

**Supporting Statement for Paperwork Reduction Act Submissions
SBA Form 355, Information for Small Business Size Determination**

A. JUSTIFICATION

This information collection expires on October 31, 2009. SBA has not made any substantive changes but has made a few minor revisions to correct grammatical errors and to clarify instructions and criminal penalties for false statements.

1. Circumstances necessitating the collection of Information

The U.S. Small Business Administration (SBA) and other Federal agencies offer financial assistance and special contracting opportunities for small businesses, according to size standards found in 13 CFR 121. This form provides information about the business being reviewed to determine whether it is eligible for small business programs. 13 CFR 121.1008(c) authorizes SBA to collect information about the business subject to a review.

2. How, by whom, and for what purpose information will be used.

The information collected by SBA using this form will be used to determine in a protest whether a business is small. When a size protest or administrative request for a size determination is filed with SBA at one of its Government Contracting Area Offices or Disaster Area Offices, a size specialist will inform the business that its size is being challenged and includes this form with the notice letter. The size specialist will advise the business that the information requested in SBA Form 355 will be used in determining whether the business qualifies as small. The information collected is about business' organization; its owners and operators; its relationships, both personal and business-wise; its employees; and, the income received by all of them. This information will be used to measure whether a business is small or large based on the applicable size standard, usually based on either number of employees or average annual receipts.

3. Technological collection techniques

SBA does not provide a recommended method of responding to the request for information. In most instances, the business will send its responses in writing and supplemented by other paper documents. Although SBA has not devised a method to accept responses from the business through automated, electronic or other technological collection techniques, it does receive some information through its e-mail system and facsimile transmission. This electronic information collection represents about 10% of all information collected. Most information collected, because it involves volumes of documents, comes through the U.S. mail and business delivery services, like Federal Express.

4. Avoidance of Duplication

To avoid duplication, SBA personnel conducting a size determination will usually check to see if the business being reviewed is participating in one of its many programs designed to help small businesses. In most cases, similar information is not available.

5. Impact on small businesses or other small entities

Information sought by SBA through the use of SBA Form 355 does not have a significant economic burden on small businesses. The burden is limited to a small business requiring only the minimum information necessary to make a proper size determination.

6. Consequences if collection of information is not conducted

The Federal Government would not be able to properly confirm a small business concern's size without the collection of this data. Information about a business is collected to assist in determining its status as a small business for program participation purposes in cases where eligibility is questioned. The penalty for failure to respond to this information collection is possible loss of Federal contracting opportunities or financial assistance.

7. Existence of special circumstances

No special circumstances exist.

8. Solicitation of public comment

A notice requesting public comment was published on April 16, 2009 at 72 FR 17,697; no comments were received by the June 15 deadline.

9. Payment of gifts

No gifts or payments will be given to the respondent.

10. Assurance of confidentiality

The information is maintained under conditions designed to preclude access by other than Agency personnel who have need to such access. It is available for review by the Government Contracting Area Office and the Disaster Area Offices when making formal size determinations or by the Office of Hearings and Appeals in the event a party to a size protest or size determination appeals the decision. Because the information collected is deemed business information the Privacy Act is not implicated. However, the information will be protected to the extent permissible under FOIA.

11. Questions of a Sensitive Nature

No questions of a sensitive nature are asked.

12. Estimate the hourly burden of the collection of information

Based on latest trends in the number of size protests, the number of respondents for SBA Form 355 is estimated to be about 575 annually. Thus, total burden hours are calculated at 2,300

hours which is based on the number of respondents (575) times 4 hours per respondent. The annualized cost for the collection of information is estimated at \$57, 500. This calculation is based on 2,300 hours times \$25/hour (approximate average wage rate for Federal government employees at GS-9 levels).

13. Estimate the total annual cost burden for submission

There is no cost to the respondent.

14. Annualized cost to the Federal Government

The estimated annual cost to the Federal Government of this collection of information is \$69,000. It is calculated as follows:

$$575 \text{ respondents} \times 4 \text{ hours per respondent} = 2,300 \text{ hours}$$

$$2,300 \text{ hours} \times \$30/\text{hours (hourly wage est.)} = \$69,000$$

15. Explanation of program changes in Items 13 or 14 on OMB 83-I

There has been a slight decrease in the estimated burden hours due to a recalculation of the number of respondents.

16. Collection of information whose results will be published

No publishing is planned.

17. Expiration date for collection of information

Not applicable

18. Exceptions to certification in block 19 on OMB Form 83-I

There are no exceptions to the certification statement.

B. Collection of information employing statistical methods

This collection of information does not employ statistical methods.