

Sequestration Threat Continues as Focus of Defense Transition Task Force

In its second meeting since being established last April, The U.S. Conference of Mayors Task Force on Defense Transition. The Task Force continued to focus on the threat to local economies if Congress and the Administration fail to settle on an alternative to the deep, arbitrary defense and domestic budget cuts now scheduled to take effect on March 1. Scheduled cuts in the defense budget are of particular concern to mayors in cities and metro areas that are home to military facilities and the industries that support national defense.

Opening the January 17 meeting during the Conference of Mayors 81st Winter Meeting in Washington, Phoenix Mayor Greg Stanton, who Chairs the task force, said that another name for the session would be "everything you always wanted to know about sequestration but were afraid to ask." The detailed look into the potential economic damage of sequestration and the outlook on alternatives to it was provided by Aerospace Industries Association Vice President Cord Sterling, Bipartisan Policy Center Senior Policy Analyst Shai Akabas, and Senate Majority Leader Harry Reid's Deputy Chief of Staff for Intergovernmental and External Affairs Darrel Thompson.

In his presentation to the mayors and



Left to right, Aerospace Industries Association Legislative Affairs Vice President Cord Sterling, Task Force Chair Phoenix Mayor Greg Stanton, Bipartisan Policy Center Senior Policy Analyst Shai Akabas, and U.S. Senate Majority Leader Deputy Chief of Staff Darrel Thompson.

industry representatives in the meeting, Sterling included the results of a study by George Mason University economist Stephen Fuller that projected defense and non-defense job losses of 2.14 million if sequestration is allowed to take effect. Of particular concern for defense industries, he said, would be the loss of a highly-skilled workforce, the threat posed to small suppliers and the potential

increased reliance on foreign suppliers, the reduced investment in research and development, and the increased unit costs of products. At risk, Sterling explained, is an aerospace industry that is currently operating at a \$50 billion trade surplus and providing highly-paid jobs for highly-skilled workers across the nation.

Akabas delivered a detailed analysis of the "fiscal cliff" deal struck in Wash-

ington on the last day of 2012, and the upcoming battles to be fought over the March 27 expiration of the current FY 2013 Continuing Resolution, the sequester of defense and domestic funds, and the requirement to increase the debt limit within the next four to six weeks. On the sequester, Akabas noted that the cuts would occur no matter what Congress appropriates and would be made at the "program-project-activity" level. Particularly difficult, he said, would be arbitrary cuts to accounts made up almost entirely of personnel costs, such as those for Border Patrol Agents, and large procurement and construction projects.

In a discussion of what might be expected to come out of the Congress between now and the approaching fiscal deadlines, Thompson said, "It's not likely we'll reach some grand impressive deal to fix everything in six to eight weeks," and a deal to avoid disaster in order to buy time to make a larger deal is a possible outcome. "If this degenerates into just another partisan tug of war, you all are going to feel the brunt of it," Thompson said. In the House and Senate, "There has to be an opportunity to go beyond just reading talking points from both sides of our partisan bases," he said. "There has to be some opportunity to listen to folks like you all. Your representatives in Washington have to understand what this means to your immediate front line constituents — who also happen to be theirs."

International Affairs Committee Discusses Trade, Global Economic Policy, Nuclear Disarmament, Sister Cities

By Jocelyn Bogen

International Affairs Committee Chair Oakland Mayor Jean Quan began the session by welcoming members of the committee and making several key announcements. She invited and encouraged mayors to participate in the World Cultural Economic Forum to be held May 1-3 in New Orleans. The World Cultural Economic Forum will highlight the role of culture as a key economic and social force driving the creation of innovative and vibrant cities.

Quan also shared highlights of her recent mission to China as well as plans for an upcoming meeting on women entrepreneurship. The committee heard from United States Trade Representative Ambassador Ron Kirk. The Ambassador discussed many of the recent achievements of his office, in carrying out the President's vision of a more robust, responsible, and responsive trade policy. These include bilateral free trade agreements with Panama, Colombia, and Korea; advancing the ambitious goals of the Trans-Pacific Partnership Talks; and

improvement in the U.S. relationship with the World Trade Organization.

The Conference of Mayors has long had strong policy supporting nuclear disarmament and ultimately support for the elimination of nuclear weapons. Mayors for Peace North American Coordinator Jackie Cabasso, an international organization of more than 5,000 mayors across the world seeking nuclear disarmament, gave the mayors an update on the Mayors for Peace 2020 Vision Campaign. European Union to the United States Ambassador João Vale de Almeida briefed mayors on the European Union, the global financial crisis, and the central importance of trade to the economic health of the world's nations. The committee concluded with remarks from Sister Cities International President and CEO Mary D. Kane, who shared new initiatives and plans for 2013 and emphasized the importance of everyday citizen diplomats in promoting peace and prosperity around the world and the powerful impact of citizen-to-citizen exchanges. Kane set forth strong vision for strengthening sister city relationships and her



Left to right, United States Trade Representative Ambassador Ron Kirk, European Union to the United States Ambassador João Vale de Almeida; International Affairs Committee Chair Oakland Mayor Jean Quan, and Sister Cities International President and CEO Mary D. Kane.

commitment to continuing to work closely with mayors.