



GREATER WASHINGTON  
Board of Trade



METROPOLITAN WASHINGTON  
Council of Governments

**DRAFT**

February 14, 2013

Dear Congressman,

Together, the Greater Washington Board of Trade, and the Metropolitan Washington Council of Governments urge Congress to take immediate, thoughtful, action to stop the impending sequestration, set to occur March 1. Deficit reduction is critical to the nation's recovery and will require difficult spending cuts, however the automatic across-the-board cuts will have a debilitating affect on an already fragile economy.

Sequestration will have enormous ripple effects throughout the entire region; much more so than any other metropolitan area in the country. According to George Mason University, 400,000 job losses are expected to occur off the top; these figures do not include the second tier of support workers who will also be hit hard.

Compounding the fact that these cuts will have major implications for business in Greater Washington, is the ill-informed nature of these reductions that causes unnecessary concern. To date, there has been very little guidance issued from the federal government. And when it is issued, it is often too little or conflicting with prior directive. The uncertainty is debilitating to businesses and local governments who are trying to strategically budget and plan for the future.

For a prime example of how these cuts will ripple, it is expected that sequestration will have a profound adverse impact on Metro's dedicated capital funds, resulting in a direct loss of up to \$12 million in Federal Fiscal Year 2013. Moreover, some analysts predict that millions of Metro's capital "formula dollars" could also be reduced significantly; further complicating the agency's critical rebuilding efforts. Compounding these losses, Metro estimates that sequestration will result in a reduction of millions of dollars annually in fare box revenue due to furloughs in the federal workforce and a reduction in ridership of federal employees. Combined, these sequestration-related reductions result in a significant decrease in Metro's capital funds and operating revenues – funding that a cash-strapped Metro system cannot afford to lose.

Greater Washington's business and government leaders recognize that the national economic challenge is great, requiring the federal government to get its fiscal house in order. However, we strongly encourage you to adopt a bi-partisan balanced solution to deficit reduction that promotes, rather than undermines our economic growth.

Sincerely,

James C. Dinegar, CAE  
President & CEO  
Greater Washington Board of Trade

Chuck Bean  
Executive Director  
Metropolitan Washington  
Council of Governments