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IN REPLY REFER TO:
OCR-D
1.7272

November 4, 2011

Abraham Wong
Division Administrator
Federal Highway Administration
Hawaii Division Office
300 Ala Moana Boulevard, Room 3-306
Honolulu, Hawaii 96850-3306

Dear Mr. Wong:

Re: Disadvantaged Business Enterprise (DBE) Overall Goal Setting Waiver Request Pursuant to 49 C.F.R. § 26.15(b)

The Hawaii Department of Transportation (HDOT) hereby requests a waiver of the requirement in 49 C.F.R. § 26.51(e)(4) that states "Your contract goals must provide for participation by all certified DBEs and must not be subdivided into group-specific goals." HDOT has conducted a disparity study to meet the requirements of *Western States Paving vs. Washington State Department of Transportation* and 49 C.F. R § 26.45.[1] The Study, *The State of Minority- and Women-Owned Business Enterprise: Evidence from Hawai'i*, was completed in October 2010 by NERA Economic Consulting. The Study found that only certain racial and ethnic groups experienced disparities during HDOT's implementation of a fully race neutral program. Therefore, based on these results, HDOT requests a waiver to include only these racial or ethnic groups for credit towards meeting DBE contract goals, beginning in Federal Fiscal Year 2013.As required by § 26.15(b)(2), counting only DBEs from groups found by the Study to have experienced discrimination in HDOT's fully race-neutral program is consistent with the objectives of the DBE program, in that it would apply race-conscious measures only to the extent needed to remedy identified disparities; Hawai'is unique history and racial and ethnic demographics make this approach appropriate for our jurisdiction; discrimination would still be prevented against any individual not in the included groups because of the ability to apply for DBE certification on an individual basis; and it is consistent with the law and program requirements of FHWA.

HDOT's Highways Division has implemented its DBE program through solely race-neutral measures since 2004. To determine whether a narrowly tailored program should include the use of race-conscious contract goals, HDOT commissioned the Study to, among other evidence, examine disparities between the availability of each presumptively socially disadvantaged group as defined in 49 C.F.R. § 26.5 and HDOT's utilization of that group on its prime contracts and associated subcontracts.

[1] 407 F.3d 983 (9th Cir. 2005).

The Disparity Study's Findings

The Study first determined HDOT's relevant geographic and product markets.[2] Five years of prime contract and subcontract records were analyzed to determine the geographic radius around HDOT that accounts for at least 75 percent of aggregate contract and subcontract spending. These records were also analyzed to determine those detailed industry categories that collectively account for over 99 percent of contract and subcontract spending in the relevant procurement categories, which were Construction, Construction-Related Professional Services ("CRS") such as architectural, engineering, surveying, testing services, etc., and Airport Concessions. HDOT's relevant geographic market area was determined to be the State of Hawai'i.

The Study next estimated the percentage of firms in HDOT's relevant geographic and product market area that are owned by minorities and/or women. For each industry category, DBE[3] availability was defined as the number of DBEs divided by the total number of businesses in HDOT's contracting market area. To estimate availability, the Study took three steps: (1) it identified all listed[4] DBEs in the relevant market; (2) it verified the ownership status of listed DBEs; and (3) it estimated the number of unlisted DBEs in the relevant market.

To determine HDOT's utilization of M/W/DBEs, the Study looked at both prime contracts and subcontracts that were awarded and paid to M/W/DBEs. As a group, M/W/DBEs were awarded 37.34% and paid 35.73% of all HDOT contract and subcontract dollars for the study period. For federal-aid contracts and subcontracts, M/W/DBES were awarded 35.54% and paid 34.80%.[5] It then compared utilization of DBEs to the measures of their availability. The Study found underutilization of firms owned by African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans as a whole,[6] and non-minority women in both construction and construction-related professional services. There was significant evidence of disparity in HDOT contracting and subcontracting activity for several presumptively socially disadvantaged groups, despite the operation of the race-neutral DBE Program.

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[2] For the purpose of simplification, the Study combined dollars from all USDOT modal administrations.

[3] For purposes of the Study's availability and utilization analyses, "DBE" means firms owned by minorities or women, regardless of their certification status.

[4] "Listed" means firms identified by the source as minority- or woman-owned, including certified DBEs.

[5] Study at page 258.

[6] Asians were not separated into Asian Pacific Americans and Sub-continent Asian Americans because there are relatively so few subcontinent Asians in Hawaii. According to the 2005-2007 American Community Survey, this group constituted only 0.45% percent of all Asians in Hawaii. In order to provide Asian ethnicity specific estimates and still be able to generate statistically reliable results, the Study identified the largest sub-populations of Asians in Hawaii–namely, Japanese, Chinese, Filipinos and Koreans– who, collectively, accounted for 95% of non-mixed Asians in Hawaii in 2005-2007. All remaining groups were split into two groups - Other Pacific Islanders and Other Asians. The Other Asian availability estimate is the closest proxy available in the Study for Subcontinent Asian availability.

The following table from the Study[7] lists the rates of utilization, estimated availability, and disparity indices for all modes combined, which were found to be large, adverse, and substantially significant. The disparity index is derived by dividing the rate of utilization by estimated availability and multiplying the result by 100. An index of less than 100 means that DBEs are participating in HDOT's contracting and subcontracting at a rate lower than their estimated availability in the relevant marketplace. An index of 80 or lower is considered to be large, or substantially significant.

All Industries, Modes, and DBE Type	Utilization	Availability	Disparity Index
African American	0.16	1.08	14.60
Hispanic	0.30	2.60	11.50
Asian-Pacific American	27.20	33.25	81.80
Native American	7.52	11.75	64.00
Non-minority Female	0.55	5.41	10.20
DBE Total	35.73	54.09	66.10

To provide a quantitative analysis of the effects of discrimination in HDOT's marketplace, the Study examined disparities in Hawai'i in earnings and business formation rates between DBEs and non-DBEs based upon the American Community Survey (ACS) Public Use Microdata Sample (PUMS) for 2006–2008.

The Study found that current DBE availability levels in the HDOT market area are substantially lower than would be expected if commercial markets operated in a race-neutral manner and that these levels are statistically significant.[8] In other words, minorities and women are substantially and significantly less likely to own their own businesses as the result of marketplace discrimination than would be expected based upon their observable characteristics, including age, education, geographic location, and industry. The Study also found that these groups also suffer substantial and significant earnings disadvantages relative to comparable nonminority males, whether they work as employees or entrepreneurs.

Next, the Study found that annual average wages for minorities and women are significantly lower in the HDOT market area for construction and construction-related services than for nonminority males who were otherwise similar in terms of geographic location, industry, age, and education. These differences are large and statistically significant. These disparities are consistent with the presence of market-wide discrimination, and reduce the future to

[7] Study at Table 7.27, Disparity Results for HDOT Contracting, Overall and by Construction Category (Dollars Paid) (Federally Assisted Projects Only).
[8] Typically, for a given disparity statistic to be considered "statistically significant" there must be a substantial probability that the value of that statistic is unlikely to be due to chance alone.

entrepreneurial opportunities. These disparities reflect more than mere "societal discrimination" because they demonstrate the nexus between discrimination in the job market and reduced entrepreneurial opportunities for minorities and women. Other things equal, these reduced entrepreneurial opportunities in turn lead to lower DBE availability levels than would be observed in a race-neutral marketplace.

The Study further analyzed race and sex disparities in business owner earnings. Large, adverse, and statistically significant business owner earnings disparities were observed overall as well as in the Construction and CRS sector. Minority and female entrepreneurs earned substantially and significantly less from their efforts than similarly situated nonminority male entrepreneurs. These disparities are a symptom of discrimination in commercial markets that directly and adversely affects DBEs.

Third, the Study analyzed race and gender disparities in business formation. As with earnings, in almost every case, large, adverse, and statistically significant disparities consistent with the presence of discrimination were observed.

Finally, as a further check on these statistical findings, the Study examined evidence from the Census Bureau's *Survey of Business Owners and Self-Employed Persons* (SBO). These data show large, adverse, and statistically significant disparities between M/WBEs' share of overall revenues and their share of overall firms in the U.S. as a whole, and in the State of Hawai'i.

The Study also considered whether minority- and women-owned firms experience discrimination in the market for commercial credit. It concluded that there is evidence of discrimination against DBEs in the HDOT market area in the small business credit market. This discrimination is particularly acute for African American-owned firms.

In addition to the statistical evidence discussed above, the Study also gathered and analyzed anecdotal evidence of discriminatory barriers to the full and fair participation of M/W/DBEs in HDOT's contracts and subcontracts. It looked at quantitative evidence through the use of a large-scale mail survey of DBEs and non-DBEs about their experiences and challenges in obtaining contracts. The survey quantified and compared anecdotal evidence on the experiences of DBEs and non-DBEs as a method to examine whether any differences might be due to discrimination.

The Study found that DBEs that have been hired in the past by non-DBE prime contractors to work on public sector contracts with DBE goals are rarely hired—or even solicited—by these prime contractors to work on projects without DBE goals. The relative lack of DBE hiring and, moreover, the relative lack of solicitation of DBEs in the absence of affirmative efforts by HDOT and other public entities in the HDOT market area shows that business discrimination continues to fetter DBE business opportunities in HDOT's relevant markets.

Moreover, DBEs in HDOT's market area report suffering business-related discrimination in large numbers and with statistically significantly greater frequency than non-DBEs. These differences frequently remain statistically significant when firm size and other "capacity-related"

owner characteristics are held constant. DBEs are often more likely than similarly situated non-DBEs to report that specific aspects of the regular business environment make it harder for them to conduct their businesses and often less likely than similarly situated non-DBEs to report that specific aspects of the regular business environment make it easier for them to conduct their businesses.

The Study also presents the results from a series of in-depth personal interviews conducted with DBE and non-DBE business owners in the HDOT market area. The interviews suggest that women and Native Hawai'ians continue to suffer discriminatory barriers to full and fair access to HDOT, other public sector, and private sector contracts. Participants reported experiences with discriminatory barriers, attitudes and performance standards, especially for women; exclusion from industry networks; difficulties obtaining public sector contracts; and obtaining work on private sector or HDOT "non-goals" contracts.

In summary, the Study concluded that there is strong evidence of large, adverse, and frequently statistically significant disparities between some minority groups' and females' participation in business enterprise activity in HDOT's relevant market area and the actual current availability of those businesses. It further concluded that these disparities cannot be explained solely, or even mostly, by differences between DBE and non-DBE business populations in factors untainted by discrimination, and that these differences therefore give rise to a strong inference of the presence of discrimination.

Based on these findings, the Study recommended that HDOT augment its race-neutral initiatives, including reviewing surety bonding and insurance requirements; increasing outreach to DBEs and other small firms; create a HDOT business development program; adopt a small business target market program; improve data collection and retention procedures; and increase DBE Program administration resources and commitment.

Regarding race-conscious remedies, the Study recommended that HDOT use its estimates of DBE availability to set overall, annual DBE goals. Further, it recommended that only those groups found to have experienced large and statistically significant disparities in HDOT's race-neutral program be included for credit towards contract goals. These groups are Hispanics; Native Americans, including Native Hawai'ians; and women.[9] The very small sample sizes for Blacks may have led to the failure to find statistical significance for this group; however, the Study urged the Department to include Blacks in view of the legislative history of the DBE Program and the very minimal burden inclusion of this small historically disadvantaged group will impose on non-DBEs.

[9] Study at Table 7.24, Disparity Results for HDOT Contracting, Overall and By Contracting Category (Dollars Awarded) (All Funds). While some of the subgroups of Asian-Pacific Americans were underutilized, the Study recommended not attempting to disaggregate this group for the purpose of race-conscious goal credit because the Unified Certification Program application does not disaggregate ethnicity to this level and & neither do the definitions in 49 C.F.R. § 26.5.

Basis for the Overall Goal Setting Waiver Request Pursuant to 49 C.F.R. § 26.15(b)

Based on the Study's findings and recommendations, HDOT seeks a waiver to include only those firms identified by the Study as experiencing large and statistically significant disparities in HDOT's race-neutral program for credit towards contract goals. As reflected in the Study's results, Hawai'i has a very unique ethnic composition compared to the mainland United States, where the majority of its population is comprised of many minority ethnic groups. In particular, the State's Asian community is quite large,[10] as many migrated to Hawai'i from Asia to work on the sugar and pineapple plantations over 100 years ago. While some barriers remain for these firm owners, the statistical evidence did not rise to the level of clearly supporting the need for race-conscious remedies to ensure their full and equitable participation. Likewise, the anecdotal data revealed that Asian-Pacific American males reported few instance of discrimination or current barriers resulting from past discrimination; females, in contrast, continued to experience significant barriers.

Therefore, to ensure that HDOT's program is narrowly tailored in conformance with the court's interpretation in *Western States*, HDOT hereby requests a waiver pursuant to §26.15(b) of the requirement in § 26.51(e)(4), which states "Your contract goals must provide for participation by all certified DBEs and must not be subdivided into group-specific goals." HDOT requests that participation by firms owned by Asian- Pacific American males not be counted towards DBE contract goals. In all other aspects, our DBE program would remain unchanged.

HDOT believes that this narrowly tailored approach will achieve the objectives of Part 26. In view of the results of our fully race-neutral program in the wake of *Western States*, we expect to achieve a level of DBE utilization that reflects our marketplace with this approach to achieving our overall goal. As discussed in the Study, HDOT's unique market area, history and population diversity makes it appropriate to apply contract goals only to those groups that continue to experience large disparities in our fully race-neutral program. This proposal conforms to the Ninth Circuit's decision and the guidance from the USDOT's General Counsel on responding to *Western States*.

Proposed Goal Methodology

The following methodology is proposed to set the overall goal for the HDOT's Highways Division for Federal Fiscal Years 2012 through 2014. HDOT shall review its DBE participation at the beginning of each federal fiscal year to determine if it is meeting the goal, or if changes are necessary due to extenuating circumstances.

Step 1, Estimating the baseline availability of DBEs in HDOT's Marketplace

The overall goal is based on demonstrable evidence of ready, willing, and able DBEs relative to all businesses in the relevant marketplace. Based on the Study's results, the total availability of DBEs for FHWA-funded contracts is approximately 53.43%, based on dollars awarded.

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[10] In 2010, Asians constituted Hawai'i's largest racial or ethnic group at 38.6 percent of the total population; Whites were 24.7 percent; persons of two or more races were 23.6 percent; Native Hawai'ians were 10.0 percent; Hispanics were 8.9 percent; Blacks were 1.6 percent; and Native Americans/Alaska Natives were 0.3 percent. *See* http://quickfacts.census.gov/qfd/states/15000.html.

Estimated Availability—Overall and By Procurement Category (Federally-Assisted Projects Only)—HDOT FHWA-Funded Contracts

Industry	Black	Hispanic	Asian	Native Americ	Non-minorit	M/W/DBE	Non-DBE
CONSTRUCTION (AWARD)	0.98	3.07	32.03	12.33	5.40	53.80	46.20
CONSTRUCTION (PAID)	1.01	3.10	31.81	12.34	5.36	53.62	46.38
CRS (AWARD)	1.31	0.84	35.74	9.13	4.98	52.01	47.99
CRS (PAID)	1.31	0.77	35.32	9.05	5.32	51.76	48.24
TOTAL (AWARD)	1.05	2.61	32.80	11.67	5.31	53.43	46.57
TOTAL (PAID)	1.06	2.72	32.38	11.81	5.35	53.33	46.67

Source: NERA calculations from unpublished Study data (restricting source to FHWA-funded contracts only).

Step 2, Consideration of Adjustments to the Base Figure

Step 2 requires HDOT to examine all evidence in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on HDOT's federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and evidence from disparity studies conducted anywhere within HDOT's jurisdiction, to the extent not already accounted for in the base figure. HDOT may also consider available evidence from related fields that affect the opportunities for DBEs to form, grow and compete. These include, but are not limited to, statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in the Program, and data on employment, self-employment, education, training and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the Program. The regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought." § 26.45(d)(3). Each of these categories is discussed separately below.

Past DBE Utilization

HDOT considered the current capacity of certified DBEs to perform on its FHWA-assisted contracts, measured by the volume of work certified DBEs have received in recent years.

Federal Fiscal Year	Highways Division (FHWA)
2005	13.0%
2006	9.0%
2007	1.2%
2008	6.2%
2009	79.4%
2010	1.19%

However, we note that the overall utilization during the Study period of minority- and women-owned firms in HDOT's fully race-neutral program, not just that of certified DBEs, has been much higher.

DBE Utilization in Contracting at HDOT (Federally-Assisted Projects Only)—HDOT FHWA-Funded Contracts

DBE Type	Procurement Category					
	Dollars Awarded			Dollars Paid		
	Construction (%)	CRS (%)	Overall (%)	Construction (%)	CRS (%)	Overall (%)
Blacks	0.13	0.13	0.13	0.18	0.28	0.19
Hispanics	0.59	0.00	0.50	0.63	0.00	0.57
Asian and Pacific Isl.	14.17	50.87	19.69	11.34	63.01	16.39
Native Americans	7.21	0.00	6.13	7.51	0.00	6.78
Non-minority Females	0.06	0.06	0.06	0.08	0.03	0.08
DBE Total	22.16	51.06	26.52	19.75	63.32	24.01
Non-DBE Total	77.84	48.94	73.48	80.25	36.68	75.99
Total (%)	100.00	100.00	100.008	100.00	100.00	100.00
Total ($)	702,466,253	124,527,145	826,993,398	679,855,963	107,655,424	787,511,387

Source and Notes: See Study at Table 7.1.

Evidence from local disparity studies

As discussed above, HDOT is using its disparity Study to set its step1 base figure.

Statistical evidence of disparities

As discussed above, the Study found ample evidence that DBEs as a whole continue to suffer the effects of discriminatory barriers in access to HDOT's markets and contracts. All of the evidence described above supports the qualitative judgment that, but for the continuing effects of discrimination, the availability of minorities and women to participate on HDOT's contracts would be higher than 53.43 % in a fully non-discriminatory market. The Study provides a quantitative estimate of the degree to which discriminatory factors artificially depress DBE participation in the marketplace.[11] While the statistical disparities established by the Study could serve as the basis for an upward adjustment of the base figure, having considered the evidence discussed above, HDOT believes that the large increase over prior years' goals, which were adopted in the fully race-neutral program, is a plausible estimate of what HDOT can expect to achieve for the goals period "but for" discrimination, and is currently sufficient to meet the objective of further remedying discrimination against DBEs as the Department again implements race-conscious contract goals.

Projection of DBE Goal Attainment Through Race-Neutral Measures and Race-Conscious Contract Goals

Since Federal Fiscal Year 2004, HDOT has implemented a fully race-neutral program, and will continue to meet the maximum feasible portion of its overall goal through race-neutral means. If the waiver request is granted, only groups found in the Study to have large and substantively significant disparities[12] will be credited towards the race-conscious portion of the overall goal. DBE goal credit on federal-aid projects with a race-conscious goal will not be counted towards the bidder's compliance for Asian-Pacific American male-owned DBEs. Participation by such firms shall be counted as race-neutral, and will be applied towards HDOT's overall goal.

To estimate the portions of the goal to be met through race-neutral and race-conscious measures, HDOT evaluated past race-neutral certified DBE participation as defined in § 26.51(a). As discussed, HDOT's Highways Division has been implementing a fully race neutral program since 2004. As such, the past participation of certified DBEs below was attained solely through dollars paid to DBEs as prime firms.

Federal Fiscal Year	Highways Division (FHWA)
2005	13.0%
2006	9.0%
2007	1.2%
2008	6.2%
2009	79.4%
2010	1.19%

[11] Study at Table 5.17, Actual and Potential Business Formation Rates in the HDOT Market Area. These results provide a quantitative estimate of how much lower business formation rates are than would be expected in a race- and gender-neutral marketplace.

[12] African American-, Hispanic American-, Native American- and women-owned firms.

The median of HDOT's achievement of its goal through race-neutral means for FFY 2005-2010 was 7.6%. Therefore, HDOT's Highways Division projects that it will meet 7.6 % of its overall goal of 53.43% through race-neutral measures and 45.83% of its overall goal through race-conscious contract goals. HDOT will monitor DBE participation throughout the year to adjust its use of contract goals to ensure that their use does not exceed the overall goal.

In view of the very low level of participation of certified DBEs due to the long implementation of a completely race-neutral program, HDOT will delay the implementation of race-conscious contract goals until the start of Federal Fiscal Year 2013, to allow the Department adequate time to conduct outreach to increase the number of certified DBEs. The number of certified firms has dropped to 226 since HDOT began adopted a fully race-neutral program. HDOT is committed to directing increased resources towards certification to ensure an adequate number of DBEs to promote opportunities and competition. Our new efforts will include filling the vacant DBE Program Certifier position; targeted outreach to the Hispanic Chamber of Commerce, the Office of Hawaiian Affairs, the National Association of Women in Construction, and other minority and women business organizations; and continuing outreach efforts on the islands other than Oahu. HDOT will also examine the feasibility of purchasing an on-line application software package to streamline the certification process. We are confident that these new initiatives and resources will sufficiently increase our pool of certified firms within one year to permit a successful return to race-conscious contract goal implementation.

Further, in light of the very low levels of certified DBE participation over the last 7 years, HDOT believes it will be impossible to achieve its overall goal in the first year of the resumption of race-conscious contract goals. It therefore proposes to increase its annual goals in three stages from a base of 35.75 percent (HDOT's utilization during the Study period of M/W/DBEs) to meet the triennial goal submission requirement: the goal for FFY 2014 will be 41.98%; the goal for FFY 2015 will be 48.20%; and the goal for FFY 2016 will be 53.43%. The overall goal will be reviewed at the beginning of each Federal Fiscal Year to determine if HDOT is meeting its goal using the above methodology. If it is determined that the goal is not being met, HDOT shall revisit the method in which this goal was set, provide an explanation to FHWA as to the reasons HDOT believes caused the shortfall, and will consider other measures to increase DBE participation, such as increasing the race-conscious portion of the overall goal, or exploring race-neutral measures to increase participation by all DBEs.

Public Participation

To meet the requirements of 49 C.F.R. § 26.15(b), HDOT has conducted the following public outreach:

- February 15, 2011 - Advisory Committee Meeting. The DBE Advisory Committee was convened to discuss the new DBE rule, and to discuss the proposed waiver request to USDOT. At this time, the goal methodology was still being developed so it was not presented to this group.

- February 23, 2011 – DBE Smart Jobs Workshop. Purpose of the workshop was to provide information on the $5.5 billion rail project. The proposed waiver request and goal methodology were shared with the audience.

- March 17, 2011 – Workshop. HDOT partnered with the U.S. Small Business Administration, and the Honolulu Minority Business Center to conduct a GSA workshop. The proposed waiver request and goal methodology were shared with the group.

- March 30, 2011 - DBE Certification Workshop – In order to increase the pool of certified DBEs to meet the proposed group-specific contract goals contained in the waiver request, a workshop was conducted to provide information on the eligibility criteria and process. Proposed waiver request and goal methodology was also shared with the participants.

- April 27, 2011 - Networking Workshop and Bonding Presentation. Outreach was conducted to foster business relationships between large prime contractors and small businesses including DBEs. Over 20 prime contractors attended the match-making session, and approximately 30 small businesses took advantage of the opportunity. There was also a bonding informational workshop following the networking session. Proposed waiver request and goal methodology were discussed with this group.

- May 11, 2011 - SBA Workshop. Partnered with the SBA and the Honolulu Minority Business Center to conduct training on DBE certification. The proposed waiver request and goal methodology were announced to participants at the workshop.

- May 24, 2011 - SBA Veterans Contracting Workshop. HDOT partnered with the SBA to provide information regarding state contracting opportunities for veterans. The waiver request and proposed goal methodology were discussed with the audience.

- May 26, 2011 - Small Business Fair. The purpose of the fair was to provide a one-stop shop for small businesses, including DBEs, to meet with prime contractors, as well as local, state, and federal government buyers to market themselves and to obtain information on contracting opportunities. Break-out sessions included topics such as contracting with a large contractor, services provided by the State Business Action Center, and how to do business with the Federal Pearl Harbor Fleet Supply Center. Although the HDOT did not specifically give a presentation regarding the proposed waiver request and related goal methodology, the intent of the fair was to attract non-certified DBEs to participate in the DBE program to increase the pool of certified DBEs in light of the higher goal being proposed.

- August 30, 2011 - Networking Session. In collaboration with the SBA and the Honolulu Minority Business Center, HDOT coordinated a match-making session to pair prime contractors with small businesses, including DBEs. The waiver request and goal methodology were discussed with the group of small businesses.

- October 5, 2011 – Public Hearing. A public hearing was conducted to receive testimony on the proposed waiver request. The hearing was conducted statewide via videoconference. A one week comment period was given subsequent to the public hearing. HDOT did not receive any comments regarding the proposed waiver request.

These outreach efforts and the public hearing have confirmed that there is overall support for this waiver request. As reflected in the Study's findings, DBEs owned by Asian-Pacific American males have not experienced significant discriminatory barriers to the participation in HDOT's contracts or subcontracts or in the Department's overall markets.

Upon submission of this waiver request and goal document, HDOT will follow the procedures in § 26.45(g).

If you have any questions regarding this submittal, please contact Melanie Martin, DBE Program Supervisor, at 808-587-2023 or via email at melanie.martin@hawaii.gov.

Sincerely,

GLENN M. OKIMOTO, Ph.D.
Director of Transportation

MM: cs
bc: OCR-D