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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEBSITE: <https://commerce.senate.gov>

March 24, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Secretary Lutnick:

When you appeared before the Senate Committee on Commerce, Science, and Transportation on January 29, 2025, you said you would not support the dismantling of the Minority Business Development Agency (MBDA).¹ We welcomed your clear commitment to upholding the law and protecting the MBDA's vital mission. Notwithstanding your testimony, President Trump has now ordered the MBDA to "be eliminated to the maximum extent consistent with applicable law."² As the Cabinet Secretary ultimately responsible for executing the President's directive, you should not allow the MBDA's programs and duties to be compromised by the White House's latest attempt to override congressional authority.

Congress statutorily authorized the MBDA in 2021 in a bipartisan manner. As part of that work, Committee Democrats worked across the aisle to ensure the agency received the resources and leadership it needed to serve American entrepreneurs facing historical barriers to small business ownership—helping them innovate, start successful businesses, and create good-paying jobs. Recognizing the importance of this mission, the Senate approved the amendment codifying the MBDA, its programs, and its duties, into federal law by unanimous consent.³ In Fiscal Year 2024 alone, the agency helped the country's more than 12 million minority businesses access over \$1.5 billion in capital and create or retain approximately 23,000 jobs.⁴

¹ Hearing, "Nomination Hearing – U.S. Secretary of Commerce", *U.S. Senate Committee on Commerce, Science, and Transportation*, (Jan. 29, 2025); https://www.commerce.senate.gov/2025/1/full-committee-nomination-hearing_2_3.

² Executive Order, "Continuing the Reduction of the Federal Bureaucracy", *White House – Trump Administration*, (Mar. 14, 2025); <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>.

³ Congressional Record, Vol. 167, No. 139, (Aug. 4, 2021); <https://www.congress.gov/117/crec/2021/08/04/167/139/CREC-2021-08-04-pt1-PgS5791-7.pdf>, at S5813-14.

⁴ "Annual Performance Summary, Fiscal Year 2024," *Minority Business Development Agency*, (accessed Mar. 24, 2025); <https://www.mbda.gov/sites/default/files/2025-03/fy-2024-annual-performance-report.pdf>.

All of this progress and its benefit to the U.S. economy was placed at risk when President Trump issued an executive order (EO) on March 14, 2025, effectively eliminating the MBDA and certain other federal entities. In so doing, the EO called for the head of the MBDA—who ultimately reports to you—to submit a report to the Office of Management and Budget within seven days “confirming full compliance with this order and explaining which components or functions of the governmental entity, if any, are statutorily required and to what extent.”⁵ External stakeholders have contacted us warning that the agency is being pressured to reduce its personnel to as few as 3 full-time equivalent (FTE) employees—a stark departure from the 76 FTEs for which the agency is presently authorized.⁶ We also have heard from external stakeholders that the MBDA already has put all employees on administrative leave as of March 21, 2025.

If a reduction in force of this magnitude were to occur, it would have devastating impacts on the MBDA’s ability to carry out its programs and duties as mandated by Congress. And it would be fundamentally inconsistent with any plan to ensure the MBDA “operate[s] efficiently, effectively, and in compliance with the law,” which you claimed was your priority for the MBDA.⁷ Finally, this reduction in force would be to the detriment of the U.S. economy, which you, as Commerce Secretary, are responsible for strengthening, not weakening.

Simply put, such a move would reflect the exact type of “dismantling” of the MBDA that you promised not to carry out. We urge you to stay true to your testimony.

Sincerely,



Maria Cantwell
Ranking Member



Lisa Blunt Rochester
Committee Member

⁵ See *supra* n.2

⁶ “Fiscal Year 2025 Congressional Justification”, *Minority Business Development Agency*, (accessed Mar. 24, 2025); <https://www.commerce.gov/sites/default/files/2024-03/MBDA-FY2025-Congressional-Budget-Submission.pdf>.

⁷ Questions for the Record, “Democratic Questions for the Record for Mr. Howard Lutnick”, *U.S. Senate Committee on Commerce, Science, and Transportation*, (Jan. 29, 2025); https://www.commerce.senate.gov/index.cfm?a=Files.Serve&File_id=01C4706D-6E4A-4869-8785-D9166C796DE7.