

**WRITTEN TESTIMONY BY
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U.S. DEPARTMENT OF COMMERCE**

LEGISLATIVE HEARING ON SEQUESTRATION OVERSIGHT

**BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON ECONOMIC GROWTH, JOB CREATION, AND REGULATORY AFFAIRS
SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL SERVICE AND THE CENSUS**

U.S. HOUSE OF REPRESENTATIVES

MARCH 19, 2013

Mr. Chairman and members of the Committee, I want to thank you for inviting me to this hearing on the impacts of sequestration on the Department of Commerce. We appreciate your interest in protecting the Department's mission and the many services we provide to the American public. The Department values the joint subcommittee's oversight role and is committed to working with you on this important issue.

Before getting into the impacts, I would like to give you a few words about my background. I have spent 13 years as a career civil servant -- under both Republican and Democratic Administrations. Eleven of those years were at the Office of Management and Budget as a program analyst and branch chief working in the areas of Veterans Affairs and Defense Health. For nearly two years, I have worked at the Department of Commerce as the Deputy Assistant Secretary for Resource Management. My responsibilities include aligning the formulation and execution of the budget with the Department's policy priorities. I also lead the Department's Enterprise Risk Management.

As you know, the President was required by law to issue a sequestration order on March 1, 2013. As a result of this action approximately \$85 billion in budgetary resources across the Federal Government were canceled. The order cancelled \$567 million in budget resources from the Department of Commerce, including \$16 million from funding provided through the Sandy Supplemental. For our larger bureaus, sequestration means budget cuts of \$270 million to NOAA, \$46 million to the Census Bureau, and \$38 million to NIST.

In planning for and applying the cuts required by sequestration, our primary focus has been on protecting our mission. However, no amount of careful planning can mitigate the short-term and long-term effects these cuts will have on the Department's ability to deliver on critical parts of our mission to serve the public. Sequestration is unprecedented and the planning process has been confounded by the

fact that we are currently operating under budgetary uncertainty with the current CR. Communities will feel the impacts as we are forced to reduce grants to states, localities, and universities as well as renegotiate and potentially terminate contracts with private sector firms. Our bureaus are already feeling the impacts, as we are forced to implement hiring freezes, curtail or cancel training, and halt critical program investments. While we have worked hard to manage the challenges of sequestration as best we can within the context of this fiscal year, the longer it is in effect, the more our ability to accomplish the Department's mission is degraded.

There is not a one size fits all approach to this planning, and just as you have seen differences across Departments, there are differences among all of our twelve bureaus as well. The Department of Commerce is extremely diverse, both in terms of the mission we administer and the populations we serve, as well as the makeup of our budget and the challenges posed by sequestration. Planning has been complex and we are continually refining our efforts as we work to protect our mission under sequestration.

Current law requires that all agencies submit operating plans by March 31st, but passage of the CR under debate would amend that date and also change our projected funding levels. In the meantime, recognizing that the situation is still in flux as Congress completes its works, I am happy to answer your questions as best I can.

Thank you.

Witness Biography

Mr. Hari Sastry

U.S. Department of Commerce;

Deputy Assistant Secretary for Resource Management

Hari Sastry has served as a career civil servant for the last 13 years under both Republican and Democratic Administrations. Eleven of those years were at the Office of Management and Budget as a program analyst and branch chief working in the areas of Veterans Affairs and Defense Health. For nearly two years, Mr. Sastry worked at the Department of Commerce as the Deputy Assistant Secretary for Resource Management. Mr. Sastry's responsibilities include aligning the formulation and execution of the budget with the Department's policy priorities.

Mr. Sastry is a graduate of the University of Michigan where he received his BA in Mathematics degree in 1995. Following his undergraduate studies, Mr. Sastry received a Masters degree in Public Health from the University of Illinois at Chicago in 1997 and a Masters in Public Policy degree from Georgetown University in 2000.