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**CRFB Reacts to OMB's Report on the Sequester
September 14, 2012**

Today, the Office of Management and Budget (OMB) released a report on the specific impacts of the sequester scheduled to take place at the beginning of next year. As expected, the report shows deep and abrupt cuts occurring across-the-board to all non-exempt programs.

"Add this report to a long list of others showing the dangerous consequences of going off the fiscal cliff," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "Combined with the expiration of tax cuts and other measures, the Congressional Budget Office says these cuts would throw the economy back into recession. The only thing worse than the fiscal cliff is the mountain of debt we face if we continue to defer the hard choices. Moody's has already warned us that this approach would lead to a credit downgrade, in addition to stunting economic growth."

The report shows that non-exempt non-defense discretionary programs would be cut by 8.2 percent, defense spending by 9.4 percent, Medicare spending by 2 percent, and other spending by 7.6 percent. Actual spending cuts would be larger in FY 2013 since they would be applied over nine months instead of a full year.

"There is no good reason to make deep across-the-board cuts like these while doing nothing to control the growth of our entitlement programs," added MacGuineas. "We need to replace the fiscal cliff with a thoughtful and gradual plan to put our debt on a downward path and our economy on an upward one."