

**From:** [ARC Webmaster](#)  
**To:** [Mandy Mccaslan](#)  
**Subject:** Industry Sequestration Update  
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Dear Industry Partner,

With a budget now appropriated, we have nearly completed fully revised spend plans for the remainder of the fiscal year. Sequestration reduced the Agency's budget by just under \$1B. As a result, the Agency chose to reduce capacity first relative to hardware and the remainder in capability which translates to labor. Considerable mitigation was achieved through burn-rate analysis and other strategies. Nonetheless, we estimated between 1-2K FTEs were affected by this plan.

Jennifer S. Walsmith  
Senior Acquisition Executive

Regards,

The ARC Webmaster

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