DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

DEC 14 2011

MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE EMPLOYEES

SUBJECT: Guidance for Potential Government Shutdown

While Congress continues to consider an omnibus appropriations bill and extensions to the payroll tax cut and Unemployment Insurance benefits, there is no guarantee that it will finish all of its work before our current appropriation expires on Friday at midnight. The President has urged the members of Congress to complete the work they were elected to do and has made clear that there is no excuse for Congress to leave on vacation before all of its work is complete. The President has also made clear that he does not want a government shutdown. Given the realities of the calendar, however, prudent management requires that we plan for an orderly shutdown should Congress fail to complete its work or to pass another short-term continuing resolution that would give it more time to take up these important matters.

Both the President and I know that the uncertainty of the current situation puts federal employees in a difficult position, and we are very much aware that a shutdown would impose hardships on many employees as well as the groups and individuals our agency serves. As we approach the expiration of the current appropriation, the Deputy Secretary of Defense, working through the Under Secretary of Defense (Comptroller), will provide you with updated information as soon as it becomes available. For now, I want to provide you with information on how the potential funding lapse – should it occur – would impact DoD employees.

If funding lapses, the affected Federal departments and agencies would not be permitted to incur further financial obligations for activities funded by annual appropriations, except those related to the orderly suspension of operations or performance of excepted activities. This means that some DoD civilian employees would be furloughed and unable to work. Our contingency planning for the potential funding lapse includes determining which agency functions and employees are excepted from a furlough. Should it become necessary to implement our contingency plans, you will receive informal notice from your manager no later than Friday, December 16 and formal notice no later than Monday, December 19 regarding the designation of your position and furlough status.

Military personnel are not subject to furlough and will report for duty as normal during the shutdown. The DoD Contingency Guidance document will provide information applicable to reserve component personnel. Reserve personnel should refer to that guidance and to their chain of command for more specific information.

The Office of Personnel Management (OPM) website, www.opm.gov/furlough2011, addresses some of the questions that I know must be on your mind. As needed, OPM will provide additional pertinent information for federal employees as the week progresses. And our

OSD 14784-11

leadership team will do our very best to provide clear information about the status of events as the week progresses.

Thanks to the hard work and dedication of all of you, the Department of Defense provides critical services to the American public. Your contributions touch people's lives in so many significant ways, and I want you to know how deeply I appreciate your dedication and your expertise. Thank you for your continued service to the Department and the Nation.

Ashton B. Carter