



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

FEB - 8 2018

MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE PERSONNEL

SUBJECT: Potential for Lapse in Funding

As many of you are aware, funding for the government expires at midnight on February 8, 2018. The Administration, Secretary Mattis, and I do not believe that a lapse in funding should occur. There is more than enough time for Congress to prevent this from happening. The Administration is willing to work with Congress to enact a short-term continuing resolution to fund critical Federal government operations and allow Congress more time to finalize appropriations for this year. However, prudent management requires that we continue to prepare for all contingencies, including the possibility that a lapse in appropriations could occur this month.

As part of our effort to keep our personnel apprised of planning efforts, we are providing further information on how a potential government shutdown will affect our staff and operations. As was the case in January 2018, under a lapse in funding, your actions and decisions about what operations continue are governed by legal opinions issued by the Attorney General and the Office of Legal Counsel of the Department of Justice.

In consultation with our Office of General Counsel, we have reviewed our contingency plan and made the necessary updates to our determinations of the activities that may continue under these legal requirements. Similarly, we are making the necessary updates to our determinations of civilian employees who would continue to report to work to support excepted activities in the event of a lapse in funding, and civilian employees who would be placed on furlough. During a Federal government shutdown, all active duty military personnel would continue in a normal duty status; however, they would not be paid until Congress provides funding. As we saw in 2013 and in January 2018, should a shutdown occur, and depending on the length of the shutdown, these determinations may change over time as circumstances evolve. Importantly, the categorization of employees and whether or not someone is furloughed is not a reflection on the quality of an employee's work, nor of his or her importance to the Department. It is merely a reflection of the legal requirements that we must operate under should a lapse in appropriations occur.

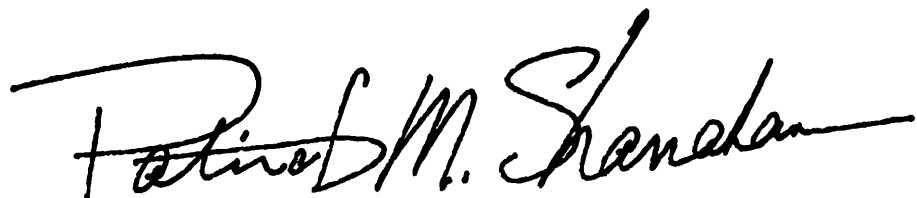
Your chain of command will begin reaching out to you to provide additional detail on our contingency plans and your status under a potential lapse. These conversations are designed to provide clarity on how a potential shutdown will affect you, but they do not constitute an official notice of furlough. Official furlough notices will be issued only on the next official workday if a lapse in funding occurs.

As we felt in January, the uncertainty of the current circumstances puts our dedicated workforce in a difficult situation, and should a government shutdown occur, it could impose



hardships on many employees, as well as the people whom we serve every day. We will work closely with all staff to do our best to support you throughout this period.

Thank you again for your hard work, dedication, and patience through this process, and for your continued service to the Department of Defense, the Nation, and the American people.

A handwritten signature in black ink, reading "Patrick M. Shanahan". The signature is written in a cursive style with a large, sweeping initial "P" and a long horizontal line extending from the end of the name.