



February 2, 2024

Ms. Brandee Anderson
Senior Advisor to the Deputy Secretary
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, DC 20230

Re: 88 FR 83380 -Department of Commerce Request for Information, Business Diversity Principles

Dear Senior Advisor Anderson,

The National Minority Supplier Development Council respectfully submits the following comments in response to the Department of Commerce's Request For Information (RFI) regarding the Business Diversity Principles (BDP). NMSDC values the opportunity to submit feedback on the BDPs and looks forward to continued partnership and engagement with the Department on this issue.

For over 50 years, NMSDC has been the leading organization in promoting minority business advancement. NMSDC is a national organization with 23 regional councils and has advocated access to the American dream for minority business enterprises (MBEs). NMSDC success is historic and unmatched. Over 16,000 MBEs have been connected to more than 1,700 corporations, resulting in over \$482 billion in economic output annually.

We believe deeply that diverse business practices are critical if we are going to continue to be competitive and successful as a nation. This administration's commitment to racial equity is a noble one, and towards that end, and hearing directly from minority leaders in the business sector is key to achieving those goals. We are grateful for the opportunity to engage in this way and support in achieving equity for all.

To what extent are each of the Business Diversity Principles aligned with your organization's current practices? Which of the Principles represent the greatest growth opportunity for your organization or private sector organizations overall?

The NMSDC network includes 16,000 NMSDC-certified MBEs and nearly 1,700 corporate members (representing over 95% of all Fortune companies) committed to strengthening diversity, equity, and inclusion (DEI) in their business practices and contracting and procurement. NMSDC's network accounts for \$136.4 billion in total wages earned and sustains



1.75 million jobs. NMSDC is the nation's largest, most impactful, and successful nonprofit advocacy organization for MBEs, proving growth for MBEs is growth for all.

For NMSDC or similar organizations, a significant growth opportunity might lie in expanding digital platforms for greater access and visibility of minority suppliers, enhancing training and development programs, and advocating for policy changes that favor minority business inclusion.

NMSDC works with companies to provide insight into the gap areas within their supply chains that might provide opportunities for MBEs to win contracts related to the IIJA, IRA, CHIPS & BEAD, and other government programs. These companies include Amazon, IBM, Intel, Microsoft, as well as other members of the Billion Dollar Round Table. Procurement leaders from these companies have indicated their supplier needs and how NMSDC can help them meet internal DEI goals within their supply chain as well as DEI mandates issued by the federal government.

Please share specific examples of successful Business Diversity initiatives.

NMSDC has several initiatives and over 30 years of experience to grow minority owned businesses, like hosting networking events, providing certification for minority-owned businesses, and facilitating mentorship and partnership opportunities with larger corporations and public sector agencies. Some of our successful Business Diversity Initiatives include:

1. Acres: Formally known as the Black Farmers Equity Initiative, the Acres program was established by NMSDC in partnership with Cargill and is a twelve-week program designed to help African Americans in the agriculture industry grow their capacity to take on major national contracts with corporate members.
2. Centers of Excellence Certificate Program: This program is designed to develop and grow NMSDC-certified MBEs while also equipping them to compete and meet the rigorous requirements of larger contracting opportunities.
3. Emerging Young Entrepreneurs Program: This program is a year-long program created to support Gen Z and millennial minority entrepreneurs between the ages of 19-35.
4. MBE Center for Accelerated Growth Innovation and Resiliency: This new center focuses on accelerating and scaling MBEs through capital access programs comprised of three pillars: Getting MBEs Contract Ready, Capital Connection Programming and Platform, and Access to the NMSDC Matchmaking and Marketplace Tool and Opportunity Connections.



Please describe any strategies that have been effective in promoting Business Diversity in your organization or industry.

Effective strategies could include developing comprehensive supplier diversity programs, offering educational resources and training for minority businesses, and establishing metrics to measure the success and impact of diversity initiatives.

Advocacy to policy leaders at the federal, state and local levels are critical strategies for the NMSDC community to educate about the importance of minority business growth opportunities.

Are there specific challenges or obstacles that organizations frequently encounter when implementing Business Diversity initiatives? How can these be overcome?

Common challenges might include unconscious bias in procurement, difficulty in identifying qualified minority suppliers, and resistance to change within organizations. Overcoming these challenges could involve bias training, expanding outreach efforts, and emphasizing the business case for diversity.

The recent Supreme Court decision on affirmative action has profound implications for minority representation and engagement across multiple sectors. This decision has emboldened legal and political strategies that imperil decades of efforts – both governmental and private – aimed at increasing diversity and inclusion, particularly in government contracting and corporate supplier diversity programs.

For decades, these initiatives have been foundational in achieving economic equity, enabling minority communities an equitable opportunity for economic advancement. They have been crucial in fortifying an American economy that is diverse, resilient, and beneficial for all citizens. To remain globally competitive, especially in emergent fields like technology and green energy, America needs diverse business to be part of the delivery of these technologies.

Minority owned businesses are significantly underrepresented and have been denied equitable competitive opportunities in contracting. It is the intent of an MBE designation to mitigate societal discrimination and other factors in participating in public works and in providing goods and services and to delineate a policy so that an increased level of participation by minority-led businesses is desirable at all levels of government. The purpose and intent are to provide the maximum practicable opportunity for increased participation by minority



owned businesses in participating in federal contracting and the process by which goods and services are procured by federal agencies.

While there are plenty of challenges facing organizations working to promote Business Diversity initiatives, the resilience of the community sustains our effort to change the landscape and create a more equitable economic environment for all to engage in.

What role do you believe the government should play in promoting Business Diversity within the private sector?

The government can play a crucial role by setting policies and legislation that encourage or mandate business diversity in public contracts, providing incentives for private companies to engage with minority-owned businesses, and offering support and resources to help these businesses grow.

How can the Department of Commerce and other federal agencies support private sector Business Diversity efforts? What would be the most important outcome from this effort?

These entities can support business diversity by facilitating access to capital for minority-owned businesses, offering training and development programs, and enforcing compliance with diversity policies. The most important outcome would be a more equitable and diverse business landscape, which can drive innovation and economic growth.

Increased funding to agencies and programs that support research and policy formation for the benefit of growing minority businesses in high growth industries such as high tech, cyber security, space exploration and AI/machine learning opportunities.

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As we continue to face the challenges and opportunities of advancing Business Diversity, NMSDC looks forward to future opportunities to work with the Department of Commerce on the implementation of the Diverse Business Principles and thanks the Department for efforts to increase business diversity.

Respectfully,

Ying McGuire
CEO & President, National Minority Supplier Development Council