

Pursuant to Executive Order 13985 (January 20, 2021) on "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government"

## Equity Action Plan Summary

# U.S. Department of Commerce

The Department of Commerce's mission is to create the conditions for economic growth and opportunity for all communities. Through its 13 bureaus, the Department works to drive U.S. economic competitiveness, strengthen domestic industry, and spur the growth of quality jobs in all communities across the country. The Department serves as the voice of business in the Federal Government, and at the same time, the Department touches and serves every American every day. The Department fosters the innovation and invention that underpin the U.S. comparative advantage. Its scientists research emerging technologies such as quantum computing and artificial intelligence (AI). Companies use NIST and NTIA laboratories to conduct research and development (R&D). NOAA advances R&D of the commercial space industry and climate science. USPTO's intellectual property (IP) protections ensure American innovators profit from their work.

## Delivering equity through DOC

DOC's new mission statement acknowledges that global competitiveness and a healthy democracy require that all communities have an opportunity to participate in the 21st century economy. In short, inclusive growth is good economics. We fail to meet our full potential as a nation if we aren't investing in all communities, workers, inventors, and entrepreneurs. We must harness the talents and strengths of all parts of the country, including women, people of color, and others who are too often left behind. DOC has laid the foundation for programing and policies that will reach a larger and more diverse audience and address key barriers to economic success for historically underserved communities. DOC is committed to creating a more equitable and inclusive economy through actions across five pillars: Investments (by supporting entrepreneurs from underserved communities to nurture their



companies at critical stages of development and growth); Capabilities and Knowledge Sharing (developing tools and resources for underserved entrepreneurs to successfully operate their companies); Opportunities (funding, training, and technical assistance programs and by establishing partnerships so that underrepresented groups can contribute to the emerging technologies space); People (ensuring that people and families can thrive in their communities by realizing gains from their participation in the economy); and Service Delivery (Department services that are data-driven and strengthened to meet the needs of underrepresented groups).

## New strategies to advance equity

### ● **Close the digital divide**

Broadband is an engine for opportunity in the modern economy and a necessary foundation for inclusive growth. Yet many Americans—and disproportionately those living in rural areas, on tribal lands, and in low-income communities—do not have access to reliable, affordable high-speed broadband nor the tools to use such services, and a digital divide persists to this day. Maximizing broadband coverage and its meaningful use is imperative for national and individual success. To address this barrier, the Department will, through the National Telecommunications and Information Administration (NTIA), administer nearly \$50 billion in grant funds to invest in broadband infrastructure deployment, affordability, and digital inclusion efforts to help close the digital divide. The Department will focus its investments, outreach, and related technical assistance on those communities and other areas of the Nation that have largely been left behind in the digital revolution to ensure that all Americans have an opportunity to participate equitably in the modern digital economy. This effort will focus on expanding affordable and reliable access to broadband service through direct grants and by expanding universal access through state and community level broadband grants.

### ● **Ensure community development dollars advance racial equity and support underserved communities**

Communities of color and rural communities face barriers when it comes to economic development and job creation. These barriers include: a lack of awareness of opportunities, whether of grant programs to support economic development or technical assistance to aid in developing or implementing an economic plan; capacity constraints on effectively developing and/or implementing economic development plans; inadequate access to resources, including funding, or a network to support effective plan implementation; and certain economic programs that unintentionally disadvantage these communities because of the way the programs are designed, marketed or evaluated. To effectively address these challenges, DOC's Economic Development Administration (EDA) will engage in equitable program design, including by being intentional in the design

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of programs and Notices of Funding Opportunities; by being deliberate in outreach strategies to focus on reaching underserved populations by partnering with different government and external parties to reach these communities; by recruiting and selecting a diverse group of experienced reviewers; and by providing technical assistance to grantees, including from underserved communities to help ensure their success.

● **Grow underserved business enterprises**

Growing underserved businesses enterprises can help to reduce the racial wealth gap, increase employment and opportunity in communities of color, and increase U.S. economic competitiveness. However, these enterprises face systematic barriers to growth in the U.S. economy, including disproportionate impact from COVID-19; less access to capital; and contracting barriers at the prime and subcontractor levels. To address these barriers, the Minority Business Development Agency (MBDA) will expand its services and reach to provide more underserved businesses with one-on-one counseling and technical assistance to grow revenue and increase employment, with special centers targeting assistance to specific industries or services such as exporting, advanced manufacturing, and procurement. MBDA will also provide technical assistance to underserved businesses accessing Treasury's State Small Business Credit Initiative program to support incubators and programs to help firms develop the networks and experience to pitch investors. Through the Federal Procurement Center (FCP), MBDA will provide business services, including (but not limited to) the development of a pool of federal contracting opportunities; direct matching of opportunities with qualified/vetted underserved businesses; relationship management, and deal sourcing initiatives.

● **Strengthen small businesses in underserved communities by helping them be successful exporters**

Historically, small American businesses in underserved communities have had limited awareness of the opportunities and benefits of exporting and have faced greater challenges to growing and adding new jobs. Some of

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those challenges include the requisite knowledge of export mechanics, financing, foreign legal and regulatory requirements, access to industry-specific market research, and avenues for meeting potential foreign partners and clients. To address these barriers, DOC's International Trade Administration (ITA) has committed to doubling the number of clients assisted in the next two fiscal years. ITA will focus on enhancing its accessibility and assistance to businesses in underserved communities and is targeting growth in the number of unique export clients assisted in underserved communities.

● **Increase access to patents for entrepreneurs from historically underserved communities**

Patenting is an essential step in the innovation pipeline, allowing entrepreneurs to develop new products and driving the long-term competitiveness of an economy. Entrepreneurs from historically underserved communities often face barriers to obtaining patents, including limited exposure and knowledge of the value of intellectual property (IP) protection and limited experience with the IP system. Recent research has demonstrated that the likelihood an individual will patent an innovation is determined by socioeconomic factors like parental wealth, race, gender, and geography. In response, the U.S. Patent Office (USPTO) will undertake initiatives, which include initiating educational programs for Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCU), Hispanic Serving Institutions (HSIs), Minority Serving Institutions (MSIs), women's colleges and community colleges to provide students and faculty with a train-the-trainer IP curriculum; by expanding its paid internship program for high schoolers to now add a program for college students that will also focus on equity; and by new measures which will alleviate the financial barriers to seeking IP assistance, via a clearinghouse to connect volunteer attorneys with independent trademark holders/applicants or small business owners.

New strategies to advance equity

● **Make DOC science and data more findable, accessible, and usable**

The Department's bureaus and programs are well known to traditional stakeholder groups, most of which have been working with the Department for decades. However, DOC recognizes that underserved communities may lack awareness of and/or accessibility to some of its bureaus' programs and services. DOC commits to leveraging cross-bureau and external strategic partnerships to drive a robust approach to engagement among underserved communities. Examples of this include the National Oceanic and Atmospheric Administration (NOAA) which will work across multiple programs to enhance community engagement to ensure historically underserved and socially vulnerable communities (HUSVC) can access the data and programs needed to build climate resilience. Another example is that the National Institute of Standards and Technology (NIST) will widen its educational outreach, including by participating in new industry forums, conferences, and meetings aimed at underserved communities, particularly emerging small- to medium-sized businesses. Finally, Census will continue to refine its recently launched CRE for Equity, a tool that measures an individual, household or community's capacity to absorb, endure, and recover from the socioeconomic impacts of a disaster.

## Building on DOC's progress

**This equity action plan builds on DOC's progress delivering on equity and racial justice in the first year of the Biden-Harris Administration.**

- **Expanding broadband access**

In August 2021, the National Telecommunications and Information Administration (NTIA) launched the Office of Minority Broadband Initiatives (OMBI), which sits within the Office of Internet Connectivity and Growth (OICG). The OMBI, authorized by Section 902 of the Consolidated Appropriations Act of 2021, was created to expand NTIA's reach to engage HBCUs, TCUs, MSIs, and their surrounding anchor communities. NTIA also provided support to approximately 300+ individually identified tribes, prioritizing support for tribal organizations with limited or inadequate access to broadband as part of the Tribal Broadband Connectivity Program (TBCP). This resulted in over 300 applications (representing more than 450 Federally recognized tribes) requesting nearly \$6 billion in funds with \$980 million available. NTIA prepared over 1,000 participants as potential applicants for the Connecting Minority Communities (CMC) Pilot Program, which received more than 200 applications with requests totaling approximately \$833 million in funding (with \$268 million available).

- **Launching the Council for Inclusive Innovation**

The United States Patent and Trade Office (USPTO) launched the Council for Inclusive Innovation (CI2) under the chairmanship of DOC Secretary Gina Raimondo, which is designed to help develop a comprehensive national strategy to build a more inclusive innovation ecosystem.

- **Strengthening the Minority Business Development Agency**

On November 15, 2021, the President signed the Minority Business Development Act of 2021 (Division K – Infrastructure Investment and Jobs Act PL. 117-58). The Act codifies the Minority Business Development Agency (MBDA) within the Department of Commerce and appoints an Under Secretary to lead MBDA. With newly granted authorities and resources, MBDA will expand programs in geographic regions and

Building on DOC's progress

communities where MBDA has not been present; better inform the agency and the federal government about the needs of underserved businesses, establishing capital forums and an advisory council; and serve as the federal government's go-to resource on all matters related to underserved businesses. The Act states that MBDA will be the federal coordination hub of all programs dedicated to underserved businesses, such as procurement and contracting. MBDA awarded approximately \$10 million under the CARES Act in funding to thirty business and specialty centers, which reached nearly one million small and minority businesses – securing over 1,500 loans valued at \$28.9 million, including Paycheck Protection Program (PPP) Loans and Economic Injury Disaster Loans (EIDL). In FY21, MBDA assisted minority-owned businesses in thirty-eight states and Puerto Rico in securing \$2 billion in contracts and \$708 million in financing and supported the creation and retention of nearly 14,000 jobs.

- **Launching the Global Diversity Export Initiative**

The International Trade Association established the Global Diversity Export Initiative (GDEI), consisting of over 40 participants, to promote export solutions to reach underserved communities by leveraging the bureau's export assistant value chain and global network of offices with trade experts in more than 100 cities and 75 overseas markets.

- **Enhancing diversity in manufacturing**

The National Institute of Standards and Technology (NIST) awarded funding to the Iowa Manufacturing Extension Partnership (MEP) Center and three additional MEP Centers via the Program Office Competitive Award Program for a project titled "Enhancing Diversity in Manufacturing" that will increase student participation in industry internships across minority-serving institutions (MSI) – placing up to eight interns in the first year and up to sixteen interns in the second year.

Building on DOC's progress

- **Strengthening civil rights**

The Secretary charged the Office of Civil Rights (OCR) with the responsibility of enforcing internal and external DEIA policies and practices at the department level. In support of this charge, DOC is currently developing a Departmental Administrative Order, which OCR will be responsible for enforcing, that will require bureaus to conduct regular equity assessments, which will focus on external service delivery.

- **Supporting business networks in underserved communities**

The Bureau of Industry and Security (BIS) leveraged the BIS Diversity, Equity, and Inclusion Council to nurture networks within underserved communities, such as Penn State's National Society of Black Engineers and the Hispanic Association of Colleges and Universities. DOC also partnered with the Government Printing Office and Office of Exporter Services to produce web-based diversity forward assets, which reflect a more diverse workplace – to include documents like export service supporting materials that are provided in secondary languages, such as Spanish.

- **Advancing program access**

The National Oceanic and Atmospheric Administration (NOAA) amended program operations for the Sea Grant Program to include using more inclusive language in national-level communications regarding fellowship and funding opportunities, establishing a sub-committee on social justice and resiliency as part of the National Sea Grant Advisory Board, initiating the Coastal, Ocean, and Marine Enterprise Inclusion and Network-Building Program to foster peer learning among students and professionals.

Building on DOC's progress

● **Leveraging Census data for equity**

Census launched a new “Data for Equity” webpage and Community Resilience Estimates (CRE) for Equity dataset, which allows users quick access through an interactive tool to data about census tracts to measure social vulnerability and equity gaps across three different data sources – to include CRE, the American Community Survey and Census Planning Database. Additionally, an array of agencies across the federal government, such as the Federal Emergency Management Agency, U.S. Department of Health and Human Services, and U.S. Department of Agriculture, have utilized the available data equity tools and training materials that are located on the webpage.