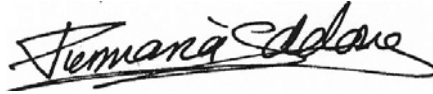


January 23, 2008

To: All Fermilab Employees
From: Pier Oddone, Laboratory Director
Subject: Furlough Policy



The FY 2008 Consolidated Appropriations Act eliminated nearly \$90 million from the President's FY 2008 budget request to Congress for the funding of High Energy Physics within the DOE Office of Science. This has resulted in reduced funding of \$52 million for Fermilab for the remaining months of FY08. In response to this unprecedented budget crisis, I have implemented a rolling furlough program that will begin on February 1, 2008 and last until September 30, the end of the 2008 fiscal year. The purpose of the rolling furlough program is to minimize the impact of this unanticipated budget shortfall on employees and the laboratory while allowing us to continue to deliver on existing programs. The amount we will save from the rolling furloughs is roughly equivalent to a one-month laboratory shutdown.

A copy of the furlough policy and answers to frequently-asked questions are attached. To summarize, the rolling furlough will require weekly employees to take 32 hours of unpaid furlough within a two-month period for a total of 16 (eight-hour) work days off. The Fair Labor Standards Act prohibits employers from reducing the pay of monthly employees in daily increments; therefore monthly employees must take a seven-calendar-day (five-day workweek, Monday through Friday) furlough within a two-month period for a total of 20 (eight-hour) work days off.

We are making every effort to increase our funding levels. If funding improves, there is a possibility that the furloughs could be stopped before September 2008. If our budget increases while we are in the midst of furloughs, we will finish out a two-month furlough period so that the impact of the furloughs is equal for everyone. To ensure savings from the furlough we will also limit vacation balances as of September 2008. Please refer to the attached handout titled "Vacation Balance Information."

If you have any questions, please contact members of the Employee Relations staff at frazier@fnal.gov (630/840-3793), hsidman@fnal.gov (630/840-3326), or jsmith@fnal.gov (630/840-4367).

Unpaid furloughs are an extreme and painful measure that we undertake because we must. However, we do it with confidence that our shared sacrifice and determination will take Fermilab through this crisis to emerge a stronger laboratory.