

Transportation DOT Creates Bond Assistance Program For Small Firms Seeking Stimulus Dollars

Small and minority-owned transportation construction businesses are set to receive some financial assistance thanks to a new Department of Transportation program announced Aug. 31. Created and funded by the economic stimulus package (Pub. L. No. 111-5), the Disadvantaged Business Enterprise Bonding Assistance Program will provide \$20 million to help companies compete for highway and other transportation infrastructure contracts.

The money will be used to reimburse small or minority-owned contractors for bond fees and premiums, which can pose a financial problem for smaller companies with less available capital than larger competitors. DOT expects making 1,770 reimbursements averaging \$11,300 each, according to a guidance for potential applicants. Approved companies will receive assistance on a first-come, first-serve basis until the funding runs dry or the program ends on Sept. 8, 2010.

The Disadvantaged Business Enterprise (DBE) program was created to ensure that “socially and economically disadvantaged” businesses, such as small firms or those owned by women or minorities, would receive a fair share of federal contract dollars. Current law mandates that at least 10 percent of highway, transit, and airport funding be awarded to such DBEs.

“The Obama administration is committed to doing all it can to help DBE's realize the American dream and contribute to making our transportation systems even better,” Transportation Secretary Ray LaHood said in a statement announcing the new program. “These Recovery [Act] dollars will help level the playing field so these companies have the tools and resources they need to compete.”

DOT's Office of Small and Disadvantaged Business Utilization will administer the new program.

More information on the new program is available at <http://www.dot.gov/recovery/ost/osdbu/index.htm>.