

# What Does a Government Shutdown mean for Transportation Contractors?

## Are there any impacts to the funding from the Infrastructure Investment and Jobs Act (IIJA)?

If Congress fails to act before September 30 and there is a government shutdown, programs funded by the IIJA would continue and be uninterrupted. This includes programs funded by the Highway Trust Fund and advance appropriations for highways and transit. However, various other agencies would cease operations, creating the potential for delays in situations where highway and transit programs require interactions with other agencies – like environmental reviews and permitting.

**Highways.** In a government shutdown scenario, all activities at the Federal Highway Administration (FHWA) are funded by sources not impacted by annual appropriations and will therefore continue to operate as normal without interruptions.<sup>1</sup> Agencies would continue to make timely payments to contractors and grantees on work performed before or after September 30.

**Transit.** In a government shutdown scenario, all activities at the Federal Transit Administration (FTA) are funded by sources not impacted by annual appropriations and will therefore continue to operate as normal without interruptions.<sup>2</sup> Agencies would continue to make timely payments to contractors and grantees on work performed before or after September 30.

**Aviation.** In a government shutdown scenario, most activities at the Federal Aviation Administration (FAA) that impact construction, are funded by sources not impacted by annual appropriations and will continue to operate as normal without interruptions. For example, all programs funded by the IIJA, including the funding for airport terminal and runway projects, will not be affected. Likewise, passenger facility charges will continue to be collected and AIP projects will continue to move forward.<sup>3</sup>

**So what is impacted in a government shutdown?** Many activities at the U.S. Department of Transportation would come to a halt – i.e. rulemakings, staff travel, and other administrative functions. Again, the biggest impact is if the government shutdown lasted for an extended period of time there could be delays with permits.

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<sup>1</sup> <https://www.transportation.gov/sites/dot.gov/files/2022-11/DOT%20Shutdown%20Plan%209-28-2022.pdf>

<sup>2</sup> <https://www.transportation.gov/sites/dot.gov/files/2022-11/DOT%20Shutdown%20Plan%209-28-2022.pdf>

<sup>3</sup> <https://www.transportation.gov/sites/dot.gov/files/2022-11/DOT%20Shutdown%20Plan%209-28-2022.pdf>