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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

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

May 28, 2025

The Honorable Keith Sonderling
Acting Under Secretary for Minority Business Development Agency
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Acting Under Secretary Sonderling:

On May 13, 2025, the United States District Court for the District of Rhode Island issued a preliminary injunction in State of Rhode Island, et al. v. Donald J. Trump, et al. ordering the Department of Commerce (Department) to halt its unlawful dismantling of the Minority Business Development Agency (MBDA) pursuant to President Trump’s Executive Order 14238, “Continuing the Reduction of the Federal Bureaucracy” (Executive Order). We write to ensure that the Department is complying with its obligations under the preliminary injunction.

In 2021, Congress permanently authorized the MBDA in bipartisan legislation, the Minority Business Development Act of 2021 (MBDA Act),¹ which was enacted as part of the Infrastructure Investment and Jobs Act.² Last year, Congress funded the MBDA pursuant to the Consolidated Appropriations Act, 2024, which appropriated \$68.25 million for the “necessary expenses of the Minority Business Development Agency in fostering, promoting, and developing minority business enterprises, as authorized by law.”³ That same level of funding has been appropriated through the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4)

Despite the clear directive and appropriations by Congress, President Trump’s Executive Order, issued on March 14, 2025, called for effectively eliminating the MBDA, among other agencies.⁴ Following the issuance of the Executive Order, the Trump Administration unilaterally dismantled

¹ Minority Business Development Act of 2021, S. 2068, 117th Cong., <https://www.congress.gov/bill/117th-congress/senate-bill/2068?s=2&r=1>.

² Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 117th Cong., Nov. 15, 2021, <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>.

³ Consolidated Appropriations Act, 2024, Pub. L. No. 118-42, 118th Cong., Mar. 9, 2024, <https://www.congress.gov/bill/118th-congress/house-bill/4366/text>.

⁴ Executive Order, “Continuing the Reduction of the Federal Bureaucracy,” Mar. 14, 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>.

the MBDA—terminating virtually all its staff, canceling its grant programs, and removing its signage from the Department.⁵

Twenty-one states sued the Trump Administration, seeking a preliminary injunction to prevent the Administration from carrying out the Executive Order.⁶ The states argued that implementation of the Executive Order violates the Administrative Procedure Act, the Constitution’s Take Care Clause, and separation of powers principles under the Constitution. The Court found that the state plaintiffs are likely to succeed on all of their claims and granted the injunction, halting implementation of the Executive Order.⁷ In its analysis of the states’ Constitutional claims, the Court said the following:

By issuing the [Executive Order]—which effectively directs withholding the funds that Congress recently statutorily appropriated to [MBDA], resulting in the cessation of several of their programs, see supra—the **Executive is usurping Congress’s: (1) power of the purse, by disregarding congressional appropriations; and (2) vested legislative authority to create and abolish federal agencies.**⁸

The Court’s order detailing how the Trump Administration must comply with the preliminary injunction makes it clear that the MBDA’s personnel and grantmaking capabilities must be restored. This is good news for the American public. In Fiscal Year 2024 alone, the MBDA 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.⁹

Given the important mission of the MBDA, it is essential that Congress and the public understand how the Trump Administration is complying with the preliminary injunction. Therefore, we are requesting you to report on the following by June 9, 2025:

1. A complete description of all actions taken by the Department or MBDA to enjoin the implementation of Section 2 of the Executive Order.
2. A complete description of all actions taken by the Department or MBDA “to reverse any policies, memoranda, directions, or actions issued before” the injunction, intended to implement the Executive Order.

⁵ See *supra* n. 2; see also Opening Remarks of Ranking Member Maria Cantwell, Senate Commerce, Science and Transportation Committee Hearing to consider Paul Dabbar to be Deputy Secretary of Commerce, May 1, 2025, <https://www.cantwell.senate.gov/download/05012025-senate-commerce-committee-hearing-full-transcript>.

⁶ Complaint for Declaratory and Injunctive Relief, *State of Rhode Island, et al. v. Donald J. Trump, et al.*, Case 1:25-cv-00128-JJM-AEM, Dkt. No. 1 (April 4, 2025).

⁷ Preliminary Injunction, *State of Rhode Island, et al. v. Donald J. Trump, et al.*, Case 1:25-cv-00128-JJM-AEM, Dkt. No. 60 (May 6, 2025).

⁸ Memorandum and Order, *State of Rhode Island, et al. v. Donald J. Trump, et al.*, Dkt. No. 57 at 40 (May 6, 2025) (emphasis added).

⁹ “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>.

3. Confirmation that the Department or MBDA has “not take[n] any further actions to eliminate [the MBDA] pursuant to” the Executive Order.
4. A complete description of all actions taken by the Department or MBDA to take “all necessary steps to restore all [MBDA] employees and personal service contractors, who were involuntarily placed on leave or involuntarily terminated due to the implementation of” the Executive Order “to their status before March 14, 2025.”
5. Confirmation that the Department or MBDA “shall not further pause, cancel, or otherwise terminate [MBDA] grants or contracts or fail to disburse funds to recipients in plaintiff States according to such grants or contracts for reasons other than the grantees or contractors’ non compliances with applicable grant or contract terms.”
6. A complete description of all actions taken by the Department or MBDA to “take immediate steps to resume the processing, disbursement, and payment of already-awarded funding, and to release awarded funds previously withheld or rendered inaccessible due to or in reliance on Section 2 of the” Executive Order.

In addition, in the event that any MBDA employees or personal service contractors are unable to resume their roles lost due to their involuntary terminations and leave under the Executive Order, please provide a complete description of all actions taken to address any gaps in staffing at the MBDA following implementation of the preliminary injunction.

Sincerely,



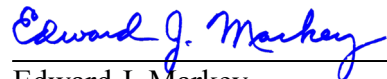
Maria Cantwell
United States Senator



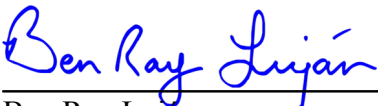
Tammy Baldwin
United States Senator



Lisa Blunt Rochester
United States Senator



Edward J. Markey
United States Senator



Ben Ray Lujan
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