



SECRETARY OF DEFENSE
1 000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

OCT 01 2015

MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE PERSONNEL

SUBJECT: Continued Budget Uncertainty

As you are aware, yesterday evening Congress acted to narrowly avert a government shutdown, passing a continuing resolution that will fund the government through December 11, 2015. While I'm glad that we have avoided the trauma of a shutdown and our Department is able to operate today, I recognize that continued uncertainty about our fiscal situation is deeply dispiriting to you and your families.

In the near term, I expect this uncertainty to persist as discussions about a budget compromise get underway. Without a negotiated budget solution, we will again return to sequestration, reducing our budget to its lowest level in a decade after adjusting for inflation. An extension of the continuing resolution for the rest of fiscal year 2016 would not represent a responsible alternative to a negotiated solution; rather, it would represent sequestration under a different name, with all the same ill effects for our mission and our security.

I continue to believe that these cuts are managerially inefficient, wasteful to the taxpayer, and dangerous for our national security. Moreover, continual delays in the negotiations needed to prevent them add an absolutely undeserved element of uncertainty about the future for our Service men and women and government civilians.

As I said when I took this job, you are my number one priority. I want you to know that I will do everything in my power to encourage both sides to come together and pass a responsible budget with multi-year predictability, giving you the resources you need to prevail today and in the future.

Unfortunately, we have become accustomed to both budget cuts and budget uncertainty. We have done our best to manage through it, making painful choices and tradeoffs among the size, capability, and readiness of the Joint Force, while continuing to defend the nation with the excellence that the public has come to expect. I am grateful for your continued professionalism and commitment to our critically important mission.

Ash Carter



OSD011903-15/CMD015694-15