



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

**JUN 21 2010**

1200 New Jersey Avenue, SE  
Washington, D.C. 20590

In Reply Refer To: HCR-40  
DOT #2010-0001

Ms. Olivia Fonseca  
Deputy Director  
California Department of Transportation  
Office of Business and Economic Opportunity  
1823 14<sup>th</sup> Street  
Sacramento, California 95811

Dear Ms. Fonseca:

The Federal Highway Administration (FHWA) has completed the investigation of the complaint of discrimination filed by (b) (6) against the California Department of Transportation (Caltrans). In the complaint, (b) (6) alleged that Caltrans violated Title VI of the Civil Rights Act of 1964 through its administration of the Disadvantaged Business Enterprise (DBE) Program. Specifically, (b) (6) alleged that Caltrans failed to award contracts to African American firms in the DBE Program.

The FHWA has concluded that the evidence obtained during the investigation does not support the allegation raised in the complaint. The evidence reviewed during the investigation shows the following:

- Caltrans has approximately 849 construction firms listed in its DBE Directory.
- African American firms comprise approximately 54 (6.4 percent) of these firms.
- For the period January 1, 2008 through December 31, 2009, the records provided by Caltrans identified 534 construction firms by ethnicity that were awarded contracts.
- Of the 534 identifiable firms awarded contracts, 17 (3.2 percent) were awarded to African American firms.
- The DBE Program, which is administered under Title 49, Code of Federal Regulations, Part 26, does not require the establishment of a specific number of contract awards to any particular ethnic group.



- The DBE Program does not permit the use of quotas for DBEs on U. S. Department of Transportation (DOT) assisted contracts.

Based on the above information, the FHWA does not find that Caltrans is in violation of Title VI of the Civil Rights Act of 1964 with reference to the participation of African American firms in the DBE Program. The record shows that African American firms are awarded contracts in the DBE Program administered by Caltrans.

While the DBE Program does not require a designated number of contract awards to specific ethnic groups or permit the use of quotas, in an effort to increase the participation of DBEs, the Secretary of the U.S. DOT sent letters to the Governors of each State encouraging the use of proven strategies, such as unbundling large projects and establishing and meeting realistic DBE goals to reach a greater number of DBEs.

In addition, the Administrator for the FHWA sent letters to the Directors of each State Transportation Agency encouraging the increase of DBE participation and outlining several actions to be taken to achieve this initiative.

This concludes processing of this complaint. However, efforts to increase the participation of DBEs in DOT assisted contracts will continue.

Sincerely yours,



Brenda F. Armstead  
Director, Investigations and Adjudications

cc: Mr. Vincent P. Mammano, Acting Division Administrator, HDA-CA  
Mr. Lance Yakota, Civil Rights Program Manager, HAD-CA  
Mr. Will McClure, Equal Opportunity Specialist, HDA-CA



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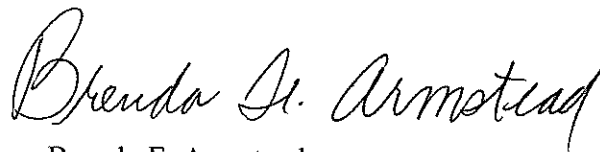
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