Continuity Labor Stabilization Layer (CLSL)

Human Capital Resilience Extension of the Mercury Accord (MER Framework)

The Continuity Labor Stabilization Layer (CLSL) extends the Mercury Accord (MER Framework) beyond trade and fiscal continuity into the human capital domain. It ensures that federal employees classified as “excepted” under the Antideficiency Act can lawfully maintain liquidity during government shutdowns—without creating new appropriations or breaching expenditure prohibitions.

1■■ Legal and Operational Foundation

- Operates under Antideficiency Act Section 1342 exceptions, recognizing required labor as a lawful deferred obligation.
- Introduces Continuity Credits (CCs): cryptographically verified digital acknowledgments of earned labor, stored within Treasury’s MER ledger.
- These CCs are not cash payments but authenticated deferred obligations reconcilable once appropriations resume.
- Enables a Continuity Access Network (CAN) of partner credit unions, community banks, and Federal Reserve facilities to provide lawful liquidity advances.

2■■ Mechanism and Flow

1. Recognition Phase: Agencies record verified work hours as CCs via MER’s timing (velocity) lever.
2. Liquidity Bridge: Employees may optionally access funds through CAN institutions, which extend advances backed by CCs.
3. Settlement: Upon restoration of appropriations, Treasury executes standard payroll and reimburses financial partners.
4. Audit and Reconciliation: MER ledger records ensure transparent compliance, preventing over-obligation or double disbursement.

3■■ Legal Compliance

- No new outlays: Treasury disbursements remain suspended until funding resumes.
- Deferred obligation recognition: Fully compliant with federal accounting standards and Antideficiency exceptions.
- Private-sector liquidity: Voluntary, non-federal advances prevent ADA violation.

4■■ Pilot Structure (2025–2030)

Phase 1 (2025–26): Shadow-mode simulation within DHS and Treasury HR/payroll APIs.
Phase 2 (2027–28): Limited live pilot with participating agencies (CBP, FAA, Coast Guard).
Phase 3 (2029–30): Expansion to all “excepted activity” agencies with CAN liquidity partners.
Metrics: Participation rates, liquidity uptake, repayment synchronization, and shutdown operational

stability.

5■■ Outcomes

- Human Continuity Assurance: Employees maintain financial stability during lapses, sustaining morale and performance.
- Institutional Resilience: Critical operations continue without attrition risk.
- Fiscal Neutrality: No additional appropriations; all obligations reconcile upon resumption.
- Public-Private Synergy: Creates the first lawful interface between Treasury obligation recognition and civilian liquidity provision.

6■■ Strategic Value within MER

- Complements the Shutdown Contingency Activation Layer, extending continuity logic to personnel.
- Proves MER’s two-lever design (velocity + liquidity) applies symmetrically to both trade and labor systems.
- Strengthens the legal and ethical foundation of the broader digital continuity economy.

7■■ Long-Term Vision

By 2035, CLSL could underpin a Digital Continuity Workforce Framework—an adaptive, lawful pay-assurance mechanism resilient to fiscal disruptions, ensuring that America’s public servants remain financially protected while preserving constitutional and budgetary integrity.