

## TIME TO END SEQUESTRATION

Some in Congress believe that careening from one budget crisis to the next is the 'new normal' for the way our government functions. The reckless sequestration mechanism of automatic budget cuts – agreed to in August 2011 – is a symbol of Washington's dysfunction and now threatens the economy and vital federal programs and services. Congress and the President must end the sequestration before it does irreparable harm to the nation.

The wreckage from sequestration is piling up: federal worker furloughs; reduced Gross Domestic Product (GDP) growth; cuts in vital transportation investments, and job losses in an economy still trapped in a slow recovery. In addition to the FY 14 funding levels that have been slashed by \$91 billion, an across-the-board cut again threatens to reduce spending in January 2014 by \$22 billion. The Congressional Budget Office estimates that keeping the sequestration cuts in place through FY 14 will cost up to 1.6 million jobs and up to 1.2 percent of GDP growth.

Members of Congress who embrace this 'new normal' are the same elected officials who were unfazed by the 16-day government shutdown and near default on our government's debt. Their cavalier attitude to locking out 800,000 federal employees while tipping us near the brink of default is irresponsible and threatens our economy. Despite the \$24 billion loss to our economy due to the shutdown, this same faction of obstructionists believes that gutting federal programs and scapegoating federal employees for a second year in a row is a good thing. Transportation unions condemn this view and urge Congress to replace sequestration with a serious plan to grow jobs and expand our economy.

If sequestration isn't halted, improvements to our transportation system including "NextGen" air traffic control modernization will be delayed. New public transit construction projects will be slowed or shelved as they were by last year's drastic cuts. These cuts could also rollback funding for the Maritime Security Program, which supports U.S. sealift requirements for military and humanitarian missions and middle class maritime jobs. Key transportation capital projects will also be harmed such as Amtrak and port improvements which in turn will inflict pain on the workers who build our infrastructure. And in addition to their multi-year pay freeze and the days they've already lost to last year's sequester, tens of thousands of additional federal workers will be furloughed.

Congress must find a responsible solution to our fiscal challenges, a solution that embraces tax fairness and includes smart, long-term investments in our transportation system insulated from the toxic politics that dominate Washington today. We must also protect important public health and retirement programs that provide crucial support to all Americans including the most vulnerable – the poor, disabled and elderly.

We call on Congress to reject the ugly austerity at any cost agenda being pushed by the fringes of our political system. Government shutdowns, threatened debt default and sequestration are at the core of a destructive agenda that has made it impossible for our government institutions to function in the best interests of all Americans. It is time to end sequestration and replace it with serious budget policies focused on economic expansion and job creation.

## Policy Statement No. F13-07

Adopted October 29, 2013