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Eliminate Sequestration End Harmful Defense Cuts

Issue: The return of sequestration in FY 2018 will cut billions from the defense budget, even as threats in Iraq, Syria, North Korea, China, Russia, and other nations pose increasing risks to U.S. national security.

Background: The Budget Control Act of 2011 established automatic budget cuts known as sequestration and put America's national defense capabilities at great risk. During the 2011 debt negotiations, the administration agreed to reduce the DoD budget by \$487 billion over a 10-year period; however, with the enactment of sequestration, additional reductions to the defense budget of \$500 billion were added.

Then-Secretary of Defense (SECDEF) Leon Panetta testified in December 2012 that such a "meat axe" approach to budget reductions will "hollow out the force," and the Bipartisan Budget Acts of 2013 and 2015 mitigated the spending caps for FYs 2015 and 2016. However, the original caps for FY 2017 thru 2021 remain in effect for both defense and non-defense spending.

At a February 2014 press conference outlining the FY 2015 budget submission, then-SECDEF Chuck Hagel warned, "The only way to implement sequestration is to sharply reduce spending on readiness and modernization, which would almost certainly result in a hollow force. ... The resulting force would be too small to fully execute the president's defense strategy."

True to this prediction, the services have been forced to significantly reduce flying hours, cancel the deployment of ships, renegotiate critical procurement contracts, and reduce force structure. Modernization of weapon systems has been postponed, and the administration has sought to reduce personnel health care costs. Further, the FY 2014 Defense Authorization Bill capped military pay raises at 1 percent — the lowest pay raise in 50 years.

Both the FY 2015 and 2016 defense bills again capped the pay raise below the mandated Employment Cost Index to free monies for force structure and modernization; the FY 2016 and FY 2017 defense budgets proposed new annual fees for TRICARE For Life and disproportional increases to pharmacy copayments.

Before he was selected to be SECDEF, Gen. James Mattis, USMC (Ret), testified before Congress that "no foe in the field can wreak such havoc on our security that mindless sequestration is achieving today. ... This committee must lead the effort to repeal sequestration that is costing military readiness and long-term capability, while sapping our troops' morale."

MOAA Position: Although debt reduction is a national priority, a disproportional share of this burden must not be passed on to servicemembers and military family members, who already have served and sacrificed more than other segments of our society.

Action Needed: *Congress needs to end the harmful effects of sequestration by supporting a bipartisan debt-reduction package that avoids disproportional penalties on the Department of Defense affecting servicemembers and military retirees and their families.*