

**UNITED STATES DEPARTMENT OF THE NAVY  
ADMINISTRATIVE RECORD  
FY 2013 FURLOUGH APPEALS  
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<sup>1</sup> Documents designated by asterisk were referenced in the Department of the Navy's Notices of Proposed Furlough as "supporting materials" which were posted at the following website: <http://www.public.navy.mil/donhr/Documents/supportingmaterial.pdf>.



COMPTROLLER

**UNDER SECRETARY OF DEFENSE**  
**1 100 DEFENSE PENTAGON**  
**WASHINGTON, DC 20301-1100**

MAR 5 2013

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Additional Guidance for Handling Budgetary Uncertainty in Fiscal Year 2013

The purpose of this memorandum is to provide some additional guidance to the Deputy Secretary of Defense's memorandum on "Handling Budgetary Uncertainty in Fiscal Year 2013," dated January 10, 2013, to ensure consistency in the treatment of issues across the Department of Defense (DoD) as the reductions levied by sequestration and a year-long continuing resolution are implemented. All of these policies are effective immediately.

### **Congressional Travel Support**

The Department will enforce strictly DoD's policies in its support of travel by congressional delegations (CODELs) and congressional staff delegations (STAFFDELS). It is DoD's policy that support for approved travel of members and employees of Congress shall be provided on an economical basis upon request from Congress, pursuant to law or where necessary to carry out DoD duties and responsibilities. Organizations need to ensure that travel of members and employees of Congress is sponsored by the DoD *only* where the purpose of the travel is of primary interest to and bears a substantial relationship to programs or activities of DoD and is not solely for the purpose of engendering goodwill or obtaining possible future benefits. Specific guidance is included in DoD Directive 4515.12 (DoD Support for Travel of Members and Employees of Congress) dated January 15, 2010. Some specific policies worth highlighting include:

- Military airlift will not be used for CODELs if commercial airlift is reasonably available.
  - Within the Continental United States (CONUS), no CODELs may use military airlift as commercial airlift is readily available.
  - Military airlift may be authorized for CODELs when in a Combatant Commander's theater if commercial airlift is limited or unsafe; every effort must be made to minimize costs.
  - Spouses may accompany members if there is an official function as long as they pay their own expenses and do not increase the number or size of aircraft required.
- Minimum number of congressional members for military airlift originating in CONUS.
  - No less than 5 members for large aircraft
  - No less than 3 members for small aircraft
- Tickets purchased by DoD for CODELs, STAFFDELS, and liaison escorts.
  - Must be economy class; individuals may upgrade at their own expense.
  - DoD does not pay for a member's personal staff traveling to his/her home State/District; this includes travel, lodging, meals, or escorts.



- All itineraries for CODELs/STAFFDELS must be approved by the escorting Service's 2-star Legislative Affairs Director to ensure that the itinerary is an efficient use of taxpayer's funds.

### **Tuition Assistance**

All Services should consider significant reductions in funding new tuition assistance applicants after the date of this memorandum for the duration of the current fiscal situation.

### **Civilian Monetary Awards**

Consistent with guidance from the Office of Management and Budget (OMB Bulletin #M-13-05, Agency Responsibilities for Implementation of Potential Joint Committee Sequestration), the Department will not issue discretionary monetary awards for its civilian employees, which should occur *only if* legally required, until further notice. For bargaining unit employees, all bargaining obligations must be fulfilled prior to implementing the OMB guidance.

### **Participation in International Events**

The Department should limit its participation in international events except in those instances where individuals are supporting Foreign Military Sales and the funds supporting these efforts are not being sequestered because the accounts are exempt from sequestration.

### **Demonstration Flying**

All aerial demonstrations, including flyovers, jump team demonstrations, and participation in civilian air shows and military open houses will cease as of April 1, 2013. Flyovers in support of military funerals will be given special consideration. To ensure consistency across the Department all exceptions and waivers for demonstration flying will require the concurrence of the Office of the Assistant to the Secretary of Defense for Public Affairs before approval.

### **Support to Non-DoD Organizations**

All military support to non-DoD organizations for outreach activities will cease, except when the Department has authority to retain any reimbursement and is fully reimbursed for all incremental costs incurred in providing the support. This includes, but is not limited to, military equipment displays at civilian air shows, parades, and civic events. Fleet/ Service weeks as well as military open houses, and local community relations activities are permitted as long as the support/equipment can be provided locally and at no cost to the Department. To ensure consistency across the Department, all exceptions and waivers for support to non-DoD organizations and special events will require the concurrence of the Office of the Assistant to the Secretary of Defense for Public Affairs before approval.

**Military Musical Unit (and Ceremonial Unit) Travel**

Military musical and ceremonial units will not be permitted to travel beyond the local area immediately surrounding their respective duty stations except when all transportation, lodging, and subsistence, are provided by the requesting organization and can be accepted in accordance with existing law and Department policies, or where the Department has authority to retain any reimbursement and is fully reimbursed by the requesting organization for all incremental costs. Units may continue to perform locally both on and off military installations as long as those performances can be conducted at no cost to the Department. To ensure consistency across the Department all exceptions and waivers will require the concurrence of the Office of the Assistant to the Secretary of Defense for Public Affairs before approval.

Additional guidance will be provided as issues surface that require a DoD-wide policy.



Robert F. Hale

cc:

Director of National Intelligence

**DISTRIBUTION:**

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 CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
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Department of the Navy Administrative Record for FY 2013 Furlough Appeals  
**DEPARTMENT OF THE NAVY**  
HEADQUARTERS UNITED STATES MARINE CORPS  
3000 MARINE CORPS PENTAGON  
WASHINGTON, DC 20350-3000

IN REPLY REFER TO:  
CMC  
2 Mar 13

WHITE LETTER NO. 1-13

From: Commandant of the Marine Corps  
To: All Marines

Subj: SEQUESTRATION

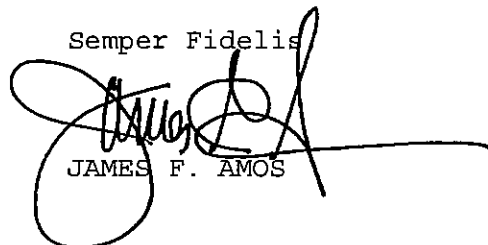
1. Marines and Civilian Marines...the sequestration provision under the Budget Control Act is in effect as of today. In short, this means a reduction of roughly \$1.4 billion dollars to the Marine Corps for the remainder of the current fiscal year, with reductions of slightly more than \$2 billion occurring in each of the next nine years. As I testified before Congress last month, cuts of this magnitude, due to their timing and methodology, will significantly impact Marine Corps readiness, both short and long term.

2. The Marine Corps plays a special role in protecting our Nation - we are America's Crisis Response Force, the Nation's insurance policy; we have a statutory responsibility to be the most ready when the Nation is least ready. As such, we will preserve the readiness of our Marines engaged in combat, we will keep deploying units fully manned, trained and equipped, and we will do our best to ensure that units preparing to deploy have the resources and training necessary for their next mission. The Marine Corps will remain ready to meet today's crisis, with today's force...today!

3. In order to ensure our continued readiness, we must make sacrifices in other areas. As we adjust to the realities of sequestration, I am very concerned about the impact of such cutbacks on our active duty and reserve Marines, our civilian Marines, and our Marine families. While we are working hard to balance our myriad requirements, I want each of you to know that keeping faith with you and your families is a top priority of mine - I consider this a sacred responsibility. We are already a lean and frugal Service, thus every reduction that we make from this point forward will cut into bone - we are beyond muscle.

4. I want to assure each of you that despite today's fiscal challenges, we will remain the Nation's "911 Force." I ask that you stay focused on the mission while we work our way through the uncertainties of the future. Sergeant Major Barrett and I will release a short video next week with the latest and most up to date information available. In the meantime, I thank you for the sacrifices you and your families make every day on behalf of our Nation and our Corps. In its truest sense, I remain...

Semper Fidelis



JAMES F. AMOS

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.

# # #






EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

March 1, 2013

M-13-06

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Jeffrey D. Zients   
Deputy Director for Management

SUBJECT: Issuance of the Sequestration Order Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as Amended

This memorandum is to inform executive departments and agencies (agencies) that the President has issued a sequestration order (order) in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a. The order requires that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget (OMB) in its report to Congress of March 1, 2013, entitled *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (sequestration report).

Due to the failure of the Joint Select Committee on Deficit Reduction, the President was required by law to issue an order canceling \$85 billion in budgetary resources across the Federal Government for the remainder of Fiscal Year (FY) 2013. OMB has calculated that, over the course of the fiscal year, the order requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs. The sequestration report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

Agencies shall apply the same percentage reduction to all programs, projects, and activities within a budget account, as required by section 256(k)(2) of BBEDCA, 2 U.S.C. 906(k)(2). Agencies should operate in a manner that is consistent with guidance provided by OMB in Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources* and Memorandum 13-05, *Agency Responsibilities for Implementation of Potential Joint Committee Sequestration*.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

March 1, 2013

The Honorable John A. Boehner  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed please find the Office of Management and Budget (OMB) Report to the Congress on the sequestration for fiscal year (FY) 2013 required by section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (the "Joint Committee sequestration"). This report provides calculations of the amounts and percentages by which various budgetary resources are required to be reduced, and a listing of the reductions required for each non-exempt budget account.

In August 2011, as part of the Budget Control Act of 2011 (BCA), bipartisan majorities in both the House of Representatives and Senate voted for sequestration as a mechanism to compel the Congress to act on deficit reduction. The threat of destructive across-the-board cuts under the BCA was intended to drive both sides to compromise. Yet, a year and a half has passed, and the Congress still has failed to enact balanced deficit reduction legislation that avoids sequestration.

As a result of the Congress's failure to act, the law requires the President to issue a sequestration order today canceling \$85 billion in budgetary resources across the Federal Government for FY 2013. Specifically, OMB calculates that, over the course of the fiscal year, the sequestration requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt nondefense discretionary funding. The sequestration also requires reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs.

Because these cuts must be achieved over only seven months instead of 12, the effective percentage reductions will be approximately 13 percent for non-exempt defense programs and 9 percent for non-exempt nondefense programs.

The cuts required by sequestration will be deeply destructive to national security, domestic investments, and core Government functions. While the Department of Defense will shift funds where possible to minimize the impact on war-fighting capabilities and critical military readiness, sequestration will result in a reduction in readiness of many non-deployed units, delays in investments in new equipment, cutbacks in equipment repairs and needed facilities maintenance, disruptions in military research and development efforts, significant reductions in weapons programs, and furloughs of most civilian employees for a significant

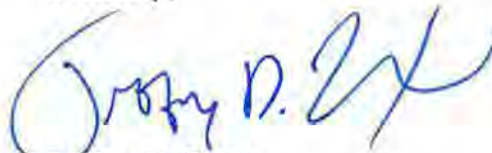


amount of time. Sequestration will also undermine nondefense investments vital to economic growth, threaten the safety and security of the American people, and cause severe harm to programs that benefit the middle class, seniors, and children. According to analysis by outside experts, sequestration would reduce real GDP growth for 2013 by 0.5 to 0.7 percentage points were it to continue for the rest of the calendar year.

The Joint Committee sequestration is a blunt and indiscriminate instrument. It was never intended to be implemented and does not represent a responsible way for our Nation to achieve deficit reduction.

On multiple occasions, the President has proposed comprehensive and balanced deficit reduction plans to avoid sequestration. The President and Congress, working together, have already reduced the deficit by \$2.5 trillion. The President has been clear that he is willing to make tough choices to reach an agreement on further deficit reduction. The Administration continues to stand ready to work with the Congress to enact balanced deficit reduction legislation that replaces sequestration and puts the Nation on a sound long-term fiscal path.

Sincerely,



Jeffrey D. Zients  
Deputy Director for Management

Enclosure

Identical Letter Sent to the President of the Senate

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# **OMB REPORT TO THE CONGRESS ON THE JOINT COMMITTEE SEQUESTRATION FOR FISCAL YEAR 2013**

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**March 1, 2013**



**OMB REPORT TO THE CONGRESS  
ON THE JOINT COMMITTEE SEQUESTRATION  
FOR FISCAL YEAR 2013**

The Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. § 901a, requires the Office of Management and Budget (OMB) to calculate, and the President to order on March 1, 2013, reductions in budgetary resources triggered by the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, legislation to reduce the deficit by \$1.2 trillion (Joint Committee sequestration). This report provides OMB's calculations of the percentage and dollar amount of the reduction for each non-exempt budget account and an explanation of the calculations.

OMB calculates that the Joint Committee sequestration requires a 7.8 percent reduction in non-exempt defense discretionary funding and a 5.0 percent reduction in non-exempt non-defense discretionary funding. The sequestration also imposes reductions of 2.0 percent to Medicare, 5.1 percent to other non-exempt nondefense mandatory programs, and 7.9 percent to non-exempt defense mandatory programs.

**Basis for Calculations**

**Discretionary Appropriations.** As of the date of this report, no full-year regular appropriations bills have been enacted for fiscal year (FY) 2013. Instead, all agencies are operating under the Continuing Appropriations Resolution, 2013 (CR), Pub. L. 112-175. In addition, the Disaster Relief Appropriations Act, 2013 (Hurricane Sandy supplemental), Pub. L. 113-2, provided supplemental funding to various agencies for Hurricane Sandy relief and recovery efforts. Accordingly, as required by sections 251A(7)(A) and 253(f)(2) of BBEDCA, OMB's estimates for the level of sequestrable budgetary resources and resulting reductions assume that budget accounts with discretionary appropriations are funded at the annualized level provided by the CR, plus funding provided by the Hurricane Sandy supplemental and any funding enacted as advance appropriations for FY 2013. Unless another amount is specified by the CR, the annualized level equals the FY 2012 enacted appropriations, including changes in mandatory programs, net of any recurring rescissions, and increased by 0.612 percent pursuant to section 101(c) of the CR.<sup>1</sup> Spending authority from offsetting collections is only increased by the 0.612 percent when that spending authority is used to determine the annualized level. Amounts designated in the CR for Overseas Contingency Operations (OCO)/Global War on Terrorism (GWOT), and amounts incorporated in the CR by reference to the Disaster Relief Appropriations Act, 2012, Pub. L. 112-77, do not receive the 0.612 percent increase. As provided by section 101(b) of the CR, whenever an amount designated for OCO/GWOT pursuant to section 251(b)(2)(A) of BBEDCA in either the Department of Defense Appropriations Act, 2012 (division A of Pub. L. 112-74) or in the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 (division H of Pub. L. 112-74) differs from the amount in the President's FY 2013 Budget request, the annualized level equals the amount in the President's FY 2013 Budget request. The CR levels are also adjusted for any transfers mandated by law.

**Unobligated Balances in the Defense Function.** Pursuant to section 255(e) of BBEDCA, unobligated balances in the defense function are sequestrable budgetary resources. The majority of estimated unobligated balances in the defense function are in Department of Defense accounts. In general, for multiyear accounts, the Department of Defense estimated unobligated balances as of March 1, 2013, by reducing unobligated balances as of December 31, 2012, by a historically-based estimate of obligations from prior year funds in January and February.

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<sup>1</sup> Information about OMB's calculation of the amounts appropriated by the CR can be found in OMB Bulletin 12-02, which is available online at <http://www.whitehouse.gov/sites/default/files/omb/bulletins/fy2012/b12-02.pdf>.



**Direct Spending.** Estimates of sequestrable budgetary resources and outlays for budget accounts with direct spending are equal to the current law baseline amounts contained in the President's FY 2013 Budget, adjusted for the effects of legislation enacted since the Budget was transmitted. Two changes with the largest effect on the amount of sequestrable direct spending—providing for a zero percent update for Medicare payments to physicians under the Sustainable Growth Rate formula for calendar year 2013, and extending Emergency Unemployment Compensation (EUC) through the end of 2013—were enacted in the American Taxpayer Relief Act of 2012 (ATRA), Pub. L. 112-240.

**Special Sequestration Rules.** The Joint Committee sequestration order is not an order under section 254 of BBEDCA.<sup>2</sup> Accordingly, as set forth in this report, the special rules in section 256 that apply only to a sequestration order issued under section 254 do not apply to the Joint Committee sequestration, except to the extent those rules are otherwise made applicable by another provision of law. Section 251A(7)(A) of BBEDCA does not include any such provision for discretionary spending; as a result, in calculating the reduction in discretionary spending required by the Joint Committee sequestration, this report does not apply the special rules in section 256 that apply only to a sequestration order issued under section 254. The special rules in section 256 do, however, apply to the reduction in direct spending required by the Joint Committee sequestration, pursuant to the explicit direction in section 251A(8) of BBEDCA.

**Federal Administrative Expenses.** Under section 256(h) of BBEDCA, Federal administrative expenses are subject to sequestration pursuant to an order issued under section 254 “without regard to any exemption, exception, limitation, or special rule which is otherwise applicable.” For the reasons set forth in the preceding paragraph, for the Joint Committee sequestration, this rule applies only to Federal administrative expenses that constitute direct spending. BBEDCA does not define “administrative expenses.” For purposes of this report, “administrative expenses” for typical Government programs are defined as the object classes for personnel compensation, travel, transportation, communication, equipment, supplies, materials, and other services. For Government programs engaging in commercial, business-like activities, administrative expenses constitute overhead costs that are necessary to run a business, and not expenses that are directly tied to the production and delivery of goods or services.

**American Taxpayer Relief Act of 2012.** In addition to the changes to direct spending mentioned above, this report reflects three changes to the calculation of the Joint Committee sequestration required by ATRA. Section 901(a) reduced the amount of the FY 2013 sequestration by \$24 billion, which was paid for by \$12 billion of revenue increases and \$12 billion in total reductions to the discretionary spending limits for FYs 2013 and 2014. Section 901(c) delayed the date for submission of this report from January 2, 2013 to March 1, 2013. Section 901(e) altered the discretionary spending limits for FY 2013 for purposes of calculating the Joint Committee sequestration.

### **Calculation of Sequestration Percentages**

Under section 251A of BBEDCA, the failure of the Joint Select Committee on Deficit Reduction to propose, and the Congress to enact, legislation to reduce the deficit by \$1.2 trillion triggers automatic reductions in discretionary appropriations and direct spending to achieve the deficit reduction that the Joint Select Committee process was meant to achieve. As shown in Table 1, the total annual amount of deficit reduction required is specified by formula in section 251A(3), starting with the total reduction of \$1.2 trillion required for FY 2013 through

<sup>2</sup> For further discussion, see the OMB Report Pursuant to the Sequestration Transparency Act of 2012 (STA Report) issued in September.

FY 2021, deducting a specified 18 percent for debt service savings, and then dividing the result by 9 to calculate the annual reduction of \$109 billion for each year from FY 2013 to FY 2021. As discussed previously, ATRA lowered the amount of the reduction required for FY 2013 by \$24 billion, leaving \$85 billion to be achieved through sequestration. The annual reduction is split evenly between budget accounts in function 050 (defense function) and in all other functions (nondefense function), so that each function group will be reduced by \$42.667 billion in FY 2013.

**Table 1. CALCULATION OF TOTAL ANNUAL REDUCTION BY FUNCTION**

(In billions of dollars)

Joint Committee required savings .....	1,200.000
Deduct debt service savings (18%) .....	-216.000
Net programmatic reductions .....	984.000
Divide by 9 to calculate annual reduction .....	109.333
Reduction for FY 13 pursuant to section 901(a) of ATRA .....	-24.000
Net remaining programmatic reduction for FY 2013 .....	85.333
Split 50/50 between defense and nondefense functions .....	42.667

**Base for Allocating Reductions.** The annual reduction is further allocated between discretionary and direct spending within each of the function groups in proportion to their share of total spending within the function group. The base for allocating reductions to discretionary appropriations is the discretionary spending limit for FY 2013 listed in section 251(c) (2) as revised by section 251A(2)(A), and as applied pursuant to section 901(e) of ATRA. For purposes of this report, the discretionary spending limits have not been revised to include adjustments pursuant to section 251(b)(2) for certain funding included in the CR and Hurricane Sandy supplemental because these adjustments cannot be made until OMB issues its Discretionary Final Sequestration Report for FY 2013 on March 27<sup>th</sup> pursuant to section 901(b) of ATRA. Pursuant to paragraphs (5) and (6) of section 251A, and consistent with section 6 of the Statutory Pay-As-You-Go Act of 2010, 2 U.S.C. § 935, the base for allocating reductions to budget accounts with direct spending is the sum of the direct spending outlays in the budget year and the subsequent year that would result from new sequestrable budget authority in FY 2013.

**Sequestrable Base.** Once the reductions are allocated between discretionary appropriations and direct spending using the bases above, the sequestration percentage for discretionary appropriations is obtained by dividing the discretionary reduction required by the discretionary sequestrable base, which is described above in the “Basis for Calculations” section. By statute, the discretionary sequestrable base differs from the base used to allocate the reductions between discretionary appropriations and direct spending. For discretionary defense programs, the sequestrable base equals total discretionary appropriations (including funding that would trigger cap adjustments), plus unobligated balances and funding financed by fees, minus exemptions. Except for funding for military personnel accounts, most discretionary defense funding is sequestrable.<sup>3</sup> For discretionary nondefense programs, the sequestrable base equals total discretionary appropriations (including funding that would

<sup>3</sup> Defense sequestrable budgetary resources include non-exempt new budget authority and unobligated balances carried over from prior fiscal years. Budgetary resources for military personnel accounts are exempt pursuant to section 255(f) of BBEDCA and the July 31, 2012 letter from OMB notifying the Congress of the President’s intent to exempt military personnel accounts from sequestration, available at: <http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/military-personnel-letter-biden.pdf>.

trigger cap adjustments) and funding financed by fees, adjusted to exclude funding for the Department of Veterans Affairs, Pell Grants, and other exempt amounts. For mandatory programs, the sequestrable base is the same as the mandatory base for allocating the reduction. Pursuant to sections 251A(8), 255, and 256 of BBEDCA, most mandatory spending is exempt from sequestration or, in the case of the Medicare program and certain health programs, is subject to a 2 percent limit on sequestration.

**Defense Function Reduction**

Table 2 shows the calculation of the sequestration percentages and dollar reductions required for budget accounts with discretionary appropriations or direct spending within the defense function. The calculation involves the following steps:

- Step 1. Pursuant to section 251A(5), the total reduction of \$42.667 billion is allocated proportionately between discretionary appropriations and direct spending. The total base is the sum of the FY 2013 revised discretionary spending limit for the security category<sup>4</sup> (\$544 billion) and OMB’s baseline estimates of sequestrable direct spending outlays in the defense function in FY 2013 and FY 2014 from new direct spending budget authority in FY 2013 (\$0.662 billion). Discretionary appropriations comprise more than 99 percent of the total base in the defense function.
- Step 2. Total defense function spending must be reduced by \$42.667 billion. As required by section 251A(5)(A), allocating the reduction based on the ratio of the revised discretionary spending limit to the total base (the sum of the defense discretionary spending limit and sequestrable direct spending) yields a \$42.615 billion reduction required for discretionary appropriations. Under section 251A(5)(B), the remaining \$0.052 billion is the reduction required for budget accounts with direct spending.
- Step 3. As required by section 251A(7)(A), the discretionary percentage reduction for FY 2013 is calculated by dividing the discretionary reduction amount calculated in step 2 (\$42.615 billion) by the sequestrable budgetary resources (\$549.325 billion) for budget accounts with discretionary appropriations in the defense function, which yields a 7.8 percent sequestration rate for budget accounts with non-exempt discretionary appropriations. A similar calculation is required by section 251A(8) for the sequestration of direct spending. Dividing the direct spending reduction amount (\$0.052 billion) by the sequestrable budgetary resources (\$0.662 billion) for budget accounts with direct spending yields a 7.9 percent sequestration rate for budget accounts with non-exempt direct spending.

**Table 2. DEFENSE FUNCTION REDUCTION**

(Dollars in billions)

		Discretionary	Direct Spending	Total
Step 1.	Base for allocating reduction .....	544.000	0.662	544.662
	Percentage allocation of reductions .....	99.88%	0.12%	
Step 2.	Allocation of total reduction .....	42.615	0.052	42.667
	Percentage allocation of reductions .....	99.88%	0.12%	
Step 3.	Sequestration percentages calculation:			
	Sequestrable base .....	549.325	0.662	
	Sequestration percentage .....	7.8%	7.9%	

<sup>4</sup> For purposes of this report, the “security category” means discretionary appropriations in budget function 050, National Defense, and “nonsecurity category” means discretionary appropriations other than in budget function 050.

## **Nondefense Function Reduction**

Table 3 shows the calculation of the sequestration percentages and dollar reductions required for budget accounts with discretionary appropriations or direct spending within all other functions besides 050 (nondefense function). The calculation is more complicated than the calculation for the defense function due to a two percent limit on sequestration of Medicare non-administrative spending, a two percent limit on sequestration of community and migrant health centers (which applies only to mandatory funding for those programs), and a special rule for applying the sequestration to student loans. The calculation involves the following steps:

Step 1. Total spending in the nondefense function must be reduced by \$42.667 billion. The portion of Medicare subject to the two percent limit is estimated to have combined FY 2013 and FY 2014 outlays of \$567.340 billion<sup>5</sup> from FY 2013 budgetary resources, so a two percentage point reduction would reduce outlays by \$11.347 billion, leaving a reduction of \$31.320 billion to be taken from discretionary appropriations and other direct spending in the nondefense function.

Step 2. Pursuant to section 251A(6), the remaining reduction of \$31.320 billion is allocated proportionately between discretionary appropriations and other direct spending in the non-defense function. The remaining base (\$605.839 billion) is the sum of the FY 2013 revised discretionary spending limit for the nonsecurity category (\$499.000 billion) and the remaining sequestrable direct spending base (\$106.839 billion).<sup>6</sup> The latter amount equals OMB's 2013 Budget baseline estimates of total sequestrable direct spending outlays adjusted for legislation enacted since the Budget's transmittal (\$674.179 billion), minus the portion of Medicare subject to the two percent limit (\$567.340 billion) in the nondefense function in FY 2013 and FY 2014 from new direct spending budget authority in FY 2013. The discretionary spending limit accounts for 82.37 percent of the remaining base in the nondefense function, and direct spending accounts for 17.63 percent.

Applying these percentage allocations to the non-Medicare reduction required for programs in the nondefense function yields the reduction for discretionary appropriations (\$25.798 billion) and for remaining direct spending (\$5.522 billion).

Step 3. The sequestration for the mandatory portions of certain health programs is limited to two percentage points pursuant to sections 251A(8) and 256(e)(2). The portion of these two programs subject to the two percent limit is estimated to have combined FY 2013 and FY 2014 outlays of \$1.344 billion from FY 2013 budgetary resources, so a two percentage point reduction would reduce outlays by \$0.027 billion. Deducting these savings from the non-Medicare direct spending reduction leaves \$5.495 billion to be taken by a uniform percentage reduction of the remaining sequestrable direct spending of \$105.495 billion in the nondefense function.

Step 4. As required by section 251A(7)(A), dividing the discretionary reduction amount (\$25.798 billion) calculated in step 2 by the sequestrable budgetary resources for discretionary appropriations (\$511.785 billion) in the nondefense function yields an 5.0 percent sequestration rate for budget accounts with non-exempt discretionary appropriations.<sup>7</sup>

<sup>5</sup> As stated above, the Medicare base is higher than the amount stated in the STA Report due primarily to provisions in ATRA providing for a zero percent update for Medicare payments to physicians under the Sustainable Growth Rate formula for calendar year 2013.

<sup>6</sup> As stated above, the non-Medicare direct spending base is higher than the amount stated in the STA Report due primarily to a provision in ATRA extending EUC through the end of 2013.

<sup>7</sup> As stated above, the nondefense discretionary base is higher than the amount stated in the STA Report due primarily to the Hurricane Sandy supplemental.



The remaining reduction (\$5.495 billion) to direct spending is applied as a uniform percentage reduction to the remaining budget accounts with sequestrable direct spending and by increasing student loan fees by the same uniform percentage, as specified in sections 251A(8) and 256(b). Each percentage point increase in the sequestration rate is estimated to result in \$0.016 billion of savings in the direct student loan program. Solving simultaneously for the percentage that would achieve the remaining reduction when applied to both the remaining sequestrable direct spending (\$105.495 billion) and to student loan fees yields a 5.1 percent reduction. This percentage reduction would yield savings of \$0.082 billion in the direct student loan program and \$5.413 billion from the remaining budget accounts with non-exempt direct spending.

**Table 3. NONDEFENSE FUNCTION REDUCTION**  
 (Dollars in billions)

	Discretionary	Direct Spending	Total
1. Total reduction, excluding savings from Medicare 2% limit:			
Medicare base subject to 2% limit .....		567.340	
Total nondefense function reduction .....			42.667
Reduce Medicare by 2% .....			-11.347
Non-Medicare reduction amounts .....			31.320
2. Allocate non-Medicare reduction:			
Total base for allocating reduction .....	499.000	674.179	1,173.179
Exclude Medicare (portion subject to 2% limit) .....		-567.340	-567.340
Non-Medicare base .....	499.000	106.839	605.839
Percentage allocation of non-Medicare base .....	82.37%	17.63%	
Non-Medicare reduction amounts .....	25.798	5.522	31.320
Percentage allocation of non-Medicare reduction .....	82.37%	17.63%	
3. Savings from 2% limit on sequestration of other health programs*			
Other health programs sequestrable base .....		1.344	
Reduce other health programs by 2% .....		-0.027	
4. Sequestration percentages calculation:			
Remaining reduction amounts .....	25.798	5.495	
Savings from uniform percentage reduction:			
From 5.1% increase in student loan fee .....		0.082	
From remaining sequestrable budget accounts .....	25.798	5.413	
Sequestrable base for uniform percentage reduction .....	511.785	105.495	
Sequestration percentage .....	5.0%	5.1%	
Summary of reductions:			
2% sequestration of Medicare .....		11.347	
2% limit on sequestration of other health programs .....		0.027	
Student loan fee increase .....		0.082	
Uniform percentage reduction .....	25.589	5.380	
Rounding .....	0.209	.033	
Total reduction .....	25.798	16.869	42.667

\* Includes funding for community and migrant health centers, and for Indian health services.

### **Reductions by Budget Account (Appendix)**

The Appendix of this report sets forth the percentage and dollar amount of the reductions required for each budget account with sequestrable funding. Specifically, the Appendix shows the sequestrable budgetary resources in each budget account, the percentage reduction required for each sequestrable budgetary resource, and the resulting reduction. For illustrative purposes only, the Appendix shows the application of the same percentage reduction to each type of budgetary resource within a budget account. There is no requirement that sequestration be applied equally to each type of budgetary resource within a budget account. Section 256(k)(2) of BBEDCA requires that sequestration be applied equally at the program, project, and activity level within each budget account.



**APPENDIX: SEQUESTERABLE BASE  
AND REDUCTIONS BY BUDGET ACCOUNT**

(Fiscal year 2013; in millions of dollars)

Based on sections 251A, 255, and 256 of the Balanced Budget and Emergency  
Deficit Control Act of 1985 (BBEDCA), as amended

**Percentages Used:**

- 7.8 percent – Defense discretionary
- 7.9 percent – Defense mandatory
- 5.0 percent – Nondefense discretionary
- 5.1 percent – Nondefense mandatory

For illustrative purposes only, the Appendix shows the application of the same percentage reduction to each type of budgetary resource within a budget account. Pursuant to section 256(k)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the sequestration must be applied equally at the program, project, and activity level, but need not be applied equally to each type of budgetary resource within a budget account.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Legislative Branch</b>			
<b>Senate</b>			
001-05-0110 Salaries, Officers and Employees			
Nondefense Discretionary Appropriation	177	5.0	9
001-05-0123 Miscellaneous Items			
Nondefense Discretionary Appropriation	19	5.0	1
001-05-0126 Secretary of the Senate			
Nondefense Discretionary Appropriation	6	5.0	*
001-05-0127 Sergeant at Arms and Doorkeeper of the Senate			
Nondefense Discretionary Appropriation	132	5.0	7
001-05-0128 Inquiries and Investigations			
Nondefense Discretionary Appropriation	132	5.0	7
001-05-0130 Senators' Official Personnel and Office Expense Account			
Nondefense Discretionary Appropriation	399	5.0	20
001-05-0185 Office of the Legislative Counsel of the Senate			
Nondefense Discretionary Appropriation	7	5.0	*
001-05-0188 Congressional Use of Foreign Currency, Senate			
Nondefense Mandatory Appropriation	6	5.1	*
001-05-9911 Senate Items			
Nondefense Discretionary Appropriation	2	5.0	*
<b>House of Representatives</b>			
001-10-0400 Salaries and Expenses			
Nondefense Discretionary Appropriation	1,233	5.0	62
001-10-0488 Congressional Use of Foreign Currency, House of Representatives			
Nondefense Mandatory Appropriation	1	5.1	*
<b>Joint Items</b>			
001-11-0181 Joint Economic Committee			
Nondefense Discretionary Appropriation	4	5.0	*
001-11-0186 Joint Congressional Committee on Inaugural Ceremonies of 2013			
Nondefense Discretionary Appropriation	1	5.0	*
001-11-0190 Office of Congressional Accessibility Services			
Nondefense Discretionary Appropriation	1	5.0	*
001-11-0425 Office of the Attending Physician			
Nondefense Discretionary Appropriation	3	5.0	*
001-11-0460 Joint Committee on Taxation			
Nondefense Discretionary Appropriation	10	5.0	1
<b>Office of Compliance</b>			
001-12-1600 Salaries and Expenses			
Nondefense Discretionary Appropriation	4	5.0	*
<b>Capitol Police</b>			
001-13-0476 General Expenses			
Nondefense Discretionary Appropriation	63	5.0	3
001-13-0477 Salaries			
Nondefense Discretionary Appropriation	279	5.0	14

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Congressional Budget Office</b>			
001-14-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	44	5.0	2
<b>Architect of the Capitol</b>			
001-15-0100 General Administration			
Nondefense Discretionary Appropriation	102	5.0	5
001-15-0105 Capitol Building			
Nondefense Discretionary Appropriation	36	5.0	2
001-15-0108 Capitol Grounds			
Nondefense Discretionary Appropriation	10	5.0	1
001-15-0123 Senate Office Buildings			
Nondefense Discretionary Appropriation	72	5.0	4
001-15-0127 House Office Buildings			
Nondefense Discretionary Appropriation	95	5.0	5
001-15-0133 Capitol Power Plant			
Nondefense Discretionary Appropriation	124	5.0	6
001-15-0155 Library Buildings and Grounds			
Nondefense Discretionary Appropriation	47	5.0	2
001-15-0161 Capitol Visitor Center			
Nondefense Discretionary Appropriation	21	5.0	1
001-15-0171 Capitol Police Buildings and Grounds			
Nondefense Discretionary Appropriation	22	5.0	1
001-15-1833 House Historic Buildings Revitalization Trust Fund			
Nondefense Discretionary Appropriation	30	5.0	2
001-15-4518 Judiciary Office Building Development and Operations Fund			
Nondefense Mandatory Borrowing authority	12	5.1	1
<b>Botanic Garden</b>			
001-18-0200 Botanic Garden			
Nondefense Discretionary Appropriation	12	5.0	1
<b>Library of Congress</b>			
001-25-0101 Salaries and Expenses, Library of Congress			
Nondefense Discretionary Appropriation	416	5.0	21
001-25-0102 Copyright Office: Salaries and Expenses			
Nondefense Discretionary Appropriation	16	5.0	1
001-25-0127 Congressional Research Service: Salaries and Expenses			
Nondefense Discretionary Appropriation	107	5.0	5
001-25-0141 Books for the Blind and Physically Handicapped: Salaries and Expenses			
Nondefense Discretionary Appropriation	51	5.0	3
<b>Government Printing Office</b>			
001-30-0201 Office of Superintendent of Documents: Salaries and Expenses			
Nondefense Discretionary Appropriation	35	5.0	2
001-30-0203 Congressional Printing and Binding			
Nondefense Discretionary Appropriation	91	5.0	5

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
001-30-4505 Government Printing Office Revolving Fund			
Nondefense Discretionary Appropriation	1	5.0	*
Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*
<i>Account Total</i>	3		*
<b>Government Accountability Office</b>			
001-35-0107 Salaries and Expenses			
Nondefense Discretionary Appropriation	514	5.0	26
<b>United States Tax Court</b>			
001-40-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	51	5.0	3
<b>Legislative Branch Boards and Commissions</b>			
001-45-1801 Medicaid and CHIP Payment and Access Commission			
Nondefense Discretionary Appropriation	6	5.0	*
001-45-2973 United States-China Economic and Security Review Commission			
Nondefense Discretionary Appropriation	3	5.0	*
001-45-2975 Commission on International Religious Freedom			
Nondefense Discretionary Appropriation	3	5.0	*
001-45-2990 Capital Construction, Dwight D. Eisenhower Memorial Commission			
Nondefense Discretionary Appropriation	31	5.0	2
001-45-8148 Open World Leadership Center Trust Fund			
Nondefense Discretionary Appropriation	10	5.0	1
001-45-9911 Other Legislative Branch Boards and Commissions			
Nondefense Discretionary Appropriation	7	5.0	*

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Judicial Branch</b>			
<b>Supreme Court of the United States</b>			
002-05-0100 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	73	5.0	4
002-05-0103 Care of the Building and Grounds			
Nondefense      Discretionary      Appropriation	8	5.0	*
<b>United States Court of Appeals for the Federal Circuit</b>			
002-07-0510 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	30	5.0	2
<b>United States Court of International Trade</b>			
002-15-0400 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	20	5.0	1
<b>Courts of Appeals, District Courts, and other Judicial Services</b>			
002-25-0920 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	4,716	5.0	236
Nondefense      Mandatory      Appropriation	65	5.1	3
<i>Account Total</i>	<u>4,781</u>		<u>239</u>
002-25-0923 Defender Services			
Nondefense      Discretionary      Appropriation	1,037	5.0	52
002-25-0925 Fees of Jurors and Commissioners			
Nondefense      Discretionary      Appropriation	52	5.0	3
002-25-0930 Court Security			
Nondefense      Discretionary      Appropriation	503	5.0	25
002-25-5100 Judiciary Filing Fees			
Nondefense      Mandatory      Administrative expenses in otherwise exempt resources	80	5.1	4
Nondefense      Mandatory      Appropriation	194	5.1	10
<i>Account Total</i>	<u>274</u>		<u>14</u>
002-25-5101 Registry Administration			
Nondefense      Mandatory      Appropriation	1	5.1	*
<b>Administrative Office of the United States Courts</b>			
002-26-0927 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	83	5.0	4
<b>Federal Judicial Center</b>			
002-30-0928 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	27	5.0	1
<b>United States Sentencing Commission</b>			
002-39-0938 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	17	5.0	1

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Agriculture</b>			
<b>Office of the Secretary</b>			
005-03-9913 Office of the Secretary Nondefense Discretionary Appropriation	16	5.0	1
<b>Departmental Management</b>			
005-05-0117 Agriculture Buildings and Facilities and Rental Payments Nondefense Discretionary Appropriation	232	5.0	12
005-05-0500 Hazardous Materials Management Nondefense Discretionary Appropriation	4	5.0	*
005-05-9915 Departmental Administration Nondefense Discretionary Appropriation	86	5.0	4
<b>Office of Communications</b>			
005-06-0150 Office of Communications Nondefense Discretionary Appropriation	8	5.0	*
<b>Office of Civil Rights</b>			
005-07-3800 Office of Civil Rights Nondefense Discretionary Appropriation	21	5.0	1
<b>Office of Inspector General</b>			
005-08-0900 Office of Inspector General Nondefense Discretionary Appropriation	86	5.0	4
<b>Office of Chief Economist</b>			
005-09-0123 Office of the Chief Economist Nondefense Discretionary Appropriation	11	5.0	1
<b>Office of the General Counsel</b>			
005-10-2300 Office of the General Counsel Nondefense Discretionary Appropriation	40	5.0	2
<b>National Appeals Division</b>			
005-11-0706 National Appeals Division Nondefense Discretionary Appropriation	13	5.0	1
<b>Economic Research Service</b>			
005-13-1701 Economic Research Service Nondefense Discretionary Appropriation	78	5.0	4
<b>National Agricultural Statistics Service</b>			
005-15-1801 National Agricultural Statistics Service Nondefense Discretionary Appropriation	160	5.0	8
<b>Agricultural Research Service</b>			
005-18-1400 Salaries and Expenses Nondefense Discretionary Appropriation	1,102	5.0	55
005-18-8214 Miscellaneous Contributed Funds Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*
<b>National Institute of Food and Agriculture</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-20-0502 Extension Activities			
Nondefense Discretionary Appropriation	478	5.0	24
Nondefense Mandatory Appropriation	5	5.1	*
<i>Account Total</i>	<u>483</u>		<u>24</u>
005-20-1500 Research and Education Activities			
Nondefense Discretionary Appropriation	714	5.0	36
005-20-1502 Integrated Activities			
Nondefense Discretionary Appropriation	21	5.0	1
<b>Animal and Plant Health Inspection Service</b>			
005-32-1600 Salaries and Expenses			
Nondefense Discretionary Appropriation	822	5.0	41
Nondefense Discretionary Spending authority	18	5.0	1
Nondefense Mandatory Appropriation	266	5.1	14
<i>Account Total</i>	<u>1,106</u>		<u>56</u>
005-32-1601 Buildings and Facilities			
Nondefense Discretionary Appropriation	3	5.0	*
005-32-9971 Miscellaneous Trust Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
<b>Food Safety and Inspection Service</b>			
005-35-3700 Salaries and Expenses			
Nondefense Discretionary Appropriation	1,010	5.0	51
Nondefense Discretionary Spending authority	45	5.0	2
<i>Account Total</i>	<u>1,055</u>		<u>53</u>
005-35-8137 Expenses and Refunds, Inspection and Grading of Farm Products			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
<b>Grain Inspection, Packers and Stockyards Administration</b>			
005-37-2400 Salaries and Expenses			
Nondefense Discretionary Appropriation	38	5.0	2
005-37-4050 Limitation on Inspection and Weighing Services Expenses			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
Nondefense Mandatory Spending authority	40	5.1	2
<i>Account Total</i>	<u>41</u>		<u>2</u>
<b>Agricultural Marketing Service</b>			
005-45-2500 Marketing Services			
Nondefense Discretionary Appropriation	83	5.0	4
005-45-2501 Payments to States and Possessions			
Nondefense Discretionary Appropriation	1	5.0	*
005-45-5070 Perishable Agricultural Commodities Act Fund			
Nondefense Mandatory Appropriation	11	5.1	1
005-45-5209 Funds for Strengthening Markets, Income, and Supply (section 32)			
Nondefense Mandatory Appropriation	792	5.1	40
005-45-8015 Expenses and Refunds, Inspection and Grading of Farm Products			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	4	5.1	*
Nondefense Mandatory Appropriation	4	5.1	*
<i>Account Total</i>	<u>8</u>		<u>*</u>
005-45-8412 Milk Market Orders Assessment Fund			
Nondefense Mandatory Spending authority	57	5.1	3

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Risk Management Agency</b>			
005-47-2707 Administrative and Operating Expenses			
Nondefense Discretionary Appropriation	75	5.0	4
005-47-4085 Federal Crop Insurance Corporation Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	58	5.1	3
<b>Farm Service Agency</b>			
005-49-0170 State Mediation Grants			
Nondefense Discretionary Appropriation	4	5.0	*
005-49-0171 Emergency Forest Restoration Program			
Nondefense Discretionary Appropriation	23	5.0	1
005-49-0600 Salaries and Expenses			
Nondefense Discretionary Appropriation	1,206	5.0	60
005-49-1140 Agricultural Credit Insurance Fund Program Account			
Nondefense Discretionary Appropriation	408	5.0	20
005-49-1336 Commodity Credit Corporation Export Loans Program Account			
Nondefense Discretionary Appropriation	7	5.0	*
005-49-2701 USDA Supplemental Assistance			
Nondefense Discretionary Appropriation	2	5.0	*
005-49-3304 Grassroots Source Water Protection Program			
Nondefense Discretionary Appropriation	4	5.0	*
005-49-3305 Reforestation Pilot Program			
Nondefense Discretionary Appropriation	1	5.0	*
005-49-3316 Emergency Conservation Program			
Nondefense Discretionary Appropriation	15	5.0	1
005-49-4336 Commodity Credit Corporation Fund			
Nondefense Mandatory Borrowing authority	6,460	5.1	329
005-49-5531 Agricultural Disaster Relief Fund			
Nondefense Mandatory Borrowing authority	1,372	5.1	70
005-49-8161 Tobacco Trust Fund			
Nondefense Mandatory Appropriation	960	5.1	49
<b>Natural Resources Conservation Service</b>			
005-53-1000 Conservation Operations			
Nondefense Discretionary Appropriation	833	5.0	42
Nondefense Discretionary Spending authority	9	5.0	*
<i>Account Total</i>	<u>842</u>		<u>42</u>
005-53-1002 Watershed Rehabilitation Program			
Nondefense Discretionary Appropriation	15	5.0	1
005-53-1004 Farm Security and Rural Investment Programs			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	108	5.1	6
Nondefense Mandatory Appropriation	3,249	5.1	166
<i>Account Total</i>	<u>3,357</u>		<u>171</u>
005-53-1072 Watershed and Flood Prevention Operations			
Nondefense Discretionary Appropriation	180	5.0	9
005-53-3320 Water Bank Program			
Nondefense Discretionary Appropriation	8	5.0	*
<b>Rural Development</b>			

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-55-0403 Salaries and Expenses			
Nondefense Discretionary Appropriation	183	5.0	9
<b>Rural Utilities Service</b>			
005-60-1230 Rural Electrification and Telecommunications Loans Program Account			
Nondefense Discretionary Appropriation	37	5.0	2
005-60-1232 Distance Learning, Telemedicine, and Broadband Program			
Nondefense Discretionary Appropriation	38	5.0	2
005-60-1980 Rural Water and Waste Disposal Program Account			
Nondefense Discretionary Appropriation	506	5.0	25
005-60-2042 High Energy Cost Grants			
Nondefense Discretionary Appropriation	10	5.0	1
<b>Rural Housing Service</b>			
005-63-0137 Rental Assistance Program			
Nondefense Discretionary Appropriation	910	5.0	46
005-63-1951 Rural Community Facilities Program Account			
Nondefense Discretionary Appropriation	29	5.0	1
005-63-1953 Rural Housing Assistance Grants			
Nondefense Discretionary Appropriation	33	5.0	2
005-63-2002 Multifamily Housing Revitalization Program Account			
Nondefense Discretionary Appropriation	13	5.0	1
005-63-2006 Mutual and Self-help Housing Grants			
Nondefense Discretionary Appropriation	30	5.0	2
005-63-2081 Rural Housing Insurance Fund Program Account			
Nondefense Discretionary Appropriation	514	5.0	26
<b>Rural Business Cooperative Service</b>			
005-65-1900 Rural Cooperative Development Grants			
Nondefense Discretionary Appropriation	25	5.0	1
005-65-1902 Rural Business Program Account			
Nondefense Discretionary Appropriation	75	5.0	4
005-65-1908 Rural Energy for America Program			
Nondefense Discretionary Appropriation	3	5.0	*
Nondefense Mandatory Appropriation	22	5.1	1
<i>Account Total</i>	<u>25</u>		<u>1</u>
005-65-2069 Rural Development Loan Fund Program Account			
Nondefense Discretionary Appropriation	11	5.0	1
005-65-2073 Energy Assistance Payments			
Nondefense Mandatory Appropriation	65	5.1	3
<b>Foreign Agricultural Service</b>			
005-68-2277 Public Law 480 Title I Direct Credit and Food for Progress Program Account			
Nondefense Discretionary Appropriation	3	5.0	*
005-68-2278 Food for Peace Title II Grants			
Nondefense Discretionary Appropriation	1,475	5.0	74
005-68-2900 Salaries and Expenses			
Nondefense Discretionary Appropriation	177	5.0	9
Nondefense Mandatory Appropriation	1	5.1	*
<i>Account Total</i>	<u>178</u>		<u>9</u>

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
005-96-9921 Forest Service Permanent Appropriations			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
Nondefense Mandatory Appropriation	646	5.1	33
<i>Account Total</i>	<u>647</u>		<u>33</u>
005-96-9923 Land Acquisition			
Nondefense Discretionary Appropriation	74	5.0	4
Nondefense Mandatory Appropriation	9	5.1	*
<i>Account Total</i>	<u>83</u>		<u>4</u>
005-96-9974 Forest Service Trust Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*
Nondefense Mandatory Appropriation	77	5.1	4
<i>Account Total</i>	<u>79</u>		<u>4</u>

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Commerce</b>			
<b>Departmental Management</b>			
006-05-0120 Salaries and Expenses			
Nondefense Discretionary Appropriation	57	5.0	3
006-05-0123 HCHB Renovation and Modernization			
Nondefense Discretionary Appropriation	5	5.0	*
006-05-0126 Office of the Inspector General			
Nondefense Discretionary Appropriation	29	5.0	1
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>30</u>		<u>2</u>
<b>Economic Development Administration</b>			
006-06-0125 Salaries and Expenses			
Nondefense Discretionary Appropriation	38	5.0	2
006-06-2050 Economic Development Assistance Programs			
Nondefense Discretionary Appropriation	221	5.0	11
<b>Bureau of the Census</b>			
006-07-0401 Salaries and Expenses			
Nondefense Discretionary Appropriation	255	5.0	13
Nondefense Mandatory Appropriation	30	5.1	2
<i>Account Total</i>	<u>285</u>		<u>14</u>
006-07-0450 Periodic Censuses and Programs			
Nondefense Discretionary Appropriation	638	5.0	32
<b>Economic and Statistical Analysis</b>			
006-08-1500 Salaries and Expenses			
Nondefense Discretionary Appropriation	97	5.0	5
<b>International Trade Administration</b>			
006-25-1250 Operations and Administration			
Nondefense Discretionary Appropriation	458	5.0	23
006-25-5521 Grants to Manufacturers of Worsted Wool Fabrics			
Nondefense Mandatory Appropriation	5	5.1	*
<b>Bureau of Industry and Security</b>			
006-30-0300 Operations and Administration			
Defense Discretionary Appropriation	34	7.8	3
Nondefense Discretionary Appropriation	67	5.0	3
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>102</u>		<u>6</u>
<b>Minority Business Development Agency</b>			
006-40-0201 Minority Business Development			
Nondefense Discretionary Appropriation	30	5.0	2
<b>National Oceanic and Atmospheric Administration</b>			
006-48-1450 Operations, Research, and Facilities			
Nondefense Discretionary Appropriation	3,289	5.0	164
Nondefense Mandatory Spending authority	6	5.1	*
<i>Account Total</i>	<u>3,295</u>		<u>165</u>
006-48-1451 Pacific Coastal Salmon Recovery			
Nondefense Discretionary Appropriation	65	5.0	3

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
006-48-1460 Procurement, Acquisition and Construction			
Nondefense Discretionary Appropriation	2,013	5.0	101
006-48-1465 Medicare-eligible Retiree Health Fund Contribution, NOAA			
Nondefense Discretionary Appropriation	2	5.0	*
006-48-4316 Damage Assessment and Restoration Revolving Fund			
Nondefense Mandatory Appropriation	6	5.1	*
006-48-5139 Promote and Develop Fishery Products and Research Pertaining to American Fisheries			
Nondefense Mandatory Appropriation	16	5.1	1
006-48-5284 Limited Access System Administration Fund			
Nondefense Mandatory Appropriation	10	5.1	1
006-48-5362 Environmental Improvement and Restoration Fund			
Nondefense Mandatory Appropriation	1	5.1	*
<b>U.S. Patent and Trademark Office</b>			
006-51-1006 Salaries and Expenses			
Nondefense Discretionary Spending authority	2,951	5.0	148
<b>National Institute of Standards and Technology</b>			
006-55-0500 Scientific and Technical Research and Services			
Nondefense Discretionary Appropriation	580	5.0	29
006-55-0515 Construction of Research Facilities			
Nondefense Discretionary Appropriation	56	5.0	3
006-55-0525 Industrial Technology Services			
Nondefense Discretionary Appropriation	129	5.0	6
<b>National Telecommunications and Information Administration</b>			
006-60-0516 State and Local Implementation Fund			
Nondefense Mandatory Borrowing authority	69	5.1	4
006-60-0550 Salaries and Expenses			
Nondefense Discretionary Appropriation	46	5.0	2
006-60-8233 Public Safety Trust Fund			
Nondefense Mandatory Borrowing authority	105	5.1	5











**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
007-20-0460 Operational Test and Evaluation, Defense			
Defense           Discretionary       Appropriation	189	7.8	15
Defense           Discretionary       Unobligated balance in 050	9	7.8	1
<i>Account Total</i>	<u>198</u>		<u>15</u>
007-20-1319 Research, Development, Test and Evaluation, Navy			
Defense           Discretionary       Appropriation	17,909	7.8	1,397
Defense           Discretionary       Unobligated balance in 050	953	7.8	74
<i>Account Total</i>	<u>18,862</u>		<u>1,471</u>
007-20-2040 Research, Development, Test and Evaluation, Army			
Defense           Discretionary       Appropriation	8,814	7.8	687
Defense           Discretionary       Unobligated balance in 050	793	7.8	62
<i>Account Total</i>	<u>9,607</u>		<u>749</u>
007-20-3600 Research, Development, Test and Evaluation, Air Force			
Defense           Discretionary       Appropriation	26,695	7.8	2,082
Defense           Discretionary       Unobligated balance in 050	1,727	7.8	135
<i>Account Total</i>	<u>28,422</u>		<u>2,217</u>
<b>Military Construction</b>			
007-25-0391 Chemical Demilitarization Construction, Defense-wide			
Defense           Discretionary       Appropriation	75	7.8	6
Defense           Discretionary       Unobligated balance in 050	2	7.8	*
<i>Account Total</i>	<u>77</u>		<u>6</u>
007-25-0500 Military Construction, Defense-wide			
Defense           Discretionary       Appropriation	3,321	7.8	259
Defense           Discretionary       Unobligated balance in 050	2,493	7.8	194
<i>Account Total</i>	<u>5,814</u>		<u>454</u>
007-25-0510 Department of Defense Base Closure Account 1990			
Defense           Discretionary       Appropriation	326	7.8	25
007-25-0512 Department of Defense Base Closure Account 2005			
Defense           Discretionary       Unobligated balance in 050	601	7.8	47
007-25-0803 Foreign Currency Fluctuations, Construction			
Defense           Discretionary       Unobligated balance in 050	1	7.8	*
007-25-0804 North Atlantic Treaty Organization Security Investment Program			
Defense           Discretionary       Appropriation	250	7.8	20
Defense           Discretionary       Unobligated balance in 050	9	7.8	1
<i>Account Total</i>	<u>259</u>		<u>20</u>
007-25-1205 Military Construction, Navy and Marine Corps			
Defense           Discretionary       Appropriation	2,100	7.8	164
Defense           Discretionary       Unobligated balance in 050	1,709	7.8	133
<i>Account Total</i>	<u>3,809</u>		<u>297</u>
007-25-1235 Military Construction, Navy Reserve			
Defense           Discretionary       Appropriation	26	7.8	2
Defense           Discretionary       Unobligated balance in 050	39	7.8	3
<i>Account Total</i>	<u>65</u>		<u>5</u>
007-25-2050 Military Construction, Army			
Defense           Discretionary       Appropriation	2,925	7.8	228
Defense           Discretionary       Unobligated balance in 050	2,300	7.8	179
<i>Account Total</i>	<u>5,225</u>		<u>408</u>









**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
018-40-0241 College Housing and Academic Facilities Loans Program Account			
Nondefense Discretionary Appropriation	21	5.0	1
018-40-0603 Howard University			
Nondefense Discretionary Appropriation	235	5.0	12
<b>Office of Federal Student Aid</b>			
018-45-0200 Student Financial Assistance			
Nondefense Discretionary Appropriation	1,722	5.0	86
Nondefense Mandatory Appropriation	*	5.1	*
<i>Account Total</i>	<u>1,722</u>		<u>86</u>
018-45-0202 Student Aid Administration			
Nondefense Discretionary Appropriation	1,050	5.0	53
Nondefense Mandatory Appropriation	359	5.1	18
<i>Account Total</i>	<u>1,409</u>		<u>71</u>
018-45-0206 Teacher Education Assistance			
Nondefense Mandatory Appropriation	23	5.1	1
018-45-5557 Student Financial Assistance Debt Collection			
Nondefense Mandatory Appropriation	10	5.1	1
<b>Institute of Education Sciences</b>			
018-50-1100 Institute of Education Sciences			
Nondefense Discretionary Appropriation	597	5.0	30
<b>Departmental Management</b>			
018-80-0700 Office for Civil Rights			
Nondefense Discretionary Appropriation	103	5.0	5
018-80-0800 Program Administration			
Nondefense Discretionary Appropriation	449	5.0	22
018-80-1400 Office of the Inspector General			
Nondefense Discretionary Appropriation	60	5.0	3













**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Homeland Security</b>			
<b>Departmental Management and Operations</b>			
024-10-0100 Departmental Operations			
Nondefense Discretionary Appropriation	479	5.0	24
024-10-0102 Office of the Chief Information Officer			
Nondefense Discretionary Appropriation	324	5.0	16
024-10-0115 Analysis and Operations			
Nondefense Discretionary Appropriation	340	5.0	17
<b>Office of the Inspector General</b>			
024-20-0200 Operating Expenses			
Nondefense Discretionary Appropriation	145	5.0	7
<b>Citizenship and Immigration Services</b>			
024-30-0300 Citizenship and Immigration Services			
Nondefense Discretionary Appropriation	103	5.0	5
Nondefense Mandatory Appropriation	2,859	5.1	146
<i>Account Total</i>	<u>2,962</u>		<u>151</u>
<b>United States Secret Service</b>			
024-40-0400 Operating Expenses			
Nondefense Discretionary Appropriation	1,670	5.0	84
024-40-0401 Acquisition, Construction, and Improvements			
Nondefense Discretionary Appropriation	5	5.0	*
<b>Transportation Security Administration</b>			
024-45-0541 Federal Air Marshals			
Nondefense Discretionary Appropriation	972	5.0	49
024-45-0550 Aviation Security			
Nondefense Discretionary Appropriation	3,178	5.0	159
Nondefense Discretionary Spending authority	2,094	5.0	105
Nondefense Mandatory Appropriation	250	5.1	13
<i>Account Total</i>	<u>5,522</u>		<u>276</u>
024-45-0551 Surface Transportation Security			
Nondefense Discretionary Appropriation	136	5.0	7
024-45-0554 Transportation Security Support			
Nondefense Discretionary Appropriation	1,038	5.0	52
024-45-0557 Transportation Threat Assessment and Credentialing			
Nondefense Discretionary Appropriation	165	5.0	8
Nondefense Discretionary Spending authority	75	5.0	4
Nondefense Mandatory Spending authority	5	5.1	*
<i>Account Total</i>	<u>245</u>		<u>12</u>
<b>Federal Law Enforcement Training Center</b>			
024-49-0509 Salaries and expenses			
Nondefense Discretionary Appropriation	240	5.0	12
Nondefense Discretionary Spending authority	2	5.0	*
<i>Account Total</i>	<u>242</u>		<u>12</u>
024-49-0510 Acquisitions, Construction, Improvements and Related Expenses			
Nondefense Discretionary Appropriation	32	5.0	2
<b>Immigration and Customs Enforcement</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
024-55-0540 Immigration and Customs Enforcement			
Nondefense Discretionary Appropriation	5,554	5.0	278
Nondefense Mandatory Appropriation	312	5.1	16
<i>Account Total</i>	<u>5,866</u>		<u>294</u>
024-55-0543 Automation Modernization, Immigration and Customs Enforcement			
Nondefense Discretionary Appropriation	12	5.0	1
<b>Customs and Border Protection</b>			
024-58-0530 Customs and Border Protection			
Nondefense Discretionary Appropriation	8,737	5.0	437
Nondefense Mandatory Appropriation	1,464	5.1	75
<i>Account Total</i>	<u>10,201</u>		<u>512</u>
024-58-0531 Automation Modernization, Customs and Border Protection			
Nondefense Discretionary Appropriation	331	5.0	17
024-58-0532 Construction, Customs and Border Protection			
Nondefense Discretionary Appropriation	238	5.0	12
024-58-0533 Border Security Fencing, Infrastructure, and Technology			
Nondefense Discretionary Appropriation	399	5.0	20
024-58-0544 Air and Marine Interdiction, Operations, Maintenance, and Procurement			
Nondefense Discretionary Appropriation	507	5.0	25
024-58-5533 Payments to Wool Manufacturers			
Nondefense Mandatory Appropriation	15	5.1	1
024-58-5543 International Registered Traveler			
Nondefense Discretionary Appropriation	14	5.0	1
024-58-5595 Electronic System for Travel Authorization			
Nondefense Mandatory Appropriation	46	5.1	2
024-58-5687 Refunds, Transfers, and Expenses of Operation, Puerto Rico			
Nondefense Mandatory Appropriation	96	5.1	5
024-58-8789 US Customs Refunds, Transfers and Expenses, Unclaimed and Abandoned Goods			
Nondefense Mandatory Appropriation	4	5.1	*
<b>United States Coast Guard</b>			
024-60-0610 Operating Expenses			
Defense Discretionary Appropriation	532	7.8	41
Nondefense Discretionary Appropriation	3,044	5.0	152
<i>Account Total</i>	<u>3,576</u>		<u>194</u>
024-60-0611 Environmental Compliance and Restoration			
Nondefense Discretionary Appropriation	14	5.0	1
024-60-0612 Reserve Training			
Nondefense Discretionary Appropriation	36	5.0	2
024-60-0613 Acquisition, Construction, and Improvements			
Nondefense Discretionary Appropriation	1,681	5.0	84
024-60-0615 Research, Development, Test, and Evaluation			
Nondefense Discretionary Appropriation	26	5.0	1
024-60-8149 Boat Safety			
Nondefense Mandatory Appropriation	116	5.1	6
024-60-8314 Trust Fund Share of Expenses			
Nondefense Discretionary Appropriation	45	5.0	2

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
024-85-0862 Systems Acquisition Nondefense Discretionary Appropriation	41	5.0	2

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Housing and Urban Development</b>			
<b>Public and Indian Housing Programs</b>			
025-03-0163 Public Housing Operating Fund			
Nondefense Discretionary Appropriation	3,986	5.0	199
025-03-0223 Indian Housing Loan Guarantee Fund Program Account			
Nondefense Discretionary Appropriation	6	5.0	*
025-03-0235 Native Hawaiian Housing Block Grant			
Nondefense Discretionary Appropriation	13	5.0	1
025-03-0302 Tenant Based Rental Assistance			
Nondefense Discretionary Advance appropriation	4,000	5.0	200
Nondefense Discretionary Appropriation	14,753	5.0	738
<i>Account Total</i>	<u>18,753</u>		<u>938</u>
025-03-0303 Project-based Rental Assistance			
Nondefense Discretionary Advance appropriation	400	5.0	20
Nondefense Discretionary Appropriation	8,995	5.0	450
<i>Account Total</i>	<u>9,395</u>		<u>470</u>
025-03-0304 Public Housing Capital Fund			
Nondefense Discretionary Appropriation	1,886	5.0	94
025-03-0313 Native American Housing Block Grant			
Nondefense Discretionary Appropriation	654	5.0	33
025-03-0349 Choice Neighborhoods			
Nondefense Discretionary Appropriation	121	5.0	6
<b>Community Planning and Development</b>			
025-06-0162 Community Development Fund			
Nondefense Discretionary Appropriation	19,308	5.0	965
025-06-0176 Self-help Homeownership Opportunity Program			
Nondefense Discretionary Appropriation	54	5.0	3
025-06-0192 Homeless Assistance Grants			
Nondefense Discretionary Appropriation	1,913	5.0	96
025-06-0198 Community Development Loan Guarantees Program Account			
Nondefense Discretionary Appropriation	6	5.0	*
025-06-0205 Home Investment Partnership Program			
Nondefense Discretionary Appropriation	1,006	5.0	50
025-06-0308 Housing Opportunities for Persons with AIDS			
Nondefense Discretionary Appropriation	334	5.0	17
<b>Housing Programs</b>			
025-09-0156 Housing Counseling Assistance			
Nondefense Discretionary Appropriation	45	5.0	2
025-09-0183 FHA-mutual Mortgage Insurance Program Account			
Nondefense Discretionary Appropriation	208	5.0	10
025-09-0237 Housing for Persons with Disabilities			
Nondefense Discretionary Appropriation	166	5.0	8
025-09-0320 Housing for the Elderly			
Nondefense Discretionary Appropriation	377	5.0	19

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
025-09-4041 Rental Housing Assistance Fund			
Nondefense      Mandatory      Spending authority	3	5.1	*
025-09-4044 Flexible Subsidy Fund			
Nondefense      Discretionary      Spending authority	21	5.0	1
025-09-8119 Manufactured Housing Fees Trust Fund			
Nondefense      Discretionary      Appropriation	7	5.0	*
<b>Government National Mortgage Association</b>			
025-12-0186 Guarantees of Mortgage-backed Securities Loan Guarantee Program Account			
Nondefense      Discretionary      Spending authority	20	5.0	1
<b>Policy Development and Research</b>			
025-28-0108 Research and Technology			
Nondefense      Discretionary      Appropriation	46	5.0	2
<b>Fair Housing and Equal Opportunity</b>			
025-29-0144 Fair Housing Activities			
Nondefense      Discretionary      Appropriation	71	5.0	4
<b>Office of Lead Hazard Control and Healthy Homes</b>			
025-32-0174 Lead Hazard Reduction			
Nondefense      Discretionary      Appropriation	121	5.0	6
<b>Management and Administration</b>			
025-35-0189 Office of Inspector General			
Nondefense      Discretionary      Appropriation	135	5.0	7
025-35-0334 Housing Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	394	5.0	20
025-35-0335 Administrative Support Offices			
Nondefense      Discretionary      Appropriation	541	5.0	27
025-35-0337 Public and Indian Housing Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	201	5.0	10
025-35-0338 Community Planning and Development Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	111	5.0	6
025-35-0339 Policy Development and Research Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	22	5.0	1
025-35-0340 Fair Housing and Equal Opportunity Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	73	5.0	4
025-35-0341 Office of Healthy Homes and Lead Hazard Control Personnel Compensation and Benefits			
Nondefense      Discretionary      Appropriation	7	5.0	*
025-35-0402 Transformation Initiative			
Nondefense      Discretionary      Appropriation	50	5.0	3
025-35-4586 Information Technology Portfolio			
Nondefense      Discretionary      Appropriation	200	5.0	10



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of the Interior</b>			
<b>Bureau of Land Management</b>			
010-04-1109 Management of Lands and Resources			
Nondefense Discretionary Appropriation	966	5.0	48
Nondefense Discretionary Spending authority	75	5.0	4
<i>Account Total</i>	<u>1,041</u>		<u>52</u>
010-04-1110 Construction			
Nondefense Discretionary Appropriation	4	5.0	*
010-04-1116 Oregon and California Grant Lands			
Nondefense Discretionary Appropriation	113	5.0	6
010-04-4053 Helium Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	16	5.1	1
010-04-4525 Working Capital Fund			
Nondefense Discretionary Spending authority	9	5.0	*
010-04-5017 Service Charges, Deposits, and Forfeitures			
Nondefense Discretionary Appropriation	31	5.0	2
010-04-5033 Land Acquisition			
Nondefense Discretionary Appropriation	22	5.0	1
010-04-5132 Range Improvements			
Nondefense Mandatory Appropriation	10	5.1	1
010-04-9921 Miscellaneous Permanent Payment Accounts			
Nondefense Mandatory Appropriation	62	5.1	3
010-04-9926 Permanent Operating Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	16	5.1	1
Nondefense Mandatory Appropriation	131	5.1	7
<i>Account Total</i>	<u>147</u>		<u>8</u>
010-04-9971 Miscellaneous Trust Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	21	5.1	1
<b>Bureau of Ocean Energy Management</b>			
010-06-1917 Ocean Energy Management			
Nondefense Discretionary Appropriation	60	5.0	3
Nondefense Discretionary Spending authority	101	5.0	5
<i>Account Total</i>	<u>161</u>		<u>8</u>
<b>Office of Surface Mining Reclamation and Enforcement</b>			
010-08-1801 Regulation and Technology			
Nondefense Discretionary Appropriation	124	5.0	6
Nondefense Discretionary Spending authority	3	5.0	*
<i>Account Total</i>	<u>127</u>		<u>6</u>
010-08-1803 Payments to States in Lieu of Coal Fee Receipts			
Nondefense Mandatory Appropriation	128	5.1	7
010-08-5015 Abandoned Mine Reclamation Fund			
Nondefense Discretionary Appropriation	28	5.0	1
Nondefense Mandatory Appropriation	221	5.1	11
<i>Account Total</i>	<u>249</u>		<u>13</u>
<b>Bureau of Reclamation</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-10-0680 Water and Related Resources			
Nondefense Discretionary Appropriation	883	5.0	44
Nondefense Discretionary Spending authority	212	5.0	11
Nondefense Mandatory Appropriation	1	5.1	*
<i>Account Total</i>	<u>1,096</u>		<u>55</u>
010-10-0687 California Bay-Delta Restoration			
Nondefense Discretionary Appropriation	40	5.0	2
010-10-4079 Lower Colorado River Basin Development Fund			
Nondefense Discretionary Appropriation	6	5.0	*
Nondefense Mandatory Administrative expenses in otherwise exempt resources	247	5.1	13
Nondefense Mandatory Spending authority	1	5.1	*
<i>Account Total</i>	<u>254</u>		<u>13</u>
010-10-4081 Upper Colorado River Basin Fund			
Nondefense Discretionary Appropriation	11	5.0	1
Nondefense Mandatory Administrative expenses in otherwise exempt resources	81	5.1	4
<i>Account Total</i>	<u>92</u>		<u>5</u>
010-10-4524 Working Capital Fund			
Nondefense Discretionary Spending authority	13	5.0	1
010-10-5065 Policy and Administration			
Nondefense Discretionary Appropriation	60	5.0	3
010-10-5173 Central Valley Project Restoration Fund			
Nondefense Discretionary Appropriation	53	5.0	3
010-10-5656 Colorado River Dam Fund, Boulder Canyon Project			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	16	5.1	1
010-10-8070 Reclamation Trust Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*
<b>Central Utah Project</b>			
010-11-0787 Central Utah Project Completion Account			
Nondefense Discretionary Appropriation	27	5.0	1
010-11-5174 Utah Reclamation Mitigation and Conservation Account			
Nondefense Discretionary Appropriation	2	5.0	*
<b>United States Geological Survey</b>			
010-12-0804 Surveys, Investigations, and Research			
Nondefense Discretionary Appropriation	1,075	5.0	54
<b>United States Fish and Wildlife Service</b>			
010-18-1611 Resource Management			
Nondefense Discretionary Appropriation	1,234	5.0	62
Nondefense Discretionary Spending authority	55	5.0	3
<i>Account Total</i>	<u>1,289</u>		<u>64</u>
010-18-1612 Construction			
Nondefense Discretionary Appropriation	91	5.0	5
010-18-1652 Multinational Species Conservation Fund			
Nondefense Discretionary Appropriation	10	5.0	1
010-18-1696 Neotropical Migratory Bird Conservation			
Nondefense Discretionary Appropriation	4	5.0	*
010-18-5020 Land Acquisition			
Nondefense Discretionary Appropriation	55	5.0	3

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-18-5029 Federal Aid in Wildlife Restoration			
Nondefense Mandatory Appropriation	413	5.1	21
010-18-5091 National Wildlife Refuge Fund			
Nondefense Discretionary Appropriation	14	5.0	1
Nondefense Mandatory Appropriation	8	5.1	*
<i>Account Total</i>	<u>22</u>		<u>1</u>
010-18-5137 Migratory Bird Conservation Account			
Nondefense Mandatory Appropriation	47	5.1	2
010-18-5143 Cooperative Endangered Species Conservation Fund			
Nondefense Discretionary Appropriation	48	5.0	2
010-18-5241 North American Wetlands Conservation Fund			
Nondefense Discretionary Appropriation	36	5.0	2
Nondefense Mandatory Appropriation	1	5.1	*
<i>Account Total</i>	<u>37</u>		<u>2</u>
010-18-5252 Recreation Enhancement Fee Program, FWS			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
010-18-5474 State Wildlife Grants			
Nondefense Discretionary Appropriation	62	5.0	3
010-18-8151 Sport Fish Restoration			
Nondefense Mandatory Appropriation	446	5.1	23
<b>Bureau of Safety and Environmental Enforcement</b>			
010-22-1700 Offshore Safety and Environmental Enforcement			
Nondefense Discretionary Appropriation	62	5.0	3
Nondefense Discretionary Spending authority	121	5.0	6
<i>Account Total</i>	<u>183</u>		<u>9</u>
010-22-1920 Oil Spill Research			
Nondefense Discretionary Appropriation	3	5.0	*
010-22-8370 Oil Spill Research			
Nondefense Discretionary Appropriation	15	5.0	1
<b>National Park Service</b>			
010-24-1036 Operation of the National Park System			
Nondefense Discretionary Appropriation	2,250	5.0	113
010-24-1039 Construction (and Major Maintenance)			
Nondefense Discretionary Appropriation	505	5.0	25
010-24-1042 National Recreation and Preservation			
Nondefense Discretionary Appropriation	60	5.0	3
010-24-5035 Land Acquisition and State Assistance			
Nondefense Discretionary Appropriation	103	5.0	5
010-24-5140 Historic Preservation Fund			
Nondefense Discretionary Appropriation	106	5.0	5
010-24-9924 Other Permanent Appropriations			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	8	5.1	*
010-24-9928 Recreation Fee Permanent Appropriations			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	34	5.1	2
Nondefense Mandatory Appropriation	1	5.1	*
<i>Account Total</i>	<u>35</u>		<u>2</u>
<b>Bureau of Indian Affairs and Bureau of Indian Education</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
010-76-2100 Operation of Indian Programs			
Nondefense Discretionary Appropriation	2,382	5.0	119
010-76-2301 Construction			
Nondefense Discretionary Appropriation	124	5.0	6
010-76-2628 Indian Guaranteed Loan Program Account			
Nondefense Discretionary Appropriation	7	5.0	*
010-76-5051 Operation and Maintenance of Quarters			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	3	5.1	*
010-76-9925 Miscellaneous Permanent Appropriations			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	19	5.1	1
<b>Departmental Offices</b>			
010-84-0102 Salaries and Expenses			
Nondefense Discretionary Appropriation	624	5.0	31
010-84-5003 Mineral Leasing and Associated Payments			
Nondefense Mandatory Appropriation	2,144	5.1	109
010-84-5045 National Petroleum Reserve, Alaska			
Nondefense Mandatory Appropriation	3	5.1	*
010-84-5243 National Forests Fund, Payment to States			
Nondefense Mandatory Appropriation	9	5.1	*
010-84-5248 Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes			
Nondefense Mandatory Appropriation	19	5.1	1
010-84-5574 Geothermal Lease Revenues, Payment to Counties			
Nondefense Mandatory Appropriation	4	5.1	*
<b>Insular Affairs</b>			
010-85-0412 Assistance to Territories			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	10	5.1	1
<b>Office of the Solicitor</b>			
010-86-0107 Salaries and Expenses			
Nondefense Discretionary Appropriation	67	5.0	3
<b>Office of Inspector General</b>			
010-88-0104 Salaries and Expenses			
Nondefense Discretionary Appropriation	50	5.0	3
<b>Office of the Special Trustee for American Indians</b>			
010-90-0120 Federal Trust Programs			
Nondefense Discretionary Appropriation	153	5.0	8
<b>National Indian Gaming Commission</b>			
010-92-0118 Salaries and Expenses			
Nondefense Discretionary Spending authority	3	5.0	*
010-92-5141 National Indian Gaming Commission, Gaming Activity Fees			
Nondefense Mandatory Appropriation	18	5.1	1
<b>Department-Wide Programs</b>			
010-95-1114 Payments in Lieu of Taxes			
Nondefense Mandatory Appropriation	398	5.1	20
010-95-1121 Central Hazardous Materials Fund			
Nondefense Discretionary Appropriation	10	5.0	1

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Justice</b>			
<b>General Administration</b>			
011-03-0129 Salaries and Expenses Nondefense Discretionary Appropriation	112	5.0	6
011-03-0132 Tactical Law Enforcement Wireless Communications Nondefense Discretionary Appropriation	88	5.0	4
011-03-0134 Justice Information Sharing Technology Nondefense Discretionary Appropriation	44	5.0	2
011-03-0136 Detention Trustee Nondefense Discretionary Appropriation	1,590	5.0	80
011-03-0328 Office of Inspector General Nondefense Discretionary Appropriation	85	5.0	4
011-03-0339 Administrative Review and Appeals Nondefense Discretionary Appropriation	307	5.0	15
011-03-1102 National Drug Intelligence Center Nondefense Discretionary Appropriation	20	5.0	1
<b>United States Parole Commission</b>			
011-04-1061 Salaries and Expenses Nondefense Discretionary Appropriation	13	5.0	1
<b>Legal Activities and U.S. Marshals</b>			
011-05-0100 Salaries and Expenses, Foreign Claims Settlement Commission Nondefense Discretionary Appropriation	2	5.0	*
011-05-0128 Salaries and Expenses, General Legal Activities Nondefense Discretionary Appropriation	868	5.0	43
011-05-0133 Construction Nondefense Discretionary Appropriation	15	5.0	1
011-05-0311 Fees and Expenses of Witnesses Nondefense Mandatory Appropriation	270	5.1	14
011-05-0319 Salaries and Expenses, Antitrust Division Nondefense Discretionary Appropriation	43	5.0	2
011-05-0322 Salaries and Expenses, United States Attorneys Nondefense Discretionary Appropriation	1,972	5.0	99
011-05-0324 Salaries and Expenses, United States Marshals Service Nondefense Discretionary Appropriation	1,179	5.0	59
011-05-0340 September 11th Victim Compensation (general Fund) Nondefense Mandatory Appropriation	322	5.1	16
011-05-0500 Salaries and Expenses, Community Relations Service Nondefense Discretionary Appropriation	11	5.0	1
011-05-5042 Assets Forfeiture Fund Nondefense Discretionary Appropriation	21	5.0	1
Nondefense Mandatory Appropriation	1,358	5.1	69
<i>Account Total</i>	1,379		70
011-05-5073 United States Trustee System Fund Nondefense Discretionary Appropriation	224	5.0	11
<b>Interagency Law Enforcement</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
011-07-0323 Interagency Crime and Drug Enforcement			
Nondefense Discretionary Appropriation	531	5.0	27
<b>National Security Division</b>			
011-08-1300 Salaries and Expenses			
Nondefense Discretionary Appropriation	88	5.0	4
<b>Federal Bureau of Investigation</b>			
011-10-0200 Salaries and Expenses			
Defense Discretionary Appropriation	4,775	7.8	372
Defense Discretionary Unobligated balance in 050	169	7.8	13
Nondefense Discretionary Appropriation	3,321	5.0	166
<i>Account Total</i>	<u>8,265</u>		<u>552</u>
011-10-0203 Construction			
Nondefense Discretionary Appropriation	81	5.0	4
<b>Drug Enforcement Administration</b>			
011-12-1100 Salaries and Expenses			
Nondefense Discretionary Appropriation	2,041	5.0	102
011-12-1101 Construction			
Nondefense Discretionary Appropriation	10	5.0	1
011-12-5131 Diversion Control Fee Account			
Nondefense Mandatory Appropriation	335	5.1	17
<b>Bureau of Alcohol, Tobacco, Firearms, and Explosives</b>			
011-14-0700 Salaries and Expenses			
Nondefense Discretionary Appropriation	1,159	5.0	58
<b>Federal Prison System</b>			
011-20-1003 Buildings and Facilities			
Nondefense Discretionary Appropriation	55	5.0	3
011-20-1060 Salaries and Expenses			
Nondefense Discretionary Appropriation	6,591	5.0	330
011-20-8408 Commissary Funds, Federal Prisons (trust Revolving Fund)			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	111	5.1	6
<b>Office of Justice Programs</b>			
011-21-0401 Research, Evaluation, and Statistics			
Nondefense Discretionary Appropriation	105	5.0	5
011-21-0404 State and Local Law Enforcement Assistance			
Nondefense Discretionary Appropriation	1,126	5.0	56
011-21-0405 Juvenile Justice Programs			
Nondefense Discretionary Appropriation	255	5.0	13
011-21-0406 Community Oriented Policing Services			
Nondefense Discretionary Appropriation	163	5.0	8
011-21-0409 Violence against Women Prevention and Prosecution Programs			
Nondefense Discretionary Appropriation	400	5.0	20
011-21-5041 Crime Victims Fund			
Nondefense Mandatory Appropriation	705	5.1	36

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Labor</b>			
<b>Employment and Training Administration</b>			
012-05-0168 Short Time Compensation Programs			
Nondefense Mandatory Appropriation	219	5.1	11
012-05-0172 Program Administration			
Nondefense Discretionary Appropriation	98	5.0	5
012-05-0174 Training and Employment Services			
Nondefense Discretionary Advance appropriation	1,772	5.0	89
Nondefense Discretionary Appropriation	1,454	5.0	73
Nondefense Mandatory Appropriation	125	5.1	6
<i>Account Total</i>	<u>3,351</u>		<u>168</u>
012-05-0175 Community Service Employment for Older Americans			
Nondefense Discretionary Appropriation	451	5.0	23
012-05-0179 State Unemployment Insurance and Employment Service Operations			
Nondefense Discretionary Appropriation	88	5.0	4
Nondefense Mandatory Appropriation	13	5.1	1
<i>Account Total</i>	<u>101</u>		<u>5</u>
012-05-0181 Office of Job Corps			
Nondefense Discretionary Appropriation	1,713	5.0	86
012-05-0187 TAA Community College and Career Training Grant Fund			
Nondefense Mandatory Appropriation	500	5.1	26
012-05-0326 Federal Unemployment Benefits and Allowances			
Nondefense Mandatory Appropriation	1,132	5.1	58
012-05-8042 Unemployment Trust Fund			
Nondefense Discretionary Appropriation	4,363	5.0	218
Nondefense Mandatory Administrative expenses in otherwise exempt resources	92	5.1	5
Nondefense Mandatory Appropriation	46,851	5.1	2,389
<i>Account Total</i>	<u>51,306</u>		<u>2,612</u>
<b>Employee Benefits Security Administration</b>			
012-11-1700 Salaries and Expenses			
Nondefense Discretionary Appropriation	184	5.0	9
<b>Pension Benefit Guaranty Corporation</b>			
012-12-4204 Pension Benefit Guaranty Corporation Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	118	5.1	6
<b>Office of Workers' Compensation Programs</b>			
012-15-0163 Salaries and Expenses			
Nondefense Discretionary Appropriation	117	5.0	6
012-15-0169 Special Benefits for Disabled Coal Miners			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	5	5.1	*
012-15-1524 Administrative Expenses, Energy Employees Occupational Illness Compensation Fund			
Defense Mandatory Appropriation	129	7.9	10
Defense Mandatory Unobligated balance in 050	2	7.9	*
<i>Account Total</i>	<u>131</u>		<u>10</u>
012-15-8144 Black Lung Disability Trust Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	59	5.1	3
012-15-9971 Special Workers' Compensation Expenses			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Wage and Hour Division</b>			
012-16-0143 Salaries and Expenses			
Nondefense Discretionary Appropriation	228	5.0	11
Nondefense Discretionary Spending authority	3	5.0	*
<i>Account Total</i>	<u>231</u>		<u>12</u>
012-16-5393 H-1 B and L Fraud Prevention and Detection			
Nondefense Mandatory Appropriation	35	5.1	2
<b>Occupational Safety and Health Administration</b>			
012-18-0400 Salaries and Expenses			
Nondefense Discretionary Appropriation	568	5.0	28
<b>Mine Safety and Health Administration</b>			
012-19-1200 Salaries and Expenses			
Nondefense Discretionary Appropriation	376	5.0	19
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>377</u>		<u>19</u>
<b>Bureau of Labor Statistics</b>			
012-20-0200 Salaries and Expenses			
Nondefense Discretionary Appropriation	545	5.0	27
<b>Office of Federal Contract Compliance Programs</b>			
012-22-0148 Salaries and Expenses			
Nondefense Discretionary Appropriation	106	5.0	5
<b>Office of Labor Management Standards</b>			
012-23-0150 Salaries and Expenses			
Nondefense Discretionary Appropriation	41	5.0	2
<b>Departmental Management</b>			
012-25-0106 Office of the Inspector General			
Nondefense Discretionary Appropriation	78	5.0	4
012-25-0162 Information Technology Modernization			
Nondefense Discretionary Appropriation	20	5.0	1
012-25-0164 Veterans Employment and Training			
Nondefense Discretionary Appropriation	53	5.0	3
012-25-0165 Salaries and Expenses			
Nondefense Discretionary Appropriation	348	5.0	17
012-25-0166 Office of Disability Employment Policy			
Nondefense Discretionary Appropriation	39	5.0	2

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of State</b>			
<b>Administration of Foreign Affairs</b>			
014-05-0113 Diplomatic and Consular Programs			
Nondefense Discretionary Appropriation	10,966	5.0	548
Nondefense Discretionary Spending authority	2,290	5.0	115
Nondefense Mandatory Appropriation	35	5.1	2
<i>Account Total</i>	<u>13,291</u>		<u>665</u>
014-05-0120 Capital Investment Fund			
Nondefense Discretionary Appropriation	60	5.0	3
014-05-0121 Conflict Stabilization Operations			
Nondefense Discretionary Appropriation	8	5.0	*
014-05-0209 Educational and Cultural Exchange Programs			
Nondefense Discretionary Appropriation	602	5.0	30
014-05-0520 Protection of Foreign Missions and Officials			
Nondefense Discretionary Appropriation	27	5.0	1
014-05-0522 Emergencies in the Diplomatic and Consular Service			
Nondefense Discretionary Appropriation	9	5.0	*
014-05-0523 Payment to the American Institute in Taiwan			
Nondefense Discretionary Appropriation	21	5.0	1
014-05-0529 Office of the Inspector General			
Nondefense Discretionary Appropriation	129	5.0	6
014-05-0535 Embassy Security, Construction, and Maintenance			
Nondefense Discretionary Appropriation	1,579	5.0	79
014-05-0545 Representation Allowances			
Nondefense Discretionary Appropriation	7	5.0	*
014-05-0601 Repatriation Loans Program Account			
Nondefense Discretionary Appropriation	1	5.0	*
<b>International Organizations and Conferences</b>			
014-10-1124 Contributions for International Peacekeeping Activities			
Nondefense Discretionary Appropriation	1,839	5.0	92
014-10-1126 Contributions to International Organizations			
Nondefense Discretionary Appropriation	1,560	5.0	78
<b>International Commissions</b>			
014-15-1069 Salaries and Expenses, IBWC			
Nondefense Discretionary Appropriation	45	5.0	2
014-15-1078 Construction, IBWC			
Nondefense Discretionary Appropriation	32	5.0	2
014-15-1082 American Sections, International Commissions			
Nondefense Discretionary Appropriation	12	5.0	1
014-15-1087 International Fisheries Commissions			
Nondefense Discretionary Appropriation	37	5.0	2
<b>Other</b>			
014-25-0040 United States Emergency Refugee and Migration Assistance Fund			
Nondefense Discretionary Appropriation	27	5.0	1

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
014-25-0202 East-West Center			
Nondefense Discretionary Appropriation	17	5.0	1
014-25-0210 National Endowment for Democracy			
Nondefense Discretionary Appropriation	118	5.0	6
014-25-0525 Payment to the Asia Foundation			
Nondefense Discretionary Appropriation	17	5.0	1
014-25-1015 Complex Crises Fund			
Nondefense Discretionary Appropriation	40	5.0	2
014-25-1022 International Narcotics Control and Law Enforcement			
Nondefense Discretionary Appropriation	2,051	5.0	103
014-25-1031 Global Health Programs			
Nondefense Discretionary Appropriation	8,218	5.0	411
014-25-1121 Democracy Fund			
Nondefense Discretionary Appropriation	115	5.0	6
014-25-1143 Migration and Refugee Assistance			
Nondefense Discretionary Appropriation	1,885	5.0	94
014-25-8276 Israeli Arab and Eisenhower Exchange Fellowship Programs			
Nondefense Discretionary Appropriation	1	5.0	*

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of Transportation</b>			
<b>Office of the Secretary</b>			
021-04-0102 Salaries and Expenses			
Nondefense Discretionary Appropriation	103	5.0	5
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>104</u>		<u>5</u>
021-04-0116 Financial Management Capital			
Nondefense Discretionary Appropriation	5	5.0	*
021-04-0118 Office of Civil Rights			
Nondefense Discretionary Appropriation	9	5.0	*
021-04-0119 Minority Business Outreach			
Nondefense Discretionary Appropriation	3	5.0	*
021-04-0142 Transportation Planning, Research, and Development			
Nondefense Discretionary Appropriation	9	5.0	*
021-04-0143 National Infrastructure Investments			
Nondefense Discretionary Appropriation	503	5.0	25
021-04-0155 Minority Business Resource Center Program			
Nondefense Discretionary Appropriation	1	5.0	*
021-04-0159 Cyber Security Initiatives			
Nondefense Discretionary Appropriation	10	5.0	1
021-04-1730 Research and Development			
Nondefense Discretionary Appropriation	16	5.0	1
021-04-5423 Essential Air Service and Rural Airport Improvement Fund			
Nondefense Mandatory Appropriation	50	5.1	3
021-04-8304 Payments to Air Carriers			
Nondefense Discretionary Appropriation	144	5.0	7
<b>Federal Aviation Administration</b>			
021-12-1301 Operations			
Nondefense Discretionary Appropriation	4,621	5.0	231
Nondefense Discretionary Spending authority	10	5.0	1
<i>Account Total</i>	<u>4,631</u>		<u>232</u>
021-12-4120 Aviation Insurance Revolving Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
021-12-8104 Trust Fund Share of FAA Activities (Airport and Airway Trust Fund)			
Nondefense Discretionary Appropriation	5,092	5.0	255
021-12-8106 Grants-in-aid for Airports (Airport and Airway Trust Fund)			
Nondefense Discretionary Spending authority	1	5.0	*
021-12-8107 Facilities and Equipment (Airport and Airway Trust Fund)			
Nondefense Discretionary Appropriation	2,778	5.0	139
Nondefense Discretionary Spending authority	62	5.0	3
<i>Account Total</i>	<u>2,840</u>		<u>142</u>
021-12-8108 Research, Engineering and Development (Airport and Airway Trust Fund)			
Nondefense Discretionary Appropriation	169	5.0	8
<b>Federal Highway Administration</b>			
021-15-0500 Emergency Relief Program			
Nondefense Discretionary Appropriation	2,022	5.0	101

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
021-15-0534 Payment to the Transportation Trust Fund			
Nondefense Mandatory Appropriation	6,200	5.1	316
021-15-8083 Federal-aid Highways			
Nondefense Mandatory Contract authority	739	5.1	38
<b>Federal Motor Carrier Safety Administration</b>			
021-17-8159 Motor Carrier Safety Operations and Programs			
Nondefense Discretionary Spending authority	27	5.0	1
<b>National Highway Traffic Safety Administration</b>			
021-18-0650 Operations and Research			
Nondefense Discretionary Appropriation	141	5.0	7
<b>Federal Railroad Administration</b>			
021-27-0121 Operating Subsidy Grants to the National Railroad Passenger Corporation			
Nondefense Discretionary Appropriation	469	5.0	23
021-27-0125 Capital and Debt Service Grants to the National Railroad Passenger Corporation			
Nondefense Discretionary Appropriation	958	5.0	48
021-27-0700 Safety and Operations			
Nondefense Discretionary Appropriation	180	5.0	9
021-27-0704 Grants to the National Railroad Passenger Corporation			
Nondefense Discretionary Appropriation	118	5.0	6
021-27-0745 Railroad Research and Development			
Nondefense Discretionary Appropriation	35	5.0	2
<b>Federal Transit Administration</b>			
021-36-1120 Administrative Expenses			
Nondefense Discretionary Appropriation	99	5.0	5
021-36-1128 Washington Metropolitan Area Transit Authority			
Nondefense Discretionary Appropriation	151	5.0	8
021-36-1134 Capital Investment Grants			
Nondefense Discretionary Appropriation	1,923	5.0	96
021-36-1137 Research and University Research Centers			
Nondefense Discretionary Appropriation	44	5.0	2
021-36-1140 Public Transportation Emergency Relief Program			
Nondefense Discretionary Appropriation	10,894	5.0	545
<b>Saint Lawrence Seaway Development Corporation</b>			
021-40-8003 Operations and Maintenance			
Nondefense Discretionary Appropriation	32	5.0	2
<b>Pipeline and Hazardous Materials Safety Administration</b>			
021-50-1400 Operational Expenses			
Nondefense Discretionary Appropriation	20	5.0	1
021-50-1401 Hazardous Materials Safety			
Nondefense Discretionary Appropriation	42	5.0	2
021-50-5172 Pipeline Safety			
Nondefense Discretionary Appropriation	92	5.0	5
021-50-5282 Emergency Preparedness Grants			
Nondefense Mandatory Appropriation	28	5.1	1



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Department of the Treasury</b>			
<b>Financial Crimes Enforcement Network</b>			
015-04-0173 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	111	5.0	6
<b>Departmental Offices</b>			
015-05-0101 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	310	5.0	16
015-05-0106 Office of Inspector General			
Nondefense      Discretionary      Appropriation	30	5.0	2
015-05-0119 Treasury Inspector General for Tax Administration			
Nondefense      Discretionary      Appropriation	153	5.0	8
015-05-0123 Terrorism Insurance Program			
Nondefense      Mandatory      Administrative expenses in otherwise exempt resources	3	5.1	*
015-05-0126 GSE Mortgage-Backed Securities Purchase Program Account			
Nondefense      Mandatory      Appropriation	11	5.1	1
015-05-0140 Grants for Specified Energy Property in Lieu of Tax Credits, Recovery Act			
Nondefense      Mandatory      Appropriation	3,671	5.1	187
015-05-0141 Small Business Lending Fund Program Account			
Nondefense      Mandatory      Appropriation	26	5.1	1
015-05-1881 Community Development Financial Institutions Fund Program Account			
Nondefense      Discretionary      Appropriation	222	5.0	11
Nondefense      Discretionary      Spending authority	1	5.0	*
<i>Account Total</i>	<u>223</u>		<u>11</u>
015-05-5081 Presidential Election Campaign Fund			
Nondefense      Mandatory      Appropriation	34	5.1	2
015-05-5590 Financial Research Fund			
Nondefense      Mandatory      Appropriation	158	5.1	8
015-05-5697 Treasury Forfeiture Fund			
Nondefense      Mandatory      Appropriation	583	5.1	30
<b>Fiscal Service</b>			
015-12-0520 Salaries and Expenses, Fiscal Service			
Nondefense      Discretionary      Appropriation	393	5.0	20
Nondefense      Discretionary      Spending authority	1	5.0	*
Nondefense      Mandatory      Administrative expenses in otherwise exempt resources	68	5.1	3
<i>Account Total</i>	<u>462</u>		<u>23</u>
015-12-1710 Payment of Government Losses in Shipment			
Nondefense      Mandatory      Appropriation	1	5.1	*
015-12-1825 Payment to FRA for AMTRAK Debt Restructuring			
Nondefense      Mandatory      Appropriation	59	5.1	3
015-12-8209 Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund			
Nondefense      Mandatory      Appropriation	2	5.1	*
<b>Alcohol and Tobacco Tax and Trade Bureau</b>			
015-13-1008 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	100	5.0	5
Nondefense      Discretionary      Spending authority	4	5.0	*
<i>Account Total</i>	<u>104</u>		<u>5</u>

\* denotes \$500,000 or less.





**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Corps of Engineers--Civil Works</b>			
202-00-3112 Mississippi River and Tributaries			
Nondefense Discretionary Appropriation	252	5.0	13
202-00-3121 Investigations			
Nondefense Discretionary Appropriation	176	5.0	9
202-00-3122 Construction			
Nondefense Discretionary Appropriation	5,007	5.0	250
202-00-3123 Operation and Maintenance			
Nondefense Discretionary Appropriation	2,448	5.0	122
202-00-3124 Expenses			
Nondefense Discretionary Appropriation	196	5.0	10
202-00-3125 Flood Control and Coastal Emergencies			
Nondefense Discretionary Appropriation	1,035	5.0	52
202-00-3126 Regulatory Program			
Nondefense Discretionary Appropriation	194	5.0	10
202-00-3130 Formerly Utilized Sites Remedial Action Program			
Defense Discretionary Appropriation	110	7.8	9
Defense Discretionary Unobligated balance in 050	4	7.8	*
<i>Account Total</i>	<u>114</u>		<u>9</u>
202-00-3132 Office of the Assistant Secretary of the Army for Civil Works			
Defense Discretionary Appropriation	5	7.8	*
202-00-4902 Revolving Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	3	5.1	*
202-00-8217 South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund			
Nondefense Mandatory Appropriation	5	5.1	*
202-00-8333 Coastal Wetlands Restoration Trust Fund			
Nondefense Mandatory Appropriation	81	5.1	4
202-00-8861 Inland Waterways Trust Fund			
Nondefense Discretionary Appropriation	77	5.0	4
202-00-8862 Rivers and Harbors Contributed Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	267	5.1	14
202-00-8863 Harbor Maintenance Trust Fund			
Nondefense Discretionary Appropriation	882	5.0	44
202-00-9921 Permanent Appropriations			
Nondefense Mandatory Appropriation	21	5.1	1

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Other Defense Civil Programs</b>			
<b>American Battle Monuments Commission</b>			
200-15-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	77	5.0	4
<b>Armed Forces Retirement Home</b>			
200-20-8522 Armed Forces Retirement Home			
Nondefense Discretionary Appropriation	62	5.0	3
<b>Cemeterial Expenses</b>			
200-25-1805 Salaries and Expenses			
Nondefense Discretionary Appropriation	46	5.0	2
<b>Forest and Wildlife Conservation, Military Reservations</b>			
200-30-5095 Wildlife Conservation			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	3	5.1	*
<b>Selective Service System</b>			
200-45-0400 Salaries and Expenses			
Defense Discretionary Appropriation	24	7.8	2



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Executive Office of the President</b>			
<b>The White House</b>			
100-05-0209 The White House			
Nondefense Discretionary Appropriation	57	5.0	3
<b>Executive Residence at the White House</b>			
100-10-0109 White House Repair and Restoration			
Nondefense Discretionary Appropriation	1	5.0	*
100-10-0210 Operating Expenses			
Nondefense Discretionary Appropriation	13	5.0	1
Nondefense Discretionary Spending authority	3	5.0	*
<i>Account Total</i>	16		1
<b>Special Assistance to the President and the Official Residence of the Vice President</b>			
100-15-1454 Special Assistance to the President and the Official Residence of the Vice President			
Nondefense Discretionary Appropriation	5	5.0	*
<b>Council of Economic Advisers</b>			
100-20-1900 Salaries and Expenses			
Nondefense Discretionary Appropriation	4	5.0	*
<b>Council on Environmental Quality and Office of Environmental Quality</b>			
100-25-1453 Council on Environmental Quality and Office of Environmental Quality			
Nondefense Discretionary Appropriation	3	5.0	*
<b>National Security Council and Homeland Security Council</b>			
100-35-2000 Salaries and Expenses			
Nondefense Discretionary Appropriation	13	5.0	1
<b>Office of Administration</b>			
100-50-0038 Salaries and Expenses			
Nondefense Discretionary Appropriation	114	5.0	6
<b>Office of Management and Budget</b>			
100-55-0300 Office of Management and Budget			
Nondefense Discretionary Appropriation	90	5.0	5
<b>Office of National Drug Control Policy</b>			
100-60-1457 Office of National Drug Control Policy			
Nondefense Discretionary Appropriation	25	5.0	1
<b>Office of Science and Technology Policy</b>			
100-65-2600 Office of Science and Technology Policy			
Nondefense Discretionary Appropriation	5	5.0	*
<b>Office of the United States Trade Representative</b>			
100-70-0400 Office of the United States Trade Representative			
Nondefense Discretionary Appropriation	52	5.0	3
<b>Unanticipated Needs</b>			
100-95-0037 Unanticipated Needs			
Nondefense Discretionary Appropriation	1	5.0	*

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>General Services Administration</b>			
<b>Real Property Activities</b>			
023-05-4542 Federal Buildings Fund			
Nondefense Discretionary Appropriation	7	5.0	*
023-05-5254 Disposal of Surplus Real and Related Personal Property			
Nondefense Mandatory Appropriation	9	5.1	*
<b>Supply and Technology Activities</b>			
023-10-5250 Expenses of Transportation Audit Contracts and Contract Administration			
Nondefense Mandatory Appropriation	13	5.1	1
<b>General Activities</b>			
023-30-0105 Allowances and Office Staff for Former Presidents			
Nondefense Discretionary Appropriation	3	5.0	*
023-30-0108 Office of Inspector General			
Nondefense Discretionary Appropriation	58	5.0	3
023-30-0110 Operating Expenses			
Nondefense Discretionary Appropriation	70	5.0	4
023-30-0401 Government-wide Policy			
Nondefense Discretionary Appropriation	61	5.0	3
023-30-0600 Electronic Government (E-GOV) Fund			
Nondefense Discretionary Appropriation	12	5.0	1
023-30-4549 Federal Citizen Services Fund			
Nondefense Discretionary Appropriation	34	5.0	2

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>International Assistance Programs</b>			
<b>Millennium Challenge Corporation</b>			
184-03-2750 Millennium Challenge Corporation			
Nondefense      Discretionary      Appropriation	904	5.0	45
<b>International Security Assistance</b>			
184-05-1032 Peacekeeping Operations			
Nondefense      Discretionary      Appropriation	386	5.0	19
184-05-1037 Economic Support Fund			
Nondefense      Discretionary      Appropriation	5,675	5.0	284
184-05-1075 Nonproliferation, Antiterrorism, Demining, and Related Programs			
Nondefense      Discretionary      Appropriation	714	5.0	36
184-05-1081 International Military Education and Training			
Nondefense      Discretionary      Appropriation	106	5.0	5
184-05-1082 Foreign Military Financing Program			
Nondefense      Discretionary      Appropriation	6,344	5.0	317
184-05-1083 Pakistan Counterinsurgency Capability Fund			
Nondefense      Discretionary      Appropriation	850	5.0	43
<b>Multilateral Assistance</b>			
184-10-0071 Strategic Climate Fund			
Nondefense      Discretionary      Appropriation	50	5.0	3
184-10-0072 Contribution to the Inter-American Development Bank			
Nondefense      Discretionary      Appropriation	80	5.0	4
184-10-0073 Contribution to the International Development Association			
Nondefense      Discretionary      Appropriation	1,501	5.0	75
184-10-0076 Contribution to the Asian Development Bank			
Nondefense      Discretionary      Appropriation	208	5.0	10
184-10-0077 Contribution to the International Bank for Reconstruction and Development			
Nondefense      Discretionary      Appropriation	208	5.0	10
184-10-0080 Clean Technology Fund			
Nondefense      Discretionary      Appropriation	186	5.0	9
184-10-0082 Contribution to the African Development Bank			
Nondefense      Discretionary      Appropriation	214	5.0	11
184-10-0089 Contribution to Enterprise for the Americas Multilateral Investment Fund			
Nondefense      Discretionary      Appropriation	25	5.0	1
184-10-0091 Debt Restructuring			
Nondefense      Discretionary      Appropriation	12	5.0	1
184-10-1005 International Organizations and Programs			
Nondefense      Discretionary      Appropriation	351	5.0	18
184-10-1039 Contributions to the International Fund for Agricultural Development			
Nondefense      Discretionary      Appropriation	30	5.0	2
184-10-1045 International Affairs Technical Assistance Program			
Nondefense      Discretionary      Appropriation	27	5.0	1
184-10-1475 Global Food Security Fund			
Nondefense      Discretionary      Appropriation	136	5.0	7



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>National Aeronautics and Space Administration</b>			
026-00-0109 Office of Inspector General			
Nondefense Discretionary Appropriation	39	5.0	2
026-00-0115 Space Operations			
Nondefense Discretionary Appropriation	4,247	5.0	212
026-00-0120 Science			
Nondefense Discretionary Appropriation	5,116	5.0	256
026-00-0122 Cross Agency Support			
Nondefense Discretionary Appropriation	3,012	5.0	151
026-00-0124 Exploration			
Nondefense Discretionary Appropriation	3,790	5.0	190
026-00-0126 Aeronautics			
Nondefense Discretionary Appropriation	573	5.0	29
026-00-0128 Education			
Nondefense Discretionary Appropriation	137	5.0	7
026-00-0130 Construction, Environmental Compliance, and Remediation			
Nondefense Discretionary Appropriation	402	5.0	20
026-00-0131 Space Technology			
Nondefense Discretionary Appropriation	579	5.0	29
026-00-8978 Science, Space, and Technology Education Trust Fund			
Nondefense Mandatory Appropriation	1	5.1	*





**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Office of Personnel Management</b>			
027-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	99	5.0	5
027-00-0400 Office of Inspector General			
Nondefense Discretionary Appropriation	3	5.0	*
027-00-0800 Flexible Benefits Plan Reserve			
Nondefense Mandatory Spending authority	30	5.1	2
027-00-8135 Civil Service Retirement and Disability Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	48	5.1	2
027-00-8424 Employees Life Insurance Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	2	5.1	*
027-00-9981 Employees and Retired Employees Health Benefits Funds			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	17	5.1	1

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Small Business Administration</b>			
028-00-0100 Salaries and Expenses			
Nondefense      Discretionary      Appropriation	440	5.0	22
028-00-0200 Office of Inspector General			
Nondefense      Discretionary      Appropriation	21	5.0	1
028-00-0300 Office of Advocacy			
Nondefense      Discretionary      Appropriation	9	5.0	*
028-00-1152 Disaster Loans Program Account			
Nondefense      Discretionary      Appropriation	896	5.0	45
028-00-1154 Business Loans Program Account			
Nondefense      Discretionary      Appropriation	487	5.0	24

\* denotes \$500,000 or less.

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Social Security Administration</b>			
016-00-0400 Office of the Inspector General			
Nondefense      Discretionary      Appropriation	29	5.0	1
016-00-8006 Federal Old-age and Survivors Insurance Trust Fund			
Nondefense      Discretionary      Appropriation	2,744	5.0	137
016-00-8007 Federal Disability Insurance Trust Fund			
Nondefense      Discretionary      Appropriation	2,954	5.0	148

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>Access Board</b>			
<b>Architectural and Transportation Barriers Compliance Board</b>			
310-00-3200 Salaries and Expenses			
Nondefense Discretionary Appropriation	7	5.0	*
<b>Administrative Conference of the United States</b>			
302-00-1700 Salaries and Expenses			
Nondefense Discretionary Appropriation	3	5.0	*
<b>Advisory Council on Historic Preservation</b>			
306-00-2300 Salaries and Expenses			
Nondefense Discretionary Appropriation	6	5.0	*
<b>Affordable Housing Program</b>			
530-00-5528 Affordable Housing Program			
Nondefense Mandatory Appropriation	198	5.1	10
<b>Appalachian Regional Commission</b>			
309-00-0200 Appalachian Regional Commission			
Nondefense Discretionary Appropriation	64	5.0	3
309-00-9971 Miscellaneous Trust Funds			
Nondefense Mandatory Appropriation	8	5.1	*
<b>Broadcasting Board of Governors</b>			
514-00-0204 Broadcasting Capital Improvements			
Nondefense Discretionary Appropriation	7	5.0	*
514-00-0206 International Broadcasting Operations			
Nondefense Discretionary Appropriation	749	5.0	37
<b>Bureau of Consumer Financial Protection</b>			
581-00-5577 Bureau of Consumer Financial Protection Fund			
Nondefense Mandatory Appropriation	448	5.1	23
<b>Chemical Safety and Hazard Investigation Board</b>			
510-00-3850 Chemical Safety and Hazard Investigation Board			
Nondefense Discretionary Appropriation	11	5.0	1
<b>Christopher Columbus Fellowship Foundation</b>			
465-00-0100 Payment to the Christopher Columbus Fellowship Foundation			
Nondefense Discretionary Appropriation	*	5.0	*
<b>Commission of Fine Arts</b>			
323-00-2600 Salaries and Expenses			
Nondefense Discretionary Appropriation	2	5.0	*
323-00-2602 National Capital Arts and Cultural Affairs			
Nondefense Discretionary Appropriation	2	5.0	*
<b>Commission on Civil Rights</b>			
326-00-1900 Salaries and Expenses			
Nondefense Discretionary Appropriation	9	5.0	*
<b>Committee for Purchase from People Who Are Blind or Severely Disabled</b>			
<b>Committee for Purchase from People who are Blind or Severely Disabled, activities</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
338-00-2000 Salaries and Expenses			
Nondefense Discretionary Appropriation	5	5.0	*
<b>Commodity Futures Trading Commission</b>			
339-00-1400 Commodity Futures Trading Commission			
Nondefense Discretionary Appropriation	206	5.0	10
339-00-4334 Customer Protection Fund			
Nondefense Mandatory Spending authority	13	5.1	1
<b>Consumer Product Safety Commission</b>			
343-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	115	5.0	6
<b>Corporation for National and Community Service</b>			
485-00-2721 Inspector General			
Nondefense Discretionary Appropriation	4	5.0	*
485-00-2722 Salaries and Expenses			
Nondefense Discretionary Appropriation	83	5.0	4
485-00-2726 Payment to National Service Trust Fund			
Nondefense Discretionary Appropriation	213	5.0	11
485-00-2728 Operating Expenses			
Nondefense Discretionary Appropriation	755	5.0	38
<b>Corporation for Public Broadcasting</b>			
344-00-0151 Corporation for Public Broadcasting			
Nondefense Discretionary Advance appropriation	445	5.0	22
<b>Corporation for Travel Promotion</b>			
580-00-5585 Travel Promotion Fund			
Nondefense Mandatory Appropriation	100	5.1	5
<b>Court Services and Offender Supervision Agency for the District of Columbia</b>			
511-00-1733 Public Defender Service for the District of Columbia			
Nondefense Discretionary Appropriation	37	5.0	2
511-00-1734 Federal Payment to Court Services and Offender Supervision Agency for the District of Columbia			
Nondefense Discretionary Appropriation	214	5.0	11
<b>Defense Nuclear Facilities Safety Board</b>			
347-00-3900 Salaries and Expenses			
Defense Discretionary Appropriation	29	7.8	2
Defense Discretionary Unobligated balance in 050	1	7.8	*
<i>Account Total</i>	30		2
<b>Delta Regional Authority</b>			
517-00-0750 Delta Regional Authority			
Nondefense Discretionary Appropriation	12	5.0	1
<b>Denali Commission</b>			
513-00-1200 Denali Commission			
Nondefense Discretionary Appropriation	12	5.0	1
513-00-8056 Denali Commission Trust Fund			
Nondefense Discretionary Appropriation	4	5.0	*
<b>District of Columbia</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>District of Columbia Courts</b>			
349-10-1712 Federal Payment to the District of Columbia Courts			
Nondefense Discretionary Appropriation	234	5.0	12
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>235</u>		<u>12</u>
349-10-1736 Defender Services in District of Columbia Courts			
Nondefense Discretionary Appropriation	55	5.0	3
349-10-8212 District of Columbia Judicial Retirement and Survivors Annuity Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	1	5.1	*
<b>District of Columbia General and Special Payments</b>			
349-30-1707 Federal Support for Economic Development and Management Reforms in the District			
Nondefense Discretionary Appropriation	23	5.0	1
349-30-1736 Federal Payment for Resident Tuition Support			
Nondefense Discretionary Appropriation	30	5.0	2
349-30-1771 Federal Payment for Emergency Planning and Security Cost in the District of Columbia			
Nondefense Discretionary Appropriation	25	5.0	1
349-30-1817 Federal Payment for School Improvement			
Nondefense Discretionary Appropriation	60	5.0	3
349-30-5511 District of Columbia Federal Pension Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	17	5.1	1
<b>Election Assistance Commission</b>			
525-00-1650 Salaries and Expenses			
Nondefense Discretionary Appropriation	9	5.0	*
<b>Electric Reliability Organization</b>			
531-00-5522 Electric Reliability Organization			
Nondefense Mandatory Appropriation	100	5.1	5
<b>Equal Employment Opportunity Commission</b>			
350-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	362	5.0	18
350-00-4019 EEOC Education, Technical Assistance, and Training Revolving Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	4	5.1	*
<b>Export-Import Bank of the United States</b>			
351-00-0105 Inspector General of the Export-Import Bank			
Nondefense Discretionary Appropriation	4	5.0	*
<b>Farm Credit System Insurance Corporation</b>			
355-00-4171 Farm Credit System Insurance Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	4	5.1	*
<b>Federal Communications Commission</b>			
356-00-0100 Salaries and Expenses			
Nondefense Discretionary Spending authority	342	5.0	17
356-00-0300 Spectrum Auction Program Account			
Nondefense Mandatory Appropriation	4	5.1	*
<b>Federal Deposit Insurance Corporation</b>			
<b>Orderly Liquidation</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
357-35-5586 Orderly Liquidation Fund			
Nondefense Mandatory Appropriation	161	5.1	8
Nondefense Mandatory Borrowing authority	1,354	5.1	69
<i>Account Total</i>	<u>1,515</u>		<u>77</u>
<b>Federal Drug Control Programs</b>			
154-00-1070 High-intensity Drug Trafficking Areas Program			
Nondefense Discretionary Appropriation	240	5.0	12
154-00-1460 Other Federal Drug Control Programs			
Nondefense Discretionary Appropriation	101	5.0	5
<b>Federal Election Commission</b>			
360-00-1600 Salaries and Expenses			
Nondefense Discretionary Appropriation	67	5.0	3
<b>Federal Financial Institutions Examination Council</b>			
<b>Federal Financial Institutions Examination Council Appraisal Subcommittee</b>			
362-20-5026 Registry Fees			
Nondefense Mandatory Appropriation	2	5.1	*
<b>Federal Labor Relations Authority</b>			
365-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	25	5.0	1
<b>Federal Maritime Commission</b>			
366-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	24	5.0	1
<b>Federal Mediation and Conciliation Service</b>			
367-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	46	5.0	2
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	<u>47</u>		<u>2</u>
<b>Federal Mine Safety and Health Review Commission</b>			
368-00-2800 Salaries and Expenses			
Nondefense Discretionary Appropriation	18	5.0	1
<b>Federal Trade Commission</b>			
370-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	185	5.0	9
Nondefense Discretionary Spending authority	129	5.0	6
<i>Account Total</i>	<u>314</u>		<u>16</u>
<b>Harry S Truman Scholarship Foundation</b>			
372-00-0950 Payment to the Harry S. Truman Scholarship Memorial Trust Fund			
Nondefense Discretionary Appropriation	1	5.0	*
<b>Institute of American Indian and Alaska Native Culture and Arts Development</b>			
373-00-2900 Payment to the Institute			
Nondefense Discretionary Appropriation	9	5.0	*
<b>Institute of Museum and Library Services</b>			
474-00-0300 Office of Museum and Library Services: Grants and Administration			
Nondefense Discretionary Appropriation	233	5.0	12
<b>Intelligence Community Management Account</b>			





**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
<b>National Endowment for the Humanities</b>			
418-00-0200 National Endowment for the Humanities: Grants and Administration			
Nondefense Discretionary Appropriation	147	5.0	7
<b>National Labor Relations Board</b>			
420-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	280	5.0	14
<b>National Mediation Board</b>			
421-00-2400 Salaries and Expenses			
Nondefense Discretionary Appropriation	13	5.0	1
<b>National Railroad Passenger Corporation Office of Inspector General</b>			
575-00-2996 Salaries and Expenses			
Nondefense Discretionary Appropriation	21	5.0	1
<b>National Transportation Safety Board</b>			
424-00-0310 Salaries and Expenses			
Nondefense Discretionary Appropriation	103	5.0	5
<b>Neighborhood Reinvestment Corporation</b>			
428-00-1300 Payment to Neighborhood Reinvestment Corporation			
Nondefense Discretionary Appropriation	216	5.0	11
<b>Northern Border Regional Commission</b>			
573-00-3742 Northern Border Regional Commission			
Nondefense Discretionary Appropriation	1	5.0	*
<b>Nuclear Regulatory Commission</b>			
429-00-0200 Salaries and Expenses			
Nondefense Discretionary Appropriation	1,033	5.0	52
Nondefense Discretionary Spending authority	6	5.0	*
<i>Account Total</i>	1,039		52
429-00-0300 Office of Inspector General			
Nondefense Discretionary Appropriation	11	5.0	1
<b>Nuclear Waste Technical Review Board</b>			
431-00-0500 Salaries and Expenses			
Nondefense Discretionary Appropriation	3	5.0	*
<b>Occupational Safety and Health Review Commission</b>			
432-00-2100 Salaries and Expenses			
Nondefense Discretionary Appropriation	12	5.0	1
<b>Office of Government Ethics</b>			
434-00-1100 Salaries and Expenses			
Nondefense Discretionary Appropriation	19	5.0	1
Nondefense Discretionary Spending authority	1	5.0	*
<i>Account Total</i>	20		1
<b>Office of Navajo and Hopi Indian Relocation</b>			
435-00-1100 Salaries and Expenses			
Nondefense Discretionary Appropriation	8	5.0	*
<b>Office of Special Counsel</b>			

\* denotes \$500,000 or less.



**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
526-00-5376 Public Company Accounting Oversight Board			
Nondefense Discretionary Appropriation	1	5.0	*
Nondefense Mandatory Appropriation	236	5.1	12
<i>Account Total</i>	<u>237</u>		<u>12</u>
<b>Standard Setting Body</b>			
527-00-5377 Payment to Standard Setting Body			
Nondefense Mandatory Appropriation	25	5.1	1
<b>Securities Investor Protection Corporation</b>			
576-00-5600 Securities Investor Protection Corporation			
Nondefense Mandatory Appropriation	299	5.1	15
<b>Smithsonian Institution</b>			
452-00-0100 Salaries and Expenses			
Nondefense Discretionary Appropriation	642	5.0	32
452-00-0103 Facilities Capital			
Nondefense Discretionary Appropriation	176	5.0	9
452-00-0200 Salaries and Expenses, National Gallery of Art			
Nondefense Discretionary Appropriation	115	5.0	6
452-00-0201 Repair, Restoration, and Renovation of Buildings, National Gallery of Art			
Nondefense Discretionary Appropriation	15	5.0	1
452-00-0302 Operations and Maintenance, JFK Center for the Performing Arts			
Nondefense Discretionary Appropriation	23	5.0	1
452-00-0303 Capital Repair and Restoration, JFK Center for the Performing Arts			
Nondefense Discretionary Appropriation	14	5.0	1
452-00-0400 Salaries and Expenses, Woodrow Wilson International Center for Scholars			
Nondefense Discretionary Appropriation	11	5.0	1
<b>State Justice Institute</b>			
453-00-0052 State Justice Institute: Salaries and Expenses			
Nondefense Discretionary Appropriation	5	5.0	*
<b>Tennessee Valley Authority</b>			
455-00-4110 Tennessee Valley Authority Fund			
Nondefense Mandatory Administrative expenses in otherwise exempt resources	455	5.1	23
<b>United States Court of Appeals for Veterans Claims</b>			
345-00-0300 Salaries and Expenses			
Nondefense Discretionary Appropriation	31	5.0	2
<b>United States Holocaust Memorial Museum</b>			
456-00-3300 Holocaust Memorial Museum			
Nondefense Discretionary Appropriation	51	5.0	3
<b>United States Institute of Peace</b>			
458-00-1300 Operating Expenses			
Nondefense Discretionary Appropriation	39	5.0	2
<b>United States Interagency Council on Homelessness</b>			
376-00-1300 United States Interagency Council on the Homelessness			
Nondefense Discretionary Appropriation	3	5.0	*
<b>Vietnam Education Foundation</b>			

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
519-00-5365 Vietnam Debt Repayment Fund Nondefense Mandatory Appropriation	5	5.1	*

**Sequestrable Budgetary Resources and Reductions in Sequestrable Resources by OMB Account -- FY 2013**

(Amounts in millions)

Agency / Bureau / Account / Function / BEA Category / Budgetary Resource	Sequestrable BA Amount	Sequester Percentage	Sequester Amount
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Amounts may not sum to total due to rounding.

Mandatory Federal administrative expenses of otherwise exempt accounts are sequestrable pursuant to section 251A(8) and section 256(h) of BBEDCA.

Pursuant to section 255(f) of BBEDCA, the President notified the Congress of his decision to exempt all military personnel accounts from sequester for FY 2013. See the July 31, 2012 letter to the Congress, available at <http://www.whitehouse.gov/sites/default/files/omb/legislative/letters/military-personnel-letter-biden.pdf>.

Unobligated balances of budget authority carried over from prior fiscal years in defense function 050 accounts are sequestrable.

For intragovernmental payments, sequestration is applied to the paying account. The funds are generally exempt in the receiving account in accordance with section 255(g)(1)(A) of BBEDCA so that the same dollars are not sequestered twice.





**DEPUTY SECRETARY OF DEFENSE**  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

**MAR 01 2013**

The Honorable Jerry Brown  
Governor  
State of California  
Sacramento, CA 95814

Dear Governor Brown:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in California.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Navy could be forced to cancel maintenance on 5 ships in San Diego and aircraft maintenance in North Island. The Army would lose \$54 million in base operations funding across California, including cuts at the Presidio of Monterrey and Fort Irwin. Operations at Sierra Army Depot could experience a reduction of as much as \$167 million. The Air Force would suffer a cut of at least \$26 million to their operations in the State, including reductions in facilities projects at Beale, Edwards, Travis, and Vandenberg Air Force Bases. We are still assessing detailed changes and will be able to provide additional information on cutbacks in California as we compile a more complete list.



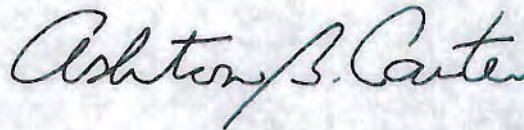


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 64,000 DoD civilian employees who work in California. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$420 million just in California.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink on a light-colored background.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Robert Bentley  
Governor  
State of Alabama  
Montgomery, AL 36130

Dear Governor Bentley:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Alabama.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$91 million in base operations funding across Alabama, including cuts at Fort Rucker and Fort McClellan. Depot operations at Anniston could experience a reduction of as much as \$710 million. The Air Force would suffer a cut of at least \$8 million to their operations in the State, including reductions in facilities projects at Maxwell Air Force Base. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Alabama as we compile a more complete list.



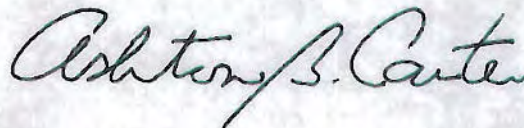


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 27,000 DoD civilian employees who work in Alabama. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$184 million just in Alabama.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink on a light-colored background.





**DEPUTY SECRETARY OF DEFENSE**  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

**MAR 01 2013**

The Honorable Jay Inslee  
Governor  
State of Washington  
Olympia, WA 98504

Dear Governor Inslee:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in the State of Washington.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$124 million in base operations funding across Washington, including cuts at Joint Base Lewis-McCord. The Air Force would suffer a cut of at least \$3 million, including reductions in facilities projects at Fairchild Air Force Base. The Navy would face cancellation of aircraft depot maintenance at Whidbey Island and a demolition project in Bremerton. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Washington as we compile a more complete list.



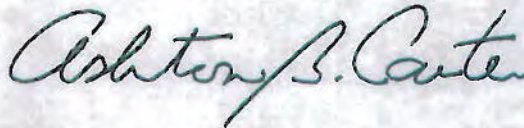


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 29,000 DoD civilian employees who work in Washington. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$175 million just in Washington State.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink and is centered on the page.





**DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010**

**MAR 01 2013**

The Honorable Rick Perry  
Governor  
State of Texas  
Austin, TX 78701

Dear Governor Perry:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Texas.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$233 million in base operations funding across Texas, including cuts at Fort Bliss, Fort Hood, and Fort Sam Houston. Depot operations at Red River and Corpus Christi could experience a reduction of as much as \$1.4 billion. The Air Force would suffer a cut of at least \$92 million, including reductions in facilities projects at Lackland, Randolph, and Sheppard Air Force Bases. The Navy and Marine Corps would face reduced procurement of the Joint Strike Fighter. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Texas as we compile a more complete list.



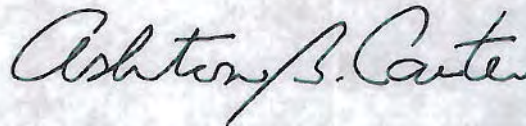


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 52,000 DoD civilian employees who work in Texas. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$291 million just in Texas.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink on a light-colored background.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Martin O'Malley  
Governor  
State of Maryland  
Annapolis, MD 21401

Dear Governor O'Malley:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Maryland.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$95 million in base operations funding across Maryland, including cuts at Fort Meade and Aberdeen Proving Ground. The Air Force would suffer a cut of at least \$10 million to their operations in the State, including reductions in facilities projects at Andrews Air Force Base. The Navy would face the loss of \$9 million in funding for a demolition project at Patuxent River Naval Air Station. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Maryland as we compile a more complete list.



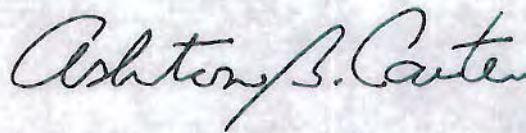


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 46,000 DoD civilian employees who work in Maryland. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$359 million just in Maryland.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink on a light-colored background.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

Dear Governor Corbett:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Pennsylvania.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$7 million in base operations funding across Pennsylvania, including cuts at Carlisle Barracks and Fort Indiantown Gap. In addition, depot operations at Tobyhanna and Letterkenny could experience a reduction of as much as \$751 million. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Pennsylvania as we compile a more complete list.



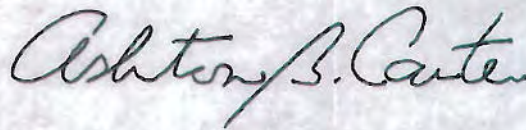


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 26,000 DoD civilian employees who work in Pennsylvania. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$155 million just in Pennsylvania.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink on a light-colored background.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Nathan Deal  
Governor  
State of Georgia  
Atlanta, GA 30334

Dear Governor Deal:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Georgia.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$233 million in base operations funding across Georgia, including cuts at Fort Benning, Fort Gordon, and Fort Stewart. The Air Force would suffer a cut of at least \$152 million to their operations in the State, including reductions in facilities projects at Moody and Robbins Air Force Bases. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Georgia as we compile a more complete list.



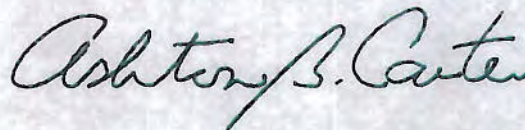


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 37,000 DoD civilian employees who work in Georgia. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$203 million just in Georgia.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink and is centered on the page.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Rick Scott  
Governor  
State of Florida  
Tallahassee, FL 32399

Dear Governor Scott:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Florida.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Navy faces the loss of \$135 million in funding for aircraft depot maintenance in Jacksonville and \$3.2 million for four demolition projects in Pensacola. The Army would lose \$7 million in base operations funding across Florida, including cuts at Camp Blanding. The Air Force would suffer a cut of at least \$37 million to their operations in the State, including reductions in facilities projects at Cape Canaveral and at Eglin, MacDill, Patrick, and Tyndall Air Force Bases. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Florida as we compile a more complete list.



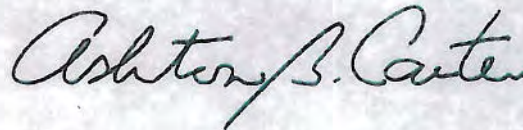


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 31,000 DoD civilian employees who work in Florida. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$185 million just in Florida.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script, reading "Ashton B. Carter". The signature is written in dark ink and is centered on the page.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable John Kasich  
Governor  
State of Ohio  
Columbus, OH 43215

Dear Governor Kasich:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Ohio.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Army would lose \$2 million in base operations funding across Ohio, including cuts at Camp Perry. The Air Force would suffer a cut of at least \$3 million to their operations in the State, including reductions in facilities projects at Wright Patterson Air Force Base. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Ohio as we compile a more complete list.

In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 26,000 DoD civilian employees who work in Ohio. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$166 million just in Ohio.

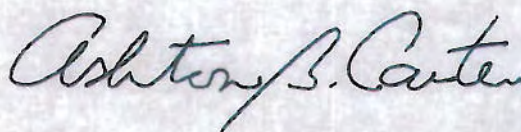




Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

A handwritten signature in cursive script that reads "Ashton B. Carter". The signature is written in dark ink and is centered on the page.





DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

MAR 01 2013

The Honorable Robert F. McDonnell  
Governor  
Commonwealth of Virginia  
Richmond, VA 23219

Dear Governor McDonnell:

As you are likely aware, due to the inability of Congress to reach a deal on balanced deficit reduction to avoid sequestration, the President will be required by law to issue a sequestration order later today canceling approximately \$85 billion in budgetary resources across the Federal Government, of which nearly \$41 billion would come from the Department of Defense (DoD). Another sequestration order could be issued later this month, which could result in a combined reduction for DoD of as much as \$46 billion – roughly a 9 percent reduction in our entire budget except for military personnel funding, which current law permitted the President to exempt.

These cuts must be fully accommodated during the remaining seven months of Fiscal Year (FY) 2013. In addition, the current DoD appropriation (the so-called Continuing Resolution) does not allocate adequate funding for current operations, which greatly adds to the Department's FY 2013 budgetary problems. Because your State plays an important part in supporting DoD and our national security, we wanted to provide you with the information we currently have available about how these unfortunate budgetary adjustments impact us, and in turn what it means for our installations and contractors in Virginia.

We do not yet have a complete inventory of the required cutbacks, but I can provide some examples: The Navy will have to cancel maintenance on 11 ships in Norfolk and to defer four projects at Dahlgren, Oceana, and Norfolk. The Army would lose \$146 million in base operations funding across Virginia, including cuts at Fort Lee and Fort Belvoir. The Air Force would suffer a cut of about \$8 million to their facilities projects at Langley Air Force Base. We are still assessing detailed changes and will be able to provide additional information on cutbacks in Virginia as we compile a more complete list.



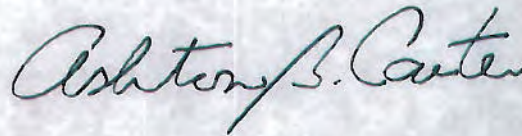


In addition, to accommodate all the cutbacks that would be imposed in the absence of further Congressional action, we will be forced to place most of our DoD civilian employees on unpaid furlough status for up to 22 discontinuous workdays. Almost certainly, this unfortunate action has already had serious adverse effects on the morale and productivity of the approximately 90,000 DoD civilian employees who work in Virginia. If we have to impose these furloughs, it will mean roughly a 20 percent pay cut over a nearly six month period for these dedicated civil servants, who in turn will presumably spend less in your economy. We estimate that a 22-workday furlough could result in a payroll reduction of about \$661 million just in Virginia.

Lastly, it should be noted that sequestration will also affect Defense contractors and, therefore, the industrial base in your State.

While these reductions are unfortunate and will be damaging, the Department is doing everything within our power to minimize adverse effects on our national security mission. In addition, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent actions that change the level or nature of these reductions, we are committed to working closely with you to manage changes quickly.

Thank you for your continued partnership with the Department of Defense and for your cooperation as we work together to accommodate these unfortunate circumstances.

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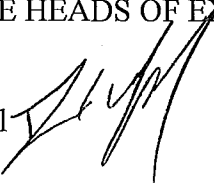


EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

February 27, 2013

M-13-05

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Danny Werfel  
Controller 

SUBJECT: Agency Responsibilities for Implementation of Potential Joint Committee  
Sequestration

Unless Congress acts to amend current law, the President is required to issue a sequestration order on March 1, 2013, canceling \$85 billion in budgetary resources across the Federal Government. Because these cuts must be achieved over the remaining seven months of the fiscal year, the Office of Management and Budget (OMB) estimates that the effective percentage reductions are approximately 9 percent for nondefense programs and 13 percent for defense programs. These reductions will result in significant and harmful impacts to national security and domestic priorities.

The President has been clear that sequestration is bad policy that was never intended to be implemented, and the Administration remains hopeful that Congress will act to avoid it through an agreement on balanced deficit reduction. However, because legislation may not be enacted to avoid sequestration before the current deadline of March 1, 2013, executive departments and agencies (agencies) with sequestrable accounts have been engaged in planning activities to operate at the lower, post-sequestration funding levels should it be necessary.

This guidance builds on prior communications with agencies about the implementation of sequestration, and addresses questions that have been raised as to certain categories of planning activities.

**Agency Planning Activities**

OMB Memorandum 13-03, *Planning for Uncertainty with Respect to Fiscal Year 2013 Budgetary Resources*, directed agencies to begin planning activities to operate with reduced budgetary resources in the event that sequestration occurs. Agencies' planning efforts must be guided by the principle of protecting the agency's mission to serve the public to the greatest extent practicable. Planning efforts should be done with sufficient detail and clarity to determine the specific actions that will be taken to operate under the lower level of budgetary resources

required by sequestration. For example, agencies should identify any major contracts that they plan to cancel, re-scope or delay as well as any grants that they plan to cancel, delay, or for which they plan to change the payment amount. Similarly, agencies should identify the number of employees who will be furloughed, the length of expected furloughs, the timing of when furlough notices will be issued, and the manner in which furloughs will be administered. In some cases, agencies may not be able to ascertain all of this information prior to March 1. However, agencies should continue to engage in intense and thorough planning activities to determine all specific actions that will be taken as soon as practicable.

## **Communications**

To the extent permitted by law, agencies should inform their various partners and stakeholders in a timely and complete manner of the impact of sequestration so that third parties are able to adjust their operations and plans as appropriate. Accordingly, at this time, agencies should be actively and continuously communicating with affected stakeholders—including States, localities, tribal governments, Federal contractors, Federal grant recipients, and Federal employees—regarding elements of the agency's planning that have a direct impact on these groups. These communications will vary greatly by agency and by stakeholder, but agencies should be as specific as possible in order to provide sufficient detail to be helpful to these stakeholders in understanding the implications of the reduced budget authority resulting from sequestration.

With regard to any planned personnel actions to reduce Federal civilian workforce costs, consistent with Section 3(a)(ii) of Executive Order 13522, agencies must allow employees' exclusive representatives to have pre-decisional involvement in these matters to the fullest extent practicable and permitted under the law. In particular, in instances where agencies are considering potential furloughs, agencies have a duty to notify their exclusive representatives and, upon request, bargain over any negotiable impact and implementation proposals the union may submit, unless the matter of furloughs is already covered by a collective bargaining agreement. Agencies should ensure that they are fully aware of and in compliance with any and all collective bargaining requirements, and should consult with their General Counsel or appropriate labor relations office for questions regarding these requirements and appropriate interaction with employees and unions on these matters.

## **Acquisition**

Due to the Government's large acquisition footprint, sequestration will inevitably affect agency contracting activities and require agencies to reduce contracting costs where appropriate. As with all actions taken as a result of sequestration, agencies should ensure that any contract actions are both cost-effective and minimize negative impact on the agency's mission to the extent practicable.

Program, acquisition, financial/budget management, information technology, and legal personnel should work together to make determinations regarding contracts in light of sequestration. As a general matter, agencies should only enter into new contracts or exercise options when they support high-priority initiatives or where failure to do so would expose the

government to significantly greater costs in the future. Agencies may also consider de-scoping or terminating for convenience contracts that are no longer affordable within the funds available for Fiscal Year 2013, should no other options exist to reduce contracting costs in these instances. Should such steps be necessary, agencies must evaluate the associated costs and benefits of such actions, and appropriately inform and negotiate with contractors. Finally, agencies should take all appropriate steps to minimize to the extent practicable the impact on small businesses of reduced contracting activities.

### **Financial Assistance**

Given the widespread use of grants, loans and other Federal financial assistance to non-federal entities (e.g., State, local and tribal governments, non-profit organizations, and companies), sequestration will impact the funding of these activities.

As a general matter, agencies should ensure that any new financial assistance obligations or funding increases under existing agreements are consistent with the need to protect the agency's mission at the post-sequestration level. In light of sequestration, agencies may also consider delaying awarding of new financial assistance obligations, reducing levels of continued funding, and renegotiating or reducing the current scope of assistance. Agencies may be forced to reduce the level of assistance provided through formula funds or block grants. Should any such steps be necessary, agencies should evaluate the associated costs and benefits of such actions and appropriately engage and inform recipient(s) as early as possible.

### **Increased Scrutiny of Certain Activities**

In determining the appropriate manner to achieve funding reductions, agency heads must also ensure that their agencies have risk management strategies and internal controls in place that provide heightened scrutiny of certain types of activities funded from sequestered accounts. To the extent these accounts remain at the post-sequestration funding level, increased scrutiny should apply to:

- hiring new personnel;<sup>1</sup>
- issuing discretionary monetary awards to employees, which should occur only if legally required until further notice; and
- incurring obligations for new training, conferences, and travel (including agency-paid travel for non-agency personnel).

In light of the reduced budgetary resources available due to sequestration, expending funds on these activities at this time would in many circumstances not be the most effective way to protect agency mission to the extent practicable. Therefore, agency leadership should review processes and controls around these activities, and ensure that these activities are conducted only

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<sup>1</sup> Agencies must also ensure that appropriate controls are in place to prevent the increased use of contractors to perform work due to any restrictions on hiring. Agencies should bear in mind the statutory restrictions contained in 10 U.S.C. 2461 and 41 U.S.C. 1710 on the conversion of functions from performance by Federal employees to performance by contractors.



to the extent they are the most cost-effective way to maintain critical agency mission operations under sequestration.

Please contact your OMB Resource Management Office (RMO) if you have any questions about or need assistance with this guidance.



**THE SECRETARY OF THE NAVY**  
**WASHINGTON DC 20350-1000**

February 22, 2013

**MEMORANDUM FOR DEPARTMENT OF NAVY CIVILIAN EMPLOYEES**

**SUBJECT: Potential Sequestration and Possible Furlough**

The Department of the Navy's civilian workforce is an incredibly talented and integral part of the Navy and Marine Corps team. Whether you are developing new weaponry for the next generation of warfighter, helping to operate and maintain our far-flung bases and stations, fixing ships or aircraft, pressing forward on auditability targets, helping Wounded Warriors heal and transition, or performing countless other critical tasks, you are vital to our mission. Our Sailors and Marines could not have responded to and sustained the brutal operational tempo of the last decade of war without the support of each and every one of you.

Budget pressures have already imposed a pay freeze on the non-uniformed members of our team, now in its third year, and most recently, a civilian hiring freeze. Now, unless Congress acts, two pending budgetary actions will force the Department to consider the possibility of employee furloughs. The two actions driving these unfortunate circumstances are:

- Sequestration – the implementation of automatic across-the-board budget cuts on 1 March 2013 to meet the statutory topline limits established in the 2012 Budget Control Act; and
- The possibility that the current Continuing Resolution, which funds U.S. government operations only through 27 March 2013, is extended through the end of this fiscal year.

When taken separately, these two actions are problematic enough; together, they create unprecedented and extraordinary budget challenges because the mindless nature of the cuts prevents us from managing to a new budget reality. We remain hopeful an agreement can be reached to avoid across-the-board reductions, pass a Department of Defense (DoD) appropriations bill, and avert this new fiscal crisis. However, given the great uncertainty we now face, simple prudence dictates that we plan for the worst case scenario—that both occur, and with little flexibility to lessen the worst impacts.

Accordingly, the Department of the Navy has taken and will continue to take steps to reach the savings targets associated with current and projected budget reductions by reducing expenditures. However, we cannot fully close the looming budget gap with these efforts alone. As a result, the Secretary of Defense reluctantly sent Congress official notification (as required by law) that we may be forced to furlough our civilian employees. Furloughs, if they occur, would not begin until mid/late April. The Congressional notification is only the first step in the planning process. Under the worst case scenario, furloughs would affect almost all DoD civilian employees and could span 176 hours (approximately 22 work days) over the rest of the fiscal year.

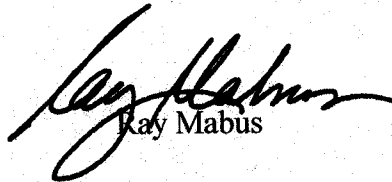
**SUBJECT: Potential Sequestration and Possible Furlough**

Let me emphasize that furloughing civilian employees is an action of last resort for the DoD, and one not taken lightly. We remain hopeful that the need for furloughs will ultimately be averted. However, should a Department-wide furlough become inevitable, we will individually notify personnel as required at least 30 days in advance of such action.

The impact of the potential furlough is not lost on me or the rest of the Department's leadership. We recognize that you and your families are already being impacted by the fiscal uncertainty. We will therefore continue to pursue every option to avoid them. In the meantime, we will also continue to communicate with you at every opportunity and at every level to help you understand the likelihood and implications of potential furloughs. We will post information on a dedicated webpage (links from [www.donhr.navy.mil](http://www.donhr.navy.mil)).

The days and weeks ahead will be challenging for us all. However, despite the great uncertainty facing us, I ask that you not to lose focus on our mission. We remain at war. Our Sailors and Marines depend on each one of you. It is critical that all of us continue to perform our jobs.

With great admiration and appreciation for all you do.



Kay Mabius



**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE**

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



READINESS AND  
FORCE MANAGEMENT

MEMORANDUM FOR: SEE DISTRIBUTION

FEB 21 2013

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

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  
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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  
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**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 UNDER SECRETARY OF THE NAVY  
WASHINGTON DC 20350-1000

FEB 21 2013

**MEMORANDUM FOR DISTRIBUTION**

**SUBJECT: Planning Guidance for Potential Civilian Furloughs**

- References:**
- (a) Letter from Secretary of Defense Leon Panetta to the Honorable Joseph R. Biden, Jr., President of the Senate, dated 20 February 2013
  - (b) DoD Fact Sheet: Year-Long Sequestration and Continuing Resolution
  - (c) Secretary of Defense Memorandum for Department of Defense Civilian Employees, subject: Preparations for Potential Sequestration on 1 March 2013 and Furlough Notifications, dated 20 February 2013
  - (d) DoD Fact Sheet: Furlough Planning

1. On 20 February 2013, as required by statute, Secretary of Defense Leon Panetta notified the President of the Senate, Speaker of House, and other Congressional leaders of the possibility that the Department of Defense may be forced to furlough members of its civilian workforce (see reference (a)). These furloughs could result from the budgetary impacts of a year-long Continuing Resolution coupled with the across-the-board Federal spending cuts required by the Budget Control Act of 2011, commonly referred to as "sequestration" (see reference (b)).

2. As outlined in reference (c), the Administration is working closely with Congress to reach an agreement on a balanced deficit reduction plan that would avoid sequestration. In the event these efforts fail, then civilian furloughs could result. To prepare our people for this possibility, DoD published some general facts about the mechanics of implementing furloughs (see reference (d)). This memorandum provides commanders and budget submitting officers with further Department of the Navy (DON) guidance to plan for furloughs if they become necessary.

3. The impact of furloughs on our civilian workforce is not lost on DON leadership, and we hope to avert them if possible. However, simple prudence dictates that we plan for the worst and prepare our people for the possibility that furloughs may indeed occur. The following guidance reflects a consistent DoD-wide approach that will impact the entire Department in a similar manner.

**SUBJECT: Planning for Potential Civilian Furloughs**

4. If sequestration triggers, all appropriated fund employees, regardless of the funding source, would be subject to administrative furlough. Few, if any, exceptions will be granted, and any exception must come from one of the following six categories:

a. Civilians deployed in a combat zone or civilian mariners deployed onboard ships at sea (Military Sealift Command ships in a maintenance status overseas are subject to furlough of civilian mariners);

b. Civilians directly responsible for safety of life or property – only to the extent needed to prevent unacceptable risk or catastrophic gaps in the safety and protection of life or property;

c. Civilian employees paid with non-appropriated funds;

d. Employees exempt by law (i.e., employees appointed by the President with the advice and consent of the Senate – (PAS));

e. Foreign nationals;

f. All medical service civilian employees are subject to furlough except those that provide 24-hour inpatient care or emergency service, and personnel providing ancillary services directly supporting the 24-hour inpatient care and emergency services.

5. To prepare for the administrative furlough, all employees will initially be defaulted to furlough status. Absent approval from the Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) and the Secretary of the Navy, BSO Commanders are limited to identifying those civilian employees who meet the stringent exception requirements outlined subparagraphs (a) through (f) above. Exceptions previously identified during shutdown or emergency (unplanned) events do not apply to administrative furlough exceptions — mission critical employees, while still identified as such, are not excepted during an administrative (planned) furlough. Any additional DON requests for exceptions will be submitted for consideration to the Office of the Secretary of Defense (Personnel & Readiness).

6. Any requests for exceptions must be submitted to the ASN (M&RA) by 27 February 2013 for consideration and approval by the Secretary of the Navy. Requests for exceptions should be submitted via the Director, Office of Civilian Human Resources in the format found in enclosure (1). This form will provide us with details on requested furlough exemptions as well as an estimate of lost furlough labor savings accompanying the requested exemptions.

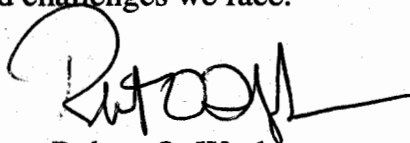
**SUBJECT: Planning for Potential Civilian Furloughs**

7. All administrative furloughs will be limited to 176 hours, approximately 22 workdays. For general planning, furloughs typically will be executed in increments of approximately 16 hours per pay period to mitigate the impact on the mission and employees. The hours/time for the administrative furloughs will be determined by Budget Submitting Office (BSO) Commanders and shall be dependent upon mission requirements. Plans to deviate from the general planning guidelines will be coordinated with ASN (M&RA) as there are potential ramifications to the employees and commands if modified plans are adopted. BSO Commanders may delegate the coordination and scheduling of the furloughs as appropriate for carrying out the mission requirements. (Note: Scheduling of furlough days for employees is subject to local bargaining requirements.)

8. During the furlough, DON leaders and managers must control leave and absences for the military and civilian workforce in order to mitigate the impact of the furlough on mission and readiness. Major Commands and the United States Marine Corps may not use contract funding or premium pay (e.g., compensatory time or overtime) to offset lost time under the furlough. Further, where employees are excepted from the administrative furlough, managers may deny paid personal leave if mission requirements are jeopardized.

9. We recognize that over the course of the furlough, DON's civilian workforce capability will be reduced by approximately 20 percent. Our Sailors and Marines will not be expected to replace that capacity and services will be negatively impacted. Additionally, the DON cannot transfer inherently governmental work to the contractor workforce. Finally, our furloughed civilians are prohibited by law from working from home or on-site (officially or unofficially) during their furlough days — employees and their supervisors will be subject to Anti-Deficiency Act violations and may be subject to disciplinary action.

10. We will continue to work with DoD to mitigate the impacts of the fiscal uncertainty on our workforce and our mission. I appreciate your dedication and ongoing service against the backdrop of the unprecedented challenges we face.



Robert O. Work

Enclosure: 1. Department of the Navy Civilian Personnel Furlough Exception Request

Distribution:  
Echelon 1 and 2 Activities  
Budget Submitting Office

**SUBJECT: Department of the Navy Planning for Potential Civilian Furlough**

**cc:**

**UNSECNAV**

**ASN (FM&C)**

**OPNAV (VCNO, DNS, N1, N2/N6, N3/N5, N4, N8, N9)**

**ACMC (DMCS, DC M&RA)**

**OCHR**

**OLA**

**CHINFO**

**FMBE**

Department of the Navy Administrative Record for FY 2013 Furlough Appeals  
**DoD Fact Sheet: Year-long Sequestration and Continuing Resolution**

- **Sequestration: what gets cut in DoD:**
  - Except for military personnel funding, all parts of budget are cut (e.g., OCO funds).
  - Total FY13 reduction: \$46 billion or ~9% of total budget excluding military personnel
  - Beyond FY13, budgets reduced by \$50-55 billion a year through FY21.
  - Timing: largest cut takes place on March 1 (\$40 billion) with a smaller, second sequestration (\$6 billion) on March 27.
  - How applied:
    - For operating portion of budget, cuts must be equal in percentage terms for each budget account (e.g., Army active ops same as Navy reserve ops and Guard ops).
    - For investment portion of budget, cuts must be equal in percentage terms for each budget line item.
    - Very limited authority to move money around to correct imbalances and problems.
  
- **Continuing Resolution (CR): mechanics and problems:**
  - Will last at least six months (current expiration is March 27).
  - **This CR poses serious problems for DoD, especially if it is extended for an entire year.**
    - CR requires that we spend at same level as FY12, but in FY13 we are under a new strategy and needs are much different – **too many investment dollars, not enough operating dollars.**
    - CR does not permit DoD to start any new investment programs or increase production rates; must also buy exact same number/type of ships as last year.
    - **We are spending more on Afghan war than we planned two years ago, when we put together FY13 budget, and CR does not take this into account.**
  - Some of the CR problems may be solved as both appropriations Committees want to pass an appropriations bill which would offset some of the harmful effects of the CR.
    - Even if the CR is extended all year, we are working closely with Committees and hope that they will fix the worst of the problems (e.g., get money into the right appropriations and move money to fix OCO shortfalls).
  
- **However, a year-long sequestration and year-long CR in its current form, will require DoD to take much more drastic and irreversible actions.**
  - Result will be a readiness crisis and disruption of most investment programs.
  - Examples of actions and their effects:
    - **All Components will have to take the steps necessary to furlough civilians for up to 22 discontinuous work days (pay cuts of up to 20% for almost 6 months).**
    - Army will reduce training and maintenance for later deploying units to the point that about two-thirds of active brigade combat teams and most reserve teams (other than those teams in Afghanistan) will be at reduced readiness levels by the year's end.
    - Navy and Marine Corps will reduce readiness forcing cut backs on operations in critical areas such as the Pacific (up to one-third less naval presence in the Pacific).
    - Air Force will be forced to cut flying hours and weapon system maintenance leaving most flying units below acceptable readiness standards by the end of FY13.
    - TRICARE could be short up to \$3 billion in needed funds, which could lead to denials of elective services for active-duty dependents and retirees.
    - DoD will make cuts of roughly 9% in each of more than 2,500 investment line items – actions that will lead to delays in weapon programs and increases in unit costs.



**DoD Fact Sheet: Furlough Planning**

- **Overall approach**
  - Take other actions first while minimizing adverse effects on mission/readiness.
  - Consistency – all services/agencies take similar actions.
  - Most furloughed with limited exceptions:
    - Civilians deployed in combat zone;
    - Safety of life or property (only to extent needed to protect);
    - Employees paid with non-appropriated funds;
    - Employees exempt by law (Presidentially appointed, Senate confirmed);
    - Foreign nationals.
  - Exceptions must be approved by Component head.
  
- **Mechanics of furloughs**
  - Length: legal maximum for administrative furlough (w/o using RIF procedures) is 22 discontinuous work days (not to exceed 176 hours).
    - Maximum may be lower depending on schedule.
  - Timing: furloughs generally spread over maximum months; no more than 16 hours per pay period.
    - Local commanders determine exact days/hours (subject to local bargaining).
  
- **Consultation and notification**
  - Engage with unions as required.
  - Notify employees of proposal to furlough (permit response).
  - Notify employees of decision to furlough (appeal permitted).
  
- **Schedule**
  - February 20: Congressional notification and begin union bargaining.
  - Late March: Provide furlough proposal to employees.
  - Early April: Provide furlough decision to employees.
  - Late April: Furloughs begin.
  
- **Cancel or reduce furloughs if Congress acts to reduce or eliminate budgetary uncertainty**