to the public interest. SBA Office of Advocacy guide: How to Comply with the Regulatory Flexibility Act, Ch.1. p.9. Accordingly, SBA is not required to conduct a regulatory flexibility analysis.

Jovita Carranza,

Administrator.

[FR Doc. 2020–09963 Filed 5–7–20; 8:45 am]

BILLING CODE 8026–03–P

SMALL BUSINESS ADMINISTRATION

13 CFR Part 124

RIN 3245–AH13

Regulatory Reform Initiative: Small Disadvantaged Businesses

AGENCY: U.S. Small Business Administration.

ACTION: Direct final rule.

SUMMARY: The U.S. Small Business Administration (SBA) is removing from the Code of Federal Regulations (CFR) 16 regulations that are no longer necessary because they are either redundant or obsolete. This action will assist the public by simplifying SBA's regulations.

DATES: This rule is effective on August 6, 2020 without further action, unless significant adverse comment is received by July 7, 2020. If significant adverse comment is received, SBA will publish a timely withdrawal of the rule in the **Federal Register**.

ADDRESSES: You may submit comments, identified by RIN 3245–AH13 by any of the following methods:

- *Federal eRulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.
- *Mail or Hand Delivery/Courier:* Brenda Fernandez, U.S. Small Business Administration, Office of Policy, Planning and Liaison, 409 Third Street SW, 8th Floor, Washington, DC 20416.

SBA will post all comments on *http://www.regulations.gov.* If you wish to submit confidential business information (CBI), as defined in the User Notice at *http://www.regulations.gov,* please submit the information to Brenda Fernandez, U.S. Small Business Administration, Office of Policy, Planning and Liaison, 409 Third Street SW, 8th Floor, Washington, DC 20416, or send an email to *brenda.fernandez@sba.gov.* Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination on whether it will publish the information.

FOR FURTHER INFORMATION CONTACT: Brenda Fernandez, U.S. Small Business Administration, Office of Policy, Planning and Liaison, 409 Third Street SW, Washington, DC 20416; (202) 205–7337; *brenda.fernandez@sba.gov.*

SUPPLEMENTARY INFORMATION:

Small Disadvantaged Business Program

The government promotes contracting and subcontracting with small disadvantaged businesses (SDBs) by setting government-wide and agency-specific goals for the percentage of Federal contract and subcontract dollars awarded to SDBs each fiscal year. The government-wide goal is that not less than 5 percent of the total value of all prime contract and subcontract awards be made to SDBs. At one time, SDBs had to be certified by the SBA, or by a private certifying entity acting in compliance with SBA regulations, to qualify for certain Federal programs as prime contractors. However, all Federal programs for SDB prime contractors have been discontinued, with only the government-wide and agency-specific goals for the percentage of Federal contract and/or subcontract dollars awarded to SDBs each year remaining. Pursuant to the SDB subcontracting program, Federal agencies must negotiate subcontracting plans with the apparent successful bidder or offeror on qualifying prime contracts prior to awarding the contract. Subcontracting plans set goals for the percentage of subcontract dollars to be awarded to SDBs, among others, and describe efforts that will be made to ensure that SDBs have an equitable opportunity to compete for subcontracts. Federal agencies may also consider the extent of subcontracting with SDBs in determining to whom to award a contract or whether to give contractors monetary incentives to subcontract with SDBs.

Firms do not need to be certified SDBs to qualify for Federal programs for subcontractors. Rather, a firm may represent that it qualifies as an SDB for any Federal subcontracting program if it believes in good faith that it is owned and controlled by one or more socially and economically disadvantaged individuals. In addition, 8(a) Participants are deemed to be SBDs for Federal contracting purposes. As of August 8, 2019, the SBA's Dynamic Small Business Search database included 125,616 self-certified SDBs.

Background Information

On February 24, 2017, President Trump issued Executive Order 13777, Enforcing the Regulatory Reform Agenda, which further emphasized the goal of the Administration to alleviate the regulatory burdens placed on the public. Under Executive Order 13777, agencies must evaluate their existing regulations to determine which ones should be repealed, replaced, or modified. In doing so, agencies should focus on identifying regulations that, among other things: Eliminate jobs or inhibit job creation; are outdated, unnecessary or ineffective; impose costs that exceed benefits; create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; or are associated with Executive Orders or other Presidential directives that have been rescinded or substantially modified.

In response to the President's directive, SBA initiated a review of its regulations to determine which might be revised or eliminated. Based on this analysis, SBA has identified unnecessary provisions that can be removed from the CFR. First, this rule removes 13 CFR 124.516—which states that the procuring activity decides all contract disputes arising between an 8(a) Participant and a procuring activity contracting officer after the award of an 8(a) contract—because this provision is redundant. 13 CFR 124.512 already delegates 8(a) contract administration functions to procuring agencies and contract dispute resolution is an element of contract administration.

Second, this rule removes 13 CFR 124.1002 through 124.1016. As discussed below, these provisions pertain to the Small Disadvantaged Business Program, which is no longer a viable program. Section 1207 of the 1987 Defense Authorization Act (Pub. L. 99–661, codified in 10 U.S.C. 2323) established a statutory 5 percent goal for all Department of Defense (DOD) contracts to be awarded to small disadvantaged businesses (SDBs). To this end, the statute authorized the award of contracts to SDBs using less than full and open competitive procedures. Specifically, DOD implemented regulations requiring a contracting officer to set-aside a procurement for exclusive competition among SDBs whenever market research identified two or more SDBs that could perform the contract at a fair and reasonable price. In addition, SDBs would receive a 10 percent price evaluation adjustment for offers submitted in an unrestricted or full and open competition. DOD's SDB program was initially a self-certification program. SBA established eligibility criteria, but firms self-certified their SDB status for particular procurements. However, SBA was responsible for processing SDB

status protests and appeals filed in connection with individual contracts.

In 1994, Congress extended the authority granted to DOD to all Federal agencies through enactment of the Federal Acquisition Streamlining Act (FASA) (Pub. L. 103–355). However, as a result of the U.S. Supreme Court's decision in *Adarand Constructors, Inc.* v. *Pena,* 515 U.S. 200 (1995), President Clinton directed the Department of Justice (DOJ) to work with Federal agencies to conduct a review of all race and gender conscious Federal contracting programs and implement necessary regulatory reforms to comply with the Court's ruling. Regulations to implement FASA were delayed until completion of this review.

On May 23, 1996, DOJ proposed reforms to these Federal preferential contracting programs (61 FR 26042–63). Among other things, DOJ placed the SDB set-aside authority in abeyance pending further review, which left the price evaluation adjustment for SBDs on full and open competitions as the primary benefit for SDBs. DOJ further proposed governmental SDB certification for all firms seeking to submit offers as SDBs for Federal prime contracts and subcontracts. Agencies were given the option to implement a certification program or enter into an agreement with SBA under which SBA would make all determinations of SDB eligibility. However, agencies were strongly encouraged to defer to SBA's experience on matters related to SDB eligibility. SBA published regulations governing its SDB certification process in August 1997 and June 1998.

SBA terminated its SDB certification program on October 3, 2008 (73 FR 57490) after determining that it was no longer efficient or effective to certify SDBs government-wide. At that time, statutory authority for the SDB price evaluation adjustment had expired for all but three agencies: DOD, the National Aeronautics and Space Administration, and the U.S. Coast Guard. Subsequently, on November 3, 2008, the U.S. Court of Appeals for the Federal Circuit struck down DOD's SDB program in *Rothe Development Corporation* v. *Department of Defense,* 545 F.3d 1023 (Fed. Cir. 2008), holding that Section 1207 of the 1987 Defense Authorization Act was facially unconstitutional because Congress did not have sufficient evidence to conclude that there was racial discrimination in defense contracting when it reauthorized the program in 2006. Congress declined to reauthorize the government's remaining SDB programs in 2009, and the SDB price evaluation adjustment was removed from the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation Supplement in 2014 and 2015, respectively (79 FR 61746 and 80 FR 15912). Currently, there is no SDB set-aside program; there is no statutory authority for the SDB price evaluation adjustment; and SBA does not administer an SDB certification program. As such, the provisions set forth in 13 CFR 124.1002 through 124.1016 are obsolete and SBA is removing them from the CFR. However, SBA is retaining and re-designating the SDB definition currently set forth in 13 CFR 124.1002. Because a firm may self-certify that it qualifies as an SDB for any Federal subcontracting program, SBA believes this provision should remain in the CFR in order to provide guidance to firms seeking to participate in the Federal subcontracting program.

Executive Order 13771

On January 30, 2017, President Trump signed Executive Order 13771, Reducing Regulation and Controlling Regulatory Costs, which, among other objectives, is intended to ensure that an agency's regulatory costs are prudently managed and controlled so as to minimize the compliance burden imposed on the public. For every new regulation an agency proposes to implement, unless prohibited by law, this Executive Order requires the agency to (i) identify at least two existing regulations that the agency can cancel; and (ii) use the cost savings from the cancelled regulations to offset the cost of the new regulation.

Executive Order 13777

On February 24, 2017, the President issued Executive Order 13777, Enforcing the Regulatory Reform Agenda, which further emphasized the goal of the Administration to alleviate the regulatory burdens placed on the public. Under Executive Order 13777, agencies must evaluate their existing regulations to determine which ones should be repealed, replaced, or modified. In doing so, agencies should focus on identifying regulations that, among other things: Eliminate jobs or inhibit job creation; are outdated, unnecessary or ineffective; impose costs that exceed benefits; create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; or are associated with Executive Orders or other Presidential directives that have been rescinded or substantially modified. SBA has engaged in this process and has identified the regulations in this rulemaking as appropriate for removal in accordance with Executive Order 13777.

Section by Section Analysis

Section 124.516

The rule removes § 124.516, which provides that a contract dispute arising between an 8(a) contractor and the procuring activity contracting officer will be decided by the procuring activity, and that appeals may be taken by the 8(a) contractor without SBA involvement. As previously noted, § 124.512 already delegates 8(a) contract administration functions, including contract dispute resolution responsibilities, to procuring agencies. As such, § 124.516 is redundant and is no longer needed.

Section 124.1001

The rule amends § 124.1001 to eliminate references to SBA's SDB protest and appeal procedures as well as the SDB certification program, as these provisions are now obsolete. SBA is also amending this section to incorporate the substantive provisions of the SDB definition currently set forth in § 124.1002. As noted above, SDB status remains relevant for Federal subcontracting programs.

Sections 124.1002 Through 124.1016

The rule removes §§ 124.1002 through 124.1016, which set forth SBA's SDB certification program, as well as SBA's SDB protest and appeal procedures. These provisions are unnecessary because SBA no longer administers an SDB certification program, nor does it process SDB protests or appeals.

To provide more information to the public, the titles of these rules to be removed are as follows: (1) § 124.1002 What is a Small Disadvantaged Business (SDB)?; (2) § 124.1003 How does a firm become certified as an SDB?; (3) § 124.1004 What is a misrepresentation of SDB status?; (4) § 124.1005 How long does an SDB certification last?; (5) § 124.1006 Can SBA initiate a review of the SDB status of a firm claiming to be an SDB?; (6) § 124.1007 Who may protest the disadvantaged status of a concern?; (7) § 124.1008 When will SBA not decide an SDB protest?; (8) § 124.1009 Who decides disadvantaged status protests?; (9) § 124.1010 What procedures apply to disadvantaged status protests?; (10) § 124.1011 What format, degree of specificity, and basis does SBA require to consider an SDB protest?; (11) § 124.1012 What will SBA do when it receives an SDB protest?; (12) § 124.1013 How does SBA make disadvantaged status determinations in considering an SDB protest?; (13) § 124.1014 Appeals of disadvantaged status determinations.; (14) § 124.1015 What are the requirements for

representing SDB status, and what are the penalties for misrepresentation?; and (15) § 124.1016 What must a concern do in order to be identified as an SDB in any Federal procurement database?.

Administrative Procedure Act—Direct Final Rule

SBA is publishing this rule as a direct final rule because SBA views this action as an administrative action that relates solely to expired SBA programs and is non-controversial. This rule will be effective on the date shown in the **DATES** section unless SBA receives any significant adverse comments on or before the deadline for comments set forth in the **DATES** section. Significant adverse comments are comments that provide strong justifications for why the rule should not be adopted or for changing the rule. If SBA receives any significant adverse comments, SBA will publish a notice in the **Federal Register** withdrawing this rule before the effective date.

Compliance With Executive Orders 12866, 13771, 12988, and 13132, the Paperwork Reduction Act (44 U.S.C., Ch. 35), and the Regulatory Flexibility Act (5 U.S.C. 601–612)

Executive Order 12866

The Office of Management and Budget (OMB) has determined that this rule does not constitute a significant regulatory action for purposes of Executive Order 12866 and is not a major rule under the Congressional Review Act, 5 U.S.C. 801, *et seq.*

Executive Order 13771

This direct final rule is an Executive Order 13771 deregulatory action with an annualized net savings of $74,606 and a net present value of $1,065,795, both in 2016 dollars.

This rule removes redundant and obsolete regulations, which will save SDBs time reading irrelevant information. These calculations assume 2 percent of the 125,616 self-certified SDBs read these regulations per year (or approximately 2,500 SDBs) and that they would save 30 minutes each from not reading them. This time is valued at $75.57 per hour—the wage of an attorney according to 2018 Bureau of Labor Statistics data adding 30 percent more for benefits. This produces savings to the SBA community of $94,928 per year.

The cost savings also includes a savings to the government workforce assuming that 2 percent of the 38,000 Federal contracting officers per year (or about 760) will save 30 minutes from not reading this removed information. This time is valued at a rate of $54.21 per hour—assuming the average Federal contracting officer is a GS–12 step 1 (DC locality) adding 30 percent more benefits, for savings of $20,600. This produces total savings per year of $115,528 in current dollars.

In the first year, it is assumed that 5 percent of SDBs (about 6,280) and 5 percent of Federal contracting officers (1,900) would read this Direct Final Rule, which is estimated to take 1 hour per SDB at $75.57 per hour and $54.21 per Federal contracting officer, producing cost in the first year of $577,639 ($474,640 for SDBs and $102,999 for the Federal government). This cost is not expected to continue in subsequent years.

Table 1 lays out the costs and savings of this rule over the first 2 years after publication, with the savings and costs in the second year expected to continue into perpetuity. Table 2 presents the annualized net savings in 2016 dollars.

TABLE 1—SCHEDULE OF COSTS/(SAVINGS) OVER 2 YEAR HORIZON, CURRENT DOLLARS

	Savings	Costs
Year 1	1,636 hours ($115,528)	8,181 hours. $577,639.
Year 2	1,636 hours ($115,528)	0 hours. $0.

TABLE 2—ANNUALIZED SAVINGS IN PERPETUITY WITH 7% DISCOUNT RATE, 2016 DOLLARS

	Estimate
Annualized Savings	$110,872
Annualized Costs	($36,267)
Annualized Net Savings	$74,606

Executive Order 12988

This action meets applicable standards set forth in Sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have retroactive or preemptive effect.

Executive Order 13132

This rule does not have federalism implications as defined in Executive Order 13132. It will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in the Executive Order. As such it does not warrant the preparation of a Federalism Assessment.

Paperwork Reduction Act (44 U.S.C., Ch. 35)

The SBA has determined that this final rule does not affect any existing collection of information.

Regulatory Flexibility Act, 5 U.S.C. 601–612

When an agency issues a rule, the Regulatory Flexibility Act (RFA) requires the agency to prepare a final regulatory flexibility analysis (FRFA), which describes whether the rule will have a significant economic impact on a substantial number of small entities. However, Section 605 of the RFA allows an agency to certify a rule, in lieu of preparing a FRFA, if the rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

There are approximately 125,000 self-certified SDBs in SBA's Dynamic Small Business Search and all can be affected by this rule. However, this rule removes regulations that are no longer necessary because they are either redundant or obsolete. The annualized net savings to SDBs is $63,877 in current dollars or less than a dollar per SDB, as detailed in the Executive Order13771 discussion above.

Accordingly, the Administrator of the SBA hereby certifies that this rule will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 13 CFR Part 124

Administrative practice and procedure, Government procurement, Government property, Small businesses.

Accordingly, for the reasons stated in the preamble, SBA amends 13 CFR part 124 as follows:

PART 124—8(a) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED BUSINESS STATUS DETERMINATIONS

■ 1. The authority citation for part 124 is continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), 636(j), 637(a), 637(d), 644 and Pub. L. 99–661, Pub. L. 100–656, sec. 1207, Pub. L. 101–37, Pub. L. 101–574, section 8021, Pub. L. 108–87, and 42 U.S.C. 9815.

§ 124.516 [Removed and Reserved]

■ 2. Remove and reserve § 124.516.

■ 3. Revise § 124.1001 to read as follows:

§ 124.1001 What is a Small Disadvantaged Business?

(a) *General.* A Small Disadvantaged Business (SDB) for purposes of any Federal subcontracting program is a concern that qualifies as small under part 121 of this title for the size standard corresponding to the six-digit North American Industry Classification System (NAICS) code that is assigned by the contracting officer to the procurement at issue, and that is owned and controlled by one or more socially and economically disadvantaged individuals. Unless specifically stated otherwise, the phrase ''socially and economically disadvantaged individuals'' includes Indian tribes, ANCs, CDCs, and NHOs. A firm may represent that it qualifies as an SDB for any Federal subcontracting program if it believes in good faith that it is owned and controlled by one or more socially and economically disadvantaged individuals.

(b) *Reliance on 8(a) criteria.* In determining whether a firm qualifies as an SDB, the criteria of social and economic disadvantage and other eligibility requirements established in subpart A of this part apply, including the requirements of ownership and control and disadvantaged status, unless otherwise provided in this subpart. All current Participants in the 8(a) BD program qualify as SDBs.

§§ 124.1002 through 124.1016 [Removed]

■ 4. Remove §§ 124.1002 through 124.1016.

Jovita Carranza,

Administrator.

[FR Doc. 2020–08619 Filed 5–7–20; 8:45 am]

BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2019–1040; Airspace Docket No. 19–ASW–18]

RIN 2120–AA66

Amendment of Class E Airspace; Ada, OK

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This action amends the Class E airspace extending upward from 700 feet above the surface at Ada Regional Airport, Ada, OK. This action is the result of an airspace review caused by the decommissioning of the Ada VHF omnidirectional range (VOR) navigation aid, which provided navigation information for the instrument procedures at this airport. The name of the airport is also being updated to coincide with the FAA's aeronautical database. Airspace redesign is necessary for the safety and management of instrument flight rules (IFR) operations at this airport.

DATES: Effective 0901 UTC, July 16, 2020. The Director of the Federal Register approves this incorporation by reference action under Title 1 Code of Federal Regulations part 51, subject to the annual revision of FAA Order 7400.11 and publication of conforming amendments.

ADDRESSES: FAA Order 7400.11D, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at *https://www.faa.gov/air_traffic/publications/.* For further information, you can contact the Airspace Policy Group, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267–8783. The Order is also available for inspection at the National Archives and Records Administration (NARA). For information on the availability of FAA Order 7400.11D at NARA, email *fedreg.legal@nara.gov* or go to *https://www.archives.gov/federal-register/cfr/ibr-locations.html.*

FOR FURTHER INFORMATION CONTACT: Jeffrey Claypool, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222–5711.

SUPPLEMENTARY INFORMATION:

Authority for This Rulemaking

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it amends the Class E airspace extending upward from 700 feet above the surface at Ada Regional Airport, Ada, OK, to support IFR operations at this airport.

History

The FAA published a notice of proposed rulemaking in the **Federal Register** (85 FR 5352; January 30, 2020) for Docket No. FAA–2019–1040 to amend the Class E airspace extending upward from 700 feet above the surface at Ada Regional Airport, Ada, OK. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

Class E airspace designations are published in paragraph 6005 of FAA Order 7400.11D, dated August 8, 2019, and effective September 15, 2019, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the Order.

Availability and Summary of Documents for Incorporation by Reference

This document amends FAA Order 7400.11D, Airspace Designations and Reporting Points, dated August 8, 2019, and effective September 15, 2019. FAA Order 7400.11D is publicly available as listed in the **ADDRESSES** section of this document. FAA Order 7400.11D lists Class A, B, C, D, and E airspace areas, air traffic service routes, and reporting points.

The Rule

This amendment to Title 14 Code of Federal Regulations (14 CFR) part 71 amends the Class E airspace area extending upward from 700 feet above the surface to within a 6.6-mile radius (increased from a 6.5-mile radius) at Ada Regional Airport, Ada, OK; updates the name of the airport (previously Ada Municipal Airport) to coincide with the FAA's aeronautical database; extends the extension to the north of the airport to 10.4 miles north of the airport (increased from 10.3 miles); and removes the Ada VOR and associated extension from the airspace legal description.

This action is the result of an airspace review caused by the decommissioning of the Ada VOR, which provided navigation information for the instrument procedures at this airport.

FAA Order 7400.11, Airspace Designations and Reporting Points, is published yearly and effective on September 15.

Regulatory Notices and Analyses

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally