



January 7, 2025

The Honorable Donald J. Trump
President-Elect of the United States

Dear President-Elect Trump:

On behalf of the American Council of Engineering Companies (ACEC) -- the business association of the nation's engineering industry -- we wish to offer our congratulations on winning the 2024 presidential election.

Who We Are

The American Council of Engineering Companies (ACEC) is the business voice of America's engineering industry. We represent more than 5,500 firms employing more than 600,000 engineers, architects, land surveyors, highly trained specialists, and licensed professionals who design and improve our world. ACEC advocates for policies at the federal, state, and local level that promote economic growth and improve the quality of life for every American.

The engineering industry drives American competitiveness and will be an essential partner in the Trump Administration's agenda to renew America's economy, expand its manufacturing base and strengthen our infrastructure. Consider the following:

- In 2023, America's engineering industry added \$656 billion to U.S. GDP and supported over 5.6 million jobs, directly and indirectly.
- Every dollar that the Engineering and Design Services industry produces results in \$1.50 added to U.S. GDP.
- In 2023, the industry generated a total of \$91.8 billion in federal tax receipts and an additional \$43.5 billion in state and local receipts.

ACEC supports a public policy agenda that strongly aligns with key elements of the Trump agenda going forward, such as:

- Support for the continuation and expansion of the Tax Cuts and Jobs Act (TCJA);
- An aggressive push to develop America's energy resources, including the expansion of Liquefied Natural Gas (LNG) facilities and nuclear technologies.
- Regulatory streamlining to enable energy and other critical infrastructure projects to move forward efficiently.

- A workforce agenda that embraces your idea to provide green cards to STEM graduates who wish to work for American firms and help build our economy, and
- An aggressive infrastructure agenda built around the reauthorization and expansion of federal highway and transit programs, as well as regulatory reforms to improve environmental programs.

We would welcome the opportunity to meet with your transition team to explore ways in which our organization can support your administration's policy objectives.

Key Priorities -- *Tax Policy*

ACEC strongly supported one of your signature accomplishments from your first term – the 2017 Tax Cuts and Jobs Act – which enabled businesses to invest in their workforce, in technology, and other areas essential to economic growth and competitiveness. ACEC was particularly supportive of the balanced treatment the law provided for businesses with different tax structures. We supported the 21 percent rate for our corporate members, as well as the Section 199A deduction for companies organized as S corps and other passthrough businesses. ACEC strongly supports the retention of these elements, including the permanent extension of Section 199A, which is scheduled to expire at the end of 2025.

As part of the tax agenda next year, we also recommend restoring the full deductibility of R&D expenses. Like many business sectors, America's engineering industry embraces technology and innovation as essential in the work we do for our public and private sector clients, and to our ability to win in a competitive global marketplace. As you implement policies to confront unfair competition from China and elsewhere, restoring the tax code's traditional way of nurturing cutting-edge R&D should be a critical part of that strategy. As your Administration and Congress work together to address the expiring provisions in TCJA, we are eager to work with you to make the full deductibility of R&D expenses a part of that important legislation.

ACEC also hopes that the Administration and Congress will continue to support employee ownership and the retirement security that it provides, as well as workforce retention through the Section 127 provision that allows employers to assist employees with educational expenses and student loan repayment without it being a taxable benefit.

Infrastructure

One of the most significant items on the 2025-2026 congressional agenda will be reauthorization of expiring federal surface transportation programs. Infrastructure investment has a long history of strong bipartisan support because it is essential for economic growth and opportunity, public health and safety, and mobility.

Our early priorities include maintaining current funding levels for highway, transit, and rail programs, as well as improving the administration of federal funds by state and local grant recipients. We also see opportunities to facilitate more efficient and timely project reviews by reducing regulatory burdens – we strongly supported many of the reforms implemented during your first term, which save time and money.

With respect to water infrastructure, we support continued funding for the Clean Water and Drinking Water State Revolving Loan funds, which provide states with critical resources to ensure access to clean water. Addressing emerging contaminants like PFAS by applying common sense and achievable standards also remains a priority for our industry. We specifically encourage you to look at the current deadlines for implementing the PFAS drinking water standard to ensure that the industry has adequate time to fully develop the supply chain of cost-effective treatment technologies. It is also important to ensure that water utilities, consultants, and other passive receivers of PFAS chemicals are not held liable for the cost of cleaning up contamination under the federal Superfund program. The engineering industry stands ready to work with your administration to provide assistance and technical expertise on these important issues.

ACEC supports policies to sustainably design the built environment with responsible environmental protections. We supported the approach in your first term on defining Waters of the United States to pragmatically balance the jurisdictions of the federal and state governments in achieving the goals of the Clean Water Act. We look forward to working with your administration to restore that balance.

Energy

We applaud your efforts to foster the development of domestic energy resources including natural gas and enhance private-sector investments to foster technological innovations. ACEC members are at the forefront of opportunities in the energy sector and our member firms are designing and implementing these future energy systems. ACEC supports the development of Liquefied Natural Gas (LNG) facilities vital to deliver reliable and safe energy. We opposed President Biden's efforts to limit the expansion of LNG markets and urge you to take action to increase export licenses for this critical resource.

As you know, energy markets are facing historic changes in addressing the impacts of increased power demand stemming from data centers and AI as well as grid reliability and electricity affordability. We believe nuclear energy is a power source that could help our national grid, and we support policies that promote nuclear technologies like Small Modular Reactors (SMRs). To build upon the momentum, nuclear technologies require robust domestic supply chains that include increasing mining of key resources like uranium.

Moreover, to unlock the full potential of America's energy, we believe permitting reform is vital to achieve the benefits of expanded energy infrastructure for all Americans. We look forward to working with you and your Administration on efforts to ensure an efficient, sustainable, and resilient energy system.

Workforce

In 2023, the Biden Administration finalized a rule to update the Davis-Bacon and Related Acts regulations. The rule made what ACEC thinks is an unwarranted expansion of Davis-Bacon to cover survey crew members. Under the Brooks Act of 1972, surveying and mapping are

considered under federal law to be professional services of an architectural or engineering nature and not building or construction work that would place them within the scope of Davis-Bacon. During your first term, your administration concurred and issued all agency memorandum (AAM) 235 in 2020 to rescind AAM 212 that reversed decades of policy that survey crew members are not subject to Davis-Bacon except in very limited circumstances. ACEC urges you to restore your prior policy.

ACEC also hopes to work with you on immigration policy. Engineering firms need access to talented, highly skilled workers. Data from the Bureau of Labor Statistics shows that the engineering workforce is already at full employment. The ACEC Research Institute highlighted concerns about capacity in a recent quarterly engineering business sentiment study when it reported that half of firms have turned down work specifically due to workforce shortages.

ACEC supports policies that grow the pool of engineers, such as expanded STEM education programs that are a long-term solution to the workforce needs of engineering firms. At the same time, we need to align the nation's immigration policies in a way that will enable firms to hire global talent when the pool of engineering graduates is not sufficient to meet growing demand.

We strongly support your idea that graduates of U.S. universities should automatically receive a green card so they can participate in the American workforce. We also hope to work with you on improvements to the H-1B visa system and employment-based green cards that would reduce costs and administrative burdens for employers while expanding access to a needed source of engineering talent.

Thank you for your attention and consideration. We look forward to discussing these issues in more detail as the transition process continues.

Sincerely,

A handwritten signature in black ink, reading "Linda Bauer Darr". The signature is fluid and cursive, with the first name "Linda" being the most prominent.

Linda Bauer Darr
President & CEO