



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 2014

The U.S. Department of Transportation (DOT) is committed to realizing the goals and objectives of the Disadvantaged Business Enterprise (DBE) program set forth at 49 C.F.R. Parts 23 and 26, maintaining a program that meets constitutional requirements and ensuring the integrity of the DBE program overall. The Department believes strongly that, while substantial progress has been made to combat discrimination against minority- and women-owned and controlled small businesses, discrimination and its effects continue to exist today and to reduce contracting opportunities for DBEs.

To achieve the critical objectives of the program, DOT needs to take several actions. First, the Department must clearly define roles and responsibilities within our organization to ensure that all offices within the Department are working efficiently, effectively, and cohesively towards the success of the program. Second, we need to take actions to address the issues described in the Office of Inspector General (OIG) report entitled “Weaknesses in the Department’s Disadvantaged Business Enterprise Program Limit Achievement of its Objectives” (the OIG Report). Third, the Department must engage actively and periodically with its DBE stakeholders to continue to improve and strengthen the program. You have my commitment, and the commitment of the entire Department, that we will deliver in each of these areas.

Today, I am announcing actions we are taking to address the first two imperatives – the release of DOT’s Order on the Coordination and Oversight of the Disadvantaged Business Enterprise Program and DOT’s Response to the OIG Report (DOT Response).

The Order reconfirms that the Deputy Secretary and I are accountable for the Department’s overall implementation and oversight of the DBE program. In addition, it clarifies the leadership roles and responsibilities of the various offices and Operating Administrations (OAs) within the Department responsible for supporting and overseeing the implementation of the DBE program. The Departmental Office of Civil Rights (DOCR) will act as the lead office in the Office of the Secretary (OST) for the DBE program. Other offices include additional elements from OST—the Office of the General Counsel (OGC) and the Office of Small Disadvantaged Business Utilization (OSDBU)—as well as the three OAs distributing financial assistance to DOT recipients—the Federal Aviation Administration, the Federal Highway Administration, and the Federal Transit Administration. The OAs will continue to be the first points of contact regarding, and be primarily responsible for overseeing and enforcing, the day-to-day administration of the program by recipients.

The Order also establishes a framework for coordination, overall policy development, and program oversight among these offices. All OST offices and OA offices involved in DBE program operation and oversight share responsibility for ensuring nondiscrimination in the award and administration of DOT's federally assisted contracts. These offices will engage in systematic coordination to ensure (1) the DBE program is administered properly, (2) all regulatory provisions are appropriately implemented by DOT recipients, and (3) information about the program and its operation is communicated by the Department in a consistent, unified way to all parties and stakeholders.

The DOT Response sets forth the actions we have taken in response to the OIG's recommendations, as well as a timeline for actions we intend to take in the near future. The Order and DOT Response serve as important steps in the Department moving forward, they are part of many steps DOT is taking to develop and assist our DBE and Direct Contracting Programs. Additionally, DOCR, in coordination with OGC, OSDBU, and our many internal and external stakeholders, continues to work aggressively to implement comprehensive actions, with goals, objectives, and an efficient timeline to further improve and strengthen the DBE program.

The OSDBU also has several existing key programs that offer assistance to the DBE community. These include our Bonding Education, Mentor Protégé, and Short-Term Lending Programs. We encourage DBEs to take advantage of all of these programs.

I look forward to working with you as the Department continues its efforts to strengthen its DBE program and expand support DOT offers to the DBE community. Thanks to your support we have come a long way. With your continuing support and engagement, we will achieve even greater success in the future.

A handwritten signature in blue ink, appearing to read 'Anthony R. Foxx', with a large, stylized initial 'A'.

Anthony R. Foxx