



Sequestration's "Chilling" Effect In Virginia

Obama's Sequestration Will Drive Virginia's Economy "Into A Recession"

VIRGINIA JOBS WILL BE LOST UNDER OBAMA'S SEQUESTRATION

"Virginia Job Losses Under Sequestration Could Be Permanent." (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

According To A Study By George Mason University, The Defense Spending Cuts In Sequestration Would Result In Virginia Losing 136,191 Jobs. (Stephen S. Fuller, "The Economic Impact Of The Budget Control Act Of 2011 On DOD And Non-DOD Agencies," [Report](#), 7/17/12)

- **"Under Sequestration, 22,428 Civilian DOD Employees Could Lose Their Jobs."** (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

Sequestration Will Result In "200,000 Active Duty Military Members [Being] Given The Pink Slip." "According to local military and economic experts, sequestration's true effects would include a reduction in the Navy's fleet, cuts to aircraft and weapons programs and 200,000 active duty military members given the pink slip." (Laurie Simmons, "\$500 Billion In Cuts To Pentagon From 'Sequestration' Comes Under Fire," [WTKR News Channel 3](#), 5/15/12)

- **"Dumping 200,000 Veterans In An Economy With No Employment, Not The Way To Treat These Modern Patriots,' Said Another Navy Veteran."** (Laurie Simmons, "\$500 Billion In Cuts To Pentagon From 'Sequestration' Comes Under Fire," [WTKR News Channel 3](#), 5/15/12)

Sequestration Puts Virginia's Businesses "At Risk"

"With At Least 9% Or Sequestration's 18% In Planned Budget Cuts, Virginia's Businesses – Especially Small Businesses – Will Be At Risk." (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

- **"From 2000-2011, 14,055 Virginia Businesses Provided Goods And Services For America's National Defense."** From 2000-2011, 14,055 Virginia businesses provided goods and services for America's national defense. In 2011, many Virginia businesses were minority owned or other types of small businesses: 1,025 minority-owned businesses, including 371 owned by Black Americans, 183 owned by Hispanic Americans, 66 owned by Native Americans, 226 owned by Asian-Pacific Americans, and 179 owned by other minority Americans." (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

According To A Study By George Mason University, The Defense Spending Cuts In Sequestration Would Result In Virginia Losing 65,000 Small Business Jobs. (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)

- **According To A Study By George Mason University, The Non-Defense Spending Cuts In Sequestration Would Result In Virginia Losing 29,700 Small Business Jobs.** (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)
- **According To A Study By George Mason University, The DOD And Non-DOD Spending Cuts In Sequestration Would Result In Virginia Losing A Total Of 94,700 Small Business Jobs.** (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)

“Virginia Defense Contractor Revenue Losses Could Be Greater Than \$9.87 Billion – Each Year.”

“Virginia defense prime contractors earned over \$54.85 billion in 2011 protecting America, but now they may face 18% revenue cuts under Sequestration – starting in 2013. Virginia defense contractor revenue losses could be greater than \$9.87 billion – each year.” (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

- **“Virginia Defense Contractors May Have To Lay Off Workers Or Even Shut Down Under Sequestration Cuts.”** (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)
- **Many Companies That Could Be Hurt By Sequestration Research Everything From A Cure For Cancer To Technology To Help Locate IEDs.** “John Jumper, a former Air Force chief of staff and current chief executive of McLean-based Science Applications International Corp., or SAIC, said affected contractors hire a substantial number of veterans each year. Many of the companies that would be hurt by the cuts research everything from a cure for cancer to new technology to locate improvised explosive devices, or IEDs.” (Jason Spencer, “Northern Virginia’s Top Contractors: Cuts Would Be ‘Devastating,’” [Ashburn Patch](#), 7/30/12)
- **Small-to Mid-Sized Companies That Could Be Affected Generate The “Entrepreneurial Innovation” That Larger Firms Use To Recruit And Advance; Defense Cuts Would Devastate The “Innovation Pipeline.”** “Further, small- to mid-sized companies generate much of the ‘entrepreneurial innovation’ that larger firms later recruit or advance, said Brad Antle, CEO of Fairfax-based Salient Federal Solutions and chairman of the Northern Virginia Technology Council, which represents about 1,000 companies. Proposed defense cuts would hit these companies harder and devastate the ‘innovation pipeline,’ he said.” (Jason Spencer, “Northern Virginia’s Top Contractors: Cuts Would Be ‘Devastating,’” [Ashburn Patch](#), 7/30/12)

Veteran Businesses: Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia’s Veteran And Service-Disabled Veteran Businesses Will Lose A Combined \$840,101,194 In Revenue. (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

Women Owned Businesses: Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia’s Women Owned Businesses Would Lose \$342,968,894 In Revenue. (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

Minority Owned Businesses: Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia’s Minority Owned Businesses Will Lose \$1,644,804,249 In Revenue. (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

- **Black American Businesses:** Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia’s Black American Owned Businesses Will Lose \$475,359,780 In Revenue. (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

- **Hispanic American Businesses: Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia's Hispanic American Owned Businesses Will Lose \$572,805,477 In Revenue.** (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

Virginia Beach And Hampton Roads Will Feel The Effect From Sequestration

Today, Obama Will Campaign In Virginia Beach Near Hampton Roads. "Virginia will host both presidential candidates Thursday, with Mitt Romney holding an event in Fairfax County and President Barack Obama campaigning in Virginia Beach." (Wesley P. Hester, "Romney, Obama To Campaign In Virginia Thursday," [Richmond Times-Dispatch](#), 9/26/12)

Under The Anticipated 18 Percent Budget Cuts In Sequestration, Virginia Beach County Would Lose \$440,276,701 In Revenue. (Center For Security Policy, [The United States Defense Breakdown Economic Impact Reports 2011 Data Edition](#), 6/6/12)

- **Virginia Residents In Hampton Roads "Want To Know How The Obama Administration Plans To Prevent Automatic Spending Cuts To The Defense Budget."** "Hampton Roads, as the region is known, has a heavy concentration of naval shipyards, military facilities and families of US soldiers and sailors. Its residents will want to know how the Obama administration plans to prevent automatic spending cuts to the defense budget worth \$500bn over 10 years starting in 2013 – another element of the country's looming fiscal contraction, or 'fiscal cliff'." (James Politi, "Virginians Fear 'Fiscal Cliff' Defense Cuts," [Financial Times](#), 7/12/12)

Rep. Bobby Scott (D-VA) Described Sequestration As "Catastrophic." "U.S. Rep. Robert 'Bobby' Scott, D-Newport News, did not attend Monday's forum, but he told the Daily Press in an interview Monday afternoon that most agree sequestration would be 'catastrophic' and undesirable." (Joe Lawlor, "Military: Potential Cutbacks Face Opposition," [Daily Press](#), 5/15/12)

- **According To Scott, "Everybody Suffers" With Sequestration Since About Half Of The Hampton Roads Economy Relies On Defense.** "Bobby Scott, a veteran Democratic congressman from the area, says about 50 per cent of the local economy is dependent on the Pentagon. 'When you pull that plug, everybody suffers,' Mr Scott says." (James Politi, "Virginians Fear 'Fiscal Cliff' Defense Cuts," [Financial Times](#), 7/12/12)
- **Scott: "It Is Just Absolutely Absurd" To Allow Sequestration To Happen "Because Of What It Does To Our National Defense And To Our Local Economy."** "Rep. Bobby Scott (D-Va.) agrees with Republicans on at least this point: that these cuts would be cataclysmic. Scott, whose district includes the defense-rich Hampton Roads area, spoke of a recent standing-room-only meeting at which local officials and defense contractors lined up to detail the consequences to municipal coffers and local manufacturers that build aircraft carriers and submarines. 'The defense sequester would be so devastating to the defense of our nation that it is hard to imagine thoughtful legislators actually allowing it to happen,' said Scott, who wants to erase the sequester by ending some Bush-era tax cuts. 'We've heard from the Department of Defense and certainly anybody from Hampton Roads. It is just absolutely absurd to allow that to happen because of what it does to our national defense and to our local economy.'" (Seung Min Kim, "Defense Cuts Could Mean Trouble At Home For Lawmakers," [Politico](#), 6/3/12)

IN VIRGINIA, OBAMA'S SEQUESTRATION WILL "DRIVE THE ECONOMY INTO A RECESSION"

With Sequestration, "15% Of Virginia's Jobs Will Disappear– Enough To Drive The Economy Into A

Recession In 2013. “With the loss of hundreds of millions of dollars in DOD spending at local shipyards and airfields, 15% of Virginia’s jobs will disappear– enough to drive the economy into a recession in 2013.” (Laurie Simmons, “\$500 Billion In Cuts To Pentagon From ‘Sequestration’ Comes Under Fire,” [WTKR News Channel 3](#), 5/15/12)

- **“A Statewide Recession Is Likely” In Virginia If Sequestration’s “Devastating” Cuts Take Effect.** “If Congress doesn’t stop \$1 trillion in automatic budget reductions set to begin unrolling in January, Hampton Roads and Northern Virginia will see such dramatic cutbacks that a statewide recession is likely, a public policy expert warned Monday night. Professor Stephen Fuller of George Mason University told more than 500 people at a congressional listening session that the deep cuts, including about \$500 billion in defense cuts, would be ‘devastating,’ given that 10 cents of every defense dollar is spent in the commonwealth. ‘These would be enough to drive the economy into a recession in 2013,’ Fuller said, noting that 20 percent of all the jobs in Virginia are dependent on military spending.” (Bill Bartel, “Defense Cuts Would Cripple Va. Economy, Leaders Warn,” [The Virginian-Pilot](#), 5/15/12)

Brett Vassey, President And CEO Of Virginia Manufacturers Association, Warned That Sequestration Will Have A “Chilling Economic Effect” Across Virginia. “In a statement, VMA President and CEO Brett Vassey said defense cuts will be felt deeply across the commonwealth, not just in Northern Virginia and Hampton where many defense contractors are based. ‘It’s not just the impact on the Tier 1 defense contractors; it’s the ‘rolling boulder’ down through the Tier 2 and Tier 3 suppliers as well as the chilling economic effects on these companies and the communities in which they operate that is potentially devastating - we are sacrificing industrial capacity due to an inability to prioritize federal spending,’ he said.” (“Defense Cuts Could Cost Virginia 115,000 Jobs, Trade Group Says,” [Virginia Business](#), 6/21/12)

INSTEAD OF LEADING ON SEQUESTRATION, OBAMA IS “PREOCCUPIED” WITH HIS RE-ELECTION CAMPAIGN

“Preoccupied By His Re-Election Campaign,” Obama Is “Missing In Action” While Top Defense Officials Warn Against Additional Defense Cuts. “Chairman of the Joint Chiefs of Staff Martin Dempsey calls sequestration ‘an unacceptable risk’ that will ‘increase the likelihood of conflict’ in a world with a weaker America. Defense Secretary Leon Panetta says it’s ‘unworkable’ and ‘a disaster’ that will ‘hollow out the force and inflict severe damage to our national defense.’ The Commander in Chief? Preoccupied by his re-election campaign since, oh, last summer, Mr. Obama is missing in action. Led by California’s Buck McKeon, the House of Representatives in May adopted a plan to offset the defense and other cuts due next year with reductions elsewhere in the budget. The White House promised a veto, and Majority Leader Harry Reid won’t schedule a Senate vote.” (Editorial, “The Coming Defense Crack-Up,” [The Wall Street Journal](#), 7/18/12)

- **Sequestration Would Indiscriminately Cut Funding For The War In Afghanistan, Operations In The Persian Gulf, As Well As “Training Programs, Equipment Maintenance And Military Benefits.”** “Sequestration compounds the damage because the cuts would be automatic and indiscriminate. The Pentagon now concedes that funding for the war in Afghanistan would be hit, contrary to past assurances. So would current operations in the Persian Gulf. Training programs, equipment maintenance and military benefits are affected too. Defense contractor Lockheed Martin says the law obliges it to send layoff warnings as soon as October to most of its 123,000 workers—the kind of manufacturing jobs Democrats claim to love.” (Editorial, “The Coming Defense Crack-Up,” [The Wall Street Journal](#), 7/18/12)
- **Defense Secretary Leon Panetta Says Cuts To Defense Will Result In The “Smallest Ground Force Since 1940, The Smallest Number Of Ships Since 1915 And The Smallest Air Force In**

Its History.” “Defense Secretary Leon Panetta spelled out a doomsday scenario Monday that he said could occur if Congress fails to take action to avoid a \$1 trillion cut in defense spending over the next decade. Panetta, responding to a letter from Republican Senators John McCain and Lindsay Graham, said cuts of nearly \$100 billion a year would leave the United States with its smallest ground force since 1940, the smallest number of ships since 1915 and the smallest air force in its history.” (David Alexander, “Panetta Spells Out Budget Cut Doomsday Fears,” [Reuters](#), 11/14/11)

- **The Pentagon Estimated That Sequestration “Could Add 1 Percent To The Nation’s Unemployment Rate.”** “Nearly \$1 trillion in defense cuts that the 2011 Budget Control Act could require would devastate the military and the defense industrial base, and could add 1 percent to the nation’s unemployment rate, the Pentagon press secretary said today.” (Cheryl Pellerin, “Additional Budget Cuts Would Devastate Military, Spokesman Says,” [American Forces Press Service](#), 9/15/11)