



## Impacts of Executive Order Pausing Infrastructure and Climate Funding

As of February 10, 2025, the United States District Court for the District of Rhode Island [issued an order](#) directing the presidential administration, “immediately restore frozen funding” and resume disbursement of already appropriated funds under the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA). This decision follows legal challenges brought forth by multiple states, contesting the legality of the funding freeze. The court’s decision is expected to face further legal challenges, and employers should remain vigilant and prepared for potential ongoing litigation and regulatory changes.

On January 20, 2025 President Donald Trump issued [an executive order](#) that has the potential to significantly disrupt infrastructure, transportation, and energy projects funded by two key Biden-era laws: the 2021 Infrastructure Investment and Jobs Act (IIJA) and the 2022 Inflation Reduction Act (IRA). The order directs federal agencies to “immediately pause the disbursement of funds” under these laws, raising concerns over the future of billions of dollars in infrastructure investments nationwide.

### Potential impacts on infrastructure projects:

This directive could result in the suspension of funding for ongoing projects, including road and bridge repairs, broadband expansion, and climate resilience efforts. Many states, including those led by Republican governors, have already started work relying on these federal commitments. If funding is withheld, states may need to find alternative sources or suspend projects entirely.

### Concerns for contractors and workforce stability:

The construction industry, particularly electrical contractors engaged in federally funded projects, may face uncertainty as the executive order is implemented. Many NECA contractors are working on projects supported by IIJA and IRA funds, and any disruption in disbursements could impact contracts, workforce stability, and supply chains. Some experts suggest this move could lead to legal challenges, especially if it violates the Prompt Payment Act, which mandates timely federal reimbursements for completed work.

### Legal and policy uncertainty:

There is some ambiguity on the immediate impact of this executive order. While some believe it signals a significant halt in funding, others caution that it may primarily serve as a review mechanism rather than an outright cancellation of obligated funds. Federal agencies will now determine how this



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order aligns with the new administration's policy priorities, adding to the uncertainty surrounding ongoing projects.

### Next steps for NECA members:

NECA is actively monitoring this situation and engaging with policymakers to advocate for the protection of critical infrastructure investments. We strongly encourage members to:

- Review any federally funded projects currently underway and assess potential risks.
- Communicate with Federal agency contracting officers and other owner stakeholders about possible funding delays.
- Stay informed on agency actions and legal developments resulting from this executive order.

NECA remains committed to ensuring that our industry's interests are represented as this situation unfolds. We will continue to provide updates as more details emerge. If you have any immediate concerns or project-specific questions, please contact NECA's Government Affairs team for guidance.

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