

## February 28, 2023

The Honorable Sam Graves
Chairman
Committee on Transportation
And Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
Committee on Transportation
And Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Maria Cantwell Chairwoman Committee on Commerce, Science, and Transportation U.S. Senate Washington, DC 20515

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science,
and Transportation
U.S. Senate
Washington, DC 20515

Dear Chairman Graves, Chairwoman Cantwell, Ranking Member Larsen and Ranking Member Cruz:

The Airport Minority Advisory Council ("AMAC") was founded to advocate for the full participation of minorities and women in the airport industry as airport professionals, contractors, concessionaires, and professional service providers. AMAC members include woman and/or minority-owned firms, large companies, airports, and airport directors as well as other senior managers. As further explained and discussed herein, AMAC is in strong support of a timely reauthorization of the Federal Aviation Administration ("FAA") and the programs administered by the Agency. As you know, without Congressional action the authority for these programs will expire at the end of the current Federal fiscal year (September 30, 2023). The reauthorization of the airport disadvantaged business enterprise ("DBE") and the airport concessions disadvantaged enterprise ("ACDBE") programs is a critical AMAC priority and we urge you to fully support their renewal.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> See 49 C.F.R. Parts 23 and 26.



Briefly, as you know, a key feature of these programs is the grant assurance by an airport that receives federal financing that it will use "good faith" efforts to provide business opportunities to DBE and ACDBE-certified firms. AMAC urges your respective committees to continue this feature of the Airport Improvement Program ("AIP").

The extent/scope of the participation opportunities are empirically determined on the basis of economic disparity studies that document the extent to which discrimination (on the basis of race/ethnic origin or gender) continues as a barrier for small woman and or minority-owned firms.<sup>2</sup> The studies are updated and are refreshed periodically. As noted previously and below, AMAC strongly urges your respective committees and the Congress to enact reauthorization legislation that contains such findings.

In addition to findings, AMAC urges you to acknowledge and document the substantial contributions that DBE and ACDBE firms make to airports and the larger communities in which they are located. Certified firms include contractors, professional service providers as well food and beverage, specialty retail, duty free, parking, and car rental concessionaires. Certified firms that are concessionaires provide needed services to the traveling public. Firms that are contractors provide their expertise and manpower to airport capital projects. Collectively, certified firms provide employment and career training to thousands of workers. Certified firms pay substantial sums to airports in the form of rent and fees. In addition, they pay local, state and federal income taxes—and their businesses leverage opportunities for other firms. <sup>3</sup>

Certified firms may have direct contracts with an airport, or they may be subcontractors. Other companies may be a partner in a joint venture. The certification requirements are rigorous and are set forth in U.S. regulations. The rules are applied and enforced by state or local governmental agencies.

Briefly, firms must be small, owned, and controlled by women or ethnic minorities. The firms must be independent, for-profit companies whose owners meet an economic

<sup>&</sup>lt;sup>2</sup> The US Supreme Court's decision in <u>Adarand v. Pena</u> upheld the federal government's interest in addressing discrimination and the constitutionality of a race conscious contracting program whose participation goals were/are fact based.

<sup>&</sup>lt;sup>3</sup> For example, suppliers.



disadvantage test. The program rules include periodic review of a firms continuing eligibility for certification.

As part of your respective Committee's FAA reauthorization work, AMAC urges timely action and enactment that includes reauthorization of the airport DBE/ACDBE programs with congressional findings concerning the critical ongoing need for them. In addition, AMAC urges the Congress to direct the USDOT to perform studies of the program as it exists today. As part of its directive, AMAC also asks Congress to give USDOT the authority to work with/contract or subcontract with industry stakeholders.

While reauthorization of the airport DBE/ACDBE program is AMAC's highest priority, we would like to comment on certain additional matters. First, we strongly urge you to direct the FAA's Office of Civil Rights to coordinate with other federal agencies such as the U.S. Small Business Administration ('SBA"), the Minority Business Development Agency ("MBDA"), and other departments that focus on small business growth and development. Regrettably, during the recent COVID crisis many airport small businesses (e.g. concessionaires) were not able to qualify for certain SBA programs designed to provide small firm relief. Moreover, access to capital and bonding continue to be a reoccurring issues for certified firms.

Second, AMAC requests that the Congress authorize funding to carry out robust data collection on the DBE and ACDBE programs. While AMAC has plenty of anecdotal examples of success stories (and of challenges as well), of employment provided and new careers launched, we urge more focused efforts by DOT and the FAA to gather usable, easily accessible data on these programs.

Third, AMAC believes that certification can be streamlined and consolidated so that burdens on small businesses seeking DBE or ACDBE status can be reduced. To this end, we request that Congress authorize a pilot program on this matter and that stakeholders such as AMAC are integrally involved. We respectfully request that the Congress authorize funding for the pilot program.

Finally, AMAC supports congressional efforts to provide additional funding to airports for capital projects. However, to the extent this will be accomplished through increased passenger facility charges ("PFCs"), AMAC would like to work with the Congress and the



airport community on ways to ensure equity and participation opportunities for small woman and minority-owned firms.

As you will recall, unlike the AIP program, participation goals are not required in PFC-only financed projects. Several years ago, working with the Hartsfield-Jackson Atlanta International Airport, AMAC commissioned a study of the effects of PFC-only project financing on DBE participation. The study demonstrated that in such projects, DBE participation was dramatically reduced—and nonexistent in some airport projects. AMAC is currently working on an update to the earlier study and will share the updated findings with the committees. We believe that participation goals should be part of the PFC program.

AMAC appreciates the opportunity to present the organization's recommendations. We look forward to working with you in the coming months and stand ready to provide any assistance needed. I can be reached at <a href="ewimbush@amac-org.com">ewimbush@amac-org.com</a> or 202-577-9963.

Sincerely,

Eboni Wimbush President & CEO

Choni Windred