Hagel Announces Fewer Furlough Days for Civilians

By Nick Simeone American Forces Press Service

WASHINGTON, March 28, 2013 – The Defense Department has revised from 22 to 14 the number of days hundreds of thousands of civilian employees could be furloughed this year because of the budget sequester, Defense Secretary Chuck Hagel announced today.

In addition, a senior Defense Department official speaking on background told reporters the start of the furloughs will be delayed until mid-to-late June, after more than 700,000 department employees receive furlough notices now set to go out in early May. Furloughs would happen over seven two-week pay periods until the end of September, when the current fiscal year ends, the senior official said, with employees likely to be told not to come to work for two days during each of those pay periods.

Department officials say they are still working to determine which employees might be exempted.

Hagel characterized the reduced furloughs as well as a revised estimate of sequestration's impact on the defense budget as good news. The changes follow Congressional approval last week of a defense appropriations bill that prevented an additional six billion dollars in cuts, ordered under sequestration, from taking effect.

"It reduces a shortfall at least in the operations budget," the secretary told reporters at a Pentagon news conference. "We came out better than we went in under the sequester, where it looks like our number is \$41 billion [in cuts] now versus the \$46 billion."

But despite a Congressional reprieve, Hagel said the Pentagon is still going to be short at least \$22 billion for operations and maintenance, "and that means we are going to have to prioritize and make some cuts and do what we've got to do," including making sharp reductions in base operating support and training for nondeployed units.

More critical in the long run, he said, is how budget cuts will affect readiness and the department's overall mission. Because of that concern, he said he has directed Deputy Defense Secretary Ash Carter and Army Gen. Martin E. Dempsey, chairman of the Joint Chiefs of Staff, to conduct an intensive department-wide review of U.S. strategic interests including how to protect the nation with fewer resources. "How do we prioritize the threats and then the capabilities required to deal with threats?" he said. "There will be some significant changes, there's no way around it."

Dempsey said the department has already exhausted 80 percent of its operating funds halfway through the fiscal year and characterized the current budget situation as "not the deepest, but the steepest decline in our budget ever," and warned it will affect military readiness into the future.

"We will have to trade at some level and to some degree our future readiness for current operations," the chairman said. He called on elected leaders to give the Pentagon the budget flexibility it needs to carry out institutional reforms.

"We can't afford excess equipment," Dempsey said. "We can't afford excess facilities. We have to reform how we buy weapons and services. We have to reduce redundancy. And we've got to change, at some level, our compensation structure."

Biographies: <u>Chuck Hagel</u> <u>Army Gen. Martin E. Dempsey</u>

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