



The Testimony of Anthony W. Brown

**Chairman of the Government Affairs Committee
of the
Airport Minority Advisory Council (AMAC)**

before the

**Information Policy, Census and National Archives
Subcommittee of the U.S. House of Representatives
Committee on Oversight and Government Reform**

**Wm. Lacy Clay
Chairman**

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Good afternoon, Chairman Clay and members of the Subcommittee. My name is Anthony Brown. I am a Board Member of the Airport Minority Advisory Council (AMAC), and I also serve as Chairperson of AMAC's Government Affairs Committee. AMAC is the nation's only national, non-profit trade association dedicated to promoting the full participation of minority-owned, women-owned and disadvantaged business enterprises (M/W/DBEs) in airport contracting. I am also a Senior Associate Partner in the state and local government division of MGT of America. MGT is a public sector consulting firm that specializes in providing high quality services, including disparity studies, to state and local government. And finally, before I joined MGT I was previously Vice President for Business Diversity Development and Government Affairs at the Memphis-Shelby County Airport Authority. I thank you for your invitation to speak to the Committee today on behalf of AMAC and its nationwide membership.

In all of the jobs I mentioned, I regularly witnessed the impact of discrimination. Let's be clear, the aviation business world can be a tough one for minorities and women. Just to provide context, recently there was a lawsuit filed by the EEOC involving outrageous hostile environment claims against a fuel supplier that operates at a very large Texas airport. The plaintiffs in the case asserted that they were subjected to racial slurs, threats of violence and disparate treatment in promotions and disciplinary actions. Use of the N-word was common in speech and in graffiti. And there were displays of nooses and racially offensive cartoons. There was even graffiti detailing a "Nigger Hit List" posted on a bathroom wall and one white supervisor reportedly stated "I am going to get all of you niggers fired."

These things happened in a facility on the airport grounds. The case was settled for almost two million dollars, and was the largest race and national origin employment discrimination case resolved by the Dallas District Office of the EEOC. When announcing the settlement, one of the supervising attorneys working on the case made clear that the case was especially repulsive because the management of Allied Aviation acquiesced in the discrimination against the African-American and Hispanic employees.¹ While these were not actions taken against minority business owners, they do demonstrate the persistence of racism in the aviation-related marketplace and the environment in which some minority and women-owned entrepreneurs must work.

I know that we have a big job to do to address discrimination. I know how hard airport executives work to level the playing field through programs to assist minority and women owned businesses. Business assistance programs and contract goals help, but it is never easy. Unfortunately, even when airports conscientiously work to set goals on contracts based on solid statistical evidence of the relative availability and utilization of minority and women owned firms, prime contractors still regularly come back and say "we just can't meet the goal." Sadly, the truth often is that the prime contractors either don't know where to find minority and women business owners – or they just haven't tried. Once airport staff step in to help make connections, the prime contractors are always able to meet the goal. In my nearly ten years as an airport executive, I had very few situations in which minority and women owned firms were simply

¹ *EEOC v. Allied Aviation Services, Inc.*, complaint, US District Court for the Northern District of Texas, Dallas Division, Civil Action No. 3:05-CV-1379-L, filed July 6, 2006; EEOC Press Release, March 11, 2008, *Allied Aviation to Pay Almost \$2Million for Harassment of Black and Hispanic Workers*, at <http://www.eeoc.gov/press/3-11-08.html>.

unavailable, and those cases usually related to something like the purchase of advanced avionics. In nearly every case we were able to link prime contractors with qualified minority or women owned businesses. More important than meeting any goal, however, is the fact that, through this process, new business alliances were established.

This is the essence of leveling the playing field: helping majority firms move beyond their established networks to give previously excluded businesses the opportunity to prove themselves. But I can tell you, it doesn't happen by accident and it doesn't happen without help. Changing long-established patterns of business behavior which excludes the participation of minority and women owned business is hard. The well entrenched psyche of exclusion (which operates with no sense of conscious or excuse), and can exist in contractors and internal airport department heads and purchasing agents alike, works as a one-two punch and can result in a knock-out for minority and women owned firms in the aviation field. This "old boy network" didn't develop overnight – and opening up that network to new firms won't happen overnight either. The Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs help us ensure that airports across this country provide business opportunities to all qualified businesses – to the full community, not just the segment which has always gotten the work in the past due to systemic exclusion.

In my work with MGT of America, one of the things that I do is to oversee the completion of disparity studies. These complex statistical and social research projects evaluate the evidence related to minority and women owned firms and attempt to determine whether or not racial or gender bias is present. I can tell you, based upon the many disparity studies that have been completed across the country, that discrimination is still a serious problem. While the results of each study are different, when we examine them together a clear picture emerges: discrimination against business owners of every racial minority group is still a problem in every region of the country. I have with me today six examples of the many recent airport-related studies that have been conducted by MGT and other disparity study research firms. I would like to ask that these be included in the record. These studies come from all across our nation -- Denver, Colorado; the State of Maryland; Phoenix, Arizona; Broward County, Florida; Nashville, Tennessee and Dallas, Texas² -- they all present compelling evidence of discrimination in the public and private sectors. It is important to note that these are just a small fraction of the studies in which discrimination has been found that have been conducted by airports and many other public entities such as state departments of transportation, jointly funded studies which include state administrative departments and state-wide university systems, and city and county governments including local transit agencies. To say that the statistical evidence of the ongoing underutilization of minority and women owned businesses is overwhelming is not hyperbole.

² Dallas /Fort Worth International Airport Board Disparity Study Final Report, MGT of America, October 17, 2000. Final Report: Broward County Small Disadvantaged Business Enterprise (SDBE) Disparity Study, MGT of America, Inc., April 3, 2001; The City of Phoenix, Minority-, Women-Owned and Small Business Enterprise Program Update Study: Final Report, MGT of America, April 21, 2005; Race, Sex and Business Enterprise: Evidence from the State of Maryland, NERA Economic Consulting, March 8, 2006; Race, Sex and Business Enterprise: Evidence from Denver, CO, NERA Economic Consulting, May 5, 2006; and Final Report for Development and Revision of Small, Minority and Women Business Enterprise Program, Nashville International Airport, (BNA), Griffin and Strong, PC, September 19, 2007.

But don't just take my word for it. It is important to hear the stories of the men and women who struggle each and every day to overcome discrimination as they seek to build their businesses, support their families and contribute to our national economy. Many businesses fear retaliation and have requested that we use their stories anonymously.

- An African American business man in the travel and transportation industry in the Midwest has run up against the old boys' network his whole life. He has been the subject of racial slurs, discriminatory attitudes and recently found that he was being charged almost 50% more for tires for his buses than a majority firm owner in the same industry. When this business owner disguised his voice and called the same distributor that had previously given him the higher price he was given the lower price.
- A Hispanic construction subcontractor working on the East coast was recently told by a large majority owned prime contractor that they would use him on a job to fulfill a contract goal. After that, they "shopped" his bid to a much larger majority subcontractor and removed him from the contract. With 25 years of experience in the industry, this business owner feels strongly that there is significant racial animus against Hispanic owned companies.
- A white woman business owner has experienced patronizing, bullying and discriminatory attitudes from the men she deals with in other companies and even among airport staff. She told us that she has been referred to behind her back as a "bitch" and "the necessary evil." She also explained that she sometimes sends male employees to make the company's pitch because she feels it is more likely to result in a winning bid in some cases.
- Another African-American AMAC member, based in the Southeast with many years of experience in airport concessions, attempted to obtain venture capital from a fund specifically established for underserved communities. Even in that context this business owner was asked to meet extraordinary conditions that would not have been required of majority owned businesses. This was true despite the business owner's own sterling business, educational and financial qualifications. Because of the denial of venture capital, the deal, which would have involved five franchises with a Fortune 100 company, ultimately fell through.

Simply put, this discrimination causes real and lasting harm to minority and women entrepreneurs, who, unlike many of their competitors are often first generation business owners. In case after case all across this country the experience clearly shows that this type of inexcusable bias, for them, translates at best into higher costs and foreclosed opportunities, and at worst, failed businesses. It's like the addition of a race-based tax that makes them have to work twice as hard while making half the profit.

In closing, discrimination against minority and women contractors in America is abundant and devastating. All of this makes it imperative that we maintain and expand important programs like the DBE and ACDBE programs. We expect that this week the Congress will finalize a new extension of the FAA programs to which the DBE and ACDBE programs attach. We also hope

that in the months ahead, Congress will consider ways to strengthen these programs by making certification training more uniform, providing for national certification reciprocity, and adjusting the personal net worth cap for inflation – just to name a few of AMAC’s legislative priorities.

Given this subcommittee’s jurisdiction, and my work with disparity studies at MGT, I would also like to add a plea that you do whatever you can to strengthen the Census Bureau’s data collection on minority and women owned businesses. We need this committee to provide more resources and direction for more and better data collection. Your help in improving the timeliness and detail of the publicly available federal data could lower the costs of research and ultimately make more research possible. This in turn will make it easier for all of us who are working to level the playing field.

Thank you for the opportunity to appear here today. I look forward to answering any questions you might have.