

# CORD

## Impacts of the 2013 Government Shutdown

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COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION

# **IMPACTS OF THE 2013 GOVERNMENT SHUTDOWN**

MAJORITY STAFF REPORT FOR CHAIRMAN ROCKEFELLER  
OCTOBER 11, 2013

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## EXECUTIVE SUMMARY

On October 1, 2013, the federal government experienced a lapse in funding and began a government shutdown. The shutdown has already had a significant impact. Approximately 800,000 federal employees were initially furloughed in agencies across the government. According to the planning documents submitted by agencies to the Office of Management and Budget and other sources, the vast majority of employees in agencies under the U.S. Senate Commerce Committee's jurisdiction were to be furloughed.<sup>1</sup>

As a result of the shutdown and subsequent employee furloughs, agencies have been forced to suspend or cease many vital operations. The following fact sheets assembled by Committee majority staff provide case studies of operations and activities that have been affected by the shutdown. For example:

- All Consumer Product Safety Commission (CPSC) port inspectors in the field have been furloughed, preventing the CPSC from screening products at ports of entry. CPSC port investigators annually screen thousands of product shipments and prevent millions of potentially dangerous product units from reaching store shelves – including children's products containing excessive lead content and sleepwear that violates flammability standards. (*See page 1 for additional detail*)
- The Federal Aviation Administration has halted the development, operational testing, and evaluation of technologies and safety standards for NextGen – the agency's program to modernize the air traffic control system and make the National Airspace System safer and more efficient. (*See page 5 for additional detail*)
- The closure of federally-run parks and other attractions is estimated to result in substantial economic harm to communities across the country that benefit from tourism activities surrounding these sites. It is estimated that the communities that surround National Park Service sites may lose as much as \$30 million and 750,000 visitors every day that these sites are closed. (*See page 23 for additional detail*)
- National Marine Fisheries Service determination of fishing quotas and permit approvals are pre-requisites for the commencement of fishing seasons across the country. As a result, furloughs of NMFS biologists who perform these functions threaten to delay and truncate the lucrative king crab fisheries season in Alaska and

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<sup>1</sup> Furlough data in this report is based on agency plans for shutdown (online at: <http://www.whitehouse.gov/omb/contingency-plans>) and conversations with agency staff. *See also Government Shutdown: What's Closed, What's Open?*, CNN (Oct. 1, 2013) (online at <http://www.cnn.com/2013/10/01/politics/government-shutdown-closings/>).

Washington, which was slated to start October 15 and typically lasts only a month or two. (See page 13 for additional detail)

- Both the National Highway Traffic Safety Administration and the National Transportation Safety Board have furloughed crash investigators, and as a result have been unable to send crash investigations teams to crashes during the shutdown, including the recent Tesla Model S that experienced a battery fire on October 1. (See pages 11 and 17 for additional detail)
- The National Aeronautics and Space Administration has furloughed over 17,000 employees not including contractors. Testing and validation activities on the James Webb Space Telescope, one of NASA's flagship science missions, have ceased, and NASA has powered down a United States-Japan weather research satellite that was due to be shipped for a February launch. (See page 9 for additional detail)

**Consumer Product Safety Commission**



The CPSC is an independent federal regulatory agency that protects the public against unreasonable risks of injury or death from consumer products. It is one of the first lines of defense separating children from dangerous products in the marketplace.

The CPSC monitors the safety of over 15,000 consumer products used in and around the home, outdoors, in the workplace, and in schools—including everything from children’s toys to portable gas generators and toasters. Deaths, injuries, and property damage from consumer product incidents cost the nation more than \$1 trillion annually. Major activities of the Commission include: issuing safety standards, initiating recalls, conducting research on potential consumer product hazards, informing the public of potential product hazards, and monitoring imported products at U.S. ports of entry for safety defects.

**Federal Workforce:** Employs approximately 530 employees.

**Shutdown Impact:**

- **Employees Furloughed:** Approximately 95% of CPSC employees have been furloughed. This includes employees who work on hazard identification and reduction, compliance and field operations, import surveillance, and the general counsel’s office.
  
- **Other Impacts:**
  - All product safety investigations, civil penalty negotiations, and any enforcement proceedings or recalls that do not meet the threshold of involving a “substantial and immediate threat to the safety of human life” have ceased.
  
  - All port inspectors in the field have been furloughed, preventing the CPSC from screening products at ports of entry. CPSC port investigators annually screen thousands of product shipments and prevent millions of violative or dangerous product units from reaching store shelves. In the first half of FY 2012 alone, inspectors prevented over 1 million units of violative or dangerous products from reaching consumers – including children’s products containing excessive lead content, and children’s sleepwear that violated flammability standards.<sup>1</sup>

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<sup>1</sup> U.S. Consumer Product Safety Commission, *Port Surveillance News: CPSC Takes Safety to the Front Lines* (July 23, 2012).

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- With fewer than 25 staff at work nationwide, CPSC has virtually no resources to monitor, sample, and conduct activities to enforce lead standards and ensure safety in consumer interactions with other dangerous products.
- The CPSC can no longer publish reports of harm and potential harm on the publicly accessible website *saferproducts.gov*, which each month typically receives over 100,000 visits and publishes over 1,000 reports.<sup>2</sup>

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<sup>2</sup> U.S. Government Accountability Office, *Consumer Product Safety Commission: Awareness, Use, and Usefulness of SaferProducts.gov* (Mar. 2013) (GAO-13-306).

**Economic and Statistics Administration**



The Commerce Department's Economic and Statistics Administration, which houses the Bureau of Economic Analysis and the Census Bureau, produces key data about the state of the U.S. economy. These agencies release regular statistical reports that influence decisions of government officials, business people, and individuals. The cornerstone of the BEA's economic measures are the National Income and Product Accounts (NIPAs), a comprehensive set of measures such as Gross Domestic Product (GDP), price indexes (*e.g.*, Consumer Price Index), and foreign transactions (*e.g.*, the Current Account balance).

**Federal Workforce:** The Bureau of Economic Analysis employs 460 federal employees.

**Shutdown Impact:** The Economic and Statistics Administration is closed for the duration of the government shut down. 456 employees of the BEA are furloughed with only a skeletal staff of 5 deemed excepted. BEA is not releasing any new economic statistics, and is not collecting or analyzing new data, including any analysis of the impact of the government shutdown on the economy. Additionally, the BEA website is inaccessible to researchers and others who rely on its data to analyze the state of the economy.

- The BEA was to release a report on construction spending 10 hours after the shutdown began. That report has not been released.<sup>3</sup> Similarly, reports on US international trade in goods and services, monthly wholesale trade, retail sales, and manufacturing inventory and trade were not released as scheduled.
- The BEA is scheduled to release its first estimate of the third quarter Gross Domestic Product (GDP) on October 30. It is not yet clear if that report will be impacted by the closure.
- The Census Bureau is shuttered and unable to prepare economic data that is due to be released this month, including August factory orders, the trade deficit for August, and August business inventories and September retail sales.<sup>4</sup>
- The loss of these data sets along with the loss of jobs numbers from the Department of Labor has hindered the ability of financial analysts to make determinations about the state

<sup>3</sup> *UPDATE 1-U.S. Government Shutdown Slows Flow of Data to a Trickle*, Reuters (Oct. 1, 2013) (available at: <http://www.cnbc.com/id/101077765>).

<sup>4</sup> Pew Research Center, *Federal Government Shutdown: The Data Casualties* (Oct. 2, 2013) (available at: <http://www.pewresearch.org/fact-tank/2013/10/02/federal-government-shutdown-the-data-casualties/>).

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of the US economy this month. This affects investment decisions and financial markets, and could impact the Federal Reserve's monetary policy analysis.

**Federal Aviation Administration**



The FAA's mission is to provide the safest, most efficient aerospace system in the world. This includes: operating the largest and most complex air traffic control system in the world; ensuring the safety of commercial airlines operations and the general aviation (GA) community; and overseeing aircraft airframe and component manufacturers.

**Federal Workforce:** Employs approximately 46,000 employees throughout the nation.

**Shutdown Impact:**

- **Employees Furloughed:** The FAA initially furloughed 15,514 employees. The agency recalled 800 safety related employees on October 7, leaving 14,714 employees on furlough.
  
- **Other Impacts:**
  - The closure of the Aircraft Registry Office has effectively shut down aircraft deliveries. Any aircraft that is sold domestically, exported, or imported for commercial or private use must be registered by this office. The General Aviation Manufacturers Association information indicates that the shutdown will delay delivery of about 142 new GA aircraft by mid-October, with a combined value of almost \$1.5 billion. If the office remains closed the impact on GA manufacturers could be substantial: typically about 35 percent, or roughly \$8 billion worth of annual GA aircraft deliveries occur in the fourth quarter. In 2012, shipments of GA airplanes totaled 2,133 airplanes, and were valued at \$18.9 billion.
  
  - FAA staff who certify the safety of aircraft, component parts, and modifications to aircraft, have been reduced from approximately 1,300 employees to 100 due to the shutdown. The manufacture of civilian aircraft and related components directly provided 1,090,000 jobs that produced \$185 billion in economic output in 2009, while U.S. sales of civilian aircraft, engines, equipment and parts to foreign entities contributed \$75 billion toward the nation's trade balance that year. The continued reduction in FAA certification activities threatens this sector as it could delay manufacturers' schedules across the country. Industry stakeholders indicate a lengthy shutdown could also lead to layoffs.
  
  - FAA has halted the development, operational testing, and evaluation of technologies and safety standards for NextGen – the agency's program to modernize the air traffic control system. NextGen will make the National

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Airspace System safer and more efficient by moving the agency to a satellite-based air traffic control system that uses GPS and advanced communications to provide pilots and air-traffic controllers with real-time traffic and weather information. Progress on NextGen slowed during initial implementation of the sequestration in 2013 and the initiative has been put on hold altogether due to the shutdown.

- The FAA's furlough of over half of its inspectors who review airline operations and aircraft manufacturing facilities – approximately 1,700 safety inspectors – also raises concerns about the potential erosion in the agency's layers of safety oversight.

**Federal Trade Commission**



The Federal Trade Commission (FTC) is the nation's premier consumer protection agency. It enforces laws that prohibit business practices that are anticompetitive, deceptive, or unfair to consumers. The FTC also educates consumers and businesses to encourage informed consumer choices and compliance with the law.

The FTC's enforcement activities – which center on advertising and marketing practices, deceptive financial products, telemarketing fraud, privacy, and identity protection – result in millions of dollars in consumer redress each year and the issuance of permanent injunctions to prevent abusive behavior in the marketplace. Additionally, through advocacy, education, and policy work, the FTC protects consumers and promotes competition before marketplace harms can occur.

**Federal Workforce:** Employs approximately 1,178 employees in Washington, DC, and seven regional offices.

**Shutdown Impact:**

- **Employees Furloughed:** Roughly 925 or more employees in Washington, DC, and the seven regional offices.
- **Other Impacts:** The FTC has shut down all consumer protection activity except for ongoing cases for which there are pending court dates that cannot be postponed. This means:
  - The FTC is no longer receiving or processing information from states, consumers, and other sources on fraudulent actors that are committing unfair or deceptive acts or practices; nor is the Commission seeking new enforcement actions against bad actors.
  - The FTC is no longer conducting any consumer protection awareness outreach to schools and local communities.
  - The FTC's Consumer Sentinel database – the main national tool for gathering and evaluating consumer complaint information submitted to local, state, and federal entities – is not operational. As a result local and state law enforcement cannot access critical information about fraudulent actors and track fraud across borders.<sup>5</sup>

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<sup>5</sup> Federal Trade Commission, *Shutdown of Federal Trade Commission Operations Upon Failure of the Congress to Enact Appropriations* (Sept. 27, 2013).

**Maritime Security Program**



The Maritime Administration (Marad) within the Department of Transportation is responsible for the promotion and viability of the U.S. merchant marine, including the administration of the Maritime Security Program (MSP). The MSP maintains a core fleet of U.S.-flag, privately-owned vessels operating in international commerce, which are also under agreement to provide support to the Department of Defense during war and national emergencies. These vessels provide critical support to the military and delivered more than 95 percent of the nation's war supplies to Iraq and Afghanistan. For example, in 2009 MSP carriers served a critical role in providing support to the military by helping to quickly establish the Northern Distribution Network as an alternate route to move cargoes overland into Afghanistan.

**Federal Workforce:** Marad has approximately 830 employees in Washington, DC, and in regional offices throughout the United States. In addition, the MSP program supports 2,700 mariner positions in the United States and on vessels throughout the world.

**Shutdown Impact:**

- **Employees Furloughed:** 451 employees in regions throughout the country.
- **Other Impacts:**
  - The MSP is operating under severely constrained funds, because of a lack of a long-term appropriations bill and the impacts of sequestration. The lack of full funding will require Marad to shortly cut more than 10 vessels from the program, which will diminish the number of vessels available to transport supplies to our troops. According to the U.S. Transportation Command, reductions in these fleets could hinder our ability to quickly deploy and sustain our forces.
  - It costs carriers more to operate U.S. vessels as opposed to foreign-flag vessels because labor and environmental costs are higher in the United States. MSP funding offsets such costs and helps ensure that American mariners on American-flagged vessels are available during military conflicts or national emergencies. Without full funding for the MSP to offset these costs, some carriers may leave the program and their change their registration to be foreign-flag.<sup>6</sup> According to the Maritime Administration, this would result in the loss of more than 400 mariner jobs.

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<sup>6</sup> *Captain Phillip's Ship Helmed by Tom Hanks at Risk in Shutdown*, Bloomberg.com (Oct. 9, 2013).

**National Aeronautics and Space Administration**



The National Aeronautics and Space Administration (NASA) is responsible for the nation's civil space program. The agency's exploration programs have included missions to every planet in the solar system. NASA is the only space agency in the world to have completed multiple successful robotic missions to the surface of Mars. The agency built and operated for 30 years the Space Shuttle, the world's first reusable spacecraft, and constructed the International Space Station (ISS), widely regarded as the most complex engineering project ever endeavored. NASA's in-space observatories have resulted in key scientific discoveries, unlocking clues to understanding the formation and composition of the universe. In fiscal year 2013, NASA's activities included the continued the robotic exploration of Mars, pharmaceutical research and natural disaster monitoring from the ISS, ongoing development of commercial access to space, and the engagement of tens of thousands of students in education and career development activities.

**Federal Workforce:** NASA directly employs more than 18,000 workers, not including contractors, through its centers in Alabama, California, Florida, Ohio, Maryland, Mississippi, Texas, Virginia, and the District of Columbia.

**Shutdown Impact:**

- **Employees Furloughed:** NASA has furloughed over 17,000 employees (not including contractors) across all agency centers.
- **Contracts Affected:** Some NASA contractors have been furloughed and access to NASA facilities has been limited, including for major programs such as the Orion Multi-Purpose Crew Vehicle, scheduled to first launch in 2014. In addition, NASA oversight and coordination activities have stopped, potentially leading to costly overruns due in part to missed deadlines and to the additional resources required to shut down and restart activities.
- **Other Impacts:**
  - Barring exceptions such as that granted to the upcoming MAVEN launch to Mars, missions may face missed launch windows and delays if government shutdown continues. For instance, the January 2014 launch date for the latest Tracking and Data Relay Satellite (TDRS-L), which supports communication with space assets, could be at risk.

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- Ground operations in support of new ISS research has halted, which may disrupt the pipeline of experiments slated for launch. ISS research areas include human physiology, pharmaceuticals, agriculture, and earth observation.
- Testing and validation activities on the James Webb Space Telescope, one of NASA's flagship science missions, have ceased. Meanwhile, NASA has powered down a U.S.-Japan weather research satellite due to be shipped for a February launch.<sup>7</sup>
- Some NASA contractors have already reported financial difficulties that may require them to use loans to pay salaries or face major layoffs. In some cases, NASA will have to pay late fees to contractors once the shutdown has concluded.

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<sup>7</sup>*NASA Missions Struggle to Cope with Shutdown*, Nature (Oct. 8, 2013) (online at: <http://www.nature.com/news/nasa-missions-struggle-to-cope-with-shutdown-1.13893>).

*National Highway Traffic Safety Administration*



The National Highway Traffic Safety Administration (NHTSA) is responsible for ensuring the safety of vehicles on the roads and for providing consumer information about the safety of vehicles on the market. NHTSA establishes Federal Motor Vehicle Safety Standards that all passenger vehicles must meet. The agency is responsible for ensuring compliance with those safety standards, investigating possible vehicle safety defects, working with automakers to recall vehicles that are non-compliant or that contain safety defects, and conducting research into vehicle safety issues. As part of these duties, NHTSA tracks information from manufacturers and consumers regarding potential defects and conducts investigations into some vehicle crashes.

**Federal Workforce:** NHTSA as a whole employs 597 employees in Washington, DC, and in regional offices across the country. Of that total, 337 work on the vehicle safety programs that are funded through annual appropriations. The other 259 work on highway safety behavioral programs and are funded through the Highway Trust Fund.

**Shutdown Impact:**

- **Employees Furloughed:** 333 employees – virtually the entire staff dedicated to vehicle safety – have been furloughed.
  
- **Other Impacts:**
  - All crash investigators are furloughed. As a result, NHTSA has been unable to send Special Crash Investigations teams to any crashes during the shutdown. For example, the shutdown prevented NHTSA from examining a Tesla Model S that experienced a battery fire on October 1. Without funding, the agency cannot examine the battery to gather information about the cause of the fire, nor can it use information from this fire to inform its ongoing work on battery safety.<sup>8</sup>
  
  - On average, vehicle manufacturers issue more than 400 recalls per year, affecting millions of individual vehicles. While a minority of these recalls is influenced by NHTSA investigations, all involve consultation with NHTSA regarding the content of the recall notice and the effectiveness of the recall campaign.<sup>9</sup> Due to the shutdown, however, the agency is not reviewing any safety data submitted during the time of the shutdown. This includes regular reports from vehicle

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<sup>8</sup> *Furloughed Inspectors Leave Gaps in Safety Oversight*, Bloomberg (Oct. 9, 2013).

<sup>9</sup> Government Accountability Office, *Auto Safety: NHTSA has Options to Improve the Safety Defect Recall Process* (June 2011).

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manufacturers, consumer complaints, and reports from manufacturers regarding potential defects. As a result, NHTSA cannot influence the recall process.<sup>10</sup>

- All safety defect investigations that were open at the time of the shutdown are on hold. These include investigations into possible loss of transmission power in some Nissan vehicles, allegations of fires in the front passenger area on some Jeep Grand Cherokee vehicles, and reports of unexpected braking on some Honda minivans.<sup>11</sup>

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<sup>10</sup> Department of Transportation, *Operations During a Lapse in Annual Appropriations Plans by Operating Administration* (Sept. 27, 2013).

<sup>11</sup> *Id.*; National Highway Traffic Safety Administration investigations (PE13029, PE13027, PE13024).

**National Marine Fisheries Service Biologists**



The National Marine Fisheries Service (NMFS) is a division of the National Oceanic and Atmospheric Administration within the U.S. Department of Commerce. NMFS biologists are responsible for the stewardship of the nation’s living marine resources and their habitat, and work to prevent lost economic potential associated with overfishing and declining species and degraded habitats. They assess and predict the status of fish stocks, enforce fisheries regulations under the Magnuson Stevens Act, and work to reduce wasteful fishing practices. They also help recover protected marine species such as whales and turtles.

**Federal Workforce:** There are 3,149 NMFS employees across the country.

**Shutdown Impact:**

- **Employees Furloughed:** Of the 3,149 employees within the National Marine Fisheries Service, 2,675 have been furloughed.
- **Other Impacts:**
  - NMFS staff analysis of fish stocks is essential for determining allowable catch limits and issuing permits, without which fishermen across the United States cannot fish. This system helps guard against illegal fishing in U.S. waters by international fisherman and ensure the fish American consumers eat is safe and sustainable. Without NMFS determination of fishing quotas and permit approval, fishing seasons cannot commence. For example:
    - The opening day of the lucrative king crab fisheries season in Alaska and Washington is slated for October 15. The entire crab season is over when quotas are reached, which is typically within about a month or by January 1 at the latest.
    - Crab fishing in this region depends on a quota system whereby the NMFS determines the total metric tonnage for the crab harvest and assigns quotas to harvesters.
    - This year, nearly 500 eligible vessels and companies have applied for permits to fish in this season. But due to the shutdown, NMFS has not yet assigned them quotas.
    - Every day these fishermen are docked could mean money lost for them. Captain Keith Coburn, who is seen on Discovery Channel’s *Deadliest Catch*, has estimated that he makes 30% of his annual income in about 8 days during this season, and that if the shutdown continues long enough to prevent his participation at the start of the season, he will lose this income.

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- A delay of even one week in the fishing season could mean that the opportunity to export to the holiday market in Asia would be missed, and Japan is the fleet's largest buyer.
  - Crab processors and food distributors would also be indirectly affected by delays in the king crab fishing season, and consumers could pay higher prices for king crab.<sup>12</sup>
- In October, toward the end of the cod fishing season, NMFS staff typically review the unused quota for cod to reallocate unused trawl cod allocations to other fishing sectors utilizing other types of fishing gear to catch the fish. Cod fishermen in Alaska have raised concern regarding whether the shutdown will delay this reallocation, leave millions of cod uncaught, and undermine economic opportunity for these fisherman.

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<sup>12</sup> *Government shutdown threatens king crab season*, KIROTV.com (Oct. 5, 2013) (online at <http://www.kirotv.com/news/news/government-shutdown-threatens-king-crab-season/nbGpX/>).

**National Oceanic and Atmospheric Administration's Weather Forecasting Services**



The National Oceanic and Atmospheric Administration (NOAA) is a scientific agency within the Department of Commerce. Its mission is to understand and predict changes in Earth's environment, and conserve and manage coastal and marine resources to meet the nation's economic, social, and environmental needs. NOAA currently has a presence in every state and affects more than one-third of America's gross domestic product. NOAA's National Weather Service provides weather, hydrologic, and climate forecasts and warnings for the United States for the protection of life and property, and the enhancement of the national government.

**Federal Workforce:** NOAA has 12,274 federal employees.

**Shutdown Impact:**

- **Employees Furloughed:** Across NOAA, 5,369 staff have been furloughed, including 663 National Weather Service employees, and 609 National Environmental Satellite, Data and Information Service employees.
- **Contracting Impact:** NOAA has already initiated layoffs of hundreds of federal contractors in the wake of the shutdown. Further, private contractors reliant upon NOAA funding have warned they will need to initiate furloughs in the coming weeks if the shutdown continues.<sup>13</sup>
- **Other Impacts:** Every commercial weather service and company in the nation and many across the globe rely directly on products and services provided by NOAA.
  - While NOAA's immediate core weather operations remain functional in the short term, the flow of current services has been hampered in numerous instances by the shutdown, including the following examples:
    - Some forecasters are reporting lack of access to data on servers located in furloughed NOAA offices and to data at the shuttered National Climate Data Center.<sup>14</sup>
    - Fishermen have complained that they cannot access their usual offshore forecasts.<sup>15</sup>

<sup>13</sup> Committee staff conversations with affected furloughed contractors of NOAA, NASA, and representatives of Lockheed Martin and Ball Aerospace (Oct. 2013).

<sup>14</sup> Information provided to Committee staff from National Weather Service Employee Organization (Oct. 2013).

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- The National Weather Service and NOAA’s official Twitter feeds have stopped disseminating all information and updates to stakeholders.
  - Most technical maintenance work on weather information technology services, such as updating weather forecasting software and repairing technical problems, has been suspended.<sup>16</sup>
  - National Ocean Service products and services such as nautical charting, and coastal management and work performed to safely reopen ports following storms, are almost entirely suspended.<sup>17</sup>
- Additionally, the shutdown threatens to undermine future weather forecasting capability. Nearly all NOAA staff working to refine, develop, and improve on the nation’s current forecasting models, products, and services have been furloughed. This includes staff working to develop the next generation of essential weather satellites, including the Joint Polar Satellite System and Geostationary Operational Environmental Satellite program – satellites that are already overdue. Experts predict the nation may face a gap in weather forecasting capability in future years when existing satellites fail and the next generation of satellites has not been successfully deployed.

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<sup>15</sup> *Government Shutdown Threatens King Crab Season*, KIROTV.com (Oct. 5, 2013) (online at <http://www.kirotv.com/news/news/government-shutdown-threatens-king-crab-season/nbGpX/>).

<sup>16</sup> Information provided to Committee staff from National Employees Weather Service Union (Oct. 2013).

<sup>17</sup> Information provided to Committee staff from Department of Commerce (Oct. 2013).

**National Transportation Safety Board**



NTSB is an independent federal agency charged by Congress with investigating every civil aviation accident in the United States and significant accidents in other modes of transportation, including railroad, highway, maritime, and pipeline. NTSB determines the probable cause of each accident investigated and issues safety recommendations aimed at preventing future accidents.

**Federal Workforce:** NTSB employs 410 employees in Washington, DC; Ashburn, VA; Denver, CO; Federal Way, WA; and Anchorage, AL.

**Shutdown Impact:**

- **Employees Furloughed:** 383 of the 410 total employees have been furloughed.
- **Other Impacts:** Due to the shutdown and resulting high number of furloughed employees, NTSB now has severely limited accident investigation capabilities. While the agency has initiated a few investigations since the shutdown began, staff limitations have not allowed for the investigation of most recent accidents. Further, NTSB has been forced to suspend a number of accident investigations, which will delay critical findings on accident causes and delay issuance of safety recommendations.

**Accident Investigations Not Initiated:**

- October 7, 2013, Washington, DC – Washington Metro System. The NTSB said it would not investigate an October 6 accident that occurred in a tunnel in the Metro system serving Maryland, Virginia, and the District of Columbia, which had killed a contractor and injured two Metro employees.<sup>18</sup>
- October 2, 2013, Dandridge, TN – Fatal bus crash. A bus operated by Front Street Baptist Church in Statesville, NC, was travelling on Interstate 40 when the left front tire reportedly blew out; the bus crossed through the median area and into opposing traffic lanes and was impacted by a westbound tractor-trailer and an SUV. Six bus passengers died, the driver of the tractor-trailer died, and one of the three occupants in the SUV died. There were a minimum of 13 others who were injured, many of them seriously.<sup>19</sup>

<sup>18</sup> *NTSB Won't Investigate Fatal Metro Accident Because of Government Shutdown*, Washington Times (Oct. 7, 2013).

<sup>19</sup> *No NTSB Investigators for Deadly Bus Crash Because of Government Shutdown*, NBC News (Oct. 3, 2013).

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- October 1, 2013, Kent, WA – Tesla Model S fire. A battery-related fire started in a Tesla Model S vehicle after the vehicle struck metal debris on the road.<sup>20</sup> According to the NTSB, investigating this lithium ion battery issue would have complemented a previous investigation of the Chevrolet Volt battery-related fire and provided additional information regarding the technology.

### **Major Accident Investigations Suspended:**

- September 29, 2013, Santa Monica, CA – Crash of a private jet. A Cessna Citation plane crashed at the Santa Monica Airport on September 29, 2013, causing four casualties. NTSB staff was on the scene to start the investigation, but NTSB has suspended the investigation.<sup>21</sup>
- July 6, 2013, San Francisco, CA – Crash of Asiana flight 214. A jetliner crashed landed in San Francisco killing three passengers and injuring dozens.<sup>22</sup> The investigative hearing for this incident originally scheduled for November 6-7, 2013, has been delayed.<sup>23</sup>
- May 28, 2013, Rosedale, MD – CSX freight train crash. A CSX freight train hit a truck in Baltimore County Maryland resulting in the train derailing and an explosion.<sup>24</sup> According to the NTSB, all investigative activity and project work has halted.
- May 23, 2013, Mount Vernon, WA – Bridge collapse over the Skagit River. A tractor trailer struck a bridge on I-5 in Washington State causing a portion of the bridge to collapse.<sup>25</sup> According to the NTSB, all investigative activity and project work has halted.
- May 2013, Bridgeport, Connecticut – Metro-North rail accidents. On May 28, a Metro-North worker was struck by a train while he worked on the tracks. On May 17, an eastbound train derailed and crashed into an oncoming train injuring dozens of

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<sup>20</sup> *How Does the Tesla Model S Ace Safety Tests, but Catch on Fire?*, ABC News (Oct. 3, 2013).

<sup>21</sup> *See Government Shutdown Halts NTSB Probe into Santa Monica Jet Crash*, Los Angeles Times (Oct. 1, 2013).

<sup>22</sup> *Third Girl Dies from Injuries in Asiana Airlines Crash in San Francisco*, NBC News (Jul. 15, 2013).

<sup>23</sup> National Transportation Safety Board (online at [www.NTSB.gov](http://www.NTSB.gov)).

<sup>24</sup> *Freight Train Hits Truck and Derails in Maryland*, CNN (May 30, 2013).

<sup>25</sup> *I-5 Bridge Collapse Over Skagit River in Washing Sends Cars, People into the Water*, ABC News (May 23, 2013).

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passengers.<sup>26</sup> The pre-hearing conference for this investigative hearing originally scheduled for October 8, 2013, has been postponed.

- November 15, 2012, Midland, TX – Parade float collision with Union Pacific train. A parade float carrying Wounded Warriors and their spouses from the Iraq and Afghanistan wars was impacted by a UP train, killing 4 soldiers and seriously injuring several others.<sup>27</sup> According to NTSB, consideration of the agency's report is scheduled for early November but likely to be postponed.

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<sup>26</sup> *NTSB Lists Agenda for Hearings on Connecticut Metro-North Crashes*, New Haven Register (Sept. 20, 2013).

<sup>27</sup> *Texas Parade Honoring War Heroes Ends in Tragedy*, Associated Press (Nov. 16, 2012).

*United States Coast Guard*



The U.S. Coast Guard is one of the five armed forces of the United States and the only military organization within the Department of Homeland Security. Since 1790, the Coast Guard has safeguarded our nation's maritime interests and environment around the world. The Coast Guard is an adaptable, responsive military force of maritime professionals whose broad legal authorities, capable assets, geographic diversity, and expansive partnerships provide a persistent presence and enforce all applicable federal laws along our rivers, in U.S. ports and littoral regions, and on the high seas. The Service performs eleven statutory missions, which can be categorized broadly into three roles: safety, security and stewardship.

**Federal Workforce:** The Coast Guard consists of over 42,000 active duty personnel, 8,000 reservists, 8,800 civilian employees, and 32,000 auxiliary volunteers.

**Shutdown Impact:**

- **Employees Furloughed:** All uniformed, active duty Coast Guard military personnel are reporting for duty. During the first week of the shutdown, 6,263 civilian personnel were furloughed. However, the Pay Our Military Act has allowed 5,788 of these employees to return to work as of Monday, October 7.<sup>28</sup>
- **Contracting Impact:** The Coast Guard's Acquisition Directorate is responsible for an approximately \$30 billion investment portfolio used to recapitalize the Service's aging cutters, boats, and aircraft; procure command, control, communication, computers, intelligence, surveillance, and reconnaissance systems; and acquire personnel and facilities provisions and other logistics. The Coast Guard contracts with a wide variety of industries, such as shipbuilders, telecommunications companies, and facilities servicers, in order to provide for and sustain mission readiness in the field.

Most of the procurement and contracting work to maintain and repair the Service's aging surface and air assets and facilities has been either been curtailed or suspended since the shutdown. For example, allocation of supplemental appropriations the Coast Guard received under the Disaster Relief Appropriations Act, 2013<sup>29</sup> to repair facilities and infrastructure damaged by Hurricane Sandy has ceased, impacting multimillion dollar contracts slated to be awarded in October for building (valued at \$2 million) and seawall repairs (valued at \$9 million). This supplemental funding must be allocated for these needed projects during FY 2014, or else it will be returned to the Treasury.

There are numerous other multimillion projects that would be affected due to the "trickle down" delay caused by the shutdown. Should the shutdown continue and FY 2014 appropriations not be provided, a number of mission-critical surface asset recapitalization efforts would be delayed, including three design contracts for the new offshore patrol

<sup>28</sup> Pay our Military Act, Pub. L. No. 113-39 (Sep. 30, 2013).

<sup>29</sup> Disaster Relief Appropriations Act, Pub. L. No. 113-2 (Jan. 29, 2013).

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cutter (valued at \$25 million), needed to replace the 40 to 50-year old, 210-foot and 270-foot medium endurance cutters; contracts for construction of fast response cutters (valued at \$75 million), needed to replace the 30-year-old 110-foot patrol boats; and completion of the seventh of eight national security cutters (valued at \$615 million), needed to replace the 45-year-old 378-foot high endurance cutters. With a continued shutdown, assets currently under construction and newly-acquired are likely to suffer reduced quality assurance checks, increasing the probability that any defects will be detected much later, and therefore, future repair costs.

- **Other Impacts:**

- Although the Coast Guard has indicated essential Service activities are “uninterrupted,” Coast Guard services and activities that have been curtailed include:
  - 50 percent reduction in surface and air support to Joint Interagency Task Force-South, which focuses on drug and migrant interdiction in the Gulf of Mexico and the Caribbean;
  - 25 percent reduction in surface and air support for general migrant interdiction operations; and
  - 35 percent reduction in surface and air support hours for the Living Marine Resource mission, which involves international and domestic fishery patrols as well as other at-sea enforcement.

*United States Merchant Marine Academy*



The Maritime Administration within the Department of Transportation is responsible for the promotion and viability of the U.S. merchant marine, including oversight of the U.S. Merchant Marine Academy (USMMA) in Kings Point, NY. USMMA is a federal service academy that educates and graduates licensed merchant marine officers to serve America's marine transportation and defense needs. The Academy's four-year program provides each midshipman with the broad college education required for a Bachelor of Science degree, with the specialized training for licensing as a merchant marine officer and with the military knowledge for commissioning in a reserve component of the Armed Forces. As part of their education, midshipmen are sent to sea during their sophomore and junior years for practical shipboard training. Midshipmen are assigned to a variety of U.S.-flag merchant vessels to sail the trade routes of the world, putting their classroom knowledge to the test in a real-life environment while getting to visit an average of 18 foreign countries. Approximately 1,000 students attend USMMA.

**Federal Workforce:** The USMMA employs approximately 275 people, including 80 faculty members.

**Shutdown Impact:**

- **Employees Furloughed:** Almost all of USMMA's faculty and staff are civilians subject to shutdown furloughs.
  
- **Other Impacts:**
  - All professors and most staff at the USMMA have been furloughed. Starting on October 15, the Academy anticipates it will have to shut down entirely and send students home.<sup>30</sup>
  
  - Parents have raised concerns that the shutdown could delay the student's training and careers, because of the compact scheduling and training requirements at USMMA.<sup>31</sup>
  
  - According to USMMA, it costs more than \$220,000 per day in operational costs for every missed day of school that needs to be made up.

<sup>30</sup> USMMA.edu, *Questions and Answers on the USMMA Schedule*.

<sup>31</sup> *Shutdown Sidelines U.S. Merchant Marine Academy Cadets*, CNN.com (Oct. 6, 2013).

**United States Travel and Tourism Industry**

Travel is a strong driver of the nation’s economy. The U.S. Travel Association estimates that the sector generates \$2.0 trillion in economic output, ranks among the top ten private employers in the country (supporting 14.6 million American jobs), and contributes more than \$129 billion in tax revenues each year.<sup>32</sup> The largest subsectors of the travel and tourism industry are food services, air travel, accommodations, and recreation and attractions.<sup>33</sup>

**Shutdown Impact:** As stated by President and CEO of the U.S. Travel Association Roger Dow one day before the shutdown, “The closure of national parks and federal historic sites to millions of travelers – coupled with the general perception of an uncertain travel process – would do serious and immediate harm to the economy.”<sup>34</sup>

- **Closure of Federally Run Parks and Attractions.** Federal parks, national monuments, battlefields, and other attractions run by the National Park Service have closed due to the shutdown, potentially affecting the travel plans of millions. All 19 museums and galleries run by the Smithsonian Institution – as well as the National Zoo – have been shuttered. When in operation, the Smithsonian welcomes hundreds of thousands of visitors per week. In addition, National Marine Sanctuaries that attract pleasure boating activities, including the Monterey Bay National Marine Sanctuary<sup>35</sup> and the Thunder Bay National Marine Sanctuary<sup>36</sup> all have been closed due to the shutdown.
  - **Federal Workforce:** Over 21,000 members of the National Park Service staff have been furloughed. Hundreds of staff for Marine Sanctuary sites also have been furloughed.

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<sup>32</sup> U.S. Travel Association, *The Power of Travel Promotion: Spurring Growth, Creating Jobs*, at 7, 9 (2013) (online at [http://www.ustravel.org/sites/default/files/page/2011/08/e\\_Power\\_Travel\\_Promotion1.pdf](http://www.ustravel.org/sites/default/files/page/2011/08/e_Power_Travel_Promotion1.pdf)).

<sup>33</sup> U.S. Department of Commerce, Select USA, *The Travel, Tourism and Hospitality Industry in the United States* (online at <http://selectusa.commerce.gov/industry-snapshots/travel-tourism-and-hospitality-industry-united-states>).

<sup>34</sup> U.S. Travel Association, Press Release, *U.S. Travel Community Warns Against Federal Shutdown* (Sept. 30, 2013) (online at <http://www.ustravel.org/news/press-releases/us-travel-community-warns-against-federal-shutdown>).

<sup>35</sup> See [montereybay.noaa.gov](http://montereybay.noaa.gov).

<sup>36</sup> See [flowergarden.noaa.gov/visiting/visit.html](http://flowergarden.noaa.gov/visiting/visit.html).

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- **Other Impacts:**
  - The communities that surround National Park Service sites may lose as much as \$30 million and 750,000 visitors per day.<sup>37</sup> Hundreds of local communities that benefit from tourism to federally protected areas will be affected, in every state in the nation.
  - Small business owners that operate private tours of federally protected areas, or operate restaurants and cafes based near these sites are all losing significant revenue. One ferry company servicing the Statue of Liberty and Alcatraz expects to lose \$2 million in revenue and will be forced to lay off 200 employees.<sup>38</sup>
  - Planned student and class activities to federal sites have been indefinitely suspended.<sup>39</sup>
  - Weddings scheduled to be held at various sites on the National Mall in October have been forced to be relocated.<sup>40</sup>
- **International Travel Impact:** International travel companies are advising clients not to travel to the United States in October, citing the government shutdown and impact on

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<sup>37</sup> National Parks Conservation Association, *Government Shutdown Closes National Parks* (updated Oct. 10, 2013) (online at <http://www.npca.org/protecting-our-parks/park-funding/park-funding.html>).

<sup>38</sup> U.S. Travel Association, *Impact of the Shutdown: Tales from the Frontline* (online at <http://www.ustravel.org/government-affairs/domestic-policy-issues/impact-of-the-shutdown>).

<sup>39</sup> See e.g., *D.C. Tourism Officials Worry that Shutdown Will Drive Visitors Away*, WAMU 88.5 News (Oct. 3, 2013) (online at [http://wamu.org/news/13/10/03/dc\\_tourism\\_officials\\_worry\\_that\\_shutdown\\_will\\_drive\\_visitors\\_away](http://wamu.org/news/13/10/03/dc_tourism_officials_worry_that_shutdown_will_drive_visitors_away)); *Student Groups Feel Shutdown*, The Daily Tar Heel (updated Oct. 9, 2013) (online at <http://www.dailytarheel.com/article/2013/10/student-groups-feel-shutdown>); *Shutdown upends class trips by central Ohio Schools*, The Columbus Dispatch (Oct. 2, 2013) (online at [http://www.dispatch.com/content/stories/local/2013/10/01/Shutdown\\_forces\\_schools\\_to\\_alter\\_DC\\_trip\\_itineraries.html](http://www.dispatch.com/content/stories/local/2013/10/01/Shutdown_forces_schools_to_alter_DC_trip_itineraries.html)); *Shutdown hits Nampa High students' trip*, Idaho Statesman (Oct. 2, 2013) (online at <http://www.idahostatesman.com/2013/10/02/2795161/shutdown-hits-students-trip.html>); *Shutdown comes at bad time for Modesto-area students' D.C. trip*, The Modesto Bee (Oct. 2, 2013) (online at <http://www.modbee.com/2013/10/02/2954886/shutdown-comes-at-bad-time-for.html>); *Shutdown threatens to dampen students' DC trip*, Fox 4, Dallas-Fort Worth (Oct. 2, 2013) (online at <http://www.myfoxdfw.com/story/23594825/shutdown-threatens-to-dampen-students-dc-trip>).

<sup>40</sup> *Government Shutdown 2013: Weddings canceled on National Mall*, WJLA (Oct. 1, 2013) (online at <http://www.wjla.com/articles/2013/10/government-shutdown-2013-weddings-canceled-on-national-mall-94721.html>).

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federal sites.<sup>41</sup> International tourists account for an estimated \$153 billion in travel and tourism revenues for the U.S. economy annually.<sup>42</sup>

**Data on Impact of FY 1996 Shutdown on Tourism and Travel:** Tourism and travel data from the most recent previous government shutdown in FY 1996 underscores the tremendous disruption that government shutdowns pose to the U.S. travel and tourism industry.

- The Congressional Research Service estimated that 7 million tourists were turned away from America's then-368 National Park sites due to the last government shutdown in FY 1996, and an additional 2 million visitors were turned away from national museums and monuments.
- The FY 1996 shutdown resulted in millions of dollars in lost revenue for the U.S. travel and tourism industry. Mount Rushmore National Memorial in South Dakota estimates that the first week of closure during the government shutdown affected 49,000 people who would have otherwise visited, costing \$247,095 in lost sales, and putting 38 employees on furlough.
- Further, approximately 20,000-30,000 foreigners' visa applications were left unprocessed each day, and a total of 200,000 U.S. passport applications were left in limbo.<sup>43</sup>

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<sup>41</sup> U.S. Travel Association, *Impact of the Shutdown: Tales from the Frontline* (online at <http://www.ustravel.org/government-affairs/domestic-policy-issues/impact-of-the-shutdown>).

<sup>42</sup> U.S. Department of Commerce, Select USA, *supra* note 32.

<sup>43</sup> *Government Shutdown 2013 by the Numbers: How It's Affecting The Travel Industry*, International Business Times (Oct. 4, 2013) (online at <http://www.ibtimes.com/government-shutdown-2013-numbers-how-its-affecting-travel-industry-1414756>).