

# Rules and Regulations

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## SMALL BUSINESS ADMINISTRATION

### 13 CFR Parts 121 and 123

RIN 3245-AF41

#### Small Business Size Standards, Inflation Adjustment to Size Standards; Business Loan Program; Disaster Assistance Loan Program

**AGENCY:** Small Business Administration (SBA).

**ACTION:** Interim final rule with request for comments.

**SUMMARY:** SBA is adjusting its monetary-based size standards (e.g., receipts, net income, net worth, and financial assets), for the effect of inflation that has occurred since the last inflation adjustment in February 2002. Since the last inflation adjustment, the general level of prices has increased 8.7%. This action would restore small business eligibility to businesses that have lost that status due to inflation. In addition, this rule changes the process for determining the size of small business concerns applying for SBA Business Loans and Economic Injury Disaster Loans (EIDL) from a test considering only the primary industry of the applicant, to a two-part test considering both the primary industry of the applicant and the primary industry of the applicant with affiliates. This rule also changes the date on which SBA determines size status for purpose of EIDL applications for businesses located in disaster areas declared as a result of Hurricanes Katrina, Rita, and Wilma.

**DATES:** *Effective Date:* December 6, 2005.

*Applicability Dates:* For purposes of Federal procurements, this rule applies to solicitations, except for noncompetitive section 8(a) contracts, issued on or after January 5, 2006. For purposes of noncompetitive section 8(a) contracting actions, the new size standards are applicable to offers of

requirements that are accepted by SBA on or after January 5, 2006.

*Comment Period:* Comments must be received by SBA on or before January 5, 2006.

**ADDRESSES:** You may submit comments identified by RIN 3245-AF41 by any of the following methods: (1) Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments; (2) Fax: (202) 205-6390; or (3) Mail/Hand Delivery/Courier: Gary M. Jackson, Assistant Administrator for Size Standards, 409 Third Street, SW., Mail Code, 6530, Washington, DC 20416.

**FOR FURTHER INFORMATION CONTACT:** Carl Jordan or Diane Heal, Office of Size Standards, at (202) 205-6618 or at [sizestandards@sba.gov](mailto:sizestandards@sba.gov).

#### SUPPLEMENTARY INFORMATION:

##### Inflationary Adjustment

SBA is adjusting certain monetary-based size standards (e.g., receipts, net income, net worth, and financial assets) for the effect of inflation that has occurred since the last inflation adjustment that was effectuated on February 22, 2002 (67 FR 3041, January 23, 2002). From the third quarter of 2001 (the ending period for the last inflation adjustment) to the second quarter of 2005, the general level of prices in the United States increased approximately 8.7 percent as measured by the chain-type price index for Gross Domestic Product (GDP). The purpose of this action is to maintain the value of size standards in inflation-adjusted terms and to restore eligibility to businesses that may have lost their small business status due solely to price level increases rather than from increased business activity.

While inflationary adjustments are not made on a fixed schedule, prior adjustments occurred in 2002, 1994 (59 FR 16513, April 7, 1994), 1984 (49 FR 5024, February 9, 1984) and 1975 (40 FR 32824 as corrected by 40 FR 36310, August 5, 1975). This interim final rule also satisfies 13 CFR 121.102(c) requiring SBA to assess the impact of inflation on its monetary-based size standards at least once every five years. This provision provides assurances to the public that SBA is monitoring inflation and is making a decision whether or not to adjust size standards

within a reasonable period of time since its last inflation adjustment.

In this rule, SBA is modifying its size standards after three-and-one-half years in recognition that enough inflation has occurred to allow for an increase to SBA's "anchor" size standard of \$6 million by a half-million dollar increment. SBA believes that this level of adjustment to its anchor size standard, while small, is nonetheless a meaningful increase which affects the small business eligibility of a relatively significant number of businesses. This rule also increases higher monetary size standards by \$1 million to \$2.5 million, depending on the current size standard. For example, the \$21 million size standard for Computer Systems Design Services increases to \$23 million since an 8.7 percent increase to that level of the size standard supports a \$2 million increase (as explained in next section). As discussed in the regulatory flexibility analysis, SBA estimates that approximately 12,000 businesses would regain small business status as a result of this rule.

Inflation has no impact on industry size standards based on number of employees, refining capacity, or electric generation. Thus, this rule makes no adjustment to these non-monetary size standards. Any change to a non-monetary size standard will be as a result of a specific review of industry characteristics.

#### How Does SBA Adjust Size Standards for Inflation?

The methodology for adjusting the size standards for inflation is as follows:

1. *Selection of inflation measure:* SBA used the chain-type price index for GDP as published by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), which is a broad measure of inflation for the economy as a whole, and is available on a quarterly basis.

2. *Selection of a base period:* SBA selected the third quarter of 2001 as the base period since this was the ending period of the last broad-based inflation adjustment in 2002. The chain-type price index for GDP stood at 102.690 at that time.

3. *Selection of an end period:* We selected the second quarter of 2005 as the end period for this inflation adjustment since it is the latest available quarterly data published by the BEA.

The chain type price index for GDP stood at 111.612 at that time.

4. *Calculation of inflation:* Based on these price indexes, inflation increased 8.7% between the base and ending periods  $((111.612/102.690) - 1.00) \times 100 = 8.7\%$ .

5. *Application of the inflation adjustment to the monetary-based size standards:* The current size standards were multiplied by 1.087 and rounded to the closest \$0.5 million.

### Special Situations Regarding Inflation Adjustment

#### Small Business Investment Company (SBIC) Program

Certain monetary-based size standards are not changed in this rule. The size standards for agricultural industries and for "smaller enterprises" under the SBIC Program are set by statute and, therefore, cannot be changed through rulemaking. SBA has elected not to change the alternate net worth and net income size standard for the Small Business Investment Companies (SBIC) Program. In 1994, the average net worth

and net income criteria were increased threefold. Therefore, the current size standards remain in place for the SBIC Program and no further increase is deemed necessary at this time.

#### Size Standards Adjusted Since 2002

SBA has changed several receipts-based size standards since the last inflation adjustment in 2002. SBA is applying the full inflation adjustment of 8.7 percent to those receipts-based size standards as well. When SBA establishes or revises a size standard, it does so in relation to other existing size standards to ensure that industries with similar characteristics have similar size standards. To provide a smaller adjustment, while technically precise, would be inconsistent with the size standards decision-making process.

#### Size Standards of \$2 Million or Less

At the time of the 2002 adjustment, prices had not increased by an amount sufficient to support increasing size standards of \$2 million or less. The cumulative effects of inflation from the

2002 adjustment of 15.8 percent and the current adjustment of 8.7 percent is sufficient to increase those size standards by a half-million dollar increment. Therefore, this interim final rule increases size standards of \$2 million or less by \$0.5 million. Affected industries include real-estate agents and cattle feedlots.

#### Program-Based Size Standards

Most SBA programs apply size standards established for industries defined by the North American Industry Classification System (NAICS). This rule lists the size standard for each NAICS industry with a monetary-based size standard (except for the \$750,000 statutorily established agricultural size standard). SBA has also established size standard(s) on a program basis rather than an industry basis, which are adjusted in the same manner as the industry-based size standards (except for the SBIC program as discussed above). The following table lists the program-based size standards and the changes adopted by this rule.

| Program                                                                                           | CFR citation            | Size standard                       |                         |                                 |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------|-------------------------|---------------------------------|
|                                                                                                   |                         | Current size standard (in millions) | Measurement             | New size standard (in millions) |
| 504 Program .....                                                                                 | 13 CFR 121.301(b) ..... | \$7.0                               | Net Worth .....         | \$7.5                           |
|                                                                                                   |                         | \$2.5                               | Net Income .....        | *\$2.5 (retained)               |
| Surety Bond Guarantee Assistance .....                                                            | 13 CFR 121.301(d) ..... | \$6.0                               | Average Annual Receipts | \$6.5                           |
| Sales of Government Property Other Than Manufacturing (which uses employee-based size standards). | 13 CFR 121.502 .....    | \$6.0                               | Average Annual Receipts | \$6.5                           |
| Stockpile Purchases .....                                                                         | 13 CFR 121.512 .....    | \$48.5                              | Average Annual Receipts | \$51.5                          |

\* The \$2.5 million size standard is not being adjusted at this time since the inflation rate supports a change significantly less than \$0.5 million.

### Determining Size Eligibility for SBA Business Loans and Economic Injury Disaster Loans

In 2004, SBA adopted a policy to determine size eligibility for its Business Loan and EIDL programs based on the primary industry of the applicant (69 FR 29192, May 21, 2004). Prior to that time, SBA utilized a two-step process that determined size eligibility for these programs based on the primary industry of the applicant and the primary industry of the applicant including its affiliates. SBA subsequently concluded that the two-step process was not only unnecessary but also the wording was unclear, causing confusion in its proper application (67 FR 70342, November 22, 2002). Since the implementation of the 2004 provision, SBA has come to the realization that a two-step size eligibility process is necessary to ensure

that its financial loan programs equitably assist small businesses that have affiliates. Several loans that would have been approved under the previous two-step process have been denied under the existing regulation. However, SBA believes that those businesses should have been considered eligible for its small business financial assistance programs because the size of the applicant's affiliates are within the size standard for the industries in which they operate. Therefore, SBA is establishing a new two-step size eligibility provision for its financial assistance programs.

The provision contained in this rule is very similar to SBA's previous regulation, but with additional language explaining how to determine size eligibility. The first step is to determine the primary industry and size of the applicant alone (i.e., without affiliates). If the applicant's size exceeds the

applicable size standard, it is deemed ineligible. If the applicant's size does not exceed the applicable size standard, and has affiliates, the second step is triggered. The second step of the analysis is to determine the primary industry and size of the applicant including its affiliates. The applicant is eligible if the combined size of the applicant and its affiliates does not exceed either the size standard for the applicant's primary industry or the size standard for the primary industry of the applicant and its affiliates, whichever is higher.

The selection of the higher of the two size standards under the two-part test avoids a number of problems that existed when SBA only considered the size standard for the primary industry of the applicant (as it had done before 2004). For example, two businesses operating in the same group of industries with a different distribution

of receipts or employees could result in a larger business qualifying for SBA assistance while a smaller business is denied. Under this rule's two-step process, the applicant must be small within its primary industry, but will not be found ineligible in cases where the size standard for the primary industry of the applicant and its affiliates is lower than the size standard of the applicant's primary industry.

In some cases, the primary industry of the applicant alone and the primary industry of the applicant combined with its affiliates may have size standards based on a different measure of size. For example, a retail store applicant whose primary industry including its affiliates is wholesale trade will have the primary industry of a retail store based on average annual receipts while the primary industry of the applicant with affiliates is wholesale trade which is based on number of employees. In applying the two-step process, the size of the applicant combined with its affiliates must be compared against the same measure of size (receipts or employment) for the applicable size standard. Thus, in this scenario, if a retail store applicant (with a size standard based on receipts) whose primary industry including its affiliates is wholesale trade (with a size standard based on employees) is eligible under the receipts-based size standard, but ineligible under the employee-based

size standard, the size standard which gives the benefit of the doubt to the applicant should be used.

The above criteria for determining size eligibility for SBA's financial assistance programs depend on designating the primary industry of the applicant with and without affiliates. SBA's regulations at 13 CFR 121.107 provide the following guidance in making this designation:

In determining the primary industry (kind of work) in which a concern or a concern combined with its affiliates is engaged, SBA considers the distribution of receipts, employees and costs of doing business among the different industries in which business operations occurred for the most recently completed fiscal year. SBA may also consider other factors, such as the distribution of patents, contract awards, and assets.

Under this guidance, a determination must first be made of the kind of work a business performs and which among those activities represents the largest activity. Consideration of the percentage distribution of receipts and other factors among the various business activities may be relied upon in identifying the business's main activity. The industry this activity falls into is based on the industry definitions established by the NAICS. These definitions are listed in the NAICS United States, 2002 manual and may also be found in the U.S. Bureau of the Census Web site at <http://www.census.gov/epcd/naics02/>.

For example, a business generating 70 percent of receipts from selling carpets and vinyl tiles to the general public and 30 percent of receipts from window treatments is primarily a floor covering retail store since that represents both a majority of its work and is its largest single business activity. NAICS classifies this activity under the industry of "Floor Covering Stores", NAICS code 442210. SBA's size standard for this industry is \$6.5 million in average annual receipts.

The determination of primary industry for applicants with affiliates involves a more detailed analysis, but is essentially the same process as above. For the applicant and each affiliate, identify the types of business activities performed and the level of revenues, employees or other appropriate factors. The business activity that accounts for the largest single activity represents the primary industry of the applicant and its affiliates. The examination of receipts should be the first consideration in determining primary industry. In some cases, however, receipts may not provide a clear picture, and it will be necessary to examine number of employees (emphasis should be placed on full-time employees) or other factors. In every case, the decision should be reasonable and justified.

For example, there is an applicant that has two affiliates engaged in five business activities as follows:

| Business activity             | NAICS code | Size        |           | Company      |
|-------------------------------|------------|-------------|-----------|--------------|
|                               |            | Sales       | Employees |              |
| Carpet sales .....            | 442210     | \$1,000,000 | 10        | Applicant.   |
| Wall covering sales .....     | 442291     | 400,000     | 4         | Applicant.   |
| Blind manufacturing .....     | 337920     | 10,000,000  | 25        | Affiliate 1. |
| Draperies manufacturing ..... | 314121     | 500,000     | 5         | Affiliate 1. |
| Interior design .....         | 541410     | 500,000     | 8         | Affiliate 2. |

The total size of the business is 52 employees and \$12.4 million in sales. Blind manufacturing represents its largest activity, measured in terms of either sales or employees, and therefore, is the primary industry of the applicant and its affiliates. With a total of 52 employees, the applicant and its affiliates do not exceed the 500 employee size standard for NAICS 337920, Blind and Shade Manufacturing.

#### **Justification for Determining the Size Status of Businesses Affected by the Hurricanes on the Date SBA Accepts EIDL Applications From Those Businesses**

SBA is also changing the date as of which size status is determined for

purposes of Economic Injury Disaster Loan (EIDL) applications submitted by businesses located in disaster areas declared as a result of Hurricanes Katrina, Rita, and Wilma. Existing regulations at 13 CFR 123.300(b) require an applicant for an EIDL loan to be small as of the date the disaster commenced, as set forth in the disaster declaration. SBA is changing the date on which SBA determines size status of those businesses to "the date SBA accepts the application for processing."

This amendment would provide immediate access to SBA's EIDL program to those businesses that would have been ineligible prior to Hurricanes Katrina, Rita, and Wilma based solely as a result of inflation that has occurred since the SBA last adjusted its

monetary-based size standards in 2002. Thousands of small businesses suffered substantial economic injury as a direct result of the hurricanes. EIDLs would provide funds to eligible small businesses to meet their ordinary and necessary operating expenses that they are unable to meet as a direct result of Hurricanes Katrina, Rita, or Wilma. This amendment to the date as of which businesses in the declared disaster areas are deemed small for purposes of the EIDL program would support the continuing operation of small businesses in the Gulf Coast region and in Florida, create jobs, and facilitate economic recovery of those communities.

### Justification for Publication as an Interim Final Rule

In general, SBA publishes a proposed rule for public comment before issuing a final rule, in accordance with the Administrative Procedure Act (APA) and SBA regulations, 5 U.S.C. 553 and 13 CFR 101.108. The APA provides an exception to this standard rulemaking process, however, in situations where an agency finds good cause to adopt a rule without prior public participation. (See 5 U.S.C. 553(b)(3)(B).) The good cause requirement is satisfied when prior public participation is impracticable, unnecessary, or contrary to the public interest. Under those conditions, an agency may publish an interim final rule without first soliciting public comment.

In applying the good cause exception to standard rulemaking procedures, Congress recognized that emergencies (such as a response to a natural disaster) might arise justifying issuance of a rule without prior public participation. On August 29, 2005, the President declared major disaster areas in Louisiana, Mississippi, and Alabama in the aftermath of Hurricane Katrina. The President made the same declarations with respect to Louisiana and Texas as Hurricane Rita destroyed even more of the Gulf Coast region. On October 24, 2005, the President issued a disaster declaration pertaining to the areas in the state of Florida struck by Hurricane Wilma. These natural disasters have affected U.S. businesses in the declared disaster areas and across the Nation. Some of the affected businesses qualify as "small" under SBA size standards and are eligible for SBA assistance. However, some of the affected businesses have lost eligibility solely as a result of the inflation that has occurred since the SBA last adjusted its monetary-based size standards in 2002. This rule is necessary to make available SBA assistance to those businesses. In particular, this rule would make the EIDL program available to those businesses located in the disaster areas declared as a result of Hurricanes Katrina, Rita, and Wilma. Any delay in the adoption of these inflationary adjustments could cause serious harm to these businesses. In addition, small businesses would benefit from the changes to SBA's method of determining size eligibility for SBA's Business Loan and EIDL programs because it would expand availability of SBA assistance. Immediate implementation of this rule would facilitate economic recovery of the Gulf Coast region and is therefore in the best interest of the public.

Accordingly, SBA finds that good cause exists to publish this rule as an interim final rule because of the urgent need to make disaster loans and other SBA assistance available to businesses that should be considered small, but no longer qualify under SBA's existing size standards due to inflation. Furthermore, advance solicitation of comments for this rulemaking would be impracticable and contrary to the public interest, as it would delay the delivery of critical assistance to these businesses by a minimum of four to six months. It is likely that some would be forced to cease operations before a rule could be promulgated under standard notice and comment rulemaking procedures.

SBA's rationale for preparing this action as an interim final rule is consistent with the Agency's statutory obligation to act in the public interest in determining eligibility for Federal assistance under the Small Business Act, 15 U.S.C. 633(d). It is also consistent with 13 CFR 123.1, under which SBA reserves the right to amend the Disaster Loan Program regulations without advance notice in response to disasters. Pursuant to those authorities, SBA has determined that it is in the public interest to give immediate effect to this rule. The failure to adopt this rule could work to the detriment of many small businesses.

Although this rule is being published as an interim final rule, comments are hereby being solicited from interested parties. These comments must be received on or before January 5, 2006. SBA may then consider these comments in making any necessary revisions to these regulations.

### Justification for Immediate Effective Date of Interim Final Rule

The APA requires that "publication or service of a substantive rule shall be made not less than 30 days before its effective date, except \* \* \* as otherwise provided by the agency for good cause found and published with the rule," 5 U.S.C. 553(d)(3). SBA finds that good cause exists to make this final rule effective the same day it is published in the **Federal Register**.

The purpose of the APA provision delaying the effective date of a rule for 30 days after publication is to provide interested and affected members of the public sufficient time to adjust their behavior before the rule takes effect. In this case, however, the 30-day delay is unnecessary because this interim final rule would not require businesses or SBA to make significant changes to their current procedures for applying for SBA assistance, or determining the status of businesses seeking SBA assistance,

including Business Loans or EIDLs. SBA would begin applying the new size standards to businesses and the two-part size eligibility test upon publication of this interim final rule. For purposes of Federal procurements, however, the applicability dates are delayed for 30 days after the date of publication in this rule as described in the Dates section of the preamble for this rule. SBA believes, based on its contacts with interested members of the public, that there is strong interest in immediate implementation of this rule. This action is in the public interest and does not tend to adversely affect any interested parties. SBA expects little if any adverse comments on the inflation-adjusted size standards. Past inflation adjustments by SBA have received widespread support.

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

The Office of Management and Budget (OMB) has determined that this rule constitutes a "significant regulatory action" under Executive Order 12866. A general discussion of the need for this regulatory action and its potential costs and benefits follows.

### Regulatory Impact Analysis

#### *i. Is there a need for the regulatory action?*

SBA's statutory mission is to aid and assist small businesses through a variety of financial, procurement, business development, and advocacy programs. To effectively assist intended beneficiaries of these programs, SBA must establish distinct definitions of which businesses are deemed small businesses. The Small Business Act (15 U.S.C. 632(a)) (Act) delegates to the SBA Administrator the responsibility for establishing small business definitions. The Act also requires that small business definitions vary to reflect industry differences. The supplementary information to this interim final rule explains the approach SBA follows when adjusting size standards for inflation. Based on the rise in the general level of prices, SBA believes that an inflation adjustment to size standards is needed to better reflect small businesses in industries with monetary-based size standards.

#### *ii. What are the potential benefits and costs of this regulatory action?*

The benefits of a size standard increase to a more appropriate level would accrue to three groups: (1) Businesses that benefit by gaining small

business status from the higher size standard that also use small business assistance programs; (2) growing small businesses that may exceed the current size standards in the near future and that will retain small business status from the higher size standard; and (3) Federal agencies that award contracts under procurement programs that require small business status.

The most significant benefit to businesses obtaining small business status as a result of this rule is eligibility for Federal small business assistance programs. Under this rule, approximately 11,600 additional firms generating 0.6 percent of sales in the adjusted industries will obtain small business status and become eligible for these programs. These include SBA's financial assistance programs, economic injury disaster loans, Federal procurement preference programs for small businesses (including 8(a) firms, small disadvantaged businesses, small businesses located in Historically Underutilized Business Zones (HUBZone), women-owned small businesses, and veteran-owned and service disabled veteran-owned small businesses, and Federal contracts awarded through full and open competition after application of the HUBZone or small disadvantaged business price evaluation preference or adjustment). Through the assistance of these programs, small businesses may benefit by becoming more knowledgeable, stable, and competitive businesses.

SBA estimates that up to \$400 million in Federal contracts could be awarded to firms becoming newly-designated as small businesses under this rule. In fiscal year 2004, small businesses obtained \$39.2 billion out of \$170.5 billion in Federal contracts in industries with a monetary-based size standard. This estimate assumes that about half of the newly-defined small businesses participate in Federal contracting and they could obtain the same proportion of their industry share (one-half of 0.6 percent) of the remaining large business awards  $((\$170.5 \text{ billion} - \$39.2 \text{ billion} - \$131.3 \text{ billion}) \times 0.003 = \$0.393 \text{ billion})$ .

SBA views the additional amount of projected contract activity as the potential amount of transfer from non-small to newly-designated small firms. This does not represent the creation of new contracting activity by the Federal government, merely a possible transfer or reallocation to different sized firms.

Under the SBA's 7(a) Guaranteed Loan Program, SBA estimates that approximately \$86.5 million in new Federal loan guarantees could be made

to these newly-defined small businesses. In fiscal year 2004, small businesses received \$12.5 billion in loan guarantees under the 7(a) loan program in industries with a monetary-based size standard. Most of the newly-defined small businesses have 50 or more employees. SBA guaranteed 2,404 loans worth \$1.1 billion to small businesses with 50 or more employees. Based on an analysis of the Advocacy-Census Bureau data, only about 1.6 percent of businesses within the size range of the newly-defined small businesses participate in the 7(a) program. Assuming this level of participation, 186 additional loans could be guaranteed to the 11,600 newly defined businesses  $(11,600 \times 0.016 = 186)$ . The value of these loans is estimated by applying the average size loan to small businesses with 50 or more employees of \$465,000 to the number of additional loans  $(\$465,000 \times 186 = \$86,490)$ .

The newly defined small businesses would also benefit from SBA's Economic Injury Disaster Loan (EIDL) Program. Since this program is contingent upon the occurrence and severity of a disaster, no meaningful estimate of benefits can be projected for future disasters.

To the extent that up to 11,600 additional firms could become active in Federal small business programs, this may entail some additional administrative costs to the Federal Government associated with additional bidders for Federal small business procurement programs, additional firms seeking SBA-guaranteed lending programs, and additional firms eligible for enrollment in Central Contractor Registration's Dynamic Small Business Search database. Among businesses in this group seeking SBA assistance, there could be some additional costs associated with compliance and verification of small business status and protests of small business status. These costs are likely to generate minimal incremental administrative costs since mechanisms are currently in place to handle these administrative requirements.

The costs to the Federal Government may be higher on some Federal contracts as a result of this rule. SBA believes, however, that there will be only minor distributional effects among large and small businesses relating to Federal procurement.

The increase in the number of newly eligible small businesses is not enough to significantly affect current small businesses. Moreover, with a small amount of estimated lending to the newly defined small businesses as discussed above, it is unlikely that

currently-defined small businesses would be denied SBA financial assistance due to a larger pool of eligible small businesses. These additional loan guarantees totaling \$86.5 million or less will have virtually no impact on the overall availability of loans for SBA's financial assistance programs, which guaranteed about 88,000 loans totaling more than \$17 billion in fiscal year 2004.

The revision to the current monetary-based size standard is consistent with SBA's statutory mandate to assist small business. This regulatory action promotes the Administration's objectives. One of SBA's goals in support of the Administration's objectives is to help individual small businesses succeed through fair and equitable access to capital and credit, government contracts, and management and technical assistance. Reviewing and modifying size standards where appropriate, including periodic inflation adjustments, ensures that intended beneficiaries have access to small business programs designed to assist them. Size standards do not interfere with State, local, and tribal governments in the exercise of their government functions. In a few cases, state and local governments have voluntarily adopted SBA's size standards for their programs to eliminate the need to establish an administrative mechanism to develop their own size standards.

For purposes of Executive Order 12988, SBA has determined that this rule is drafted, to the extent practicable, in accordance with the standards set forth in section 3 of that Order.

This regulation would 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 responsibility among the various levels of government. Therefore, under Executive Order 13132, SBA determines that this rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.

SBA has determined that this rule does not impose any new information collection requirements under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501-3520.

Under the Regulatory Flexibility Act (RFA), an inflation adjustment to monetary-based size standards as a result of this rule may have a significant economic impact on a substantial number of small entities. SBA does not expect that the implementation of a two-step process to determine small business eligibility for its financial assistance program will have a significant economic impact of a

substantial number of small businesses. As discussed in the Regulatory Impact Analysis, the vast majority of 7(a) loans are made to small businesses well below the size standard, and they usually do not have complicated organizational structures. However, the provision is important to equitably evaluate the small business status of some applicants that do have affiliates that operate in various industries. Immediately below, SBA sets forth an initial regulatory flexibility analysis (IRFA) of the inflation adjustment to size standards addressing the reasons for promulgating the rule and its objectives of the rule; SBA's descriptions and estimate of the number of small entities to which the rule will apply; the projected reporting recordkeeping and other compliance requirements of the rule; the relevant Federal rules which may duplicate, overlap or conflict with the rule; and alternatives considered by SBA.

(1) What is the reason for this action?

As discussed in the supplemental information, the purpose of this rule is to restore the small business eligibility of businesses that have grown above the size standard due to inflation rather than due to increased business activity. A review of the latest inflation indexes indicates that inflation has increased a sufficient amount to warrant an increase to the current monetary-based size standards.

(2) What are the objectives and legal basis for the rule?

The revision to the monetary-based size standards for inflation more appropriately defines the size of businesses. This rule merely restores small business eligibility in real terms. Section 3(a) of the Small Business Act (15 U.S.C. 632(a)) gives SBA the authority to establish and change size standards. Within its administrative discretion, SBA implemented a policy in its regulations to review the effect of inflation on size standards at least every five years (13 CFR 121.102(c)) and make any changes as appropriate.

(3) What is SBA's description and estimate of the number of small entities to which the rule will apply?

SBA estimates that there will be approximately 11,600 newly designated small businesses, distributed as follows by NAICS Sector:

| Sector      | Name of sector     | Number of firms |
|-------------|--------------------|-----------------|
| 11 .....    | Agriculture .....  | 59              |
| 21 .....    | Mining .....       | 672             |
| 23 .....    | Construction ..... | 285             |
| 44-45 ..... | Retail Trade ..... | 2,159           |

| Sector      | Name of sector                      | Number of firms |
|-------------|-------------------------------------|-----------------|
| 48-49 ..... | Transportation .....                | 211             |
| 51 .....    | Information .....                   | 89              |
| 52 .....    | Finance and Insurance.              | 520             |
| 53 .....    | Real Estate .....                   | 1,846           |
| 54 .....    | Professional Services.              | 2,674           |
| 56 .....    | Administration and Support.         | 472             |
| 61 .....    | Educational Services.               | 201             |
| 62 .....    | Health Care .....                   | 1,171           |
| 71 .....    | Arts, Entertainment and Recreation. | 184             |
| 72 .....    | Accommodation and Food Services.    | 420             |
| 81 .....    | Other Services .....                | 635             |
|             | Total .....                         | 11,598          |

Source: U.S. Small Business Administration, Office of Advocacy, 2002 data provided by the Statistics of U.S. Business Division of the U.S. Census Bureau.

The percentage increase in the number of small businesses that will result from this rule, compared to the existing base of small businesses, is estimated to be about two-tenths of one percent. The special tabulation for the SBA's Office of Advocacy obtained from the Bureau of the Census reports 5,043,335 firms in the industries with monetary-based size standards. Within these industries, 96.0 percent of businesses are currently defined as small under the existing size standards. Under this rule, that percentage will increase to 96.2%. The percentage increase of annual sales attributed to these newly defined small businesses is likely to approximate 0.6 percent. Currently-defined small businesses under monetary-based size standards generate 25.7 percent of sales. Under this rule, the percentage of sales attributable to small businesses will increase to 26.4%.

(4) What are the potential benefits of the rule?

The most significant benefit to small businesses obtaining small business status is their eligibility for Federal small business assistance programs. These include SBA's financial assistance programs and Federal procurement preference programs for small business, 8(a) firms, small disadvantaged businesses, and small businesses located in historically underutilized business zones (HUBZone).

(5) Will this rule impose any additional reporting or recordkeeping requirements on small businesses?

This rule does not impose any new information collection requirements

from SBA which require approval by OMB under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501-3520. A new size standard does not impose any additional reporting, record keeping or compliance requirements on small entities. Increasing size standards expands access to SBA programs that assist small businesses, but does not impose a regulatory burden as they neither regulate nor control business behavior.

(6) What are the relevant Federal rules which may duplicate, overlap or conflict with this rule?

This rule overlaps with other Federal rules that use SBA's size standards to define a small business. Under § 3(a)(2)(C) of the Small Business Act, unless specifically authorized by statute, Federal agencies must use SBA's size standards to define a small business. In 1995, SBA published in the **Federal Register** a list of statutory and regulatory size standards that identified the application of SBA's size standards as well as other size standards used by Federal agencies (60 FR 57988-57991, dated November 24, 1995). SBA is not aware of any Federal rule that would duplicate or conflict with establishing size standards.

SBA cannot estimate the impact of a size standard change on each and every Federal program that uses its size standards. In cases where a size standard is not appropriate, the Small Business Act and SBA's regulations allow Federal agencies to develop different size standards with the approval of the SBA Administrator (13 CFR 121.902). For purposes of a regulatory flexibility analysis, agencies must consult with SBA's Office of Advocacy when developing different size standards for their programs.

(7) What alternatives did SBA consider?

SBA considered two alternatives to this rule. First, SBA considered waiting until price levels increased by a greater amount before proposing an adjustment to its receipt-based size standards. Previous inflation adjustments ranged between 16 percent and 100 percent, whereas this increase is 8.7 percent. However, SBA now believes that more frequent adjustments are necessary since smaller amounts of inflation can change the eligibility of significant number of businesses.

Second, SBA considered waiting until its review of issues that were raised in the Agency's Advance Notice of Proposed Rulemaking of December 3, 2004 (69 FR 70197) was completed. Ultimately, SBA rejected this approach as it could not predict with precision

the time for completion of its full review, the degree of inflation that could occur while the review was underway, or the final disposition of the issues that were raised in the December 3, 2004 notice. SBA did not want to unnecessarily penalize firms during these deliberations.

#### List of Subjects

##### 13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Loan programs—business, Small business.

##### 13 CFR Part 123

Disaster assistance, Loan programs—business, Small business.

■ For the reasons set forth in the preamble, amend parts 121 and 123 of title 13 Code of Federal Regulations as follows:

#### PART 121—SMALL BUSINESS SIZE REGULATIONS

■ 1. The authority citation for part 121 continues to read as follows:

**Authority:** 15 U.S.C. 632(a), 634(b) (6), 637(a), 644(c), and 662(5); and Sec. 304, Pub. L. 103–403, 108 Stat. 4175, 4188.

■ 2. Amend § 121.201 by revising the size standards to the referenced NAICS Codes in the table “SIZE STANDARDS BY NAICS INDUSTRY” under sections 11, 21 through 23, 44–45, 48–49, 51 through 56, 61, 62, 71, 72 and 81 and footnotes 9 and 15 to read as follows:

**§ 121.201 What size standards has SBA identified by North American Industry Classification System codes?**

\* \* \* \* \*

#### SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY

| NAICS codes                                                          | NAICS U.S. industry title                           | Size standards in millions of dollars | Size standards in number of employees |
|----------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Sector 11—Agriculture, Forestry, Fishing and Hunting</b>          |                                                     |                                       |                                       |
| * * * * *                                                            |                                                     |                                       |                                       |
| <b>Subsector 112—Animal Production</b>                               |                                                     |                                       |                                       |
| 112112                                                               | Cattle Feedlots                                     | \$2.00                                |                                       |
| 112310                                                               | Chicken Egg Production                              | \$11.5                                |                                       |
| * * * * *                                                            |                                                     |                                       |                                       |
| <b>Subsector 113—Forestry and Logging</b>                            |                                                     |                                       |                                       |
| 113110                                                               | Timber Tract Operations                             | \$6.5                                 |                                       |
| 113210                                                               | Forest Nurseries and Gathering of Forest Products   | \$6.5                                 |                                       |
| * * * * *                                                            |                                                     |                                       |                                       |
| <b>Subsector 114—Fishing, Hunting and Trapping</b>                   |                                                     |                                       |                                       |
| 114111                                                               | Finfish Fishing                                     | \$4.0                                 |                                       |
| 114112                                                               | Shellfish Fishing                                   | \$4.0                                 |                                       |
| 114119                                                               | Other Marine Fishing                                | \$4.0                                 |                                       |
| 114210                                                               | Hunting and Trapping                                | \$4.0                                 |                                       |
| <b>Subsector 115—Support Activities for Agriculture and Forestry</b> |                                                     |                                       |                                       |
| 115111                                                               | Cotton Ginning                                      | \$6.5                                 |                                       |
| 115112                                                               | Soil Preparation, Planting, and Cultivating         | \$6.5                                 |                                       |
| 115113                                                               | Crop Harvesting, Primarily by Machine               | \$6.5                                 |                                       |
| 115114                                                               | Postharvest Crop Activities (except Cotton Ginning) | \$6.5                                 |                                       |
| 115115                                                               | Farm Labor Contractors and Crew Leaders             | \$6.5                                 |                                       |
| 115116                                                               | Farm Management Services                            | \$6.5                                 |                                       |
| 115210                                                               | Support Activities for Animal Production            | \$6.5                                 |                                       |
| 115310                                                               | Support Activities for Forestry                     | \$6.5                                 |                                       |
| Except,                                                              | Forest Fire Suppression <sup>17</sup>               | <sup>17</sup> \$16.5                  |                                       |
| Except,                                                              | Fuels Management Services <sup>17</sup>             | <sup>17</sup> \$16.5                  |                                       |
| <b>Sector 21—Mining</b>                                              |                                                     |                                       |                                       |
| <b>Subsector 212—Mining (except Oil and Gas)</b>                     |                                                     |                                       |                                       |
| * * * * *                                                            |                                                     |                                       |                                       |
| <b>Subsector 213—Support Activities for Mining</b>                   |                                                     |                                       |                                       |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                                                                                                                  | NAICS U.S. industry title                                                | Size standards in millions of dollars | Size standards in number of employees |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| *                                                                                                                                                                            | *                                                                        | *                                     | *                                     |
| 213112 .....                                                                                                                                                                 | Support Activities for Oil and Gas Operations .....                      | \$6.5                                 | .....                                 |
| 213113 .....                                                                                                                                                                 | Support Activities for Coal Mining .....                                 | \$6.5                                 | .....                                 |
| 213114 .....                                                                                                                                                                 | Support Activities for Metal Mining .....                                | \$6.5                                 | .....                                 |
| 213115 .....                                                                                                                                                                 | Support Activities for Nonmetallic Minerals (except Fuels) .....         | \$6.5                                 | .....                                 |
| <b>Sector 22—Utilities</b>                                                                                                                                                   |                                                                          |                                       |                                       |
| <b>Subsector 221—Utilities</b>                                                                                                                                               |                                                                          |                                       |                                       |
| *                                                                                                                                                                            | *                                                                        | *                                     | *                                     |
| 221310 .....                                                                                                                                                                 | Water Supply and Irrigation Systems .....                                | \$6.5                                 | .....                                 |
| 221320 .....                                                                                                                                                                 | Sewage Treatment Facilities .....                                        | \$6.5                                 | .....                                 |
| 221330 .....                                                                                                                                                                 | Steam and Air-Conditioning Supply .....                                  | \$11.5                                | .....                                 |
| <b>Sector 23—Construction</b>                                                                                                                                                |                                                                          |                                       |                                       |
| <b>Subsector 236—Construction of Buildings</b>                                                                                                                               |                                                                          |                                       |                                       |
| 236115 .....                                                                                                                                                                 | New Single-Family Housing Construction (except Operative Builders) ..... | \$31.0                                | .....                                 |
| 236116 .....                                                                                                                                                                 | New Multifamily Housing Construction (except Operative Builders) .....   | \$31.0                                | .....                                 |
| 236117 .....                                                                                                                                                                 | New Housing Operative Builders .....                                     | \$31.0                                | .....                                 |
| 236118 .....                                                                                                                                                                 | Residential Remodelers .....                                             | \$31.0                                | .....                                 |
| 236210 .....                                                                                                                                                                 | Industrial Building Construction .....                                   | \$31.0                                | .....                                 |
| 236220 .....                                                                                                                                                                 | Commercial and Institutional Building Construction .....                 | \$31.0                                | .....                                 |
| <b>Subsector 237—Heavy and Civil Engineering Construction</b>                                                                                                                |                                                                          |                                       |                                       |
| 237110 .....                                                                                                                                                                 | Water and Sewer Line and Related Structures Construction .....           | \$31.0                                | .....                                 |
| 237120 .....                                                                                                                                                                 | Oil and Gas Pipeline and Related Structures Construction .....           | \$31.0                                | .....                                 |
| 237130 .....                                                                                                                                                                 | Power and Communication Line and Related Structures Construction .....   | \$31.0                                | .....                                 |
| 237210 .....                                                                                                                                                                 | Land Subdivision .....                                                   | \$6.5                                 | .....                                 |
| 237310 .....                                                                                                                                                                 | Highway, Street, and Bridge Construction .....                           | \$31.0                                | .....                                 |
| 237990 .....                                                                                                                                                                 | Other Heavy and Civil Engineering Construction .....                     | \$31.0                                | .....                                 |
| Except,                                                                                                                                                                      | Dredging and Surface Cleanup Activities <sup>2</sup> .....               | <sup>2</sup> \$18.5                   | .....                                 |
| <b>Subsector 238—Specialty Trade Contractors</b>                                                                                                                             |                                                                          |                                       |                                       |
| 238110 .....                                                                                                                                                                 | Poured Concrete Foundation and Structure Contractors .....               | \$13.0                                | .....                                 |
| 238120 .....                                                                                                                                                                 | Structural Steel and Precast Concrete Contractors .....                  | \$13.0                                | .....                                 |
| 238130 .....                                                                                                                                                                 | Framing Contractors .....                                                | \$13.0                                | .....                                 |
| 238140 .....                                                                                                                                                                 | Masonry Contractors .....                                                | \$13.0                                | .....                                 |
| 238150 .....                                                                                                                                                                 | Glass and Glazing Contractors .....                                      | \$13.0                                | .....                                 |
| 238160 .....                                                                                                                                                                 | Roofing Contractors .....                                                | \$13.0                                | .....                                 |
| 238170 .....                                                                                                                                                                 | Siding Contractors .....                                                 | \$13.0                                | .....                                 |
| 238190 .....                                                                                                                                                                 | Other Foundation, Structure, and Building Exterior Contractors .....     | \$13.0                                | .....                                 |
| 238210 .....                                                                                                                                                                 | Electrical Contractors .....                                             | \$13.0                                | .....                                 |
| 238220 .....                                                                                                                                                                 | Plumbing, Heating, and Air-Conditioning Contractors .....                | \$13.0                                | .....                                 |
| 238290 .....                                                                                                                                                                 | Other Building Equipment Contractors .....                               | \$13.0                                | .....                                 |
| 238310 .....                                                                                                                                                                 | Drywall and Insulation Contractors .....                                 | \$13.0                                | .....                                 |
| 238320 .....                                                                                                                                                                 | Painting and Wall Covering Contractors .....                             | \$13.0                                | .....                                 |
| 238330 .....                                                                                                                                                                 | Flooring Contractors .....                                               | \$13.0                                | .....                                 |
| 238340 .....                                                                                                                                                                 | Tile and Terrazzo Contractors .....                                      | \$13.0                                | .....                                 |
| 238350 .....                                                                                                                                                                 | Finish Carpentry Contractors .....                                       | \$13.0                                | .....                                 |
| 238390 .....                                                                                                                                                                 | Other Building Finishing Contractors .....                               | \$13.0                                | .....                                 |
| 238910 .....                                                                                                                                                                 | Site Preparation Contractors .....                                       | \$13.0                                | .....                                 |
| 238990 .....                                                                                                                                                                 | All Other Specialty Trade Contractors <sup>13</sup> .....                | <sup>13</sup> \$13.0                  | .....                                 |
| 238990 .....                                                                                                                                                                 | Building and Property Specialty Trade Services <sup>13</sup> .....       | <sup>13</sup> \$13.0                  | .....                                 |
| *                                                                                                                                                                            | *                                                                        | *                                     | *                                     |
| <b>Sectors 44–45—Retail Trade</b>                                                                                                                                            |                                                                          |                                       |                                       |
| (Not applicable to Government procurement of supplies. The nonmanufacturer size standard of 500 employees shall be used for purposes of Government procurement of supplies.) |                                                                          |                                       |                                       |
| <b>Subsector 441—Motor Vehicle and Parts Dealers</b>                                                                                                                         |                                                                          |                                       |                                       |
| 441110 .....                                                                                                                                                                 | New Car Dealers .....                                                    | \$26.5                                | .....                                 |
| 441120 .....                                                                                                                                                                 | Used Car Dealers .....                                                   | \$21.0                                | .....                                 |
| 441210 .....                                                                                                                                                                 | Recreational Vehicle Dealers .....                                       | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                      | NAICS U.S. industry title                                        | Size standards in millions of dollars | Size standards in number of employees |
|----------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 441221 .....                                                                     | Motorcycle Dealers .....                                         | \$6.5                                 | .....                                 |
| 441222 .....                                                                     | Boat Dealers .....                                               | \$6.5                                 | .....                                 |
| 441229 .....                                                                     | All Other Motor Vehicle Dealers .....                            | \$6.5                                 | .....                                 |
| <i>Except,</i>                                                                   | Aircraft Dealers, Retail .....                                   | \$9.0                                 | .....                                 |
| 441310 .....                                                                     | Automotive Parts and Accessories Stores .....                    | \$6.5                                 | .....                                 |
| 441320 .....                                                                     | Tire Dealers .....                                               | \$6.5                                 | .....                                 |
| <b>Subsector 442—Furniture and Home Furnishings Stores</b>                       |                                                                  |                                       |                                       |
| 442110 .....                                                                     | Furniture Stores .....                                           | \$6.5                                 | .....                                 |
| 442210 .....                                                                     | Floor Covering Stores .....                                      | \$6.5                                 | .....                                 |
| 442291 .....                                                                     | Window Treatment Stores .....                                    | \$6.5                                 | .....                                 |
| 442299 .....                                                                     | All Other Home Furnishings Stores .....                          | \$6.5                                 | .....                                 |
| <b>Subsector 443—Electronics and Appliance Stores</b>                            |                                                                  |                                       |                                       |
| 443111 .....                                                                     | Household Appliance Stores .....                                 | \$8.0                                 | .....                                 |
| 443112 .....                                                                     | Radio, Television and Other Electronics Stores .....             | \$8.0                                 | .....                                 |
| 443120 .....                                                                     | Computer and Software Stores .....                               | \$8.0                                 | .....                                 |
| 443130 .....                                                                     | Camera and Photographic Supplies Stores .....                    | \$6.5                                 | .....                                 |
| <b>Subsector 444—Building Material and Garden Equipment and Supplies Dealers</b> |                                                                  |                                       |                                       |
| 444110 .....                                                                     | Home Centers .....                                               | \$6.5                                 | .....                                 |
| 444120 .....                                                                     | Paint and Wallpaper Stores .....                                 | \$6.5                                 | .....                                 |
| 444130 .....                                                                     | Hardware Stores .....                                            | \$6.5                                 | .....                                 |
| 444190 .....                                                                     | Other Building Material Dealers .....                            | \$6.5                                 | .....                                 |
| 444210 .....                                                                     | Outdoor Power Equipment Stores .....                             | \$6.5                                 | .....                                 |
| 444220 .....                                                                     | Nursery and Garden Centers .....                                 | \$6.5                                 | .....                                 |
| <b>Subsector 445—Food and Beverage Stores</b>                                    |                                                                  |                                       |                                       |
| 445110 .....                                                                     | Supermarkets and Other Grocery (except Convenience) Stores ..... | \$25.0                                | .....                                 |
| 445120 .....                                                                     | Convenience Stores .....                                         | \$25.0                                | .....                                 |
| 445210 .....                                                                     | Meat Markets .....                                               | \$6.5                                 | .....                                 |
| 445220 .....                                                                     | Fish and Seafood Markets .....                                   | \$6.5                                 | .....                                 |
| 445230 .....                                                                     | Fruit and Vegetable Markets .....                                | \$6.5                                 | .....                                 |
| 445291 .....                                                                     | Baked Goods Stores .....                                         | \$6.5                                 | .....                                 |
| 445292 .....                                                                     | Confectionery and Nut Stores .....                               | \$6.5                                 | .....                                 |
| 445299 .....                                                                     | All Other Specialty Food Stores .....                            | \$6.5                                 | .....                                 |
| 445310 .....                                                                     | Beer, Wine and Liquor Stores .....                               | \$6.5                                 | .....                                 |
| <b>Subsector 446—Health and Personal Care Stores</b>                             |                                                                  |                                       |                                       |
| 446110 .....                                                                     | Pharmacies and Drug Stores .....                                 | \$6.5                                 | .....                                 |
| 446120 .....                                                                     | Cosmetics, Beauty Supplies and Perfume Stores .....              | \$6.5                                 | .....                                 |
| 446130 .....                                                                     | Optical Goods Stores .....                                       | \$6.5                                 | .....                                 |
| 446191 .....                                                                     | Food (Health) Supplement Stores .....                            | \$6.5                                 | .....                                 |
| 446199 .....                                                                     | All Other Health and Personal Care Stores .....                  | \$6.5                                 | .....                                 |
| <b>Subsector 447—Gasoline Stations</b>                                           |                                                                  |                                       |                                       |
| 447110 .....                                                                     | Gasoline Stations with Convenience Stores .....                  | \$25.0                                | .....                                 |
| 447190 .....                                                                     | Other Gasoline Stations .....                                    | \$8.0                                 | .....                                 |
| <b>Subsector 448—Clothing and Clothing Accessories Stores</b>                    |                                                                  |                                       |                                       |
| 448110 .....                                                                     | Men's Clothing Stores .....                                      | \$8.0                                 | .....                                 |
| 448120 .....                                                                     | Women's Clothing Stores .....                                    | \$8.0                                 | .....                                 |
| 448130 .....                                                                     | Children's and Infants' Clothing Stores .....                    | \$6.5                                 | .....                                 |
| 448140 .....                                                                     | Family Clothing Stores .....                                     | \$8.0                                 | .....                                 |
| 448150 .....                                                                     | Clothing Accessories Stores .....                                | \$6.5                                 | .....                                 |
| 448190 .....                                                                     | Other Clothing Stores .....                                      | \$6.5                                 | .....                                 |
| 448210 .....                                                                     | Shoe Stores .....                                                | \$8.0                                 | .....                                 |
| 448310 .....                                                                     | Jewelry Stores .....                                             | \$6.5                                 | .....                                 |
| 448320 .....                                                                     | Luggage and Leather Goods Stores .....                           | \$6.5                                 | .....                                 |
| <b>Subsector 451—Sporting Good, Hobby, Book and Music Stores</b>                 |                                                                  |                                       |                                       |
| 451110 .....                                                                     | Sporting Goods Stores .....                                      | \$6.5                                 | .....                                 |
| 451120 .....                                                                     | Hobby, Toy and Game Stores .....                                 | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                      | NAICS U.S. industry title                                             | Size standards in millions of dollars | Size standards in number of employees |
|------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 451130 .....                                                     | Sewing, Needlework and Piece Goods Stores .....                       | \$6.5                                 | .....                                 |
| 451140 .....                                                     | Musical Instrument and Supplies Stores .....                          | \$6.5                                 | .....                                 |
| 451211 .....                                                     | Book Stores .....                                                     | \$6.5                                 | .....                                 |
| 451212 .....                                                     | News Dealers and Newsstands .....                                     | \$6.5                                 | .....                                 |
| 451220 .....                                                     | Prerecorded Tape, Compact Disc and Record Stores .....                | \$6.5                                 | .....                                 |
| <b>Subsector 452—General Merchandise Stores</b>                  |                                                                       |                                       |                                       |
| 452111 .....                                                     | Department Stores (except Discount Department Stores) .....           | \$25.0                                | .....                                 |
| 452112 .....                                                     | Discount Department Stores .....                                      | \$25.0                                | .....                                 |
| 452910 .....                                                     | Warehouse Clubs and Superstores .....                                 | \$25.0                                | .....                                 |
| 452990 .....                                                     | All Other General Merchandise Stores .....                            | \$10.5                                | .....                                 |
| <b>Subsector 453—Miscellaneous Store Retailers</b>               |                                                                       |                                       |                                       |
| 453110 .....                                                     | Florists .....                                                        | \$6.5                                 | .....                                 |
| 453210 .....                                                     | Office Supplies and Stationery Stores .....                           | \$6.5                                 | .....                                 |
| 453220 .....                                                     | Gift, Novelty and Souvenir Stores .....                               | \$6.5                                 | .....                                 |
| 453310 .....                                                     | Used Merchandise Stores .....                                         | \$6.5                                 | .....                                 |
| 453910 .....                                                     | Pet and Pet Supplies Stores .....                                     | \$6.5                                 | .....                                 |
| 453920 .....                                                     | Art Dealers .....                                                     | \$6.5                                 | .....                                 |
| 453930 .....                                                     | Manufactured (Mobile) Home Dealers .....                              | \$12.0                                | .....                                 |
| 453991 .....                                                     | Tobacco Stores .....                                                  | \$6.5                                 | .....                                 |
| 453998 .....                                                     | All Other Miscellaneous Store Retailers (except Tobacco Stores) ..... | \$6.5                                 | .....                                 |
| <b>Subsector 454—Nonstore Retailers</b>                          |                                                                       |                                       |                                       |
| 454111 .....                                                     | Electronic Shopping .....                                             | \$23.0                                | .....                                 |
| 454112 .....                                                     | Electronic Auctions .....                                             | \$23.0                                | .....                                 |
| 454113 .....                                                     | Mail-Order Houses .....                                               | \$23.0                                | .....                                 |
| 454210 .....                                                     | Vending Machine Operators .....                                       | \$6.5                                 | .....                                 |
| 454311 .....                                                     | Heating Oil Dealers .....                                             | \$11.5                                | .....                                 |
| 454312 .....                                                     | Liquefied Petroleum Gas (Bottled Gas) Dealers .....                   | \$6.5                                 | .....                                 |
| 454319 .....                                                     | Other Fuel Dealers .....                                              | \$6.5                                 | .....                                 |
| 454390 .....                                                     | Other Direct Selling Establishments .....                             | \$6.5                                 | .....                                 |
| <b>Sectors 48–49—Transportation</b>                              |                                                                       |                                       |                                       |
| <b>Subsector 481—Air Transportation</b>                          |                                                                       |                                       |                                       |
| 481211 .....                                                     | Nonscheduled Chartered Passenger Air Transportation .....             | .....                                 | 1,500                                 |
| Except,                                                          | Offshore Marine Air Transportation Services .....                     | \$25.5                                | .....                                 |
| 481212 .....                                                     | Nonscheduled Chartered Freight Air Transportation .....               | .....                                 | 1,500                                 |
| Except,                                                          | Offshore Marine Air Transportation Services .....                     | \$25.5                                | .....                                 |
| 481219 .....                                                     | Other Nonscheduled Air Transportation .....                           | \$6.5                                 | .....                                 |
| <b>Subsector 484—Truck Transportation</b>                        |                                                                       |                                       |                                       |
| 484110 .....                                                     | General Freight Trucking, Local .....                                 | \$23.5                                | .....                                 |
| 484121 .....                                                     | General Freight Trucking, Long-Distance, Truckload .....              | \$23.5                                | .....                                 |
| 484122 .....                                                     | General Freight Trucking, Long-Distance, Less Than Truckload .....    | \$23.5                                | .....                                 |
| 484210 .....                                                     | Used Household and Office Goods Moving .....                          | \$23.5                                | .....                                 |
| 484220 .....                                                     | Specialized Freight (except Used Goods) Trucking, Local .....         | \$23.5                                | .....                                 |
| 484230 .....                                                     | Specialized Freight (except Used Goods) Trucking, Long-Distance ..... | \$23.5                                | .....                                 |
| <b>Subsector 485—Transit and Ground Passenger Transportation</b> |                                                                       |                                       |                                       |
| 485111 .....                                                     | Mixed Mode Transit Systems .....                                      | \$6.5                                 | .....                                 |
| 485112 .....                                                     | Commuter Rail Systems .....                                           | \$6.5                                 | .....                                 |
| 485113 .....                                                     | Bus and Motor Vehicle Transit Systems .....                           | \$6.5                                 | .....                                 |
| 485119 .....                                                     | Other Urban Transit Systems .....                                     | \$6.5                                 | .....                                 |
| 485210 .....                                                     | Interurban and Rural Bus Transportation .....                         | \$6.5                                 | .....                                 |
| 485310 .....                                                     | Taxi Service .....                                                    | \$6.5                                 | .....                                 |
| 485320 .....                                                     | Limousine Service .....                                               | \$6.5                                 | .....                                 |
| 485410 .....                                                     | School and Employee Bus Transportation .....                          | \$6.5                                 | .....                                 |
| 485510 .....                                                     | Charter Bus Industry .....                                            | \$6.5                                 | .....                                 |
| 485991 .....                                                     | Special Needs Transportation .....                                    | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                        | NAICS U.S. industry title                                              | Size standards in millions of dollars | Size standards in number of employees |
|--------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 485999 .....                                                       | All Other Transit and Ground Passenger Transportation .....            | \$6.5                                 | .....                                 |
| <b>Subsector 486—Pipeline Transportation</b>                       |                                                                        |                                       |                                       |
| *                                                                  | *                                                                      | *                                     | *                                     |
| 486210 .....                                                       | Pipeline Transportation of Natural Gas .....                           | \$6.5                                 | .....                                 |
| *                                                                  | *                                                                      | *                                     | *                                     |
| 486990 .....                                                       | All Other Pipeline Transportation .....                                | \$31.5                                | .....                                 |
| <b>Subsector 487—Scenic and Sightseeing Transportation</b>         |                                                                        |                                       |                                       |
| 487110 .....                                                       | Scenic and Sightseeing Transportation, Land .....                      | \$6.5                                 | .....                                 |
| 487210 .....                                                       | Scenic and Sightseeing Transportation, Water .....                     | \$6.5                                 | .....                                 |
| 487990 .....                                                       | Scenic and Sightseeing Transportation, Other .....                     | \$6.5                                 | .....                                 |
| <b>Subsector 488—Support Activities for Transportation</b>         |                                                                        |                                       |                                       |
| 488111 .....                                                       | Air Traffic Control .....                                              | \$6.5                                 | .....                                 |
| 488119 .....                                                       | Other Airport Operations .....                                         | \$6.5                                 | .....                                 |
| 488190 .....                                                       | Other Support Activities for Air Transportation .....                  | \$6.5                                 | .....                                 |
| 488210 .....                                                       | Support Activities for Rail Transportation .....                       | \$6.5                                 | .....                                 |
| 488310 .....                                                       | Port and Harbor Operations .....                                       | \$23.5                                | .....                                 |
| 488320 .....                                                       | Marine Cargo Handling .....                                            | \$23.5                                | .....                                 |
| 488330 .....                                                       | Navigational Services to Shipping .....                                | \$6.5                                 | .....                                 |
| 488390 .....                                                       | Other Support Activities for Water Transportation .....                | \$6.5                                 | .....                                 |
| 488410 .....                                                       | Motor Vehicle Towing .....                                             | \$6.5                                 | .....                                 |
| 488490 .....                                                       | Other Support Activities for Road Transportation .....                 | \$6.5                                 | .....                                 |
| 488510 .....                                                       | Freight Transportation Arrangement <sup>10</sup> .....                 | <sup>10</sup> \$6.5                   | .....                                 |
| <i>Except,</i>                                                     | Non-Vessel Owning Common Carriers and Household Goods Forwarders ..... | \$23.5                                | .....                                 |
| 488991 .....                                                       | Packing and Crating .....                                              | \$23.5                                | .....                                 |
| 488999 .....                                                       | All Other Support Activities for Transportation .....                  | \$6.5                                 | .....                                 |
| <b>Subsector 491—Postal Service</b>                                |                                                                        |                                       |                                       |
| 491110 .....                                                       | Postal Service .....                                                   | \$6.5                                 | .....                                 |
| <b>Subsector 492—Couriers and Messengers</b>                       |                                                                        |                                       |                                       |
| *                                                                  | *                                                                      | *                                     | *                                     |
| 492210 .....                                                       | Local Messengers and Local Delivery .....                              | \$23.5                                | .....                                 |
| <b>Subsector 493—Warehousing and Storage</b>                       |                                                                        |                                       |                                       |
| 493110 .....                                                       | General Warehousing and Storage .....                                  | \$23.5                                | .....                                 |
| 493120 .....                                                       | Refrigerated Warehousing and Storage .....                             | \$23.5                                | .....                                 |
| 493130 .....                                                       | Farm Product Warehousing and Storage .....                             | \$23.5                                | .....                                 |
| 493190 .....                                                       | Other Warehousing and Storage .....                                    | \$23.5                                | .....                                 |
| <b>Sector 51—Information</b>                                       |                                                                        |                                       |                                       |
| <b>Subsector 511—Publishing Industries (except Internet)</b>       |                                                                        |                                       |                                       |
| *                                                                  | *                                                                      | *                                     | *                                     |
| 511210 .....                                                       | Software Publishers .....                                              | \$23.0                                | .....                                 |
| <b>Subsector 512—Motion Picture and Sound Recording Industries</b> |                                                                        |                                       |                                       |
| 512110 .....                                                       | Motion Picture and Video Production .....                              | \$27.0                                | .....                                 |
| 512120 .....                                                       | Motion Picture and Video Distribution .....                            | \$27.0                                | .....                                 |
| 512131 .....                                                       | Motion Picture Theaters (except Drive-Ins) .....                       | \$6.5                                 | .....                                 |
| 512132 .....                                                       | Drive-In Motion Picture Theaters .....                                 | \$6.5                                 | .....                                 |
| 512191 .....                                                       | Teleproduction and Other Postproduction Services .....                 | \$27.0                                | .....                                 |
| 512199 .....                                                       | Other Motion Picture and Video Industries .....                        | \$6.5                                 | .....                                 |
| 512210 .....                                                       | Record Production .....                                                | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                                       | NAICS U.S. industry title                                                       | Size standards in millions of dollars      | Size standards in number of employees |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------|---------------------------------------|
| *                                                                                                 | *                                                                               | *                                          | *                                     |
| 512240 .....                                                                                      | Sound Recording Studios .....                                                   | \$6.5 .....                                | .....                                 |
| 512290 .....                                                                                      | Other Sound Recording Industries .....                                          | \$6.5 .....                                | .....                                 |
| <b>Subsector 515—Broadcasting (except Internet)</b>                                               |                                                                                 |                                            |                                       |
| 515111 .....                                                                                      | Radio Networks .....                                                            | \$6.5 .....                                | .....                                 |
| 515112 .....                                                                                      | Radio Stations .....                                                            | \$6.5 .....                                | .....                                 |
| 515120 .....                                                                                      | Television Broadcasting .....                                                   | \$13.0 .....                               | .....                                 |
| 515210 .....                                                                                      | Cable and Other Subscription Programming .....                                  | \$13.5 .....                               | .....                                 |
| *                                                                                                 | *                                                                               | *                                          | *                                     |
| <b>Subsector 517—Telecommunications</b>                                                           |                                                                                 |                                            |                                       |
| *                                                                                                 | *                                                                               | *                                          | *                                     |
| 517410 .....                                                                                      | Satellite Telecommunications .....                                              | \$13.5 .....                               | .....                                 |
| 517510 .....                                                                                      | Cable and Other Program Distribution .....                                      | \$13.5 .....                               | .....                                 |
| 517910 .....                                                                                      | Other Telecommunications .....                                                  | \$13.5 .....                               | .....                                 |
| <b>Subsector 518—Internet Service Providers, Web Search Portals, and Data Processing Services</b> |                                                                                 |                                            |                                       |
| 518111 .....                                                                                      | Internet Service Providers .....                                                | \$23.0 .....                               | .....                                 |
| 518112 .....                                                                                      | Web Search Portals .....                                                        | \$6.5 .....                                | .....                                 |
| 518210 .....                                                                                      | Data Processing, Hosting, and Related Services .....                            | \$23.0 .....                               | .....                                 |
| <b>Subsector 519—Other Information Services</b>                                                   |                                                                                 |                                            |                                       |
| 519110 .....                                                                                      | News Syndicates .....                                                           | \$6.5 .....                                | .....                                 |
| 519120 .....                                                                                      | Libraries and Archives .....                                                    | \$6.5 .....                                | .....                                 |
| 519190 .....                                                                                      | All Other Information Services .....                                            | \$6.5 .....                                | .....                                 |
| <b>Sector 52—Finance and Insurance</b>                                                            |                                                                                 |                                            |                                       |
| <b>Subsector 522—Credit Intermediation and Related Activities</b>                                 |                                                                                 |                                            |                                       |
| 522110 .....                                                                                      | Commercial Banking <sup>8</sup> .....                                           | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522120 .....                                                                                      | Savings Institutions <sup>8</sup> .....                                         | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522130 .....                                                                                      | Credit Unions <sup>8</sup> .....                                                | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522190 .....                                                                                      | Other Depository Credit Intermediation <sup>8</sup> .....                       | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522210 .....                                                                                      | Credit Card Issuing <sup>8</sup> .....                                          | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522220 .....                                                                                      | Sales Financing .....                                                           | \$6.5 .....                                | .....                                 |
| 522291 .....                                                                                      | Consumer Lending .....                                                          | \$6.5 .....                                | .....                                 |
| 522292 .....                                                                                      | Real Estate Credit .....                                                        | \$6.5 .....                                | .....                                 |
| 522293 .....                                                                                      | International Trade Financing <sup>8</sup> .....                                | <sup>8</sup> \$165 million in assets ..... | .....                                 |
| 522294 .....                                                                                      | Secondary Market Financing .....                                                | \$6.5 .....                                | .....                                 |
| 522298 .....                                                                                      | All Other Non-Depository Credit Intermediation .....                            | \$6.5 .....                                | .....                                 |
| 522310 .....                                                                                      | Mortgage and Nonmortgage Loan Brokers .....                                     | \$6.5 .....                                | .....                                 |
| 522320 .....                                                                                      | Financial Transactions Processing, Reserve, and Clearing House Activities ..... | \$6.5 .....                                | .....                                 |
| 522390 .....                                                                                      | Other Activities Related to Credit Intermediation .....                         | \$6.5 .....                                | .....                                 |
| <b>Subsector 523—Financial Investments and Related Activities</b>                                 |                                                                                 |                                            |                                       |
| 523110 .....                                                                                      | Investment Banking and Securities Dealing .....                                 | \$6.5 .....                                | .....                                 |
| 523120 .....                                                                                      | Securities Brokerage .....                                                      | \$6.5 .....                                | .....                                 |
| 523130 .....                                                                                      | Commodity Contracts Dealing .....                                               | \$6.5 .....                                | .....                                 |
| 523140 .....                                                                                      | Commodity Contracts Brokerage .....                                             | \$6.5 .....                                | .....                                 |
| 523210 .....                                                                                      | Securities and Commodity Exchanges .....                                        | \$6.5 .....                                | .....                                 |
| 523910 .....                                                                                      | Miscellaneous Intermediation .....                                              | \$6.5 .....                                | .....                                 |
| 523920 .....                                                                                      | Portfolio Management .....                                                      | \$6.5 .....                                | .....                                 |
| 523930 .....                                                                                      | Investment Advice .....                                                         | \$6.5 .....                                | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                               | NAICS U.S. industry title                                                         | Size standards in millions of dollars | Size standards in number of employees |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 523991 .....                                                                              | Trust, Fiduciary and Custody Activities .....                                     | \$6.5                                 | .....                                 |
| 523999 .....                                                                              | Miscellaneous Financial Investment Activities .....                               | \$6.5                                 | .....                                 |
| <b>Subsector 524—Insurance Carriers and Related Activities</b>                            |                                                                                   |                                       |                                       |
| 524113 .....                                                                              | Direct Life Insurance Carriers .....                                              | \$6.5                                 | .....                                 |
| 524114 .....                                                                              | Direct Health and Medical Insurance Carriers .....                                | \$6.5                                 | .....                                 |
| * .....                                                                                   | * .....                                                                           | *                                     | *                                     |
| 524127 .....                                                                              | Direct Title Insurance Carriers .....                                             | \$6.5                                 | .....                                 |
| 524128 .....                                                                              | Other Direct Insurance (except Life, Health and Medical) Carriers .....           | \$6.5                                 | .....                                 |
| 524130 .....                                                                              | Reinsurance Carriers .....                                                        | \$6.5                                 | .....                                 |
| 524210 .....                                                                              | Insurance Agencies and Brokerages .....                                           | \$6.5                                 | .....                                 |
| 524291 .....                                                                              | Claims Adjusting .....                                                            | \$6.5                                 | .....                                 |
| 524292 .....                                                                              | Third Party Administration of Insurance and Pension Funds .....                   | \$6.5                                 | .....                                 |
| 524298 .....                                                                              | All Other Insurance Related Activities .....                                      | \$6.5                                 | .....                                 |
| <b>Subsector 525—Funds, Trusts and Other Financial Vehicles</b>                           |                                                                                   |                                       |                                       |
| 525110 .....                                                                              | Pension Funds .....                                                               | \$6.5                                 | .....                                 |
| 525120 .....                                                                              | Health and Welfare Funds .....                                                    | \$6.5                                 | .....                                 |
| 525190 .....                                                                              | Other Insurance Funds .....                                                       | \$6.5                                 | .....                                 |
| 525910 .....                                                                              | Open-End Investment Funds .....                                                   | \$6.5                                 | .....                                 |
| 525920 .....                                                                              | Trusts, Estates, and Agency Accounts .....                                        | \$6.5                                 | .....                                 |
| 525930 .....                                                                              | Real Estate Investment Trusts .....                                               | \$6.5                                 | .....                                 |
| 525990 .....                                                                              | Other Financial Vehicles .....                                                    | \$6.5                                 | .....                                 |
| <b>Sector 53—Real Estate and Rental and Leasing</b>                                       |                                                                                   |                                       |                                       |
| <b>Subsector 531—Real Estate</b>                                                          |                                                                                   |                                       |                                       |
| 531110 .....                                                                              | Lessors of Residential Buildings and Dwellings .....                              | \$6.5                                 | .....                                 |
| 531120 .....                                                                              | Lessors of Nonresidential Buildings (except Miniwarehouses) .....                 | \$6.5                                 | .....                                 |
| 531130 .....                                                                              | Lessors of Miniwarehouses and Self Storage Units .....                            | \$23.5                                | .....                                 |
| 531190 .....                                                                              | Lessors of Other Real Estate Property .....                                       | \$6.5                                 | .....                                 |
| Except, .....                                                                             | Leasing of Building Space to Federal Government by Owners <sup>9</sup> .....      | <sup>9</sup> \$19.0                   | .....                                 |
| 531210 .....                                                                              | Offices of Real Estate Agents and Brokers <sup>10</sup> .....                     | <sup>10</sup> \$2.0                   | .....                                 |
| 531311 .....                                                                              | Residential Property Managers .....                                               | \$2.0                                 | .....                                 |
| 531312 .....                                                                              | Nonresidential Property Managers .....                                            | \$2.0                                 | .....                                 |
| 531320 .....                                                                              | Offices of Real Estate Appraisers .....                                           | \$2.0                                 | .....                                 |
| 531390 .....                                                                              | Other Activities Related to Real Estate .....                                     | \$2.0                                 | .....                                 |
| <b>Subsector 532—Rental and Leasing Services</b>                                          |                                                                                   |                                       |                                       |
| 532111 .....                                                                              | Passenger Car Rental .....                                                        | \$23.5                                | .....                                 |
| 532112 .....                                                                              | Passenger Car Leasing .....                                                       | \$23.5                                | .....                                 |
| 532120 .....                                                                              | Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing .....    | \$23.5                                | .....                                 |
| 532210 .....                                                                              | Consumer Electronics and Appliances Rental .....                                  | \$6.5                                 | .....                                 |
| 532220 .....                                                                              | Formal Wear and Costume Rental .....                                              | \$6.5                                 | .....                                 |
| 532230 .....                                                                              | Video Tape and Disc Rental .....                                                  | \$6.5                                 | .....                                 |
| 532291 .....                                                                              | Home Health Equipment Rental .....                                                | \$6.5                                 | .....                                 |
| 532292 .....                                                                              | Recreational Goods Rental .....                                                   | \$6.5                                 | .....                                 |
| 532299 .....                                                                              | All Other Consumer Goods Rental .....                                             | \$6.5                                 | .....                                 |
| 532310 .....                                                                              | General Rental Centers .....                                                      | \$6.5                                 | .....                                 |
| 532411 .....                                                                              | Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing ..... | \$6.5                                 | .....                                 |
| 532412 .....                                                                              | Construction, Mining and Forestry Machinery and Equipment Rental and Leasing ..   | \$6.5                                 | .....                                 |
| 532420 .....                                                                              | Office Machinery and Equipment Rental and Leasing .....                           | \$23.0                                | .....                                 |
| 532490 .....                                                                              | Other Commercial and Industrial Machinery and Equipment Rental and Leasing ...    | \$6.5                                 | .....                                 |
| <b>Subsector 533—Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)</b> |                                                                                   |                                       |                                       |
| 533110 .....                                                                              | Lessors of Nonfinancial Intangible Assets (except Copyrighted Works) .....        | \$6.5                                 | .....                                 |
| <b>Sector 54—Professional, Scientific and Technical Services</b>                          |                                                                                   |                                       |                                       |
| <b>Subsector 541—Professional, Scientific and Technical Services</b>                      |                                                                                   |                                       |                                       |
| 541110 .....                                                                              | Offices of Lawyers .....                                                          | \$6.5                                 | .....                                 |
| 541191 .....                                                                              | Title Abstract and Settlement Offices .....                                       | \$6.5                                 | .....                                 |
| 541199 .....                                                                              | All Other Legal Services .....                                                    | \$6.5                                 | .....                                 |
| 541211 .....                                                                              | Offices of Certified Public Accountants .....                                     | \$7.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                            | NAICS U.S. industry title                                                                                 | Size standards in millions of dollars | Size standards in number of employees |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 541213 .....                                                                           | Tax Preparation Services .....                                                                            | \$6.5                                 | .....                                 |
| 541214 .....                                                                           | Payroll Services .....                                                                                    | \$7.5                                 | .....                                 |
| 541219 .....                                                                           | Other Accounting Services .....                                                                           | \$7.5                                 | .....                                 |
| 541310 .....                                                                           | Architectural Services .....                                                                              | \$4.5                                 | .....                                 |
| 541320 .....                                                                           | Landscape Architectural Services .....                                                                    | \$6.5                                 | .....                                 |
| 541330 .....                                                                           | Engineering Services .....                                                                                | \$4.5                                 | .....                                 |
| Except,                                                                                | Military and Aerospace Equipment and Military Weapons .....                                               | \$25.0                                | .....                                 |
| Except,                                                                                | Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992. | \$25.0                                | .....                                 |
| Except,                                                                                | Marine Engineering and Naval Architecture .....                                                           | \$17.0                                | .....                                 |
| 541340 .....                                                                           | Drafting Services .....                                                                                   | \$6.5                                 | .....                                 |
| Except,                                                                                | Map Drafting .....                                                                                        | \$4.5                                 | .....                                 |
| 541350 .....                                                                           | Building Inspection Services .....                                                                        | \$6.5                                 | .....                                 |
| 541360 .....                                                                           | Geophysical Surveying and Mapping Services .....                                                          | \$4.5                                 | .....                                 |
| 541370 .....                                                                           | Surveying and Mapping (except Geophysical) Services .....                                                 | \$4.5                                 | .....                                 |
| 541380 .....                                                                           | Testing Laboratories .....                                                                                | \$11.0                                | .....                                 |
| 541410 .....                                                                           | Interior Design Services .....                                                                            | \$6.5                                 | .....                                 |
| 541420 .....                                                                           | Industrial Design Services .....                                                                          | \$6.5                                 | .....                                 |
| 541430 .....                                                                           | Graphic Design Services .....                                                                             | \$6.5                                 | .....                                 |
| 541490 .....                                                                           | Other Specialized Design Services .....                                                                   | \$6.5                                 | .....                                 |
| 541511 .....                                                                           | Custom Computer Programming Services .....                                                                | \$23.0                                | .....                                 |
| 541512 .....                                                                           | Computer Systems Design Services .....                                                                    | \$23.0                                | .....                                 |
| 541513 .....                                                                           | Computer Facilities Management Services .....                                                             | \$23.0                                | .....                                 |
| 541519 .....                                                                           | Other Computer Related Services .....                                                                     | \$23.0                                | .....                                 |
| Except,                                                                                | Information Technology Value Added Resellers <sup>18</sup> .....                                          | .....                                 | <sup>18</sup> 150                     |
| 541611 .....                                                                           | Administrative Management and General Management Consulting Services .....                                | \$6.5                                 | .....                                 |
| 541612 .....                                                                           | Human Resources and Executive Search Consulting Services .....                                            | \$6.5                                 | .....                                 |
| 541613 .....                                                                           | Marketing Consulting Services .....                                                                       | \$6.5                                 | .....                                 |
| 541614 .....                                                                           | Process, Physical Distribution and Logistics Consulting Services .....                                    | \$6.5                                 | .....                                 |
| 541618 .....                                                                           | Other Management Consulting Services .....                                                                | \$6.5                                 | .....                                 |
| 541620 .....                                                                           | Environmental Consulting Services .....                                                                   | \$6.5                                 | .....                                 |
| 541690 .....                                                                           | Other Scientific and Technical Consulting Services .....                                                  | \$6.5                                 | .....                                 |
| * * * * *                                                                              |                                                                                                           |                                       |                                       |
| 541720 .....                                                                           | Research and Development in the Social Sciences and Humanities .....                                      | \$6.5                                 | .....                                 |
| 541810 .....                                                                           | Advertising Agencies <sup>10</sup> .....                                                                  | <sup>10</sup> \$6.5                   | .....                                 |
| 541820 .....                                                                           | Public Relations Agencies .....                                                                           | \$6.5                                 | .....                                 |
| 541830 .....                                                                           | Media Buying Agencies .....                                                                               | \$6.5                                 | .....                                 |
| 541840 .....                                                                           | Media Representatives .....                                                                               | \$6.5                                 | .....                                 |
| 541850 .....                                                                           | Display Advertising .....                                                                                 | \$6.5                                 | .....                                 |
| 541860 .....                                                                           | Direct Mail Advertising .....                                                                             | \$6.5                                 | .....                                 |
| 541870 .....                                                                           | Advertising Material Distribution Services .....                                                          | \$6.5                                 | .....                                 |
| 541890 .....                                                                           | Other Services Related to Advertising .....                                                               | \$6.5                                 | .....                                 |
| 541910 .....                                                                           | Marketing Research and Public Opinion Polling .....                                                       | \$6.5                                 | .....                                 |
| 541921 .....                                                                           | Photography Studios, Portrait .....                                                                       | \$6.5                                 | .....                                 |
| 541922 .....                                                                           | Commercial Photography .....                                                                              | \$6.5                                 | .....                                 |
| 541930 .....                                                                           | Translation and Interpretation Services .....                                                             | \$6.5                                 | .....                                 |
| 541940 .....                                                                           | Veterinary Services .....                                                                                 | \$6.5                                 | .....                                 |
| 541990 .....                                                                           | All Other Professional, Scientific and Technical Services .....                                           | \$6.5                                 | .....                                 |
| <b>Sector 55—Management of Companies and Enterprises</b>                               |                                                                                                           |                                       |                                       |
| <b>Subsector 551—Management of Companies and Enterprises</b>                           |                                                                                                           |                                       |                                       |
| 551111 .....                                                                           | Offices of Bank Holding Companies .....                                                                   | \$6.5                                 | .....                                 |
| 551112 .....                                                                           | Offices of Other Holding Companies .....                                                                  | \$6.5                                 | .....                                 |
| <b>Sector 56—Administrative and Support, Waste Management and Remediation Services</b> |                                                                                                           |                                       |                                       |
| <b>Subsector 561—Administrative and Support Services</b>                               |                                                                                                           |                                       |                                       |
| 561110 .....                                                                           | Office Administrative Services .....                                                                      | \$6.5                                 | .....                                 |
| 561210 .....                                                                           | Facilities Support Services <sup>12</sup> .....                                                           | <sup>12</sup> \$32.5                  | .....                                 |
| 561310 .....                                                                           | Employment Placement Agencies .....                                                                       | \$6.5                                 | .....                                 |
| 561320 .....                                                                           | Temporary Help Services .....                                                                             | \$12.5                                | .....                                 |
| 561330 .....                                                                           | Employee Leasing Services .....                                                                           | \$12.5                                | .....                                 |
| 561410 .....                                                                           | Document Preparation Services .....                                                                       | \$6.5                                 | .....                                 |
| 561421 .....                                                                           | Telephone Answering Services .....                                                                        | \$6.5                                 | .....                                 |
| 561422 .....                                                                           | Telemarketing Bureaus .....                                                                               | \$6.5                                 | .....                                 |
| 561431 .....                                                                           | Private Mail Centers .....                                                                                | \$6.5                                 | .....                                 |
| 561439 .....                                                                           | Other Business Service Centers (including Copy Shops) .....                                               | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes  | NAICS U.S. industry title                                   | Size standards in millions of dollars | Size standards in number of employees |
|--------------|-------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 561440 ..... | Collection Agencies .....                                   | \$6.5                                 | .....                                 |
| 561450 ..... | Credit Bureaus .....                                        | \$6.5                                 | .....                                 |
| 561491 ..... | Repossession Services .....                                 | \$6.5                                 | .....                                 |
| 561492 ..... | Court Reporting and Stenotype Services .....                | \$6.5                                 | .....                                 |
| 561499 ..... | All Other Business Support Services .....                   | \$6.5                                 | .....                                 |
| 561510 ..... | Travel Agencies <sup>10</sup> .....                         | <sup>10</sup> \$3.510                 | .....                                 |
| 561520 ..... | Tour Operators <sup>10</sup> .....                          | <sup>10</sup> \$6.5                   | .....                                 |
| 561591 ..... | Convention and Visitors Bureaus .....                       | \$6.5                                 | .....                                 |
| 561599 ..... | All Other Travel Arrangement and Reservation Services ..... | \$6.5                                 | .....                                 |
| 561611 ..... | Investigation Services .....                                | \$11.5                                | .....                                 |
| 561612 ..... | Security Guards and Patrol Services .....                   | \$11.5                                | .....                                 |
| 561613 ..... | Armored Car Services .....                                  | \$11.5                                | .....                                 |
| 561621 ..... | Security Systems Services (except Locksmiths) .....         | \$11.5                                | .....                                 |
| 561622 ..... | Locksmiths .....                                            | \$6.5                                 | .....                                 |
| 561710 ..... | Exterminating and Pest Control Services .....               | \$6.5                                 | .....                                 |
| 561720 ..... | Janitorial Services .....                                   | \$15.0                                | .....                                 |
| 561730 ..... | Landscaping Services .....                                  | \$6.5                                 | .....                                 |
| 561740 ..... | Carpet and Upholstery Cleaning Services .....               | \$4.5                                 | .....                                 |
| 561790 ..... | Other Services to Buildings and Dwellings .....             | \$6.5                                 | .....                                 |
| 561910 ..... | Packaging and Labeling Services .....                       | \$6.5                                 | .....                                 |
| 561920 ..... | Convention and Trade Show Organizers <sup>10</sup> .....    | <sup>10</sup> \$6.5                   | .....                                 |
| 561990 ..... | All Other Support Services .....                            | \$6.5                                 | .....                                 |

## Subsector 562—Waste Management and Remediation Services

|                |                                                         |        |                   |
|----------------|---------------------------------------------------------|--------|-------------------|
| 562111 .....   | Solid Waste Collection .....                            | \$11.5 | .....             |
| 562112 .....   | Hazardous Waste Collection .....                        | \$11.5 | .....             |
| 562119 .....   | Other Waste Collection .....                            | \$11.5 | .....             |
| 562211 .....   | Hazardous Waste Treatment and Disposal .....            | \$11.5 | .....             |
| 562212 .....   | Solid Waste Landfill .....                              | \$11.5 | .....             |
| 562213 .....   | Solid Waste Combustors and Incinerators .....           | \$11.5 | .....             |
| 562219 .....   | Other Nonhazardous Waste Treatment and Disposal .....   | \$11.5 | .....             |
| 562910 .....   | Remediation Services .....                              | \$13.0 | .....             |
| <i>Except,</i> | Environmental Remediation Services <sup>14</sup> .....  | .....  | <sup>14</sup> 500 |
| 562920 .....   | Materials Recovery Facilities .....                     | \$11.5 | .....             |
| 562991 .....   | Septic Tank and Related Services .....                  | \$6.5  | .....             |
| 562998 .....   | All Other Miscellaneous Waste Management Services ..... | \$6.5  | .....             |

## Sector 61—Educational Services

## Subsector 611—Educational Services

|                |                                                        |                      |       |
|----------------|--------------------------------------------------------|----------------------|-------|
| 611110 .....   | Elementary and Secondary Schools .....                 | \$6.5                | ..... |
| 611210 .....   | Junior Colleges .....                                  | \$6.5                | ..... |
| 611310 .....   | Colleges, Universities and Professional Schools .....  | \$6.5                | ..... |
| 611410 .....   | Business and Secretarial Schools .....                 | \$6.5                | ..... |
| 611420 .....   | Computer Training .....                                | \$6.5                | ..... |
| 611430 .....   | Professional and Management Development Training ..... | \$6.5                | ..... |
| 611511 .....   | Cosmetology and Barber Schools .....                   | \$6.5                | ..... |
| 611512 .....   | Flight Training .....                                  | \$23.5               | ..... |
| 611513 .....   | Apprenticeship Training .....                          | \$6.5                | ..... |
| 611519 .....   | Other Technical and Trade Schools .....                | \$6.5                | ..... |
| <i>Except,</i> | Job Corps Centers <sup>16</sup> .....                  | <sup>16</sup> \$32.5 | ..... |
| 611610 .....   | Fine Arts Schools .....                                | \$6.5                | ..... |
| 611620 .....   | Sports and Recreation Instruction .....                | \$6.5                | ..... |
| 611630 .....   | Language Schools .....                                 | \$6.5                | ..... |
| 611691 .....   | Exam Preparation and Tutoring .....                    | \$6.5                | ..... |
| 611692 .....   | Automobile Driving Schools .....                       | \$6.5                | ..... |
| 611699 .....   | All Other Miscellaneous Schools and Instruction .....  | \$6.5                | ..... |
| 611710 .....   | Educational Support Services .....                     | \$6.5                | ..... |

## Sector 62—Health Care and Social Assistance

## Subsector 621—Ambulatory Health Care Services

|              |                                                                  |       |       |
|--------------|------------------------------------------------------------------|-------|-------|
| 621111 ..... | Offices of Physicians (except Mental Health Specialists) .....   | \$9.0 | ..... |
| 621112 ..... | Offices of Physicians, Mental Health Specialists .....           | \$9.0 | ..... |
| 621210 ..... | Offices of Dentists .....                                        | \$6.5 | ..... |
| 621310 ..... | Offices of Chiropractors .....                                   | \$6.5 | ..... |
| 621320 ..... | Offices of Optometrists .....                                    | \$6.5 | ..... |
| 621330 ..... | Offices of Mental Health Practitioners (except Physicians) ..... | \$6.5 | ..... |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                   | NAICS U.S. industry title                                                           | Size standards in millions of dollars | Size standards in number of employees |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 621340 .....                                                                  | Offices of Physical, Occupational and Speech Therapists and Audiologists .....      | \$6.5                                 | .....                                 |
| 621391 .....                                                                  | Offices of Podiatrists .....                                                        | \$6.5                                 | .....                                 |
| 621399 .....                                                                  | Offices of All Other Miscellaneous Health Practitioners .....                       | \$6.5                                 | .....                                 |
| 621410 .....                                                                  | Family Planning Centers .....                                                       | \$9.0                                 | .....                                 |
| 621420 .....                                                                  | Outpatient Mental Health and Substance Abuse Centers .....                          | \$9.0                                 | .....                                 |
| 621491 .....                                                                  | HMO Medical Centers .....                                                           | \$9.0                                 | .....                                 |
| 621492 .....                                                                  | Kidney Dialysis Centers .....                                                       | \$31.5                                | .....                                 |
| 621493 .....                                                                  | Freestanding Ambulatory Surgical and Emergency Centers .....                        | \$9.0                                 | .....                                 |
| 621498 .....                                                                  | All Other Outpatient Care Centers .....                                             | \$9.0                                 | .....                                 |
| 621511 .....                                                                  | Medical Laboratories .....                                                          | \$12.5                                | .....                                 |
| 621512 .....                                                                  | Diagnostic Imaging Centers .....                                                    | \$12.5                                | .....                                 |
| 621610 .....                                                                  | Home Health Care Services .....                                                     | \$12.5                                | .....                                 |
| 621910 .....                                                                  | Ambulance Services .....                                                            | \$6.5                                 | .....                                 |
| 621991 .....                                                                  | Blood and Organ Banks .....                                                         | \$9.0                                 | .....                                 |
| 621999 .....                                                                  | All Other Miscellaneous Ambulatory Health Care Services .....                       | \$9.0                                 | .....                                 |
| <b>Subsector 622—Hospitals</b>                                                |                                                                                     |                                       |                                       |
| 622110 .....                                                                  | General Medical and Surgical Hospitals .....                                        | \$31.5                                | .....                                 |
| 622210 .....                                                                  | Psychiatric and Substance Abuse Hospitals .....                                     | \$31.5                                | .....                                 |
| 622310 .....                                                                  | Specialty (except Psychiatric and Substance Abuse) Hospitals .....                  | \$31.5                                | .....                                 |
| <b>Subsector 623—Nursing and Residential Care Facilities</b>                  |                                                                                     |                                       |                                       |
| 623110 .....                                                                  | Nursing Care Facilities .....                                                       | \$12.5                                | .....                                 |
| 623210 .....                                                                  | Residential Mental Retardation Facilities .....                                     | \$9.0                                 | .....                                 |
| 623220 .....                                                                  | Residential Mental Health and Substance Abuse Facilities .....                      | \$6.5                                 | .....                                 |
| 623311 .....                                                                  | Continuing Care Retirement Communities .....                                        | \$12.5                                | .....                                 |
| 623312 .....                                                                  | Homes for the Elderly .....                                                         | \$6.5                                 | .....                                 |
| 623990 .....                                                                  | Other Residential Care Facilities .....                                             | \$6.5                                 | .....                                 |
| <b>Subsector 624—Social Assistance</b>                                        |                                                                                     |                                       |                                       |
| 624110 .....                                                                  | Child and Youth Services .....                                                      | \$6.5                                 | .....                                 |
| 624120 .....                                                                  | Services for the Elderly and Persons with Disabilities .....                        | \$6.5                                 | .....                                 |
| 624190 .....                                                                  | Other Individual and Family Services .....                                          | \$6.5                                 | .....                                 |
| 624210 .....                                                                  | Community Food Services .....                                                       | \$6.5                                 | .....                                 |
| 624221 .....                                                                  | Temporary Shelters .....                                                            | \$6.5                                 | .....                                 |
| 624229 .....                                                                  | Other Community Housing Services .....                                              | \$6.5                                 | .....                                 |
| 624230 .....                                                                  | Emergency and Other Relief Services .....                                           | \$6.5                                 | .....                                 |
| 624310 .....                                                                  | Vocational Rehabilitation Services .....                                            | \$6.5                                 | .....                                 |
| 624410 .....                                                                  | Child Day Care Services .....                                                       | \$6.5                                 | .....                                 |
| <b>Sector 71—Arts, Entertainment and Recreation</b>                           |                                                                                     |                                       |                                       |
| <b>Subsector 711—Performing Arts, Spectator Sports and Related Industries</b> |                                                                                     |                                       |                                       |
| 711110 .....                                                                  | Theater Companies and Dinner Theaters .....                                         | \$6.5                                 | .....                                 |
| 711120 .....                                                                  | Dance Companies .....                                                               | \$6.5                                 | .....                                 |
| 711130 .....                                                                  | Musical Groups and Artists .....                                                    | \$6.5                                 | .....                                 |
| 711190 .....                                                                  | Other Performing Arts Companies .....                                               | \$6.5                                 | .....                                 |
| 711211 .....                                                                  | Sports Teams and Clubs .....                                                        | \$6.5                                 | .....                                 |
| 711212 .....                                                                  | Race Tracks .....                                                                   | \$6.5                                 | .....                                 |
| 711219 .....                                                                  | Other Spectator Sports .....                                                        | \$6.5                                 | .....                                 |
| 711310 .....                                                                  | Promoters of Performing Arts, Sports and Similar Events with Facilities .....       | \$6.5                                 | .....                                 |
| 711320 .....                                                                  | Promoters of Performing Arts, Sports and Similar Events without Facilities .....    | \$6.5                                 | .....                                 |
| 711410 .....                                                                  | Agents and Managers for Artists, Athletes, Entertainers and Other Public Figures .. | \$6.5                                 | .....                                 |
| 711510 .....                                                                  | Independent Artists, Writers, and Performers .....                                  | \$6.5                                 | .....                                 |
| <b>Subsector 712—Museums, Historical Sites and Similar Institutions</b>       |                                                                                     |                                       |                                       |
| 712110 .....                                                                  | Museums .....                                                                       | \$6.5                                 | .....                                 |
| 712120 .....                                                                  | Historical Sites .....                                                              | \$6.5                                 | .....                                 |
| 712130 .....                                                                  | Zoos and Botanical Gardens .....                                                    | \$6.5                                 | .....                                 |
| 712190 .....                                                                  | Nature Parks and Other Similar Institutions .....                                   | \$6.5                                 | .....                                 |
| <b>Subsector 713—Amusement, Gambling and Recreation Industries</b>            |                                                                                     |                                       |                                       |
| 713110 .....                                                                  | Amusement and Theme Parks .....                                                     | \$6.5                                 | .....                                 |
| 713120 .....                                                                  | Amusement Arcades .....                                                             | \$6.5                                 | .....                                 |
| 713210 .....                                                                  | Casinos (except Casino Hotels) .....                                                | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                            | NAICS U.S. industry title                                                                                         | Size standards in millions of dollars | Size standards in number of employees |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 713290 .....                                           | Other Gambling Industries .....                                                                                   | \$6.5                                 | .....                                 |
| 713910 .....                                           | Golf Courses and Country Clubs .....                                                                              | \$6.5                                 | .....                                 |
| 713920 .....                                           | Skiing Facilities .....                                                                                           | \$6.5                                 | .....                                 |
| 713930 .....                                           | Marinas .....                                                                                                     | \$6.5                                 | .....                                 |
| 713940 .....                                           | Fitness and Recreational Sports Centers .....                                                                     | \$6.5                                 | .....                                 |
| 713950 .....                                           | Bowling Centers .....                                                                                             | \$6.5                                 | .....                                 |
| 713990 .....                                           | All Other Amusement and Recreation Industries .....                                                               | \$6.5                                 | .....                                 |
| <b>Sector 72—Accommodation and Food Services</b>       |                                                                                                                   |                                       |                                       |
| <b>Subsector 721—Accommodation</b>                     |                                                                                                                   |                                       |                                       |
| 721110 .....                                           | Hotels (except Casino Hotels) and Motels .....                                                                    | \$6.5                                 | .....                                 |
| 721120 .....                                           | Casino Hotels .....                                                                                               | \$6.5                                 | .....                                 |
| 721191 .....                                           | Bed and Breakfast Inns .....                                                                                      | \$6.5                                 | .....                                 |
| 721199 .....                                           | All Other Traveler Accommodation .....                                                                            | \$6.5                                 | .....                                 |
| 721211 .....                                           | RV (Recreational Vehicle) Parks and Campgrounds .....                                                             | \$6.5                                 | .....                                 |
| 721214 .....                                           | Recreational and Vacation Camps (except Campgrounds) .....                                                        | \$6.5                                 | .....                                 |
| 721310 .....                                           | Rooming and Boarding Houses .....                                                                                 | \$6.5                                 | .....                                 |
| <b>Subsector 722—Food Services and Drinking Places</b> |                                                                                                                   |                                       |                                       |
| 722110 .....                                           | Full-Service Restaurants .....                                                                                    | \$6.5                                 | .....                                 |
| 722211 .....                                           | Limited-Service Restaurants .....                                                                                 | \$6.5                                 | .....                                 |
| 722212 .....                                           | Cafeterias .....                                                                                                  | \$6.5                                 | .....                                 |
| 722213 .....                                           | Snack and Nonalcoholic Beverage Bars .....                                                                        | \$6.5                                 | .....                                 |
| 722310 .....                                           | Food Service Contractors .....                                                                                    | \$19.0                                | .....                                 |
| 722320 .....                                           | Caterers .....                                                                                                    | \$6.5                                 | .....                                 |
| 722330 .....                                           | Mobile Food Services .....                                                                                        | \$6.5                                 | .....                                 |
| 722410 .....                                           | Drinking Places (Alcoholic Beverages) .....                                                                       | \$6.5                                 | .....                                 |
| <b>Sector 81—Other Services</b>                        |                                                                                                                   |                                       |                                       |
| <b>Subsector 811—Repair and Maintenance</b>            |                                                                                                                   |                                       |                                       |
| 811111 .....                                           | General Automotive Repair .....                                                                                   | \$6.5                                 | .....                                 |
| 811112 .....                                           | Automotive Exhaust System Repair .....                                                                            | \$6.5                                 | .....                                 |
| 811113 .....                                           | Automotive Transmission Repair .....                                                                              | \$6.5                                 | .....                                 |
| 811118 .....                                           | Other Automotive Mechanical and Electrical Repair and Maintenance .....                                           | \$6.5                                 | .....                                 |
| 811121 .....                                           | Automotive Body, Paint and Interior Repair and Maintenance .....                                                  | \$6.5                                 | .....                                 |
| 811122 .....                                           | Automotive Glass Replacement Shops .....                                                                          | \$6.5                                 | .....                                 |
| 811191 .....                                           | Automotive Oil Change and Lubrication Shops .....                                                                 | \$6.5                                 | .....                                 |
| 811192 .....                                           | Car Washes .....                                                                                                  | \$6.5                                 | .....                                 |
| 811198 .....                                           | All Other Automotive Repair and Maintenance .....                                                                 | \$6.5                                 | .....                                 |
| 811211 .....                                           | Consumer Electronics Repair and Maintenance .....                                                                 | \$6.5                                 | .....                                 |
| 811212 .....                                           | Computer and Office Machine Repair and Maintenance .....                                                          | \$23.0                                | .....                                 |
| 811213 .....                                           | Communication Equipment Repair and Maintenance .....                                                              | \$6.5                                 | .....                                 |
| 811219 .....                                           | Other Electronic and Precision Equipment Repair and Maintenance .....                                             | \$6.5                                 | .....                                 |
| 811310 .....                                           | Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance ..... | \$6.5                                 | .....                                 |
| 811411 .....                                           | Home and Garden Equipment Repair and Maintenance .....                                                            | \$6.5                                 | .....                                 |
| 811412 .....                                           | Appliance Repair and Maintenance .....                                                                            | \$6.5                                 | .....                                 |
| 811420 .....                                           | Reupholstery and Furniture Repair .....                                                                           | \$6.5                                 | .....                                 |
| 811430 .....                                           | Footwear and Leather Goods Repair .....                                                                           | \$6.5                                 | .....                                 |
| 811490 .....                                           | Other Personal and Household Goods Repair and Maintenance .....                                                   | \$6.5                                 | .....                                 |
| <b>Subsector 812—Personal and Laundry Services</b>     |                                                                                                                   |                                       |                                       |
| 812111 .....                                           | Barber Shops .....                                                                                                | \$6.5                                 | .....                                 |
| 812112 .....                                           | Beauty Salons .....                                                                                               | \$6.5                                 | .....                                 |
| 812113 .....                                           | Nail Salons .....                                                                                                 | \$6.5                                 | .....                                 |
| 812191 .....                                           | Diet and Weight Reducing Centers .....                                                                            | \$6.5                                 | .....                                 |
| 812199 .....                                           | Other Personal Care Services .....                                                                                | \$6.5                                 | .....                                 |
| 812210 .....                                           | Funeral Homes and Funeral Services .....                                                                          | \$6.5                                 | .....                                 |
| 812220 .....                                           | Cemeteries and Crematories .....                                                                                  | \$6.5                                 | .....                                 |
| 812310 .....                                           | Coin-Operated Laundries and Drycleaners .....                                                                     | \$6.5                                 | .....                                 |
| 812320 .....                                           | Drycleaning and Laundry Services (except Coin-Operated) .....                                                     | \$4.5                                 | .....                                 |
| 812331 .....                                           | Linen Supply .....                                                                                                | \$13.0                                | .....                                 |
| 812332 .....                                           | Industrial Launderers .....                                                                                       | \$13.0                                | .....                                 |
| 812910 .....                                           | Pet Care (except Veterinary) Services .....                                                                       | \$6.5                                 | .....                                 |
| 812921 .....                                           | Photo Finishing Laboratories (except One-Hour) .....                                                              | \$6.5                                 | .....                                 |

## SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

| NAICS codes                                                                                | NAICS U.S. industry title                                                                        | Size standards in millions of dollars | Size standards in number of employees |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| 812922 .....                                                                               | One-Hour Photo Finishing .....                                                                   | \$6.5                                 | .....                                 |
| 812930 .....                                                                               | Parking Lots and Garages .....                                                                   | \$6.5                                 | .....                                 |
| 812990 .....                                                                               | All Other Personal Services .....                                                                | \$6.5                                 | .....                                 |
| <b>Subsector 813—Religious, Grantmaking, Civic, Professional and Similar Organizations</b> |                                                                                                  |                                       |                                       |
| 813110 .....                                                                               | Religious Organizations .....                                                                    | \$6.5                                 | .....                                 |
| 813211 .....                                                                               | Grantmaking Foundations .....                                                                    | \$6.5                                 | .....                                 |
| 813212 .....                                                                               | Voluntary Health Organizations .....                                                             | \$6.5                                 | .....                                 |
| 813219 .....                                                                               | Other Grantmaking and Giving Services .....                                                      | \$6.5                                 | .....                                 |
| 813311 .....                                                                               | Human Rights Organizations .....                                                                 | \$6.5                                 | .....                                 |
| 813312 .....                                                                               | Environment, Conservation and Wildlife Organizations .....                                       | \$6.5                                 | .....                                 |
| 813319 .....                                                                               | Other Social Advocacy Organizations .....                                                        | \$6.5                                 | .....                                 |
| 813410 .....                                                                               | Civic and Social Organizations .....                                                             | \$6.5                                 | .....                                 |
| 813910 .....                                                                               | Business Associations .....                                                                      | \$6.5                                 | .....                                 |
| 813920 .....                                                                               | Professional Organizations .....                                                                 | \$6.5                                 | .....                                 |
| 813930 .....                                                                               | Labor Unions and Similar Labor Organizations .....                                               | \$6.5                                 | .....                                 |
| 813940 .....                                                                               | Political Organizations .....                                                                    | \$6.5                                 | .....                                 |
| 813990 .....                                                                               | Other Similar Organizations (except Business, Professional, Labor, and Political Organizations). | \$6.5                                 | .....                                 |

## Footnotes

9. *NAICS code 531190*—Leasing of building space to the Federal Government by Owners: For Government procurement, a size standard of \$19.0 million in gross receipts applies to the owners of building space leased to the Federal Government. The standard does not apply to an agent.

15. *Subsector 483*—Water Transportation—Offshore Marine Services: The applicable size standard shall be \$25.5 million for firms furnishing specific transportation services to concerns engaged in offshore oil and/or natural gas exploration, drilling production, or marine research; such services encompass passenger and freight transportation, anchor handling, and related logistical services to and from the work site or at sea.

## ■ 3. Amend § 121.301 as follows:

■ a. Revise paragraphs (a) and (d)(1);

■ b. Amend paragraph (b)(2)

introductory text by removing the term “\$7 million” and inserting “\$7.5 million” in its place.

The revised paragraphs read as follows:

**§ 121.301 What size standards are applicable to financial assistance programs?**

(a) For Business Loans and Disaster Loans (other than physical disaster loans), an applicant business concern must satisfy two criteria:

(1) The size of the applicant alone (without affiliates) must not exceed the size standard designated for the industry in which the applicant is primarily engaged; and

(2) The size of the applicant combined with its affiliates must not exceed the size standard designated for either the primary industry of the applicant alone or the primary industry of the applicant and its affiliates, whichever is higher. These size standards are set forth in § 121.201.

\* \* \* \* \*

(d) \* \* \*

(1) Any construction (general or special trade) concern or concern performing a contract for services is small if, together with its affiliates, its

average annual receipts does not exceed \$6.5 million.

\* \* \* \* \*

■ 4. Amend § 121.302 by revising paragraph (c) to read as follows:

**§ 121.302 When does SBA determine the size status of an applicant?**

\* \* \* \* \*

(c) For disaster loan assistance (other than physical disaster loans), size status is determined as of the date the disaster commenced, as set forth in the Disaster Declaration. For economic injury disaster loan assistance under disaster declarations for Hurricanes Katrina, Rita, and Wilma, size status is determined as of the date SBA accepts the application for processing, and for applications submitted before December 6, 2005, whether denied because of size status or pending, such applications shall be deemed resubmitted on December 6, 2005. For pre-disaster mitigation loans, size status is determined as of the date SBA accepts a complete Pre-Disaster Mitigation Small Business Loan Application for processing. Refer to § 123.408 of this chapter to find out what SBA considers to be a complete Pre-Disaster Mitigation Small Business Loan Application.

\* \* \* \* \*

■ 5. Amend § 121.502 by revising paragraph (a)(2) to read as follows:

**§ 121.502 What size standards are applicable to programs for sales and lease of Government property?**

(a) \* \* \*

(1) \* \* \*

(2) A concern not primarily engaged in manufacturing is small for sales or leases of Government property if it has annual receipts not exceeding \$6.5 million.

\* \* \* \* \*

■ 6. Amend § 121.512 by revising paragraph (b) to read as follows:

**§ 121.512 What is the size standard for stockpile purchases?**

(a) \* \* \*

(b) Its annual receipts, together with its affiliates, do not exceed \$51.5 million.

**PART 123—DISASTER LOAN PROGRAM**

■ 7. The authority citation for part 123 continues to read as follows:

**Authority:** 15 U.S.C. 634(b)(6), 636(b), 636(c) and 636(f); Public Law 102–395, 106 Stat. 1828, 1864; Public Law 103–75, 107 Stat. 739; and Public Law 106–50, 113 Stat. 245.

■ 8. Amend § 123.300 by revising paragraph (b) to read as follow:

**§ 123.300 Is my business eligible to apply for an economic injury disaster loan?**

\* \* \* \* \*

(b) Economic injury disaster loans are available only if you were a small business (as defined in part 121 of this chapter) when the declared disaster commenced (except disaster declarations for Hurricanes Katrina, Rita, and Wilma, for which size status is determined as of the date SBA accepts the application for processing, and for applications submitted before December 6, 2005, whether denied because of size status or pending, such applications shall be deemed resubmitted on December 6, 2005), you and your affiliates and principal owners (20% or more ownership interest) have used all reasonably available funds, and you are unable to obtain credit elsewhere (see § 123.104).

\* \* \* \* \*

Dated: November 4, 2005.

**Hector V. Barreto,**  
*Administrator.*

[FR Doc. 05-23435 Filed 12-5-05; 8:45 am]

BILLING CODE 8025-01-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 39

[Docket No. FAA-2005-23176; Directorate Identifier 2005-NM-220-AD; Amendment 39-14396; AD 2005-25-03]

RIN 2120-AA64

#### **Airworthiness Directives; Boeing Model 737-600, -700, -700C, and -800 Series Airplanes**

**AGENCY:** Federal Aviation Administration (FAA), Department of Transportation (DOT).

**ACTION:** Final rule; request for comments.

**SUMMARY:** The FAA is adopting a new airworthiness directive (AD) for certain Boeing Model 737-600, -700, -700C, and -800 series airplanes. This AD requires replacing the point "D" splice fitting between windows number 1 and 2 with a new splice fitting, performing an eddy current inspection for cracking of the holes in the structure common to the new splice fitting, including doing any related investigative actions; and corrective actions if necessary. This AD results from full-scale fuselage fatigue testing on the splice fitting that failed prior to the design objective on Boeing

Model 737-800 series airplanes, and a report of a cracked splice fitting on an operational airplane. We are issuing this AD to prevent cracking of the existing fitting that may result in cracking through the skin and consequent decompression of the flight cabin.

**DATES:** This AD becomes effective December 21, 2005.

The Director of the Federal Register approved the incorporation by reference of a certain publication listed in the AD as of December 21, 2005.

We must receive comments on this AD by February 6, 2006.

**ADDRESSES:** Use one of the following addresses to submit comments on this AD.

- **DOT Docket Web site:** Go to <http://dms.dot.gov> and follow the instructions for sending your comments electronically.

- **Government-wide rulemaking Web site:** Go to <http://www.regulations.gov> and follow the instructions for sending your comments electronically.

- **Mail:** Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, room PL-401, Washington, DC 20590.

- **Fax:** (202) 493-2251.

- **Hand Delivery:** Room PL-401 on the plaza level of the Nassif Building, 400 Seventh Street, SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Contact Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington 98124-2207, for service information identified in this AD.

**FOR FURTHER INFORMATION CONTACT:** Sue Lucier, Aerospace Engineer, Airframe Branch, ANM-120S, FAA, Seattle Aircraft Certification Office, 1601 Lind Avenue, SW., Renton, Washington 98055-4056; telephone (425) 917-6438; fax (425) 917-6590.

#### **SUPPLEMENTARY INFORMATION:**

##### **Discussion**

We have received a report indicating that during the Model 737-800 series airplanes full-scale fuselage fatigue test, the splice fitting failed prior to the design service objective. Additionally, we have received a report indicating that a cracked splice fitting was found on an airplane with less than 13,500 total flight cycles. This condition, if not corrected, could result in cracking of the existing fitting that may cause cracking through the skin and consequent decompression of the flight cabin.

##### **Relevant Service Information**

We have reviewed Boeing Alert Service Bulletin (ASB) 737-53A1222, Revision 2, dated October 20, 2005. The

ASB describes procedures for replacing the splice fitting between windows number 1 and 2, at point "D" on the windowsill with a new splice fitting, and performing related investigative actions. Those investigative actions include performing an open hole eddy current inspection for cracking of the fastener holes, and a special detailed inspection for cracking of 12 fasteners in the adjacent structure. The ASB also describes procedures for repetitive external detailed inspections of the skin near the six skin fasteners below the splice fitting. The ASB specifies that if cracking is detected, to contact Boeing for further instructions. Accomplishing the actions specified in the service information is intended to adequately address the unsafe condition.

#### **FAA's Determination and Requirements of This AD**

The unsafe condition described previously is likely to exist or develop on other airplanes of the same type design. For this reason, we are issuing this AD to prevent cracking of the existing fitting that may result in cracking through the skin and consequent decompression of the flight cabin. This AD requires accomplishing the actions specified in the service information described previously, except as discussed under "Differences Between the AD and the ASB."

#### **Differences Between the AD and the ASB**

Where the ASB specifies contacting Boeing if any cracking is detected, this AD requires that, repair of any cracking be accomplished before further flight, in accordance with a method approved by the Manager, Seattle Aircraft Certification Office (ACO).

Although the ASB specifies performing repetitive external detailed inspections of the skin near the six skin fasteners below the splice fitting, this AD does not require those inspections. These differences have been coordinated with the manufacturer.

#### **Interim Action**

We consider this AD to be an interim action. We are currently considering requiring repetitive external detailed inspections for cracking of the skin near the six skin fasteners below the splice fitting. However the planned compliance time for accomplishing those inspections would necessitate allowing enough time to provide notice and opportunity for prior public comment on the merits of requiring those inspections.