



January 28, 2019

The Honorable Ben Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cardin:

On behalf of the Montgomery County Chamber of Commerce, I would like to thank you for your consideration of the impact of the shutdown on federal contractor employees by co-sponsoring S.162 Fair Compensation for Low-Wage Contractor Employees Act.

The Montgomery County Chamber of Commerce is a non-profit member organization that advocates on behalf of member companies in Montgomery County, Metro Maryland, the Greater Washington Region, and beyond. Our membership includes small to large organizations representing a wide range of businesses and industries.

Many of our member companies work in the government contracting sector, and we received extensive feedback from these companies during the longest shutdown in US history. During the shutdown, some of these companies were forced to take out loans, furlough employees, and take other measures to stay afloat amidst uncertainty as to the duration of the shutdown. Some business owners have allowed their employees to liquidate their leave balance before furlough; however, this payment, along with agencies not processing any payments for outstanding invoices during the shutdown, has placed a significant cash flow strain on these small businesses. When invoices are not paid in a timely manner, the company's cash flow issue is further exasperated when their available line of credit based on accounts receivable is decreased because outstanding invoices are not paid within 90 days.

While we sincerely appreciate your consideration to provide back pay to low-wage contractor employees, we believe the bill should be expanded to reduce the overall impact of the shutdown on small business contractors. Consistent with the FAR stop work order provisions, we would like consideration to provide federal contractors reimbursement to cover the total costs to support the contract efforts, including wages, benefits, rehire costs, rents, and other fixed overhead and increased interest costs. This will ensure that small businesses are able to stay in operation during and after the shutdown. It will also enable small business contractors to reinstate leave balances for employees forced to liquidate their leave due to the shutdown. Additionally, expedition of invoice payments to small businesses once the shutdown ends would further relieve cash flow issues.

If you have any questions or need any additional information, please do not hesitate to contact me at (301) 738-0015 ext. 208 or email ggodwin@mcccmd.com.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Godwin".

Georgette "Gigi" Godwin
President & CEO