Mr. Robert Waterman  
Compliance Specialist, Wage and Hour Division,  
U.S. Department of Labor,  
Room S-3510,  
200 Constitution Avenue, NW  
Washington, DC 20210

Re: RIN 1235-AA13

Dear Mr. Waterman:

On behalf of the American Council of Engineering Companies (ACEC) – the national voice of America’s engineering industry – I am writing to express our concerns about the Department of Labor’s (DOL) Notice of Proposed Rulemaking Establishing Paid Sick Leave for Federal Contractors. We believe this rule requires more thought and input from industry in order to avoid unnecessary financial and economic burdens on both the private sector and government.

ACEC members – numbering more than 5,000 firms representing hundreds of thousands of engineers and other specialists throughout the country – are engaged in a wide range of engineering works that propel the nation’s economy, and enhance and safeguard America’s quality of life. The industry plays an important role in partnering with federal agencies, providing innovative solutions and efficiencies in delivering critical infrastructure projects to the public.

DOL’s proposal would require all engineering firms working for a federal agency – as well as subcontractors at all tiers – to provide their employees with 56 hours of annual sick leave. The proposal would also expand reporting requirements on those firms. While well intentioned, we are concerned that the proposal will result in increased costs and administrative burdens on firms working for federal clients, as well as increased costs to the federal government.

Engineering firms typically pay on a monthly or biweekly cycle, and report sick leave and other paid time off with each pay period. The reporting requirement included in DOL’s proposal would disrupt this process, mandating that employees receive weekly reports of accrued time off, requiring new systems and potentially adding employees to implement these changes. In circulating the proposed rule to member firms for comment, implementation costs in the first year are estimated to be in excess of $50,000, with additional costs in subsequent years.
Engineering firms working in the federal marketplace already operate under very tight margins, and this latest proposal from DOL – together with other initiatives that have come from the agency over the last year – will put further financial pressures on firms. In addition, the industry is also experiencing increased pressure from federal agencies demanding arbitrary reductions in overhead expenses. Implementation of DOL’s sick leave proposal will further add to those overhead expenses, putting firms in the difficult situation of possibly leaving the federal marketplace – which dilutes competition for critical services to the taxpayer – or adding costs to the agency if the expenses are accepted.

Finally, while engineering firms frequently offer benefits that meet or exceed the DOL’s proposal on sick leave, we are concerned that this initiative will limit the flexibility of firms to design benefit packages that will attract and retain employees. This is a particularly relevant concern at a time when there is a growing deficit of qualified professional engineers. By setting mandated levels of sick leave, which fails to allow for flexible benefits packages that reflect the locality and employee needs, firms will find it more difficult to retain key employees for their projects.

ACEC respectfully requests that the Department of Labor revise its proposed Rule in order to allow for more cost-effective sick time regulations. Thank you for your consideration.

Sincerely,

[Signature]

David A. Raymond
President and CEO

cc: Small Business Administration Office of Advocacy