Obama Warns Spending Cuts Could Idle Shipbuilder

Nedra Pickler, Associated Press

NEWPORT NEWS, Va. (AP) — President Barack Obama is arguing that looming government-wide spending cuts could idle military resources like naval aircraft carriers, while Republicans are criticizing the president for taking his arguments outside Washington instead of staying to work out a plan before Friday's deadline.

The president planned to appear Tuesday at Virginia's largest industrial employer, Newport News Shipbuilding, which would be affected by cuts to naval spending. Obama warned Monday that if the so-called sequester goes into effect later this week, the company's "workers will sit idle when they should be repairing ships, and a carrier sits idle when it should be deploying to the Persian Gulf."

Obama urged Congress to compromise to avoid the cuts, but there has been no indication the White House and congressional Republicans are actively negotiating a deal. The last known conversation between Obama and GOP leaders was last week, although the White House said the cuts would be among the topics discussed later Tuesday when Obama meets with Republican Sens. Lindsey Graham and John McCain.

Obama wants to replace the sequester with a package of targeted cuts and tax increases, while Republican leaders insist the savings should come from reduced spending alone.

Graham, of South Carolina, offered a potential way out of the stalemate Monday by indicating he was open to raising tax revenue if Obama offered to overhaul big-ticket entitlement programs. Many Republicans say they are done raising revenue after letting taxes on top earners increase in December.

"I'll raise revenue. Will you reform entitlements?" Graham said in a challenge to the president on CNN. "And both together, we'll set aside sequestration in a way that won't disrupt the economy and hurt the Defense Department."

Joining Obama for the short trip aboard Air Force One were two Virginia congressmen, Democrat Bobby Scott and Republican Scott Rigell. Rigell told reporters onboard that he believes both sides are responsible for the stalemate. He criticized Obama for not putting forward a detailed plan to stop the sequester, but said he disagrees with the GOP leadership that there's no room to raise revenue.

"I boarded the plane knowing that some would potentially misinterpret this," Rigell said. But he said he had to take "the unique opportunity to speak directly to the commander in chief and to ask him respectfully but clearly to put forth a definitive alternative to sequestration."

The sequester was designed as an unpalatable fallback, meant to take effect only if a congressional super-committee failed to come up with at least $1 trillion in savings from benefit programs.

The White House has warned the $85 billion in cuts could affect everything from commercial flights to classrooms to meat inspections. The cuts would slash domestic and defense spending, leading to forced unpaid days off for hundreds of thousands of workers.

The impact won't be immediate. Federal workers would be notified next week that they will have to take up to a day every week off without pay, but the furloughs won't start for a month due to notification requirements. That will give negotiators some breathing room to keep working on a deal.

But the White House is highlighting the impending job losses to drum up public support for a solution. In Virginia alone, the White House says, about 90,000 civilians working for the Defense Department would be furloughed for a cut of nearly $650 million in gross pay. The White House also says the sequester would cancel maintenance of 11 ships in Norfolk, as well as delaying other projects around the area.

The Navy has already delayed a long-planned overhaul of the USS Abraham Lincoln at Newport News Shipbuilding as a result of the budget uncertainty, and other plans call for delaying the construction of other ships.

Echoing Obama's warnings about the military repercussion were the five members of the Joint Chiefs of Staff, who traveled to Capitol Hill to say the cuts could impart a serious blow to military readiness. Their appearance marked the fourth time in the last three weeks that top Pentagon leaders have testified before Congress about the cuts.

House Speaker John Boehner, R-Ohio, complained that the House has twice passed bills that would replace across-the-board spending cuts with more targeted reductions, while the Senate has not acted.

"We should not have to move a third bill before the Senate gets off their ass and begins to do something," Boehner told reporters.

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