



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

Paul R. LePage
GOVERNOR

October 17, 2012

The Honorable Barack H. Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

I write today to urge you to work to enact legislation that puts Americans first by avoiding the unthinking cuts that sequestration will impose. Although I strongly believe that you should follow the example of Maine and other states by balancing the Federal budget, sequestration is the wrong method for addressing the \$16 trillion national debt. Not only will sequestration gravely harm our national security through cuts to our defense and military, but also citizens from every walk of life in Maine and the United States will be hurt. Our fragile recovery and the important steps we have taken to strengthen our economy will be set back years.

Indeed, the impact of sequestration on a small state like Maine will be significant. Defense cuts will damage Maine's economy, our national security, and place further burdens on our Armed Forces. The renowned economist, Dr. Stephen S. Fuller of George Mason University, has estimated that due to cuts in the Department of Defense alone, Maine will lose 4,055 jobs, increasing our unemployment insurance roles by more than 25 percent. The lost wages of these jobs, he estimates, could reach almost \$240 million. Our state's gross output could shrink more than \$348 million. I firmly believe the cost of the Federal Government should be significantly reduced, but those cuts should be driven by making the hard, necessary decisions to ensure future prosperity, not by Washington's abdication of responsibility.

My other concern is the lack of transparency coming from your Administration. Jobs in many of Maine's crucial industries, including shipbuilding and submarine repair, are on the line. These employers and their employees are deeply concerned about the future of their jobs. The recent direction from the U.S. Department of Labor and the Office of Management and Budget that employers need not comply with the WARN Act because sequestration is an unforeseen circumstance abdicates your responsibilities under federal law. While the timing may be inconvenient, communities and employers deserve to know about the potential mass layoffs and, even more, the law requires it.

Further, I am deeply concerned about your assurances to contractors that the Federal Government will use taxpayer money to reimburse them for any fees or other costs related to not following the law. It is astounding to me that in a time of deep debt, you would spend taxpayer



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dollars to pay the fines of private companies rather than working with Congress on a solution to the sequestration problem.

Maine has its own statute that extends WARN Act protections by imposing a fine of \$500 on each company that chooses not to notify its employees of an impending layoff or closure. It also requires companies to pay severance pay to each employee it lays off. This requirement might be too much for companies affected by sequestration to bear, forcing companies that may teeter on the brink of survival to topple into bankruptcy and closure. Sadly, sequestration triggers this law precisely because it is a foreseen situation, a situation we have been anticipating for more than a year. However, in Maine, we will not ignore our laws because it may be politically convenient to do so.

It is now time to put politics aside and actually move America forward. I urge you to support finding a resolution to avert the disastrous effects of sequestration. I hope you will encourage the Senate, and particularly the Senate Majority Leader, to take action before it is too late.

This issue requires leadership to do the right thing. It is time for Washington to put Americans first. I thank you for your consideration of this critical issue.

Sincerely yours,


Paul R. LePage
Governor

cc: Maine Congressional Delegation
Maine Legislature



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