ACEC
American Council of Engineering Companies
of Ohio

July 13, 2021

The Honorable Rob Portman
Senate Office Building
Washington, DC 20510

Dear Senator Portman:

On behalf of ACEC Ohio – the business association of Ohio's engineering industry – we are writing to seek your assistance in correcting a serious problem involving Paycheck Protection Program loan forgiveness that could negate critical assistance provided to engineering firms in our state and throughout the country.

Dozens of our member firms took PPP loans last year, which was a critical lifeline and enabled us to save jobs and meet other expenses during a turbulent period. Unfortunately, a provision in the Federal Acquisition Regulation (FAR) will force our businesses to give back most or all of the forgiven loans, which completely undercuts the core purpose of the PPP program. This FAR provision applies to contracts with federal agencies, State DOTs and local transit agencies, and would force firms to lower billing rates in order to "credit" back the value of the loan. If the credit is applied to future billing rates across multiple clients, businesses could actually lose more than the value of the loan.

Such a policy is grossly unfair, and essentially invalidates the core purpose of PPP loans. Congress created the loan program to stabilize the nation's economy during a national emergency and set forth criteria for businesses to apply for loans and for loan forgiveness. Engineering firms in our state broadly participated in the PPP program, which helped them to meet basic expenses and keep their people on the payroll. However, because of an unforeseen regulatory requirement those firms will be treated differently from other businesses.

We strongly believe this is not what Congress intended. Firms were not advised of this requirement when they applied for loans and if this policy is implemented it will fall most heavily on the small and minority firms that need the assistance the most. It creates a disincentive for engineering companies to compete for work for public agencies, depriving the government of qualified engineering services, and it will hamper DOT efforts to expand small business contracting opportunities.

The House of Representatives included a provision in the recently passed transportation and infrastructure bill that provides some relief from the credit. However, we believe the best and fairest solution is a targeted waiver of the FAR provision, which will ensure that engineering firms are treated the same way as other businesses on state and local transportation projects with regard to their PPP loans. We would appreciate your support for this provision.

Failing to address this issue would undercut an essential pillar of economic relief for this critical sector and impact our ability to hire and retain employees. Thank you for your attention and consideration of this urgent issue.

Sincerely,

Beth Easterday

Beth Easterday
President

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