

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**Minority Business Development Agency**  
**Survey of Minority-Owned Business Participation in Global Commerce**  
**OMB Control No. 0640-XXXX**

**A. JUSTIFICATION**

**This is an emergency review request to survey minority-owned businesses to identify their participation in global commerce and to establish benchmark data. The requested approval date is May 12, 2010.**

**1. Explain the circumstances that make the collection of information necessary.**

On March 11, 2010, President Obama signed Executive Order 13534 entitled the National Export Initiative. The President's Initiative calls for "doubling exports over the next 5 years by working to remove trade barriers abroad, by helping firms -- especially small businesses -- overcome the hurdles to entering new export markets, by assisting with financing, and in general by pursuing a Government-wide approach to export advocacy abroad."

In support of the President's Initiative, the Minority Business Development Agency (MBDA) proposed to do a research study entitled, "*Minority Business Contributions to the U.S. Economy through Global Commerce*," and to release it during MBDA's National Minority Enterprise Development (MED) Week Conference, scheduled for August 25-27, 2010 in Washington, D.C. This year's conference theme is "Strategies for Growth and Competitiveness in the Global Economy." The MED Week conference is MBDA's largest national event for large corporations and minority business enterprises. The conference brings together over 1,000 attendees including corporate executives, government and non-profit organization leaders, academicians, and other stakeholders with the purpose of discussing strategies to promote the development and growth of minority businesses.

On April 12, 2010 the National Oceanic and Atmospheric Administration awarded a contract to Minimax Consulting on behalf of MBDA to develop the proposed study. The company conducting the study proposes to survey businesses to identify the participation rates of minority-owned businesses in global commerce. Currently there are no sources of data available that provide this kind of information. It is necessary to conduct a survey to establish benchmarks of minority business participation rates in export sales of goods and services, international trade including trade with fast growing markets, and identifying barriers to global commerce. The survey, to be completed by businesses voluntarily, will also identify minority business access to capital markets, experiences with trade barriers and regulatory issues, their potential to enter the export market, and their position in global supply chains.

The survey would be administered in early May, 2010 to ensure the timely analysis of data and the development of conclusions to finalize and deliver a completed study to MBDA by July 30, 2010. The study will be reviewed and cleared through various offices of the U.S. Department of Commerce, including the Office of Policy, the Office of Public Affairs, the Office of Legislative Affairs, and the Office of General Counsel, as well as bureaus such as the Economic Statistics Administration and the International Trade Administration. A final draft of the study must be completed and cleared by July 30, 2010 to meet review printing and publication deadlines in August, 2010.

The emergency review and approval for the collection of the above stated information is necessary to comply with the Minority Business Development Agency's global commerce initiative in support of the President's National Export Initiative and to meet the production deadlines for the presentation of the findings during the MED Week Conference, our most visible and largest national conference. Findings from the proposed survey directly support the President's initiative by establishing benchmarks from which to measure minority business growth in export sales, identifying barriers to international trade and providing recommendations on how to increase minority business participation in global commerce.

**2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.**

MBDA will administer the survey through the Minimax, the company that has been contracted for this purpose. The information collected through the survey will be used to conduct research in conjunction with the above noted award. This may be a one-time collection of data and all responses from businesses surveyed are voluntary. MBDA is considering conducting a similar survey in the future to measure progress of MBE participation rates in global commerce. MBDA is also considering using an alternative method in the future: correlating data from the Census's 2007 Survey of Business Owners with the Census Shipper's Exports database. Currently this data is not available for correlation, but may provide a more reliable method to measure trends in MBE global participation rates in the future.

Currently, the proposed data sampling and survey would generate the best results for MBE participation rates in global commerce. Following the analysis of results, data in aggregate format will be included in the research study. The findings support MBDA's global commerce initiative and the President's National Export Initiative. Findings will be released to the public through the published research paper by the end of August 2010, following clearance from all relevant Department of Commerce's bureaus and offices. The research complies with all MBDA's Information Quality Guidelines:

- Survey design and sampling procedures will be specified to ensure objectivity and utility of the information produced.

- Appropriate statistical sampling methods will be used to yield information with sufficient precision and accuracy.
- The contractor will provide MBDA with a dedicated and secured server space for all data collected to ensure integrity, and security of all gathered data.

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

The collection of information will use web-based survey tools primarily for speed and data collection validity. Minimax has worked with both web and live survey tools, and given the time constraints as well as the population geographic distribution, web-based survey tools are a better fit for this research study. Telephone based surveys are also an option; however, based on time constraints costs, they are not optimal.

**4. Describe efforts to identify duplication.**

The data to be collected from this survey is not supplied through any other method available nor by any other Federal agency. In administering this survey, duplicate entries will be prevented through coding. Each participant will be given a unique identifier and following data entry, any duplicate identifier will be flagged for review.

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

Some proportion of MBEs is expected to be small businesses. The survey process utilized by Minimax Consulting will be non-intrusive (not costly in terms of time and/or effort on behalf of the participant) and efficient to minimize time spent by all respondents, including small businesses. Efficiency refers to obtaining accurate survey responses in the shortest amount of time possible.

**6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

The timeline for the current research study requires an expedited surveying process to begin as soon as approval is received. Not conducting the data collection would result in missing the timelines of data release noted in Response 1 above. The survey is a central piece of the research paper entitled, “*Minority Business Contributions to the U.S. Economy through Global Commerce.*” Findings will help in establish benchmarks from which to measure minority business growth in exports of goods and services, international trade, and trade with fast growing

markets. The survey will also identify minority business access to capital markets, experiences with trade barriers and regulatory issues, their potential to enter the export market, and their position in global supply chains.

Without the survey it would not be possible to set benchmarks of minority business participation in global commerce to measure the progress of increasing export sales as well as the development of recommendations to increase the participation of minority businesses in international trade. Findings are vital to support the President's National Export Initiative.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

**8. Provide information of the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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, or reported.**

MBDA was granted a waiver by OMB of the Federal Register Notice announcing the submission of the emergency review request and requesting public comment.

MBDA consulted with the U.S. Census Bureau and the International Trade Administration (ITA) regarding availability of data. We were told no source was available which contained the data we are seeking through this survey. In addition, MBDA consulted with ITA and the U.S. Census Bureau in the development of the sample methodology and survey, and made modifications to the sampling and survey based on the conversations and input from these federal agencies.

**9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments or gifts will be offered to respondents. MBDA does not expect that this methodology will be needed to attain the requisite number of responses.

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

Responses from all potential respondents will be kept private to the extent permitted by law. Specific information provided by respondent firms will not be released to the public except otherwise required by the Freedom of Information Act. Data will be collected through an online survey hosted at Minimax Consulting's secure server, and data security will be assured by 128-bit SSL encryption during data transmission, restricted access to servers, and strict firewall settings.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

MBDA will collect information regarding the ethnic and racial background of the business owners surveyed, as well as if the business owner is Hasidic Jew. This information is voluntary. This question is essential to distinguish participation rates between minority and non-minority business in the global economy, as well as other business characteristics. It also ensures that MBDA is operating within the parameters of Executive Order 11625 and 15 C.F.R. part 1400, which specifies the ethnic and racial and religious background of business owners the Agency must serve to meet its mission of fostering the growth of minority-owned businesses.

According to MBDA's Executive Order 11625 and 15 C.F.R. part 1400, and for purposes of determining eligibility to receive MBDA services, an MBE is defined as a business concern that is owned or controlled (greater than 50 percent) by the following persons or groups of persons that are also U.S. citizens or resident aliens admitted for lawful admission to the United States: African Americans, Hispanics, Asian and Pacific Islander Americans, Native Americans (including Alaska Natives, Alaska Native Corporations and Tribal entities), Asian Indians and Hasidic Jews.

**12. Provide an estimate in hours of the burden of the collection of information.**

MBDA's contractor, Minimax, estimates a final sample size between 2,000 – 4,000 respondents, and estimates that each survey will take 30 to 45 minutes to complete. Therefore, the amount of burden hours is estimated between 1,500 and 3,000 hours.

The larger numbers will be used to calculate the respondent, responses, and burden hours.

**13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).**

There is no annual cost burden to respondents resulting from the collection.

**14. Provide estimates of annualized cost to the Federal government.**

There is no additional annualized cost accrued to the Federal government beyond the amount contracted to be spent on the survey. The research study was awarded in the amount of \$42,750. That amount also includes travel and presentations on the findings in public venues.

**15. Explain the reasons for any program changes or adjustments.**

This is a new information collection.

**16. For collections whose results will be published, outline the plans for tabulation and publication.**

Data will be analyzed and findings in aggregate format will be published in the upcoming research study entitled, "*Minority Business Contributions to the U.S. Economy through Global Commerce*," by August 2010. An electronic copy of the research study will be posted on MBDA's website. Hard copies of the research study will be distributed at the MED Week Conference and through other venues. The data collection and publication will follow MBDA Information Quality Guidelines.

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

Not Applicable.

**18. Explain each exception to the certification statement.**

There are no expected exceptions to the certification statement.