

RESOLUTION NO. 2012-2

A RESOLUTION OF THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS URGING MEMBERS OF CONGRESS TO PASS AND THE WHITE HOUSE TO SIGN LEGISLATION TO AVERT ACROSS-THE-BOARD FISCAL YEAR 2013 SEQUESTRATION CUTS AND TO COME TOGETHER TO DEVELOP A LONG-TERM BUDGET COMPROMISE

WHEREAS, the impacts of the \$1.2 trillion in across-the-board, forced federal cuts proposed under sequestration will have serious and deleterious effects on our local, regional, state and national economies—putting at-risk hundreds of thousands of high-wage, high-skill aerospace and other defense-related jobs as well as tens of thousands of non-defense jobs and countless critical social services programs in education, housing, healthcare and other human services areas; and

WHEREAS, the George Mason University report titled “The Economic Impact of the Budget Control Act of 2011 on DOD & non-DOD Agencies” dated July 17, 2012 (GMU Report), states that the nation’s economy will lose \$215 billion in gross domestic product, shed 2.14 million jobs and swell the unemployment rate by as much as 1.5 percentage points due to sequestration cuts in the first two fiscal years alone; and

WHEREAS, the GMU Report states that California will be most directly and severely affected by these cuts, losing a total of 225,464 jobs (with 135,209 coming from defense-related cuts and 90,255 from non-defense related cuts) and \$22 billion in gross state product; and

WHEREAS, the current uncertainty surrounding the implementation of sequestration has already led many companies to issue layoff notices and reduce outlays in preparation of these looming cuts; and

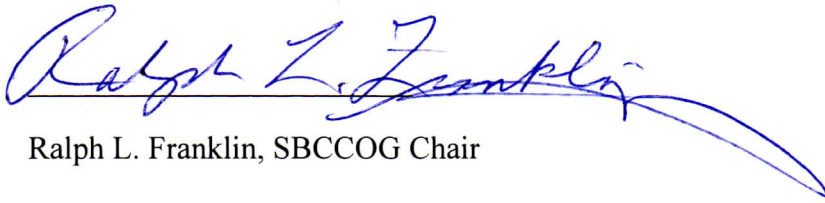
WHEREAS, Southern California represents the heart of the nation’s aerospace industry, with total direct, indirect and induced impacts of 276,000 jobs, \$20.6 billion in wages, more than \$66 billion in economic impact and returning almost \$2.4 billion to state and local governments in tax revenue; and

WHEREAS, the County of Los Angeles has a long history with aerospace and other defense-related industries and currently has close to 60,000 direct jobs in aerospace and other defense-related industries with a significant wage premium, out-earning those in the manufacturing sector as a whole by 73%, on average; and

WHEREAS, local efforts are currently underway and being led by the L.A. Jobs Defense Council – a coalition comprised of business, government and labor leaders – to, first and foremost, avert sequestration but to also prepare the region for the impacts of sequestration should these forced cuts occur; and

NOW, THEREFORE, BE IT RESOLVED, by the South Bay Cities Council of Governments urges members of Congress to pass and the White House to sign legislation to avert across-the-board fiscal year 2013 sequestration cuts and to come together to develop a long-term budget compromise.

PASSED, APPROVED, and ADOPTED this 27th day of September, 2012.



Ralph L. Franklin, SBCCOG Chair

ATTEST:



Marcy Hiratzka, Board Secretary