

SUPPORTING STATEMENT

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A. Justification

1. Explain the circumstances that make the collection of information necessary. Include identification of any legal or administrative requirements that necessitate the collection.

49 U.S.C. 332(b)(3)(4)(5), authorizes the Office of Small and Disadvantaged Business Utilization and Minority Resource Center (OSDBU/MRC) to facilitate, encourage, promote, and assist minority entrepreneurs and businesses in getting contracts, subcontracts, and projects related to those business opportunities. The statute authorizes the Minority Resource Center to assist minority entrepreneurs and businesses in obtaining investment capital and debt financing. In response to developmental assistance need, OSDBU/MRC developed the U.S. Department of Transportation (DOT) Short Term Lending Program (STLP) to offer certified DBE's the opportunity to obtain short-term working capital at prime interest rates for transportation related contracts. DBE firms participating in the STLP program will submit loan applications on-line to participating DOT Preferred Bank Lenders (PBL). The cumulative data collected will be analyzed by the Office of Small and Disadvantaged Business Utilization and Minority Resource Center STLP Committee and PBLs to determine the eligibility of DBEs for revolving lines of credit to finance accounts receivable arising from transportation-related contracts. The information will also be used to increase uniformity among participating PBLs.

2. Indicate how, by whom, and for what purpose the information is based.

To be eligible, the DBE must be eligible for DOT's programs under DOT regulations at 49 CFR Part 23, 8(a) firms eligible for benefits under DOT's Minority Resource Center, or Small Disadvantaged Businesses eligible for benefits under DOT regulations at 13 CFR Part 124, Subpart B. A web-based company working in cooperation with DOT, will collect information on Disadvantaged Business Enterprises (DBEs), including the type of company, business size, type of project, etc. Based on these factors, as well as the DBE's credit and work history, the Office of Small and Disadvantaged Business Utilization and Minority Resource Center, independent financial consultants and PBLs will analyze the data to determine the DBE's eligibility for lines of credit to finance transportation-related contracts.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

The collection of such information involves the use of electronic submission by the DBE as a means of reducing costs and increasing efficiency.

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4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in Item 2 above.

The use of electronic submission by DBEs will identify key characteristics of the business, as discussed in Item 2 above. Currently, the office has a formal loan review process and procedure to determine DBE eligibility. Two complete sets of full loan documentations are sent to the DOT by PBLs for analysis and DOT approval. These applications contain the financial and personal information of the company applying for the loan, which may contain hundreds of pages. So, the electronic submission of data requested would provide DOT with a basis for offering a reduction in paperwork and cost, as well as providing convenience to DBEs in their efforts to receive financing to obtain government contracts and subcontracts.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize the burden.

Data collection will not have a significant economic impact on a substantial number of small entities because DBEs will file a credit application on-line only for new loans. Thereafter, the response time for analyzing the transportation-related loan will be faster because submission of the loan documents by the PBLs in duplicate will not be necessary. Therefore, small businesses will receive a loan decision in a shorter timeframe, minimizing the waiting time and burden to small businesses.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently.

Failure to allow collection of requested data will thwart the efforts of the Office of Small and Disadvantaged Business Utilization and Minority Resource Center in providing assistance to DBEs with short-term lending. DOT also works closely with recipients of DOT funds (primarily state and local transportation agencies) to ensure that DBEs have an equitable opportunity to participate in DOT funded contracts and subcontracts. If DOT is denied this requested information, DOT will not fulfill its duties authorized by 49 U.S.C. 332(b)(3)(4)(5) to facilitate, encourage, promote, and assist minority entrepreneurs in obtaining investment capital and debt financing.

7. Explain any special circumstances that required the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6.

These collections are consistent with the guidelines in 5 CFR 1320.6.

8. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting

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comments on the information collection prior to submission to OMB. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed and reported.

A notice, pursuant to 5 CFR 1320.8(d), soliciting comments on the proposed approval of the information collection was published on Thursday [FR Vol. No, Page 19]. No comments were received.

9. Explain decision to provide any payment or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

The Office of Small and Disadvantaged Business Utilization and Minority Resource Center is required to comply with Privacy Act (5 U.S.C. 552a), which provides that any person can request to see or get copies of any personal information that DOT has in its file, when that file is retrievable by individual identifiers, such as name or social security numbers. Requests for information about another party may be denied, unless DOT has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

11. Provide additional information for any questions of a sensitive nature, such as sexual behavior and attitude, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the question necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no sensitive questions.

12. Provide estimates of the hour burden of collection of information, including:

Number of annual respondents: 50

Number of annual responses: 50

Frequency of response: annually
(average of 1 annual response per respondent)

Annual hour burden: 50

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Annualized cost to respondents: \$7,500

Explanation of how the burden was estimated:

Based on the most current information available, approximately 1 loan application per DBE is filed annually, for a total of 50 applications. Approximately 8 PBLs provide financing for the lines of credit. Since the cost to the bank of complying with the Department's loan regulations is passed along to the DBE as part of the loan application processing fee, we have determined the annual cost per DBE instead of per PBL based on our acquired knowledge of the industry's experience in preparing the loan applications. The total annual cost to the 50 DBEs arising from their PBLs' preparation of the 50 loan applications is estimated to be \$7,500 per DBE (\$150 processing fee x 50 DBEs). This is based on an estimated burden of 50 hours per response, given an average of 1 loan application filing per year, giving an annual burden to all DBEs of 50 hours. The hourly cost to respondents is estimated at \$23, which includes the cost of analytical (\$16) and clerical (\$7) personnel, plus storage, duplication, and mailing expense.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection.

(a) total capital/start-up costs: none

(b) total operation and maintenance: none

The burden should extend no further than collecting already existing material and putting it in a form appropriate for filing with the Department.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expense, and any other expense that would not have been incurred without this collection information.

Estimated annualized cost to DOT of examining the 50 loan applications, entering the data into the computer and filing the loan documents is 250 hours and \$6,080. The average time required to process a loan application by a Department analyst is approximately 5 hours at an average cost of \$24.32 (based on the Salary Table hourly GS-11 pay rate).

15. Explain reasons for any program changes or adjustments.

There are no program changes or adjustments

16. For collection of information whose results will be published, outline plans for tabulation and publications.

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Not Applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not Applicable.

18. Explain each exception to the certification statement identified in item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not Applicable.

B. Collection of Information Employing Statistical Methods.

Not Applicable.