

**INFORMATION COLLECTION
SUPPORTING JUSTIFICATION
FEDERAL RAIL ADMINISTRATION DISPARITY STUDY
FRA Form Numbers FRA F 6180.171; FRA F 6180.172;
FRA F 6180.173; FRA F 6180.174**

Part A: Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The objective of this work is to complete a Congressionally mandated disparity study evaluating the participation by small and disadvantaged businesses in railroad contracting that meets the requirements of the Disadvantaged Business Enterprise (DBE) program for federally funded projects administered by the Federal Highway Administration or the Federal Transit Administration, 49 C.F.R. Part 26. The purpose of this disparity study is to evaluate the market for the availability and utilization of small and disadvantaged businesses in publically funded railroad contracting. The study will be used as evidence to inform the Federal Railroad Administration (FRA) and the Department of Transportation on the state of small and disadvantaged business contacting in the railroad industry or on their behalf and will be a component in the agency's Title VI compliance program.

The FRA currently encourages all recipients of Federal financial assistance to use small business concerns owned and controlled by socially and economically disadvantaged individuals in their projects. These businesses include small businesses, Disadvantaged Business Enterprises (DBEs), Veteran-Owned Small Businesses (VOSBs), and Service Disabled Veteran-Owned Small Businesses (SDVOSBs). However, the FRA does not currently have statutory authority to administer a DBE program like those in place at the Federal Highway Administration, Federal Transit Administration, and Federal Aviation Administration. At those three administrations, DOT DBE regulations require state and local transportation agencies that receive DOT financial assistance to establish goals for the participation of DBEs. Each DOT-assisted State and local transportation agency is required to establish annual DBE goals, review the scopes of anticipated large prime contracts, and establish contract-specific DBE subcontracting goals. Despite the lack of a formal DBE program, FRA fully supports the objectives of DBE programs and all FRA's grantees are required to avoid discrimination in contracting.

Former Federal Railroad Administration Administrator, Joseph C. Szabo, in testimony before the Subcommittee on Railroads, Pipelines, And Hazardous Materials, Committee on Transportation and Infrastructure, U.S. House of Representatives on April 11, 2013,

stated, “FRA would like to conduct a nationwide disparity and availability study to establish the availability and utilization of disadvantaged business enterprises in publically funded railroad projects.” In addition, in late 2015 the Congress passed “Fixing America’s Surface Transportation Act” (FAST Act). FAST codified the requirement for FRA to conduct “a nationwide disparity and availability study on the availability and use of small business concerns owned and controlled by socially and economically disadvantaged individuals and veteran-owned small businesses in publicly funded intercity rail passenger transportation projects” (See SEC. 11310 Small Business Participation Study). The legislation, requires that “Not later than 2 years after the date of enactment of this Act, the Secretary shall submit a report containing the results of the study ... to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.”

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

This is a new collection of information. The purpose of this disparity study is to evaluate the market for the availability and utilization of small and disadvantaged businesses in publically funded railroad contracting. The study will be used as evidence to inform the Federal Railroad Administration (FRA) and the Department of Transportation on the state of small and disadvantaged business contracting in the railroad industry or on their behalf and will be a component in the agency’s Title VI compliance program.

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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

This information collection activity includes three surveys and a series of webinar focus groups. In Survey #1, the study team will collect data on grant recipients and their prime contractors, consultants, and vendors with whom they spent grant funds. To the extent possible, the study team will collect the data directly from existing electronic grant files available on GrantSolutions, an online database. The study team will collect the remaining data through phone calls and emails to grantees, sub-grantees, prime-contractors, and sub-contractors. The study team cannot further automate this portion of the data collection. The survey cannot readily standardize a one-time data collection activity across respondents.

In Survey #2, the study will collect data from firms in the railroad contracting industry. The survey will elicit data on firms’ experiences with discrimination, as well as experiences in bidding with the grantees and their prime contractors and consultants. The design for this survey will employ technological collection techniques or other forms of information technology to the highest possible extent. The survey will use electronic transmission and electronic data collection to the extent possible. Mailed surveys and

paper forms processing will include OCR (Optical Character Recognition) technology to recognize machine printed text and OMR (Optical Mark Recognition) for check boxes and multiple-choice bubbles. The process of converting a hand-printed paper form to live data will include:

- Prepping of paper for scanning (unfolding, removing of staples, and other similar tasks)
- Scanning of forms on a high-speed document scanner
- Recognizing responses on scanned forms with OCR (Optical Character Recognition) technology for machine printed text, and OMR (Optical Mark Recognition) for check boxes and multiple choice bubbles
- Assigning a confidence value to recognized characters and applying validation rules to check for valid results
- Presenting "low-confidence" characters and fields that fail validation to verification operators for manual review and correction
- Exporting data to the final destination once all errors are corrected

In the Focus Groups, the study will collect qualitative anecdotal information through in-depth webinar focus groups of DBE and non-DBE business owners, as well as procurement personnel at FRA and its grantees. The design for this nationwide study has already converted the focus groups that normal state and metropolitan area studies employed from "in-person" to "webinars." The study design is making this change because the businesses in this study are nationwide, as opposed to concentrated in a state and metropolitan area. The webinar technology will reduce cost and burden for respondents.

In Survey #3, the research will survey firms to verify their DBE status. Starting from known business establishment lists (such as those from Dun & Bradstreet) the study will cross-reference numerous additional listings and directories of DBE firms in the relevant geographic and product markets in order to improve the classification of firms according to their status. The study team will also explore whether additional technology, such as email, can improve results and lower burdens on respondents.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

This study is making the maximum possible use of existing administrative data from grant files. The government does not currently collect data on spending from the grantees prime contractors or anecdotal information on discrimination so there is no similar information that the study can use or modify for use for the studies purposes.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The purpose of this study is to examine equity issues related to Federal Railroad purchases from minority and women-owned businesses, the majority of which are small businesses. While this study does affect small entities, that impact is very small. The overall purpose of the study is to aid small entities. Survey #1, which requires the largest amount of effort on the part of entities, will involve very few if any small entities. The focus groups and the other two surveys are voluntary and require only a small amount of time to report experiences and readily available data. In total, entities that participate in the focus groups and Surveys #2 and #3 will spend a maximum of 1.5 hours of time, with no other direct costs. In addition, the study team has made and will continue to make every possible effort to minimize impacts on small entities. One change that the study team has already implemented was to switch from in person focus groups to webinar-based focus groups. This saves small entities funds that they would have to spend on travel and the additional time required to travel. In addition, the study team is considering replacing or supplementing mail and telephone surveys with email and electronic surveys. The study team believes that providing this option will reduce impacts on small entities.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This data collection is a one-time activity necessary to conduct a congressionally mandated study. The purpose is to evaluate the availability and utilization of small and disadvantaged businesses in publically funded railroad contracting. The study will be used as evidence to inform the Federal Railroad Administration (FRA) and the US Department of Transportation (USDOT) on the state of small and disadvantaged business contacting in the railroad industry or on their behalf and will be a component in the agency's Title VI compliance program. Without the study, FRA and USDOT will not possess the evidence on the state of small and disadvantaged business contacting in the railroad industry necessary for the agency's Title VI compliance program.

Because this data collection effort is integral to the completion of a congressionally mandated study, there is a significant legal obstacle to not conducting the data collection. In 2015, the Congress passed "Fixing America's Surface Transportation Act" (FAST Act). FAST codified the requirement for FRA to conduct "a nationwide disparity and availability study on the availability and use of small business concerns owned and controlled by socially and economically disadvantaged individuals and veteran-owned small businesses in publicly funded intercity rail passenger transportation projects" (See SEC. 11310 Small Business Participation Study). The legislation, requires that "Not later than 2 years after the date of enactment of this Act, the Secretary shall submit a report containing the results of the study ... to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives."

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **Requiring respondents to report information to the agency more often than quarterly;**
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **Requiring respondents to submit more than an original and two copies of any document;**
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The Disparity Study contains no special circumstances. All requirements comply with this section. Specifically:

- This is a one-time data collection so there is no requirement that respondents report information to the agency more often than quarterly;
- There is no time limit on responses and no requirement to provide any written responses so there is no requirement that respondents prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Respondents only need to submit an original of any survey form, so there is no requirement that respondents submit more than an original and two copies of any document;
- There is no requirement for respondents to retain any records, so there is no requirement for respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- The project design includes procedures to ensure the production of valid and reliable results that the study can generalize to the universe. The study design fulfills this objective by surveying the entire universe of FRA grants, employing random sampling by strata for other surveys, and also including surveys of non-respondents to test for non-respondent bias;
- The project will follow the OMB “Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity,” and therefore will not require the use of a statistical data classification that has not been reviewed and approved by OMB;
- The project and its surveys does not include a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which

unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

- There is no requirement for respondents to submit any proprietary trade secrets. Confidential information is limited to information on the identity of and the amount of contracts to subcontractors. In terms of the confidential information, the FRA has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. If applicable, 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 comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to those comments. Specifically address comments received on cost and hour burden.

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, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years--even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

FRA, as the Paperwork Reduction Act of 1995 requires, published a notice in the Federal Register on February 22, 2019, soliciting comment on the proposed information collection. See 84 FR 5805. FRA received no comments in response to this notice.

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

FRA anticipates no payments or gifts to respondents other than remuneration to the contractor collecting, tabulating, and analyzing the data.

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

FRA fully complies with all laws pertaining to confidentiality, including the Privacy Act of 1974. Thus, FRA's contractor, Jack Faucett Associates, Inc. (JFA), will use information obtained or acquired from FRA grantees exclusively for statistical purposes. JFA will not disseminate or disclose information that might be identifying. JFA will advise participants before commencing that their information is confidential. Moreover, the survey cover letter from FRA will assure grantees that JFA will keep their information private and that will only use the data to compile information for the group.

JFA will not release micro-level data to the public. JFA will only make tabular data publicly available. JFA will aggregate any tabular data in a manner that prevents identification of a specific grantee.

- 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. This justification should include the reasons why the agency considers the questions 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.**

The survey will not ask respondents questions about attitudes, religious beliefs, or other matters that the public would consider private or of a sensitive nature. Participation in this proposed study of grantee spending patterns is voluntary. Thus, only those consenting to participate in the study will do so.

- 12. Provide estimates of the hour burden of the collection of information. The statement should:**
 - Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of w the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hour for customary and usual business practices.**
 - If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Items 13 of OMB Form 83-I.**
 - Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in item 14.**

The conduct of the study requires three surveys and a series of webinar focus groups. The contractor will conduct these one-time survey activities over a period of two years. The table below provides estimates of the respondent universe, total annual responses, average time per response, total annual burden hours, and total annual burden cost. Estimates are on an annual basis. JFA based the time burden estimates on project team experience in conducting these surveys on over 30 similar studies for transit agencies, airports, local governments, and state departments of transportation. JFA estimated the burden costs by monetizing the burden hours using the wage rate for Management Occupations (Occupational Code 11-0000) of \$57.65 per hour. The Bureau of Labor Statistics of the US Department of Labor published this estimate in the Occupational

Employment Statistics, May 2017 National Occupational Employment and Wage Estimates.

Form No.	Respondent universe	Total annual responses	Average time per response	Total annual burden hours	Total annual burden cost
Survey #1 Grantee and Contractor Collection Form	1,250 Grantees, Sub-grantees, Prime-Contractors, and Sub-Contractors	500 surveys	4 hours	2,000	\$115,300
Survey #2 Experiences with Discrimination	35,000 DBE and non-DBE firms	2,750 surveys	.25 hour	688	\$39,634
Focus Groups on Experiences with Discrimination	20,000 DBE and non-DBE firms	250 participants	1 hours	250	\$14,413
Survey #3 DBE Status Verification	35,000 DBE and non-DBE firms	4,250 surveys	.05 hours	213	\$12,251
Affected Public: Grantee, Sub-grantee, Prime-Contractor, Sub-Contractor, and DBE and non-DBE firms personnel Respondent Universe: Grantee, Sub-grantee, Prime-Contractor, Sub-Contractor, and DBE and non-DBE firm personnel Frequency of Submission: On occasion Total Annual Responses: 7,750 Estimated Total Annual Burden: 3,150 hours					

In Survey #1, the study will contact all the FRA grant recipients and work with them to identify all of the prime contractors, consultants, and vendors with whom they spent grant funds and the amount of those funds. Next, the study will contact the sub-grantees, prime contractors, consultants and suppliers that the study identified, and work with them to identify all subcontractors, sub-consultants, and suppliers that they utilize and the amount of those contracts. This survey is necessary to develop estimates of the amount of FRA grants and contracts that flow to DBEs. In these surveys, respondents will need to cull the name and amounts paid to their vendors. For most respondents, this will be a small task utilizing existing accounting records. However, for a handful of respondents with a large number of grants, such as AMTRAK, responding to this information request may take additional effort.

In Survey #2, the study will survey DBE and non-DBE firms in the railroad industry. The survey will elicit data on firms' experiences with discrimination, as well as experiences in bidding with the grantees and their prime contractors and consultants. This approach ensures that the anecdotal findings will be representative of the DBE and non-DBE communities at large in the relevant markets. Courts have held that the personal experiences of disparate treatment suffered by minorities or women in seeking and performing public and private sector work in the relevant market place buttress sound statistical evidence of disparate impacts. Strict scrutiny requires anecdotal evidence of discrimination against DBEs consistent with the statistical evidence. Since response rates to voluntary surveys tend to be fairly low, the JFA team will take additional steps to increase responsiveness, including an outreach campaign, professionally designed surveys, cover letters signed by top FRA officials, multiple reminders, and a devoted WATS line and email address for requesting replacement surveys and addressing other inquiries. Moreover, the study team will statistically validate representativeness using surveys of non-respondents. For Survey #2, the hour burden on respondents will not vary widely.

In the Focus Groups, the study will also collect qualitative anecdotal information through in-depth webinar focus groups of DBE and non-DBE business owners, as well as

procurement personnel at FRA and its grantees. These focus groups likewise explore barriers to the full and fair participation of DBEs in FRA's market area and that of its grantees. The focus groups also investigate whether the USDOT programs and policies, as they apply to FRA and its grantees, adequately address these challenges. These focus groups will yield valuable information about the day-to-day realities affecting DBE firms and will inform how to develop FRA's policy responses to those challenges. For the focus group participants, the hour burden on respondents will not vary widely.

In Survey #3, the research will survey firms to verify their DBE status. The comparison of FRA's use of DBEs versus their prevalence by industry and geography is crucial to developing the evidence the sound statistical evidence of discrimination the courts have required. Starting from known business establishment lists (such as those from Dun & Bradstreet) the study will cross-reference numerous additional listings and directories of DBE firms in the relevant geographic and product markets in order to improve the classification of firms according to their status. Next, we will take the additional step of validating our putative assignments using telephone surveys of a statistically random sample of businesses from the master database. For Survey #3, the hour burden on respondents will not vary widely.

- 13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the costs of any hour burden shown in items 12 and 14).**
- The cost estimates should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major costs factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
 - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
 - Generally, estimates should not include purchases of equipment or services, or portions thereof, made (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

There will be no additional cost burden to respondents, beyond any customary and usual

expenses associated with normal business or private practices. There will be no need for respondents to keep any records associated with this data collection effort.

- 14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate costs, which should include quantification of hours, operational expenses such as equipment, overhead, printing, and support staff, and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table.**

The total cost to the Federal Government average \$462,818 annually in contractor fees over the two years of the data collection effort. The following table quantifies this annual cost using hours, rates, and data on other expenses. The General Services Administration has approved all rates and they are fully loaded including overhead and profit. The study team estimated costs of rates for survey subcontracted mailings and mail surveys using expertise gained through the conduct of over thirty similar studies for state and local governments, state departments of transportations, and transit agencies.

Item	Units	Rate	Amount
Prepare Master Contract/ Subcontract Database			
Project Director	177	230.59	40,814
Project Manager	802	171.79	137,733
Data Analyst	1,969	58.80	115,763
FEDEX	8	14.00	112
TOTAL	-	-	294,422
Business Experience Mail Surveys			
Project Director	18	230.59	4,151
Project Manager	56	171.79	9,620
Data Analyst	80	58.80	4,704
Business Experience Mail Surveys	17,500	2.25	39,375
Business Experience Nonresponse Surveys	3,750	2.75	10,313
FEDEX	12	14.00	168
TOTAL	-	-	68,330
Business Owner Interviews			
Project Director	10	230.59	2,306
Project Manager	40	171.79	6,872
Data Analyst	40	58.80	2,352
Consultant/Lawyer	40	350.00	14,000
Transcription	10	265.00	2,650
Outreach/Media	1	10,000.00	10,000
Focus Group Invitations	10,000	0.90	9,000
FEDEX	12	14.00	168
TOTAL	-	-	47,348
Produce Race & Sex Misclassification Surveys			
JFA Project Director	8	230.59	1,845
JFA Project Director	16	171.79	2,749
RACE MISCLASSIFICATION SURVEYS	17,500	2.75	48,125
TOTAL	-	-	52,718
TOTAL			
TOTAL TOTAL	-	-	462,818

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

These are new information collection requirements for a one-time study. Therefore, by definition, this entire submission is a **program change**.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

FRA will present the results of this study in a technical report that FRA will submit to Congress. In late 2015, the Congress passed “Fixing America’s Surface Transportation Act” (FAST Act). FAST codified the requirement for FRA to conduct “a nationwide disparity and availability study on the availability and use of small business concerns owned and controlled by socially and economically disadvantaged individuals and veteran-owned small businesses in publicly funded intercity rail passenger transportation projects” (See SEC. 11310 Small Business Participation Study). The legislation, requires that “Not later than 2 years after the date of enactment of this Act, the Secretary shall submit a report containing the results of the study ... to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.” FRA will publish the study independent of whatever results the study obtains. The planned project schedule, shown below, assumes that the FRA will receive OMB approval for the study by June 2019.

Activity	Date
Preparation	September 2018–June 2019
Data Collection	July 2019 – March 2020
Data Analysis	March 2020 – May 2020
Draft Final Report	June 2020
Publication of Final Report	September 2020
Briefing	September 2020

Immediately after JFA completes data collection from FRA’s grant files, JFA will use the records obtained to identify the relevant prime contractors and consultants from the grantees and grants. In turn, JFA will collect the required subcontract records from the grantees’ prime contractors and consultants, utilizing as much of the existing information already in-hand from existing FRA records and systems and FRA grantees’ existing records and systems as possible. JFA refers to this tabulation of data on spending as the Master Contract/Subcontract Database.

Strict scrutiny requires anecdotal evidence of discrimination against DBEs consistent with the statistical evidence. Courts have held that the personal experiences of disparate treatment suffered by minorities or women in seeking and performing public and private

sector work in the relevant market place buttress sound statistical evidence of disparate impacts. For this study, JFA will use several techniques to gather anecdotal evidence—both quantitative and qualitative.

First, JFA will conduct a large-scale mail/e-mail survey of DBEs as well as non-DBEs about their experiences in working or attempting to work on prime contracts and subcontracts with FRA grantees, with other public agencies in the surrounding area, and in the private sector. The survey will ask DBEs about their experiences with disparate treatment resulting from applying for commercial loans, applying for surety bonds, applying for commercial or professional insurance, obtaining price quotes from suppliers, payment practices, hindrance or harassment at the work site, joining or dealing with trade associations, double standards in performance, and other areas. The mail/email surveys will also ask DBEs and non-DBEs the same set of questions regarding each firm's characteristics, its experiences regarding various bid requirements, bonding, financing, and the impact of these requirements on the firm's ability to obtain awards. JFA will then program Stata® to conduct regression analyses that compare DBEs with non-DBEs experiences while holding observable firm characteristics constant.

JFA will also conduct a telephone survey of non-respondents to the mail/email survey to examine if there are any systematic differences between respondents and non-respondents. Non-response surveys are important since litigants can challenge survey results.

In addition to the findings from the mail/email survey, JFA will conduct webinar-based focus groups to interview representative groups of DBEs and non-DBEs to examine their experiences with bidding prime contracts and subcontracts in the public and private sectors. This will include discriminatory behaviors or practices; obtaining elements necessary for success such as bonding and loans; working with public sector personnel and with other M/WBE and DBE programs; and utilization on projects without affirmative action requirements compared to projects with such goals. The Study Team will hold several focus group sessions to ensure a representative cross section of firms by DBE status and industry sector.

Using the Master Contract/Subcontract Database, JFA will produce estimates of DBE utilization for: (1) All race and sex groups combined and all industry groups combined, (2) all race and sex groups combined by detailed NAICS industry, (3) all NAICS industry groups combined by detailed race and sex, and (4) detailed race and sex by detailed NAICS industry groups.

Using the results of the Misclassification/Non-classification Surveys coupled with the Merged Master DBE Directory and Baseline Business Universe, JFA will produce estimates of DBE availability. Note that JFA will develop the Merged Master DBE Directory and Baseline Business Universe from secondary sources, such that no surveys are required and no paperwork burdens are necessary. JFA will produce estimates of DBE availability for the following groups: All race and sex groups combined and all industry groups combined; All race and sex groups combined by detailed NAICS

industry; All NAICS industry groups combined by detailed race and sex; Detailed race and sex by detailed NAICS industry groups.

Using the Final Public Sector DBE Utilization Estimates and the Final DBE Availability Estimates, JFA will calculate a Disparity Index, formed by dividing the latter into the former and multiplying the quotient by 100. The smaller the value is for the Disparity Index, the greater underutilization in the market area. For example, a Disparity Index near zero indicates availability far in excess of actual utilization, while a Disparity Index near 100 indicates availability levels similar to actual utilization. A given disparity index is said to be “statistically significant” if the probability is sufficiently small that the difference between utilization and availability is zero. The analysis classifies a disparity index to be “substantively significant” if the difference between utilization and availability is large. For example, a disparity index of 98 could be statistically significant, but it is not large enough to cause concern. The Study Team will calculate statistical significance using statistical routines in Stata.® A separate Disparity Index will be calculated for: (1) All race/gender groups and all industry groups combined, (2) All race/gender groups combined by detailed NAICS industry, (3) All NAICS industry groups combined by detailed race/gender; (4) Detailed race/gender by detailed NAICS industry groups.

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.

Once the FRA receives OMB approval, the FRA will publish the approval number for these information collection requirements in the Federal Register.

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

The FRA takes no exceptions to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.