

December 7, 2009

The Honorable Bob Riley  
Governor of Alabama  
Montgomery, AL 36130

Dear Governor Riley:

President Obama and I are committed to ensuring that the opportunities created by our Nation's investments are shared by all Americans. To make that vision a reality, I believe it is vital that we work together to provide small disadvantaged businesses and female and minority workers 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 supports entrepreneurs—people who create jobs. It helps small businesses owned and controlled by socially and economically disadvantaged individuals compete. The DBE program applies to projects funded both from traditional DOT sources and from the American Reinvestment and Recovery Act of 2009 (Recovery Act). 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.

We have other resources to help you. Training and technical assistance, like that provided through the Federal Highway Administration's supportive services program, are available to you. 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, and it has recently begun a training program for women and girls interested in transportation careers.

Federal highway and transit funds may be used for educating and training public-sector employees. Federal highway funds also may be used to support on-the-job training programs for contractors. I hope that you and your local partners will take advantage of this flexibility in the use of your Federal funds, including on Recovery Act projects.

In addition to the programs administered by my Department, other agencies throughout the Federal Government support these efforts. For example, the U.S. Department of Labor's Office of Federal Contract Compliance Programs seeks to ensure equal opportunities for underrepresented groups, such as women and minority workers, in recruitment and hiring on construction projects, including projects in the transportation industry and projects funded through the Recovery Act.

Existing programs may not be sufficient to ensure the broadest possible participation in Recovery Act projects, but I encourage you, along with your State and local leaders, to consider innovative approaches to these challenges. Some States, for example, have used their transportation projects as an avenue to increase DBE participation while developing a workforce that better reflects the diverse skills, talents, and backgrounds of American workers. They 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.

One State created a DBE Advisory Committee to track the progress of DBE involvement and to provide a level playing field for DBE contractors. Through financial institutions, the State arranged for bonding and working capital for DBE firms. Another State encouraged on-the-job trainee applicant referrals from a diverse range of community-based partners, including its minority community-based partners, which resulted in many local hires entering the construction trades. Other States and localities across the country may learn from and adopt models of this kind. I encourage you and other States to share your 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 in your State 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. My Department is 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 am asking 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. These strategies will help create business and job opportunities that will make our country more economically competitive and strong.

Thank you for your dedication to these important goals. If I can provide further information or assistance, please feel free to contact me.

Sincerely yours,

Ray LaHood