

## CLIENT ALERT

### Sequestration: New Agency Letters Warn Industry

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Federal agencies, including DoD and DHS, began issuing letters to industry this week warning that the effects of sequestration, imposed on March 1, may be felt on existing and planned procurements, may affect agencies' ability to administer contracts efficiently, and in the words of DHS, may result in "existing contracts being reduced in scope, terminated or partially terminated." While asking for industry's cooperation in this time of "enormous budgetary uncertainty" and stating that decisions with respect to specific contracts will be communicated directly by the responsible contracting officials, DoD advised that "damage to the Department and to industry is unfortunately unavoidable at this point."

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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