

“Unacceptable Risk” *The Catastrophic Impact of Sequestration*

The Numbers

If sequestration takes effect in January, the defense budget would be cut an additional \$55 billion per year from the levels established in Budget Control Act. That would mean an additional \$492 billion in cuts on top of the \$487 billion already being implemented. In total, over \$1 trillion would be cut over the next ten years with disastrous consequences for soldiers, veterans, national security, and the economy.

A Historically Small Military in an Extraordinarily Dangerous World

In the midst of the most dynamic and complex security environment in recent memory, sequestration would **severely diminish America’s global posture**. An additional **100,000 soldiers, sailors, Marines, and airmen** would be separated from service. Those reductions would lead to:

- The smallest ground force since 1940
- A fleet of fewer than 230 ships, the smallest level since 1915
- The smallest tactical fighter force in the history of the Air Force

Precisely at the moment when advanced military technology is spreading around the world, America would be forced to make severe cutbacks, **eroding our technological advantage**. The cuts would include:

- Termination of the Joint Strike Fighter, minimal upgrades to existing forces, and a wider “fighter gap”
- Termination of the new strategic bomber critical to America’s future posture in the Asia-Pacific
- Delaying new submarines and cutting the existing fleet as nations like China expand anti-sub capabilities
- Shrinking America’s aircraft carrier fleet, reducing power projection capability
- Termination of the littoral combat ship essential to defeating anti-access threats from nations like Iran

The combination of cuts to force structure and advanced technology would lead to a hollow force increasingly uncertain of its ability to defend the nation.

Devastating the Defense Industrial Base

Even without sequestration, companies are cutting investments, shuttering operations, and laying off workers because of the uncertainty emanating from Washington. Sequestration would risk **severe and permanent damage to the defense industrial base** as a competitive commercial enterprise, reliable provider of urgent wartime needs, and as a national strategic asset.

- Massive layoffs will lead to a lost generation of skilled workers that will be impossible to replace
- Slashing R&D spending will stifle the innovation that keeps our military the most advanced in the world
- Consolidation by large contractors will reduce competition, crush small businesses, and increase costs

Jobs, Jobs, Jobs

Cuts to spending for the acquisition of military equipment alone would lead the loss of over **1,000,000 private sector jobs**. These cuts could push unemployment back up to 9%. Cuts to active-duty and DOD civilian personnel would amount to over 350,000 jobs lost.

The impact will be borne disproportionately by some states. The ten states that will feel the largest pain as a percentage of the state economy are Virginia, Connecticut, Alabama, Arizona, Maryland, Alaska, Hawaii, Wisconsin, Massachusetts, and Missouri.