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January 24, 2023

The Honorable Pete Buttigieg  
Secretary  
United States Department of Transportation  
1200 New Jersey Ave SE  
Washington, DC 20003



**No Increase for DBE Trade Contractor Size Standards**

Dear Secretary Buttigieg:

Small Business Administration (SBA) Size Standards are missing the mark for Disadvantaged Business Enterprise (DBE) trade contractors in the Biden Harris Infrastructure Bill.

There are a lot of roads to repair, bridges to fix, and new concrete foundations to pour for highways, and underground plumbing pipelines for water treatment plants. This work will be done by construction trade contractors. Trade contractors who do the hard work were left out of the SBA size standard increase. The business gross revenue size standard remains the same at \$16.9 million for DBE applicants and certified DBEs seeking to participate in infrastructure construction.

Business gross revenue size standards for these Federal Highway Administration (FHWA) and Federal Transit Authority (FTA)-assisted contracts and the Department of Transportation (DOT) remain the same as they were under the Trump administration. With a new Biden Harris Infrastructure Bill approved, this is truly an opportunity lost which should be corrected.

These agencies must do a better job of understanding the complexities of government contracting across the various trade groups that build America and its infrastructure each day. To have larger SBA size standards for rental car companies (\$75.23 million average annual gross receipts over the firm's three previous fiscal years) than the capacity of DBE companies, which we are dependent on to rebuild America, is misguided and should be corrected.

SBA published a final rule in the Federal Register (87 FR 18627) revising small business size definitions (commonly referred to as "size standards") for businesses in four North American Industry Classification System (NAICS) Sectors: Transportation and Warehousing (NAICS Sector 48-49); Information (Sector 51); Finance and Insurance (Sector 52); and Real Estate and Rental and Leasing (Sector 53). The final rule is part of the second five-year rolling review of size standards, as required under the Small Business Jobs Act of 2010 (Public Law No. 111-240, sect. 1344, September 27, 2010).

SBA increased 45 size standards in those sectors, including 18 in Sector 48-49, eight in Sector 51, ten (five revenue-based and five asset-based) in Sector 52, and nine in Sector 53.

In addition, federal funding from the Department of Transportation is now being requested by a number of agencies with total disregard for the DBE program. The RFP noted below does not track DBE participation:

*SAN DIEGO AIRPORT DB RFP\_ HOW DOES SAN DIEGO AIRPORT GET 24.MILLION IN DOT FUNDING WITH NO DBE PROGRAM*

*Inclusionary Approach and Outreach a) Describe your specific approach toward SB (Small Business), LB (Local Business) and SDVOSB (Small Disabled Veteran-Owned Small Business) outreach and participation addressing such subtopics as: i) Outreach program at every phase of the construction process (e.g., pre, during and post) to involve and engage SB, LB and SDVOSB's. ii) Bid packaging to facilitate SB, LB and SDVOSB's participation. iii) Post award follow-up, coaching and training to make sure the SB, LB and SDVOSB contractors have the tools and support to be successful. iv) Accountability plan for holding contractors to commitments made on the participation of SB's, LB's and SDVOSB's. v) Tracking mechanisms in place to monitor and report commitment and actual participation of SB's, LB's and SDVOSB's. vi) A proposed Schedule of Activities for implementing the Inclusionary Approach and Outreach Plan from project start to end for the 3.4 Billion dollars.*

I look forward to your reply and NAMC is available to discuss these issues with you and your team at any time.

Respectfully,

*Wendell R. Stemley*

Wendell R. Stemley, CMAA  
National President

cc: Isabella Casillas Guzman, Administrator, U.S. Small Business Administration  
Keisha Lance Bottoms, Senior White House Advisor  
Ronald Uba, Minority Business Development Agency (MBDA), U.S. Department of Commerce  
Kandice Brown, Minority Business Development Agency (MBDA), U.S. Department of Commerce  
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