

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

ACEC: *What it Means for You and Your Business*

ACEC's Legislative Success = Results for Your Bottom Line

- ✓ 9% tax deduction for A/E firms.
- ✓ Laws and regulatory initiatives to require FAR compliance by state DOTs that prohibit arbitrary overhead caps, require recognition of single audit, expand QBS.
- ✓ Fully funding SAFETEA LU to avoid cuts to state transportation programs.
- ✓ Legislation to increase contracting out; defeated all major anti-contractor measures.
- ✓ New law protecting A/E firms that responded during 9/11.
- ✓ Removed mandatory 10% retainage on fixed price federal A/E contracts, giving federal procurement officers the option to reduce or waive withholding.
- ✓ Exempted A/E services from a recent federal rule mandating Project Labor Agreements on major federal construction projects.

Opportunities for 2011...

- ✓ Secure passage of new six-year transportation program that significantly boosts funding.
- ✓ Secure passage of major water and aviation infrastructure funding bills that expand QBS.
- ✓ Promote investment in new energy infrastructure, incentives for energy-efficient buildings, and other initiatives to create business opportunities in the energy sector.
- ✓ Pass ACEC legislation to protect the ability of engineering firms to use cash accounting.
- ✓ Secure passage of ACEC's Good Samaritan legislation and other measures to protect firms from unfair and costly litigation.
- ✓ Fully fund and expand new engineering student loan program; secure more H-1B visas.

...and Looming Challenges – Why Your Active Involvement is Critical Now

- ✓ Defeat resurgent union efforts to curtail contracting out by federal & state agencies.
- ✓ Repeal the onerous 3% withholding mandate that will impact all federal and state contracts.
- ✓ Protect firms from new mandates and higher costs resulting from the new health care law.
- ✓ Repeal IRS Form 1099 filing mandate that will affect all purchases valued at more than \$600.
- ✓ Fight potentially harmful new regulatory efforts, unionization legislation, tax increases, and other initiatives detrimental to the A/E industry.

The Bottom Line

- ✓ ACEC is the engineering industry's voice in Washington, focusing on the passage of new legislation and regulatory initiatives that enhance the business environment for your firm.
- ✓ ACEC/PAC is one of the largest political programs in Washington, supporting House and Senate members who support the business interests of America's engineering industry.
- ✓ ACEC's Minuteman Fund supports critical legal and legislative efforts in the states.
- ✓ ACEC uses its legislative and political resources for one purpose – to enhance your bottom line.

ACEC/PAC – There is No Better Investment for Your Firm

ACEC Priority	Summary	Benefits to Your Firm
Six-year Surface Transportation Bill	ACEC is promoting passage of a robust six-year highway and transit bill to give states the funding certainty to move forward on major transportation improvements. <i>Status: Current law (SAFETEA-LU) continuing under short-term extension.</i>	A new six-year program is critical to the industry and will unleash a flood of new contracting opportunities for the engineering industry.
Aviation and QBS	ACEC is working to expand funding for airport projects through the Airport Improvement Program (AIP) and raise the cap on Passenger Facility Charges (PFC) collected for airport development, as well as require the use of QBS for all PFC-funded projects. <i>Status: FAA programs and funding currently operating under short-term extensions.</i>	Both House and Senate passed bills in 2010 to increase AIP by \$500 million per year. The House bill also raised the cap on PFCs, potentially raising an additional \$1.1 billion per year, and expanded to QBS. Long-term funding certainty will allow many more airports to proceed with development projects.
Water Infrastructure	ACEC is backing legislation that will re-authorize the State Revolving Fund (SRF) for new water and wastewater projects, and mandate the use of QBS for projects funded under the SRF program. <i>Status: Bills to be introduced in Senate and House expected in future months.</i>	Passage of this legislation represents a major expansion of federal funding to support water projects nationwide, creating new opportunities for the industry, while also expanding the reach of QBS into local communities.
3% Withholding Mandate House Bill (Herger and Blumenauer)	ACEC is leading the effort to repeal a new tax law that will require federal, state, and local government clients to withhold 3% from payments to engineering firms and other contractors in 2012. <i>Status: Pushed implementation to 2012; building support for repeal.</i>	Engineering firms will be hurt by the new mandate, which will also cost government clients billions of dollars to implement.
In-sourcing	Numerous bills encourage or require the use of government in-house engineer workforces at both the federal and state levels, stifling innovation, competition, and dampening economic growth. <i>Status: All bills awaiting further action.</i>	The in-sourcing effort represents a threat and loss of business to all firms working for federal and state clients.
Energy	ACEC supports legislation and regulatory policies that promote all forms of domestically-produced energy, alternative and renewable energy sources, and energy efficiency (an "all of the above" strategy). <i>Status: Bills to be introduced in the House and Senate related to energy development, reducing regulatory barriers, and encouraging efficiency, renewables, and "clean" energy.</i>	Incentives that seek to promote a wide range of energy options for the country will boost economic growth and create new business opportunities for engineering firms.
Repeal of Expanded 1099 Requirement H.R. 4 (Lungren); Senate Bill (Johanns)	The new health care reform law includes a provision that will expand the transactions for which a firm files an IRS Form 1099 to include both goods and services valued at more than \$600 annually, purchased from corporate as well as non-corporate vendors. H.R. 4 and the Senate companion bill would repeal the provision. <i>Status: House and Senate votes expected early in 2011.</i>	Passage of the legislation would eliminate a burdensome new paperwork requirement.
Legal reform Various bills	ACEC is backing proposals to mitigate levee liability, provide Good Samaritan protections for engineering firms responding to natural disasters, limit the legal exposure of emergency responders, and place reasonable limits on medical malpractice lawsuits	Reasonable liability protections for engineering firms will reduce the risk of frivolous lawsuits, protect firms engaged in critical infrastructure work or responding to emergencies, lower the cost of design of infrastructure, and help to lower the costs of health insurance.