



The Deputy Secretary of Transportation
WASHINGTON, D.C. 20590

May 6, 2010

Dear Public Transportation Colleague:

Over the past year, President Obama and Secretary Ray LaHood have worked vigorously to help put Americans back to work with more than 10,000 transportation projects funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act). Ensuring that opportunities created by our Nation's investments are shared by all Americans will continue to be a priority for our Administration. To make that vision a reality, the Secretary and I believe it is vital that we work together to provide small disadvantaged businesses and female and minority workers with a fair chance to participate in transportation projects. I urge you to take advantage of existing equal opportunity programs and resources and to create innovative strategies to provide opportunities for the underrepresented. The U.S. Department of Transportation (DOT) stands ready to assist you in those efforts.

The Department's Disadvantaged Business Enterprise (DBE) program applies to projects funded both from traditional DOT sources and from the Recovery Act. The DBE program helps small businesses owned and controlled by socially and economically disadvantaged individuals compete, and is designed to support entrepreneurs, the people who create jobs. I encourage you and your local partners to use proven strategies, such as unbundling large projects and establishing and meeting realistic DBE goals to reach a greater number of DBEs.

The Department can also help in other ways. First, the Federal Transit Administration (FTA) can provide you with training and technical assistance. Federal transit funds also may be used for educating and training public-sector employees. In addition, the Department's Office of Small and Disadvantaged Business Utilization operates short-term lending and bonding assistance programs to help small businesses overcome barriers to participation. That office recently began a training program for women and girls interested in transportation careers.

Even with all of these tools, however, existing programs may not be sufficient to ensure the broadest possible participation in Recovery Act projects. Thus, I encourage you to consider other approaches to meeting these challenges. Some transit agencies, for example, have created partnerships among community organizations, local elected officials, trade unions, contractors and their associations, and other public agencies to identify common expectations and set specific project objectives. In this way, they have used their projects as an avenue to increase DBE participation while developing a workforce that better reflects the diverse skills, talents, and backgrounds of American workers.

One transit agency, Tri-Met of Portland, Oregon, provided DBEs with technical business assistance in important areas such as estimating, financing, business development and job performance, *before* the bidding process began. Tri-Met also divided construction projects that could have been awarded under a single contract into multiple stages and it allowed DBEs to compete for the resulting smaller contracts for each stage. Tri-Met's innovative approach to unbundling not only gave more DBE firms the opportunity to participate in the project and to support and train their workforces, it also provided multiple DBEs with exposure to, and the opportunity to become familiar with the contracting process. The reduced size of the unbundled contracts also made it easier for DBE participants to obtain the bonds necessary to win the contracts.

Another example is the Regional Interagency Sustainable Communities (RISCO) Partnership created by Denver's Regional Transportation District Workforce Initiative. RISCO developed partnering opportunities with local faith-based and non-profit organizations, local housing authorities and the Community College of Denver to identify, assess and train local members of the community for work on the regional transportation district's initiative and transition into meaningful, well-paying jobs in transportation-related industries. I encourage you and other transit agency leaders to share additional ideas with us so that we can help others learn from your experiences.

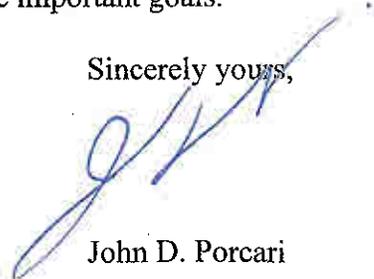
Private-sector efforts are important as well. I urge you to encourage large successful contractors to create opportunities for joint ventures with small disadvantaged businesses and to support mentor-protégé relationships to pass along the knowledge and skills needed to succeed long term. I also ask that you actively promote efforts by bonding and insurance companies and lending institutions to take steps to overcome typical barriers that impede small business competitiveness.

Using all available talent and resources is essential to fueling a strong recovery and restoring our Nation's economic competitiveness. The Obama Administration and this Department are committed to helping create opportunities for DBE firms and all workers, including women and minority workers, to participate in this economy of the future. I encourage you and all your private- and public-sector partners to consider adopting strategies like those outlined in this letter, as well as additional, more specific ideas that we in DOT would be happy to discuss with you.

I am also asking you to identify information about DBE involvement specifically in Recovery Act projects. The FTA will soon provide guidance to you concerning how to process that information and make it available. That information is vitally important to ensuring all available talent and resources are utilized in America's job recovery.

Thank you for your dedication to these important goals.

Sincerely yours,



John D. Porcari