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Government Relations

Sequestration Budget Cuts and the WARN Act

On July 30, the U.S. Department of Labor (DOL) issued a [“guidance” letter](#) regarding whether federal contractors must issue written notices – pursuant to the federal Worker Adjustment and Retraining Notification Act (WARN) – regarding government contracts that may be terminated or reduced on January 2, 2013 because of “sequestration” budget cuts. The Budget Control Act of 2011 (BCA) provides for such across-the-board budget cuts on January 2, 2013 if there is no alternative agreement on reductions in federal spending as mandated by the BCA.

On August 2, 2012, House Education and Workforce Chairman John Kline (R-MN), along with Reps. Tim Walberg (R-MI) and Phil Roe (R-TN), wrote to Labor Secretary Hilda Solis expressing their concerns with the DOL guidance letter, stating their view that it was “misleading and incomplete with respect to federal contractors’ obligations under the Worker Adjustment and Retraining Notification Act.” [The letter](#) also requests that Secretary Solis provide to the Committee all “information, documents, and communications related to the guidance” no later than August 16, 2012.