President Barack Obama and congressional lawmakers are taking a wait-and-blame approach as automatic, across-the-board spending cuts begin to trickle through the federal government -- cuts that were never intended to take effect.

Even as the president phoned Democratic and Republican legislators over the weekend, Obama’s aides and congressional leaders signaled the budget reductions would continue for weeks, possibly months. Both sides indicated that revisiting the reductions would begin after they resolve a looming confrontation over legislation that’s needed to keep federal agencies running beyond March 27, placing a premium on avoiding a government shutdown.

Unlike in previous budget showdowns, where Congressional leaders shuttled between the Capitol and the White House, lawmakers weren’t holding urgent negotiations. For his part, the president didn’t have any public events scheduled this week where he could use the bully pulpit to pressure Republicans.

“I don’t think anyone quite understands how it gets resolved,” House Speaker John Boehner, who called the cuts “silly,” said on NBC’s “Meet the Press” program. “After we do our continuing resolution, we’ll begin to work on our budget.”

One area of agreement between Republican and Democratic lawmakers over the weekend was avoiding a government shutdown when spending authorization for government operations expires March 27. Gene Sperling, the president’s top economic adviser, said on NBC’s “Meet the Press” that Obama doesn’t want to manufacture “another crisis” and Boehner said the House will vote this week on legislation to fund the government for the rest of the fiscal year.

**Bipartisan Resolution**

“I believe we’re going to be able to work out passing the continuing resolution later in March on a bipartisan basis through both the House and the Senate,” McConnell said on CNN’s “State of the Union” program.

Congress mandated $1.2 trillion in spending cuts spread over nine years as part of a 2011 deal to increase the U.S. debt limit. Though the cuts were designed to be so onerous that Congress and the president wouldn’t let them occur, a congressional impasse allowed the onset March 1 of the reductions set to total $85 billion this year. During his 2012 presidential campaign, Obama
promised that the cuts, which he has described as a “meat cleaver approach,” wouldn’t happen.

Negotiations to address the reductions have stalled as Democrats say they must be replaced by a combination of reduced spending, including in entitlement programs, and higher revenue from closing loopholes in the tax code for the wealthiest Americans. Republicans insist that new taxes won’t be part of any deal.

‘Slow Grind’

With some federal workers already receiving furlough notices and Obama describing the effects of the cuts as a “slow grind,” he and his aides, as well as Republicans, are swinging between downplaying the immediate impact and sounding alarms over the long-term economic threat.

“Yes, it’s not going to hurt as much on day one,” Sperling said on ABC’s “This Week” program. “But again every independent economist agrees, it is going to cost our economy 750,000 jobs just as our economy has a chance to take off.”

Even as the budget battles unfold, administration officials said Obama in the coming weeks would continue to separately push his ambitious second term agenda that includes immigration changes and gun control.

Public Pressure

They expect that as more Americans begin to feel the 2.4 percent cut in the federal budget, public pressure will force Republicans to cave on their demands.

If the cuts stay in effect, the reduced spending eventually may cause longer waits for air travelers, delays in production permits for oil and gas drilling, shorter opening hours at national parks, and the closing of meat plants that the Agriculture Department doesn’t have the manpower to inspect.

Sperling said that “as this pain starts to gradually spread,” the administration is counting on Republicans to come forward and accept a compromise that includes new revenues as well as reforms to entitlement programs such as Medicare.

“More Republican colleagues who are concerned about this harm to their constituents will choose bipartisan compromise on revenue raising tax reform with serious entitlement reform,” Sperling said on ABC.

Higher Taxes

Republican leaders rejected that. Senate Minority Leader Mitch McConnell, who called the cuts “modest,” said his party is “willing to talk” about a reconfiguration that doesn’t lead to higher taxes.

“We’re willing to talk to him about reconfiguring the same amount of spending reduction over the next six months,” McConnell said on CNN’s “State of the Union” program. “So far I haven’t heard a single Senate Republican say they’d be willing to raise a dime in taxes to turn off the sequester.”
While private and government economists have said the cuts may trim economic growth, investors have signaled they aren’t concerned about the impact on the $15.8 trillion U.S. economy.

The Standard & Poor’s 500 Index has risen 6.4 percent this year and the dollar led gains in world markets last month.

The reductions’ impact will become clearer over the next several weeks, as agencies inform affected government contractors of pullbacks and notify employees about furloughs, most of which won’t begin for at least a month. Still, the impact is likely to be gradual since agencies have had five months -- since the start of the fiscal year Oct. 1 -- to plan for changes.

The Defense Department gets about half the cuts with the rest spread throughout the federal government. Agencies need to draw equally from every “project, program and activity,” according to the law. Military pay, veteran’ benefits and Social Security benefits are exempt from the reduction.

“Deeply Destructive”

Once Obama officially ordered the cuts to begin on the night of March 1, the budget office transmitted a document to Congress itemizing reductions to hundreds of federal programs, updating an earlier report to lawmakers.

“The cuts required by sequestration will be deeply destructive to national security, domestic investments, and core government functions,” acting White House Budget Director Jeffrey Zients said in a letter to Boehner accompanying the budget office list.

Medicare will see a 2 percent reduction, while the National Institutes of Health, which funds medical research, will be cut by 5 percent, or about $1.5 billion, according to the OMB. Space operations at the National Aeronautics and Space Administration will be cut by 5 percent, or $212 million, and operations for the national park system, which includes 398 parks across the country, would get a reduction of 5 percent, or $113 million.

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