

SUPPORTING STATEMENT
U.S. Department of Commerce
Minority Business Development Agency
Focus Groups on Minority-Owned Business Growth,
Opportunities and Barriers to Global Commerce
OMB Control No. 0640-0027

A. JUSTIFICATION

This is a reinstatement with change of a previously approved information collection.

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

The U.S. Department of Commerce's National Advisory Council on Minority Business Enterprise (NACMBE) was established on April 28, 2010 to advise the Secretary of Commerce on key issues pertaining to the growth and competitiveness of the nation's Minority Business Enterprises (MBE), as defined in Executive Order 11625 and 15 C.F.R. § 1400.1 (copies in ROCIS). NACMBE will provide advice and recommendations on a broad range of policy issues that affect minority businesses and their ability to access the domestic and global marketplace successfully.

The members of the Advisory Council were appointed on October 30, 2010 and have held three full council meetings in March, June and September 2011. The Council, which is managed by the U.S. Department of Commerce's Minority Business Development Agency (MBDA), has been working on recommendations for the Secretary of Commerce that support the President's National Export Initiative (NEI) through export growth and provide advice on domestic growth strategies and programs for minority-owned businesses.

The NEI, initiated by Executive Order 13534 (copy in ROCIS), calls for "doubling exports over the next five 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."

The Advisory Council is proposing to hold a series of focus groups to gather qualitative data on minority-owned business strategies and barriers to business growth domestically and through exports. The information collection is necessary because there are no current sources of qualitative data available that provide this kind of information. Results from the focus groups are one source of information in addition to the Council's expertise and other information gathered by the Council, which will be used by Advisory Council members as they deliberate on their recommendations for the Secretary of Commerce,

The change from the previous submission is focus groups will be conducted instead of a survey format to collect the same information.

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.

The Advisory Council and MBDA staff will administer five to ten focus groups, each of three hours of duration, in diverse cities across the nation. Participation of minority business owners in the focus groups is voluntary.

The focus groups will address the following key issues: (a) qualitative attributes that positively influence growth, both in terms of revenue growth and exports; (b) constraints and/or barriers to growth, both in terms of revenue growth and exports; and (c) type(s) of strategic alliances that will most effectively promote the growth and competitiveness of MBEs.

The focus groups will be held, upon approval, January thru March of 2012. The Advisory Council will invite minority business owners representing diverse geographic locations, firm sizes, and growth performance. The findings from the focus groups will be used to inform Final Recommendations for the Secretary of Commerce to be delivered in April 2012.

MBDA and the Advisory Council will invite 125 minority business enterprises (MBEs) to participate in the focus groups, 10 to 15 MBEs per focus groups. We expect the participation of about 100 MBEs, or a 75 percent to 80 percent participation rate. The participating MBEs will be diverse in terms of, but not limited to, size, geographic reach, and industry sector. Participating MBEs will be represented by the CEO of each business. This invitation is non-transferable. The focus groups will be held in person in cities in various states including California, New York, Texas, Illinois and Virginia.

The information collected through the focus groups will be used to inform the Final Recommendations regarding minority-owned business strategies for growth through exports and barriers to business growth domestically. The information collected from the focus groups will be included in a report. Both the report containing the results from the focus groups and final recommendations to the Secretary may be made public after approval and clearance from the U.S. Department of Commerce.

This is a one-time collection of qualitative data. All responses from the MBEs participating in the focus groups are voluntary. The focus groups comply with DOC's Information Quality Guidelines.

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.

All questions presented to the MBEs participating in the focus groups will be presented in person. Answers from the focus groups will be collected and recorded in writing. Some of the MBEs may participate in the focus groups via teleconference call and/or by Webinar.

4. Describe efforts to identify duplication.

The data to be collected through the focus groups is neither supplied through any other method available to nor collected by any other Federal agency. This is a one-time collection that will yield robust qualitative data on minority-owned business strategies, business growth through exports, and domestic barriers to business growth not currently available through any other source.

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

Participants in the focus group will be solely MBEs. Some of the MBEs will be small businesses. The focus groups will be held in diverse cities across the nation to maximize participation of MBEs located in those cities and to reduce the burden of travel for participants in the focus group. In the event a business has a last minute conflict of schedule and is unable to participate in person, teleconference and/or webinar technology will be used to minimize the burden, and maximize participation and response rates.

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

The timeline and quality of the recommendations to be submitted to the Secretary of Commerce would be impaired if the focus groups are not conducted. The focus groups, and the information provided by them, are an essential component among other sources for the Advisory Council to consider in their deliberations and development of a final set of recommendations for the Secretary. The data to be identified is unprecedented in that it will provide qualitative answers to the limited quantitative data available from surveys. The data will provide a better understanding of the challenges and opportunities for growth of minority-owned businesses in domestic and global markets, and in particular, will 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.

The Federal Register Notice soliciting public comment was published on December 15, 2010 (Vol. 76, pg. 78225). No comments were received in response to the notice.

MBDA and the Advisory Council researched and consulted with experts on minority business studies at the International Trade Administration (ITA), the U.S. Census Bureau, and numerous non-profit organizations representing the interests of minority-owned businesses. These efforts produced no qualitative data describing strategies and challenges to growth of minority businesses domestically and in global markets. The consultations with experts and research performed by MBDA and the Council were leveraged by MBDA and the Council in the development of the criteria to select participants and questions for the focus groups.

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 payment or gifts are necessary 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.

MBDA will obtain written permission from focus group participants to record answers to the questions and to use comments in a report detailing results from the focus groups. The identity of participants in the focus groups will be kept private to the extent permitted by law, unless MBE participants provide MBDA with written permission to disclose their identity. We will not include the name of focus group participants in the report unless the participant consents and signs a waiver allowing us to do so. The waiver will be administered to focus group participants for their consideration. The identity of participants will not be released to the public except otherwise required by the Freedom of Information Act (5 U.S.C. § 522 *et seq.*).

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, whether the business owner is Hasidic Jew. This information is voluntary. The question is essential, however, to distinguish participation rates between minority and non-minority business in the global economy, as well as other business characteristics. The question is also within scope of the responsibilities of MBDA as outlined in Executive Order 11625 and 15 C.F.R. part 1400, which specifies that the Agency must foster the growth of minority-owned businesses within these ethnic and racial and religious backgrounds.

According to 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 persons or groups of persons that are: African Americans, Hispanics, Asian and Pacific Islander Americans, Native Americans (including Alaska Natives, Alaska Native Corporations and Tribal entities), Asian Indians and Hasidic Jews. These persons also must be U.S. citizens or resident aliens admitted for lawful admission to the United States.

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

MBDA estimates up to 100 MBEs will participate in five to ten focus groups, 3 hours each for an estimated total of **300 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 cost burden to respondents or record keepers resulting from the collection.

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

There is an estimated cost of up to \$60,000 to cover the cost for travel to conduct the focus groups for four members of the Council and one MBDA staff member. These costs are currently supported by the NACMBE Charter for the effective operation of the Council.

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

This is a reinstatement with change (program change); focus groups will be conducted instead of surveys.

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

Results from the focus groups will be included in a report and will be utilized to develop a second report containing the Final Recommendations to the Secretary of Commerce. The report

on Final Recommendations will be posted on the Federal Advisory Committee Act website. The report on the findings from the focus groups and the report including the Final Recommendations to the Secretary of Commerce may be released to the public upon approval by the U.S. Department of Commerce. In the event of a public release, the reports would be posted on MBDA's website.

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.