## Congress of the United States

Washington, DC 20515

March 2, 2022

The Honorable Joseph R. Biden President of the United States The White House Washington, DC

Dear President Biden:

We write to bring to your attention the major failings of many federal departments and agencies to do business with Black-owned media and advertising firms. An article in "Black Enterprise" highlighted this problem with respect to the failure of the federal government to spend a significant amount of the COVID-19 advertising program funds with Black-owned media and advertising firms.<sup>1</sup> As you know, there has been a great deal of reluctance and concern within the Black community about getting the COVID-19 vaccinations. Educating our communities should have been a very high priority of that advertising program. Unfortunately, the failure of the federal government to spend COVID-19 advertising dollars with Black-owned media and advertising firms is simply the continuation of a problem that has existed for years. We appreciate that your administration met with leaders in Black-owned media to discuss this topic in early 2021, however we are not aware of any action that resulted from this meeting and the problem continues to undermine Black-owned businesses. Therefore, we are requesting that you reinstate President Clinton's Executive Order 13170 and conduct an audit of contracts funded by COVID-19 response legislation.

The federal government spends billions of dollars a year in paid advertising. However, the federal government's process for allocating advertising dollars fails to recognize and value the unique relationship that Black-owned media have with their audiences. The standard process for spending federal advertising dollars consists of giving a prime contract to a large White-owned advertising agency with the stipulation that the agency include a multicultural agency as a subcontractor. However, the prime contractor controls how much money goes to the subcontractor and how that subcontractor spends that money. This routinely results in a smaller fraction of federal dollars going to the subcontractors. And, when the subcontractor does get to spend money, it is usually directed to spend that money with Black-targeted media and not with Black-owned media. Successful Black businesses hire and promote Black Americans at a much higher rate than other businesses. They are, consequently, the key to building successful Black communities.

<sup>&</sup>lt;sup>1</sup> Dingle, Derek T. "Black Media Shut out of Covid-19 Vaccination Advertising by Biden Administration." Black Enterprise. Black Enterprise, August 23, 2021. https://www.blackenterprise.com/black-media-shut-out-of-covid-vaccination-advertising-by-biden-administration/?test=prebid

Therefore, we ask that you direct all federal agencies to investigate the process by which they grant advertising contracts, and how they oversee those contracts after they are granted. While we appreciate your dedication to embedding equity principles across the government, we believe you should go further. By reinstating President Clinton's Executive Order 13170 which ensured "nondiscrimination in Federal procurement opportunities for businesses in the Small Disadvantaged Business Program (SDBs), businesses in the Business Development program of the Small Business Administration and Minority Business Enterprises (MBEs)," and took "affirmative action to ensure inclusion of these businesses in federal contracting," diversity in federal contracts could be achieved.<sup>2</sup> This executive order was revoked under President Bush, then reinstated under President Obama, and revoked again under President Trump. Reinstating this executive order would be a step toward true economic equality for Black-owned media and advertising businesses.

Additionally, we request the numbers and values of contracts funded by COVID-19 response legislation, including the American Rescue Plan and CARES Act, that were awarded to white-owned media and advertising firms, that were awarded to Black-owned firms directly, that were awarded to white-owned firms that were to be subcontracted to Black-owned firms, and that were in fact subcontracted to Black-owned firms.

In 2016, Congress requested the Government Accountability Office to do a study as to how much Black-owned media was receiving in federal advertising.<sup>3</sup> The GAO found that, over a five-year period, the federal government spent more than \$5 billion on advertising, and Black-owned businesses received only \$51 million, or 1.02 percent.

Black-owned media companies – touching the lives of millions of African Americans everyday – are pillars of their communities. Coast to coast, they are the most trusted sources for news and information in Black communities. For those media companies to successfully provide service to their communities, they must receive a fair share of the federal advertising dollars used to educate and inform our communities.

It is imperative that the persons with ultimate authority over the expenditure of federal advertising funds be made aware of the important and valuable relationship that Black-owned media have with the Black community, and to utilize that relationship to the maximum extent possible in all federal advertising programs.

We look forward to your timely response. Thank you.

## Sincerely,

<sup>&</sup>lt;sup>2</sup> Office of the Federal Register, National Archives and Records Administration. "Public Papers of the Presidents of the United States: WILLIAM J. CLINTON (2000-2001, Book III)", 2360. Government. Office of the Federal Register, National Archives and Records Administration, October 11, 2000. <u>https://www.govinfo.gov/app/details/PPP-2000-book3</u>

<sup>&</sup>lt;sup>3</sup> Brown, Stacy M. "Fed ad purchases from Black media only 1 percent of \$5 billion spend." Aug 8, 2018. <u>https://www.insightnews.com/business/fed-ad-purchases-from-black-media-only-1-percent-of-5-billion-spend/article\_04599b98-9b2f-11e8-9544-b71226634e36.html</u>

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