



U.S. Department
of Transportation
**Federal Transit
Administration**

Headquarters

1200 New Jersey Avenue, SE
Washington, DC 20590

May 7, 2010

Dear Colleague:

Recently you received a letter from Deputy Secretary John Porcari emphasizing the importance of working to provide small and disadvantage businesses (DBE) with a fair chance to participate in transit projects. I am writing you today to underscore the points made by the Deputy Secretary and to ask for your assistance in improving small and disadvantaged business participation in American Recovery and Reinvestment Act (Recovery Act) projects.

As you know, transit plays an important and special role in communities across the United States. This is why when you undertake rehabilitation or expansion of your system, it is vital that contracts awarded include small and disadvantaged businesses. The Obama Administration is committed to doing all it can to help DBE's realize the American dream and contribute to making our transportation systems even better.

This is especially true when it comes to Recovery Act projects. With nearly \$35 billion of Recovery Act funds for transportation, including the approximately \$8 billion allocated to transit, we must ensure that these Recovery dollars will help level the playing field so DBEs have the tools and resources they need to compete.

I readily acknowledge that on this point, transit agencies, on average, have a higher rate of DBE contract participation than other modes of transportation. But, I believe we can do better. And, it is vitally important that we do so given the unemployment rate in our nation today and the disparate rates of unemployment between communities. We must face this challenge head on and you are the key to its success.

Please also understand that the DBE program within the Department is not meant to be a punitive one. Rather, I look to all transit agencies to carry out the program in good faith to meet DBE goals and to analyze and improve your procedures when these goals are not met. Consequently, I am asking each of you to work with your FTA Regional Administrators and Regional Civil Rights Officers to take the following actions:

- Along with your routine semi-annual DBE report due in June 2010, which should include all Federal transit funds, please separately identify and verify DBE participation in contracts for Recovery Act projects funded by FTA;
- Also in your June semi-annual report, if your report shows that you are missing your DBE target either with respect to Recovery Act funds, or to your overall goals, please provide an explanation for the gap between your DBE goals and achievements;
- By July 1, 2010, separately identify the ARRA DBE participation for the semi-annual reports that were submitted June 2009 and December 2009. You will receive further instruction from your Regional Civil Rights officers regarding DBE reporting expectations; and
- Should the above information indicate any significant gaps between your DBE goals and achievements to date, your FTA Regional Civil Rights Officer will contact you concerning your development of a plan, including specific steps and timetables, for closing the gap in the current year and future years.

Deputy Secretary Porcari's May 6, 2010 letter outlines many of the resources available to help agencies receiving financial assistance from the Department in achieving DBE program objectives. The Federal Transit Administration stands ready to assist you in this important effort. Thank you for your continued dedication to these important goals. If we can provide further information or assistance, please feel free to contact your Regional Administrator or your Regional Civil Rights Officer.

Sincerely yours,

/S/

Peter Rogoff