24/7 basis and that furloughing these employees would result in the Department incurring additional costs for premium pay. Similarly, the exceptions for the medical category are approved with the understanding these exceptions preserve the minimum level of personnel needed to maintain quality of care in 24/7 emergency rooms and other critical care areas such as behavioral health, wounded warrior support, and disability evaluation. Furloughing these employees would result in unacceptable care being provided, and the Department would incur increased costs for premium pay or TRICARE. The exception for Child Development Centers is granted with the understanding that this is the minimum level needed to maintain accreditation and maintain quality care for children in military families. Some Department of Defense Education Activity employees, while not excepted from furlough, may only be furloughed when they are in a pay status. Therefore, they will only be subject to furlough for up to five days at the beginning of the 2013 school year.

Recognizing that circumstances can change in this dynamic environment, the Secretaries of the Military Departments, and the Principal Staff Assistants for the Defense Agencies and Field Activities, may approve up to 50 additional individual, mission-based, exceptions as needed to ensure safe and efficient operations of their respective Departments. Any such exception must be reported to the Acting Under Secretary of Defense (USD) for Personnel and Readiness and the USD Comptroller. There are no other approved exceptions provided based on the Components' submissions. Furlough proposal notices should be issued to all impacted employees beginning May 28, 2013.

Relative to the review and decision on individual employee requests for exception, per guidance issued via the Principal Deputy Assistant Secretary of Defense, Readiness and Force Management, memorandum, dated March 13, 2013, activities should designate the Deciding Official. The designated Deciding Official will be no lower than a local Installation Commander, senior civilian or equivalent who would be in the best position to determine the fair and equitable application of the furlough. Deciding Official responsibilities may not be further delegated. Deciding Officials are charged with, and are accountable for, making final decisions on furloughs for individual employees after carefully considering the employee's reply, if any, and the needs of the Department. Deciding Officials must also ensure they make final decisions in cases where an employee does not submit a reply. Deciding Officials will have the authority to execute the full range of options with respect to providing relief in individual employee cases. This authority includes, but is not limited to, reducing the number of days/hours an individual employee is furloughed, or granting the individual employee an exception from the furlough altogether.

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
DoN	7,543	1,418	212 CIVPERS at Sea  4,712 CIVMARS  514 Appropriated Fund (APF) Child Development Centers (CDCs)  15  28,000  1,657	CIVPERS deployed at sea are subject to furlough upon return from deployment  CIVMARS are subject to furlough upon return from deployment  Maintain safety standards and quality of care  Support to classified programs  Shipyard Workers, General  Shipyard Workers, Nuclear and Naval Reactors Staff
USA	263	Up to 6,600	555 APF CDC Employees  75  17  257	Maintain safety standards and quality of care  ARNG Dual Status Technicians for Alerts, Firefighting, Personnel Recovery and other missions  Support to classified programs  Non-immigrant employees requiring H-1B visas at Defense Language Institute

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
USAF	933	410	62  1,123  30 Students  94 Multi-IOC 24/7 Plant Operators  2  3  1,634 APF CDCs	Support to classified programs  ANG Dual Status Technicians for Alerts, Firefighting, Personnel Recovery and other missions  Intel School & FLETC  Heating/Waste Water Plant minimum safe manning  Contingency Planners  Special Law Enforcement Pay  Maintain safety standards and quality of care
DLA	363			
DA&M	623			546 are from the Pentagon Force Protection Agency; the remaining 77 are Washington Headquarters Services for Pentagon safety and emergency communications.  Most will be furloughed fewer than 11 days due to the need to maintain operations and security 24/7.
US Court of Appeals for Armed Services			59	The Chief Judge will decide how many days to furlough employees, if at all.
JTFCAPMED		368		165 @ Walter Reed  203 @ Fort Belvoir

Department of the Army Core Materials Relied Upon for FY2013 Administrative Furlough

Component	Safety of Life & Property	Medical Personnel	Others	Comments
USUHS	22		5	Animal Husbandry Technicians Non-immigrant employees requiring H-1B visas
Office of the Military Commissions – Defense Legal Services Agency			9	Civilian Trial Practitioners
Department of Defense Education Activity (DoDEA)			10,950	9-month DoDEA employees, which includes teachers, educational aids, and support staff may only be furloughed for up to 5 days at the beginning of the 2013 school year.
DCAA			1	Non-immigrant employees requiring H-1B visa

Notes:

1. Safety of life and property exceptions are based on need for 24/7 coverage in most instances. It is expected all Components will furlough for less than 88 hours in these areas where feasible.
2. Individuals for whom law enforcement premium pay would result in no loss of pay if furloughed will be excepted from the furlough.
3. 20 CFR 655.731 requires that the employer of a H-1B non-immigrant who is not performing work and is placed in a nonproductive status due to a decision by the employer (e.g., placed in a non-pay/non-duty status due to administrative furlough) pay the salaried employee the full pro-rata amount due, or to pay the hourly-wage employee for a full-time week (40 hours or such other number of hours as the employer can demonstrate to be full-time employment for hourly employees, or the full amount of the weekly salary for salaried employees) at the required wage for the occupation.

1. References.

- a) Title 26, U.S. Code, Section 112, Certain combat zone compensation of members of the Armed Forces
- b) Executive Order 12744, January 21, 1991
- c) Executive Order 13119, April 13, 1999
- d) Executive Order 13239, December 12, 2001
- e) Public Law 104-117, To provide that members of the Armed Forces performing services for peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone.

2. The following locations are designated as "Combat Zones" by law, Presidential Executive Order or by DoD certification that members of the Armed Forces serving in such locations are serving in direct support of military operations in a combat zone:

Countries:

Afghanistan (EO 13239)	United Arab Emirates (EO 12744)
Albania (EO 13119)	Uzbekistan (DoD certification)
Bahrain (EO 12744)	Yemen (DoD certification)
Bosnia (PL 104-117)	Croatia (PL 104-117)
Djibouti (DoD certification)	Herzegovina (PL 104-117)
Iraq (EO 12744)	Jordan (DoD certification)
Kuwait (EO 12744)	Kyrgyzstan (DoD certification)
Macedonia (PL 104-1170)	Montenegro (EO 13119)
Oman (EO 12744)	Pakistan (DoD certification)
Philippines (Only troops with orders referencing Operation Enduring Freedom) (DoD certification)	Qatar (EO 12744)
Saudi Arabia (EO 12744)	Serbia (includes Kosovo) (EO 13119)
Somalia (DoD certification)	Tajikistan (DoD certification)

Sea Areas:

Adriatic Sea (EO 13119)	That portion of the Arabian Sea that lies north of 10 degrees north latitude, and west of 68 degrees east longitude (EO 12744)
Gulf of Aden (EO 12744)	Gulf of Oman (EO 12744)
Ionian Sea north of the 39 <sup>th</sup> Parallel (EO 13119)	Persian Gulf (EO 12744)
Red Sea (EO 12744)	

3. Adherence to the following principles ensures consistency in applying the "deployed to combat zone" exemption to civilian employees in the context of the administrative furlough:

- a) "Deployed civilian" is defined as a civilian employee who is deployed (in temporary duty (TDY) status) or temporarily assigned (to include temporary change of station (TCS)) to a "combat zone" as set forth above.
- b) "Combat zone" is defined as those locations listed as combat zones in Executive Orders 12744, 13119 or 13239 and locations where military are eligible for combat zone tax benefits under law or because DoD has certified that they are providing direct support to military operations.
- c) A "deployed civilian's" period of deployment includes time spent in attendance at mandatory pre-deployment training as well as in completing mandatory post-deployment requirements.
- d) A civilian employee who was deployed to a combat zone but redeploys mid-way through the furlough period will receive a notice of proposed furlough upon return to their parent organization and prior to any furlough. Further, the number of hours for which the employee will be furloughed will be pro-rated.



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY**  
**MANPOWER AND RESERVE AFFAIRS**  
111 ARMY PENTAGON  
WASHINGTON, DC 20310-0111

SAMR

23 MAY 2013

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Additional Exception to Fiscal Year (FY) 2013 Administrative Furlough**

**1. References:**

a. Secretary of Defense memorandum, 14 May 2013, subject: Furloughs.

b. Assistant Secretary of the Army (Manpower and Reserve Affairs) memorandum, 17 May 2013, subject: Department of the Army Fiscal Year 2013 Administrative Furlough.

2. References a. and b. provided furlough exceptions for civilian employees engaged in certain critical functions across the Department of Defense. Additionally, on 21 May 2013, the Acting Under Secretary of Defense (Personnel and Readiness) excepted from furlough all full-time Sexual Assault Prevention and Response (SAPR)/Victim Advocates and Sexual Assault Response Coordinators. This exception also extended to headquarters full-time SAPR program management staff members.

3. This memorandum implements this additional exception to the FY 2013 administrative furlough with a view to ensuring that every effort is made to instill in the Army a climate that does not tolerate or ignore sexual harassment or sexual assault. No later than 23 May 2013, addressees will report to my point of contact listed below the total number of employees under their respective jurisdictions who will be excepted from furlough pursuant to this additional exception.

4. National Intelligence Program (NIP) funded Army employees are furlough exempt per direction of the Director of National Intelligence.

5. Paragraph 4.a.(4) of reference 1.b. stating that the Administrative Assistant to the Secretary of the Army will exercise authority, direction and control over the personnel of the Special Inspector General for Iraq Reconstruction (SIGIR) is rescinded.

6. My point of contact for this action is Patrick L. Stewart, (703) 695-5145, [patrick.l.stewart4.civ@mail.mil](mailto:patrick.l.stewart4.civ@mail.mil).



SAMR

SUBJECT: Exception to FY 2013 Administrative Furlough



THOMAS R. LAMONT  
Assistant Secretary of the Army  
(Manpower and Reserve Affairs)

**DISTRIBUTION:**

**ADMINISTRATIVE ASSISTANT TO THE SECRETARY OF THE ARMY  
COMMANDER**

**U.S. EUROPEAN COMMAND  
U.S. FORCES KOREA  
U.S. SOUTHERN COMMAND  
U.S. AFRICA COMMAND  
JOINT SPECIAL OPERATIONS COMMAND  
U.S. ARMY FORCES COMMAND  
U.S. ARMY TRAINING AND DOCTRINE COMMAND  
U.S. ARMY MATERIEL COMMAND  
U.S. ARMY PACIFIC  
U.S. ARMY EUROPE  
U.S. ARMY CENTRAL  
U.S. ARMY NORTH  
U.S. ARMY SOUTH  
U.S. ARMY AFRICA/SOUTHERN EUROPEAN TASK FORCE  
U.S. ARMY SPECIAL OPERATIONS COMMAND  
MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND  
U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND/ARMY FORCES STRATEGIC  
COMMAND  
U.S. ARMY NETWORK AND ENTERPRISE TECHNOLOGY COMMAND/9<sup>TH</sup> SIGNAL  
COMMAND (ARMY)  
U.S. ARMY MEDICAL COMMAND  
U.S. ARMY INTELLIGENCE AND SECURITY COMMAND  
U.S. ARMY CRIMINAL INVESTIGATION COMMAND  
U.S. ARMY CORPS OF ENGINEERS  
U.S. ARMY MILITARY DISTRICT OF WASHINGTON  
U.S. ARMY TEST AND EVALUATION COMMAND  
U.S. ARMY INSTALLATION MANAGEMENT COMMAND  
SUPERINTENDENT, U.S. MILITARY ACADEMY  
DIRECTOR, U.S. ARMY ACQUISITION SUPPORT CENTER  
EXECUTIVE DIRECTOR, ARLINGTON NATIONAL CEMETERY**

**CF:**

**CHIEF, NATIONAL GUARD BUREAU  
(CONT)**

**SAMR**

**SUBJECT: Exception to FY 2013 Administrative Furlough**

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**CHIEF, ARMY RESERVE**

**COMMANDER, U.S. ARMY CYBER COMMAND**

**OFFICE OF THE DEPUTY CHIEF OF STAFF FOR INTELLIGENCE, ATTN: DAMI-CP  
(MS. WATSON)**

**OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (MANPOWER AND  
RESERVE AFFAIRS), ATTN: SAMR-CQ**

**OFFICE OF THE GENERAL COUNSEL, ATTN: SAGC (MS. JOHNSON)**

**OFFICE OF THE JUDGE ADVOCATE GENERAL, ATTN: DAJA-LE (MS. NUGENT)**

**ARMED SERVICES BOARD OF CONTRACT APPEALS**

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**SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION**

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