

How the Government Shutdown Impacts Construction Contracts

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Michael Barnicle, a partner in Troutman Pepper Locke’s Regulatory Investigations, Strategy, and Enforcement Practice Group, was quoted in the October 28, 2025 *Construction Dive* article, “[How the Government Shutdown Impacts Construction Contracts](#).”

That uncertainty often extends to subcontractors too. Contractors who fail to flow down stop-work or suspension clauses to their subs risk being squeezed between the government and their project partners, said Michael Barnicle, partner at Atlanta-based Troutman Pepper Locke.

“Also, don’t presume there is a one-size-fits-all answer every contract because there are a variety of exceptions that may apply to certain contracts,” Barnicle added.

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Although prior shutdowns have created a body of legal precedent, contractors should not assume that means easy victories, added Barnicle.

“The good news is that the legal precedent is far more robust than previous shutdowns that provide contractors more predictability,” Barnicle told *Construction Dive*. “The bad news is that the legal precedent generally reveals shutdown related claims are difficult to win for contractors.”

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