

# Rules and Regulations

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## SMALL BUSINESS ADMINISTRATION

### 13 CFR Part 121

#### **Small Business Size Standards; General Building Contractors, Heavy Construction, Except Building, Dredging and Surface Cleanup Activities, Special Trade Contractors, Garbage and Refuse Collection, Without Disposal, and Refuse Systems**

**AGENCY:** Small Business Administration.  
**ACTION:** Final rule.

**SUMMARY:** The Small Business Administration (SBA) is establishing a size standard of \$27.5 million in average annual receipts for all industries in General Building Contractors, Standard Industrial Classification (SIC) Major Group 15, and for all industries except Dredging and Surface Cleanup Activities in Heavy Construction Other Than Building Construction, SIC Major Group 16; \$17.0 million for Dredging and Surface Cleanup Activities, part of SIC 1629, Heavy Construction, Not Elsewhere Classified (NEC); \$11.5 million for all industries in Special Trade Contractors, SIC Major Group 17; and \$10.0 million for Garbage and Refuse Collection, Without Disposal, part of SIC 4212, Local Trucking Without Storage, and Refuse Systems, SIC 4953. These revisions are being made to adjust the Construction and Refuse size standards for the effects of inflation from the time they were established in the mid-1980s through 1999, and to address unique costs trends in the Dredging industry.

**DATES:** This rule is effective on July 17, 2000.

**FOR FURTHER INFORMATION CONTACT:** Robert N. Ray, Office of Size Standards (202) 205-6618.

**SUPPLEMENTARY INFORMATION:** On July 26, 1999, SBA proposed increasing the size standards for the Construction and Refuse Systems and Related Services

industries (see 64 FR 40311). We proposed size standards of \$25 million for all industries in General Building Contractors, SIC Major Group 15, (referred to as the General Construction industry) and for all industries except Dredging and Surface Cleanup Activities in Heavy Construction Other Than Building Construction, SIC Major Group 16, (referred to as the Heavy Construction industry); \$20.0 million for Dredging and Surface Cleanup Activities, part of SIC 1629, Heavy Construction, NEC (referred to as the Dredging industry); \$10.5 million for all Special Trade Contractors industries, SIC Major Group 17 (referred to as the Special Trades industry); and \$9.0 million for Garbage and Refuse Collection, Without Disposal, part of SIC 4212, Local Trucking Without Storage, and Refuse Systems, SIC 4953, (referred to as the Refuse industries).

These proposed increases were designed to adjust the current size standards for the effects of inflation that had occurred since 1984, when all but one of these size standards became effective. (The one exception, the Dredging industry, first became effective on December 9, 1985.) Inflation had increased 48.2% based on the change in the price level for the Implicit Price Deflator for Gross Domestic Product between the third quarter of 1982 and the fourth quarter of 1993 (the time period that most other receipts-based size standards were last adjusted for inflation). By adjusting the Construction and Refuse size standards to the same point in time, we attempted to have all receipts-based size standards adjusted for inflation to a common base year of 1994.

In response to the comments received on the proposed rule, this final rule adopts different size standards than proposed. For all of the Construction industries, except the Dredging industry, and for the Refuse industries, the proposed size standards are further increased to reflect inflation that has occurred through 1999. For the Dredging industry, however, a lower size standard than proposed is adopted to more realistically reflect inflationary trends that have occurred since the establishment of the current \$13.5 million Dredging size standard. The remainder of the final rule discusses the comments we received on the proposed

rule and our reasons for adopting different size standards.

#### **Construction and Refuse Size Standards**

We have decided to increase the size standards for all of the Construction industries (except for the Dredging industry) and the Refuse industries to account for inflation through 1999 rather than through 1994 as proposed. This decision is based on several factors. First, comments on the proposed rule were nearly unanimous that an inflation adjustment to the Construction and Refuse size standards was an acceptable basis for changing these size standards. Second, about one-fourth of the comments to the proposed Construction and Refuse size standards argued for higher size standards than the ones adjusted to the 1994 level. Third, SBA is committed to more frequent inflation adjustments than has occurred in the past, and five years would seem to be sufficient time to wait for an inflationary adjustment. Considering these factors together, we conclude that these size standards should be adjusted for inflation to 1999.

By choosing to inflate its Construction and Refuse size standards to 1999, SBA is again positioning its receipts-based size standards to different base periods. Most receipts-based size standards were changed in 1994 using the inflation rate between 1982 and 1993 (see 59 FR 16513, dated April 7, 1994). This rule, however, changes the Construction and Refuse size standards to a 1999 base. This change results in an additional 10.5% inflation adjustment to these size standards than the inflation rate applied in 1994.

We generally prefer to have all receipts-based size standards adjusted to the same base year. This achieves comparability among industry size standards. Since this rule is inflating a number of size standards to 1999, we anticipate that we will propose in the near future a broad-based inflation adjustment to our receipts-based size standards. Since we have already proposed increases to the Construction and Refuse size standards and received overwhelming support for the concept of increasing these size standards for inflation, we see no need to go through a second rulemaking action to make the changes associated with this final rule.

### Inflation Adjustment Methodology

To adjust the Construction and Refuse size standards through 1999, we calculated an additional inflation adjustment to the proposed size standards of July 26, 1999. The proposed size standards were based on inflation up to the fourth quarter of calendar year 1993 (the latest available data at the time of the 1994 final rule). Currently, the latest available inflation data is for the fourth quarter of 1999. In determining the rate of inflation, we continue to use the U.S. Department of

Commerce's Gross Domestic Product (GDP) Implicit Price Deflator. Currently, the latest published data show index values of 94.98 for the fourth quarter of 1993 and 104.99 for the fourth quarter of 1999. This change records inflation of 10.5% between the two periods  $((104.99/94.98)-1)*100=10.54\%$ , rounded to 10.5%.

Each of the Construction and Refuse size standards receives an inflationary adjustment of 10.5% from the proposed size standards of \$25.0 million for General and Heavy Construction, \$10.5 million for Special Trades and \$9.0

million for Refuse. The inflated size standards are rounded to the nearest half-million dollar increment similar to previous inflation adjustments to SBA's size standards. This rounding method produces net increases to most industry size standards that are slightly above or below the calculated 10.5% inflation rate. This method is selected because it results in an increase to each size standard that is as close as possible to the calculated 10.5% inflationary increase. The following table shows the calculation of the Construction and Refuse size standards adjusted to 1999.

Industry (1)	Proposed size standard in millions of dollars (2)	Inflation index (3)	New size standard calculation in millions of dollars (Column 2 times Column 3) (4)	Size standards in millions of dollars after rounding to the nearest \$0.5 million increment (5)
General and Heavy Construction .....	\$25.0	1.105	\$27.625	\$27.5
Special Trades industry .....	10.5	1.105	11.603	11.5
Refuse industries .....	9.0	1.105	9.945	10.0

### Discussion of Construction and Refuse Size Standards

#### Comments

We received 45 comments to the proposed rule. Twenty-six comments addressed the General and Heavy Construction proposed size standard of \$25 million in average annual receipts. Eleven of these comments also addressed the Special Trades size standard that was proposed to be \$10.5 million. All of the comments to the Special Trades, however, discussed all of the Construction size standards rather than narrowly focusing on the Special Trade industries. When references were made to Special Trades, all of the comments except one recommended the proposed \$10.5 million size standard. The one comment not recommending this size standard, supported a size standard in the \$7 to \$10 million range. Significantly, no comment primarily addressing the Construction size standards opposed some increase to the Construction size standards.

Of the 26 comments addressing the General and Heavy Construction size standards, 19 supported the proposed size standard of \$25 million and the concept of an inflationary adjustment, while six argued for a higher size standard between \$27 million and \$32 million, and one comment advocated a size standard of \$17 million for both the Dredging industry and General and Heavy Construction (This comment appeared to be primarily addressing the

Dredging industry size standard rather than the General Construction size standard). Most of the comments arguing for a size standard higher than proposed believed that the current size standard should be increased to reflect inflation through 1999. Four of these comments also noted that there would likely be a lengthy delay before the next inflationary adjustment, and that SBA should set a size standard that would consider the amount of time before it would again propose an inflation adjustment to the receipts-based size standards. Of the three associations commenting on the proposed size standard revision, two supported a higher size standard of \$30 million to \$32 million in average annual receipts, and one recommended more frequent inflation adjustments in the future. The one comment recommending a \$17 million size standard believed that there is sufficient competition among small businesses with a \$17 million size standard to justify the retention of this size standard, however, the comment primarily focused on the Dredging industry.

Of the seven comments addressing the Refuse size standard, three supported the proposed size standard of \$9 million, three argued for a size standard greater than \$9 million and one contended that it should remain at \$6 million. The comments advocating a higher size standard than \$9 million claimed that businesses had to be larger

than \$9 million to be competitive in the industry. According to these comments, consolidations and mergers have made it difficult for small businesses to compete against the resources of the largest businesses in the industry. On the other hand, the comment opposing the proposed size standard was concerned that a \$9 million size standard would qualify a business in the top 100 firms in the industry. Further, small businesses are competitive given their lower costs and overhead, as evidenced by small businesses receiving more than 40% of Federal refuse contracts.

The comments received on the Construction and Refuse industries overwhelmingly support an inflation adjustment to the current size standards. In addition, about one-half of the Refuse comments and about one-fourth of the Construction comments presented reasons supporting a further upward adjustment to the size standards in recognition of the additional inflation that has been present in the economy over the 1994 to 1999 period. Of these latter construction comments, two were from important trade associations representing large segments of the industry.

We believe in light of these comments that we should proceed now with a further inflation adjustment to 1999 levels and avoid the delay that would occur from a second rulemaking action. In the proposed rule, we discussed

adjusting these size standards to the 1999 levels as alternative size standards. We chose not to propose that alternative since it would result in some size standards being adjusted to 1999 while all other receipts-based size standards adjusted to 1994. We would prefer to adjust all size standards to the same period of time. However, the comments have convinced us that a further inflation adjustment to these size standards at this time results in more appropriate size standards than what we proposed. We believe that the comments supporting an inflationary adjustment through 1994 would not oppose an adjustment through 1999. We do not believe, however, that the size standards should be raised beyond the 1999 level in anticipation of future inflation, which in any case is unpredictable.

We are concerned about the trends in the Refuse industry that were cited by six of the eight comments. Although one comment argued that small businesses were very competitive, the industry appears to have been consolidating in recent years. Three comments cited concerns of vertical integration, consolidation and buyouts of smaller firms by larger firms. Three other comments cited a concern over larger Federal contracts in recent years—a trend which normally favors larger companies. Furthermore, small businesses have been obtaining a smaller share of Federal refuse contracts over the past few years. (See the Small Business Administration's report to Congress "The Small Business Competitiveness Demonstration Program October 1, 1997–September 30, 1998," dated December 1999, Table A–2b. This report is available on SBA's web page at [www.sba.gov/opc/pubs/](http://www.sba.gov/opc/pubs/)

compdemo.) We plan to examine these trends closer to determine the implications on the size standard in the future.

#### Dredging Industry Size Standard

SBA received 22 comments to the proposed \$20 million size standard for the Dredging industry. Seven of the comments, or about one-third of the Dredging industry comments, supported the proposed inflationary adjusted size standard of \$20 million. Another seven comments opposed any change in the current \$13.5 million Dredging industry size standard. Three comments supported a size standard that fell between the current size standard of \$13.5 million and the proposed size standard of \$20 million. Four comments argued for a size standard higher than \$20 million. However, three of these comments appeared to be from firms primarily engaged in General and Heavy Construction rather than the Dredging industry, and they essentially focused their comments on the Construction size standards. A comment from a dredging association took no position on the proposed Dredging industry size standard.

Partly in response to these comments, we have decided to adopt a \$17 million size standard for the Dredging industry rather than adjusting the size standard by the proposed inflationary increase (to \$20 million) as applied to the other industry size standards addressed in this final rule. The four major issues raised by the comments and our reason for adopting a \$17 million size standard are discussed below.

(1) One comment pointed out that costs per cubic yard have not matched the general rate of inflation used in the proposed rule. This view appears to be

supported by three other comments that seek a size standard that would be less than a full inflationary adjustment. While these comments did not directly address the inflationary issue, their contention that industry conditions did not merit a full inflationary increase suggests a view that cost pressures may not be as great in the Dredging industry as in the economy generally. Since the proposed rule adjusted for inflation through 1994, dredging costs through 1999, it was argued, did not even match the 1994 general inflation level.

Based on a further review of costs trends in the Dredging industry, we agree that a smaller inflation adjustment is more appropriate for this industry's size standard. While we usually prefer to apply the same inflation adjustment to all industries, the Dredging industry is a relatively small industry and unique in the sense that most of this industry's revenues are derived from U.S. Army Corps of Engineers dredging contracts. As such, we believe relevant data exist for us to more precisely assess inflation trends in the Dredging industry.

The U.S. Corps of Engineers (the Corps) collects data on dredging costs. In lieu of price indexes developed by Federal statistical agencies, these data provide the best source of information to address the impact of inflation in the Dredging industry. Almost all dredging work performed by small businesses is for maintenance dredging. For this reason, we believe the Corps' costs data on maintenance dredging are the most appropriate data to assess the impact of dredging inflation trends on small businesses. The following table shows the Corps data relating to the costs per cubic yard of maintenance dredging from fiscal years 1982 to 1998:

Fiscal year	Maintenance dollars (millions)	Cubic yards (millions)	Cost per cubic yard
1982	\$76.0	60.0	\$1.27
1983	64.0	48.0	1.33
1984	80.0	49.0	1.63
1985	73.0	65.0	1.12
1986	80.0	64.0	1.25
1987	66.0	47.7	1.38
1988	73.4	58.2	1.26
1989	68.5	58.7	1.26
1990	61.8	35.0	1.17
1991	99.6	62.4	1.60
1992	89.2	52.4	1.70
1993	75.0	38.3	1.96
1994	84.3	52.5	1.61
1995	88.8	53.8	1.65
1996	85.4	52.5	1.63
1997	95.9	67.8	1.41
1998	76.6	42.4	1.81

Source: U.S. Army Corps of Engineers Navigation Data Center for data used in calculating the cost per cubic yard of maintenance dredged materials on Corps of Engineers contracts, February 28, 1999 revised data.

From FY 1982 to FY 1998, maintenance dredging costs have increased 42.5%. However, the high cost per cubic yard in FY 1998 appears to be a one year outlier due to a very low volume of maintenance work in that year as compared to the typical amount of maintenance work in previous years. We're reluctant to inflate the Dredging industry size standard by an inflation rate that may have been partially influenced by work load in a single year. To moderate the influence of work load, we have decided to calculate an average cost per cubic yard for the last three fiscal years. For fiscal years 1996–98, the average cost per cubic yard was \$1.617  $((\$1.63 + \$1.41 + \$1.81)/3)$ . Using this figure, maintenance dredging costs have increased 27.3%  $((\$1.617/\$1.27) - 1) * 100$  since FY 1982. Applying this increase to the current Dredging industry size standard results in a \$17 million size standard  $(\$13.5 * 1.273 = \$17.186)$ , or \$17 million rounded to the nearest \$0.5 million increment).

This figure of \$17.0 million would permit a number of businesses presently in the \$9 million to \$13.5 million range to grow without losing eligibility for SBA preference programs based on size. We do not believe that there are any businesses that are primarily in the Dredging industry that presently fall in the \$13.5 million to \$20.0 million size range directly affected by the proposed rule or this final rule. Consequently, there would be no immediate impact from businesses gaining eligibility because of their size in the small business category in which the set-aside program restricts bidding. There will, however, be some businesses that will gain status as emerging small businesses (a business whose size is one-half or less than the size standard). This measure will increase from \$6.75 million to \$8.5 million. This category is reserved for dredging contracts that are \$400,000 or less in value. We estimate that only these dredging businesses will be directly impacted by this final rule, and this impact will be limited because contracts less than \$400,000 in size constitute only a small percentage of total Federal dredging contracts expenditures.

(2) Seven comments believe a higher size standard would hurt other small businesses. They cited the declining importance of small businesses in the Dredging industry in recent years. For example, they pointed out that 45 small businesses were awarded contracts in FY 1991, but only 19 were awarded contracts in FY 1998. Also, only a few small businesses received a majority of Federal contract dollars. A number of small businesses have gone out of

business while other small businesses have been bought out by large businesses or consolidated their operations in recent years.

We do not agree that the level of the current size standard has played a role in reducing the number of small businesses receiving Federal dredging contracts. From year to year, variations will occur in which different size businesses will receive contracts. Data for FY 1997 and FY 1999 present a different picture of small business trends. For FY 1997, 40 small businesses received contracts, with 17 of these small businesses receiving more than one contract award. For FY 1999, 34 small businesses won dredging contracts, with 14 receiving more than one contract. These two years were more similar to the FY 1991 result than the FY 1998 experience.

Furthermore, a review of the top four small businesses receiving awards in FY 1998 and FY 1999 does not suggest that other small businesses are being harmed due to the size of these firms. The small business that received the largest amount of contract dollars in FY 1998 won all of its contracts on an unrestricted basis. Two of the other three small businesses were emerging small businesses (businesses at or below one-half of the size standard). In FY 1999, the top four small businesses received 41% of total small businesses contract dollars—much less than the 54% amount of total small business contracts dollars obtained in FY 1998.

These trends do not suggest that smaller businesses have been harmed by the level of the current Dredging size standard. Based on the comments from other small businesses that supported an increase to size standard, we believe an increase in the current size standard to account for inflation is unlikely to harm smaller dredging businesses.

Also, we generally view a declining share of contract dollars to small businesses in an industry as supporting a higher size standard. Higher size standards usually result in more eligible bidders and a somewhat higher likelihood that preference programs oriented toward small businesses will be utilized. This, in turn, could help the remaining small businesses that are active in the industry to survive and expand operations. Although cost trends in the industry for small firms do not point to the need of a size standard as high as the proposed \$20 million, they do support a size standard of \$17 million.

(3) Several comments stated that Federal dredging contracts have grown larger in size, while total contracting has remained the same in dollar terms.

These comments argued that larger-sized contracts lessen opportunities for small dredging businesses, and thus, support the need for a higher size standard.

We agree that the trend of larger contracts is one factor that may justify a higher size standard. To have smaller businesses in an industry compete for a greater proportion of larger-sized dredging contracts, a higher size standard may be warranted. We believe a \$17 million size standard will assist currently defined small businesses in obtaining some additional dredging opportunities in light of a trend towards larger-sized contracts.

(4) Four comments cited the fact that most Federal contracting goes to a few large businesses that are awarded the larger contracts as a reason for SBA to increase the Dredging size standard. We generally agree, noting that small dredging businesses have been receiving about 20% or less of Federal dredging contracts while the top four businesses in the industry received 56% in FY 1999. We believe a higher Dredging industry size standard might result in greater use of small business preference programs and partially offset a pattern in which a majority of Federal contracting consistently has been awarded to a few large businesses.

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

SBA has determined that this rule is a significant regulatory action within the meaning of Executive Order 12866 since it is expected to have an annual economic effect of over \$100 million. For purposes of the Regulatory Flexibility Act, this rule has a significant impact on a substantial number of small businesses. Immediately below, SBA sets forth a regulatory flexibility analysis and economic impact analysis of this final rule.

#### **1. Description of Entities to Which the Rule Applies**

SBA estimates that 2,548 additional businesses would be considered small as a result of this rule. These businesses would be eligible to seek available SBA assistance provided that they meet other program requirements. Many of those businesses that were in existence in 1984 undoubtedly had small business status at the time when the size standards were established, but have since lost eligibility because of inflationary increases.

Of the additional businesses gaining eligibility, 654 operate as General Construction, 394 operate in Heavy Construction, 1,363 operate in the Special Trades industries, while 137 operate in Refuse.

Businesses becoming eligible for SBA assistance as a result of this rule cumulatively generate \$33.7 billion in annual sales, which represents 6% of the \$564 billion of total sales in these industries. Of the \$33.7 billion in annual sales for newly eligible businesses, \$13.1 billion are in General Construction, \$7.6 billion are in Heavy Construction, \$12.0 billion are in Special Trades, and \$1.0 billion are in Refuse.

SBA estimates that out of approximately \$7.85 billion in total initial Federal contracts per year, an additional \$471 million worth of contracts could be awarded to businesses designated as small businesses in the four industry groups affected by this rule. (This estimate assumes the newly categorized small businesses will receive 6% of the \$7.85 billion in total initial Federal contracts per year.) Of these contracts, \$445 million may be awarded to newly defined small businesses and \$26 million to currently defined small businesses. These contracts could be obtained through awards under the small business set-aside Program, the 8(a) Program, the Small Disadvantaged Business (SDB) Program, the HUBZone Empowerment Contracting Program, or on an unrestricted basis.

Also, these newly defined small businesses would be eligible for SBA's financial assistance programs and could potentially receive an estimated \$24.8 million in loans under the 7(a) Guaranteed Loan Program and \$4.6 million in loans under the Certified Development Company (504) Program.

## 2. Description of Potential Benefits of the Rule

This rule will result in an increase in the number of businesses eligible for small business set-aside contracts, the 8(a) Program, and SDB and HUBZone price preferences. For Federal contracts set aside for small business or competed under the 8(a) and HUBZone Programs, this rule will lead to an increase in competition for these contracts and lower overall costs to the government.

When an SDB or a HUBZone business competes for an unrestricted contract, the Federal government generally allows them a price preference of up to 10%. An increase in the size standard will

increase the number of businesses competing for these contracts in two ways. First, the number of SDB and HUBZone businesses will increase. Second, with more small businesses competing on unrestricted contracts, the government may decide to set aside more contracts for competition among all small businesses where they had previously awarded price preferences. Any increase in competition that results in a more efficient or competitive business being awarded a contract will result in a benefit.

## 3. Description of Potential Costs of the Rule

In areas where the rule acts to decrease competition for contracts, it may lead to an increase in costs to the Federal government. This may occur in areas where small businesses are currently not present or are not bidding on Federal contracts. If, after issuance of this rule, small businesses bid on these contracts and require the government to provide a price preference, or the rule causes a decision to set aside a size a contract under one of the procurement preference programs, it may increase costs to the Federal government on some contracts. These additional costs, however, are likely to be relatively minor since, as a matter of policy, procurements may be set aside for small businesses or under the 8(a), HUBZone or SDB Programs only if awards are expected to be made at fair and reasonable prices

## 4. Transfers

The primary effect of this rule will be transfers among the four parties—Federal government, large businesses, businesses gaining small business status under this rule, and businesses that are currently small businesses. SBA estimates that of the \$471 million Federal contracts expected to be awarded to small businesses and the newly defined small businesses, approximately 11.3%, or \$53.2 million, may be reallocated from large businesses to current small businesses and the newly defined small businesses.

The remaining \$417.8 million of contracts will not change hands, rather, the businesses holding the contracts will be reclassified as small under the rule. In addition, \$3.9 billion of initial contracts awarded to small businesses, SBA estimates that \$52.4 million could be transferred from small businesses to larger, more efficient or competitive, newly defined small businesses.

## 5. Description of Reasons Why This Action is Being Taken and Objectives of Rule

SBA has provided in the supplementary information a statement of the reasons why these new size standards should be established and a statement of the reasons for and the objectives of the rule.

For the purposes of the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*, SBA has determined that this rule would not impose new reporting or record keeping requirements. For purposes of Executive Order 13132, SBA has determined that this rule does not have any federalism implications warranting the preparation of a Federalism Assessment. For purposes of Executive Order 12988, SBA certifies that this rule is drafted to the extent practicable, in accordance with the standards set forth in that order.

## List of Subjects in 13 CFR Part 121

Government procurement, Government property, Grant programs—business, Loan Programs—business, Small business.

For the reasons stated in the preamble, SBA amends 13 CFR part 121 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.

### § 121.201 [Amended]

2. In § 121.201, the table "SIZE STANDARDS BY SIC INDUSTRY" is amended as follows:

a. Revise DIVISION C—CONSTRUCTION

b. Under DIVISION E—TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES, MAJOR GROUP 42—MOTOR FREIGHT TRANSPORTATION AND WAREHOUSING, revise the entry 4212 (Part):

c. Under DIVISION E—TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES, MAJOR GROUP 49—ELECTRIC, GAS AND SANITARY SERVICES, revise the entry 4953 to read as follows:

## SIZE STANDARDS BY SIC INDUSTRY

SIC code and description						Size standards in number of em- ployees or millions of dollars
*	*	*	*	*	*	*
<b>DIVISION C—CONSTRUCTION</b>						
MAJOR GROUP 15—BUILDING CONSTRUCTION—GENERAL CONTRACTORS AND OPERATIVE BUILDERS .....						\$27.5
MAJOR GROUP 16—HEAVY CONSTRUCTION OTHER THAN BUILDING CONSTRUCTION—CONTRACTORS .....						27.5
EXCEPT:						
1629 (Part) Dredging and Surface Cleanup Activities .....						<sup>1</sup> 17.0
MAJOR GROUP 17—CONSTRUCTION—SPECIAL TRADE CONTRACTORS .....						11.5
*	*	*	*	*	*	*
<b>DIVISION E—TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES</b>						
*	*	*	*	*	*	*
4212 (Part) Garbage and Refuse Collection, Without Disposal .....						10.0
*	*	*	*	*	*	*
4953 Refuse Systems .....						10.0
*	*	*	*	*	*	*

<sup>1</sup> SIC code 1629—Dredging: To be considered small for purposes of Government procurement, a firm must perform at least 40 percent of the volume dredged with its own equipment or equipment owned by another small dredging concern.

Dated: March 27, 2000.

**Aida Alvarez,**

*Administrator.*

[FR Doc. 00–15258 Filed 6–15–00; 8:45 am]

BILLING CODE 8025–01–U

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Airspace Dock No. 00–AGL–06]

#### Modification of Class E Airspace; Holland, MI

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

**ACTION:** Final rule.

**SUMMARY:** This action modifies Class E airspace at Holland, MI. An Area Navigation (RNAV) Standard Instrument Approach Procedure (SIAP) to Runway (Rwy) 26 has been developed for Tulip City Airport. Controlled airspace extending upward from 700 feet or more above the surface of the earth is needed to contain aircraft executing this approach. This action increases the radius of the existing Class E airspace for Tulip City Airport.

**EFFECTIVE DATE:** 0901 UTC, August 10, 2000.

**FOR FURTHER INFORMATION CONTACT:**  
Denis C. Burke, Air Traffic Division,

Airspace Branch, AGL–520, Federal Aviation Administration, 2300 East Devon Avenue, Des Plaines, Illinois 60018, telephone (847) 294–7568.

#### SUPPLEMENTARY INFORMATION:

##### History

On Tuesday, March 14, 2000, the FAA proposed to amend 14 CFR part 71 to modify Class E airspace at Holland, MI (65 FR 13704). The proposal was to modify controlled airspace extending upward from the 700 feet above the surface to contain Instrument Flight Rules (IFR) operations in controlled airspace during portions of the terminal operation and while transiting between the enroute and terminal environments. Interested parties were invited to participate in this rulemaking proceeding by submitting written comments on the proposal to the FAA. No comments objecting to the proposal were received. Class E airspace areas extending upward from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9G dated September 1, 1999, and effective September 16, 1999, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designations listed in this document will be published subsequently in the Order.

##### The Rule

This amendment to 14 CFR part 71 modifies Class E airspace at Holland, MI, to accommodate aircraft executing

instrument flight procedures into and out Tulip City Airport. The area will be depicted on appropriate aeronautical charts.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this regulation—(1) Is not a “significant rule” under Executive Order 12866; (2) is not a “significant rule” under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

#### List of Subjects in 14 CFR Part 71

Airspace, incorporation by reference, Navigation (air).

#### Adoption of the Amendment

In consideration of the foregoing, the Federal Aviation Administration amends 14 CFR part 71 as follows: