

CATEGORIES OF INDIVIDUALS COVERED IN THE SYSTEM:

Panama Canal Commission pilots involved in marine accidents during transit operations; and persons injured in marine accidents during transit operations (since 1960).

CATEGORIES OF RECORDS IN THE SYSTEM:

Findings of marine accidents that are investigated include: Pilot's name, case number, vessel description (name, type, length, beam), date, time and location of accident, type of accident (grounding, collision, sinking, injury, etc.), direction vessel was traveling, damage type and dollar estimate, fault or no fault, transcript of hearing held by the Board of Local Inspectors, name of injured parties, medical report on injured parties, and other information which may be pertinent to the Board's investigation. Administrative reports prepared by Navigation Division for marine accidents not investigated include: Pilot's name, report number, date and time of accident, vessel description (name, type, length, and beam), accident location, direction vessel was traveling, accident type, signed release (if provided by vessel making no claim).

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

22 U.S.C. 3777-3778 (Supp. III 1979); Article III of the Panama Canal Treaty of 1977; 35 CFR Parts 115 and 117.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The final published report of findings of an investigation is available to the public. Information about an accident under investigation may be disclosed to parties having a legitimate interest therein, such as owners or operators of vessels, insurance underwriters, legal counsel. See also general routine uses in 35 CFR Part 10, Appendix A.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:**STORAGE:**

Computer tapes and disks, paper printouts, logs, charts, cassette tapes, paper files, transcripts of Board proceedings with original exhibits and appendices, cassette tapes, and shorthand notes.

RETRIEVABILITY:

Pilot's name code, case number, and most other data elements in the system.

SAFEGUARDS:

On-line access restricted to a limited number of authorized personnel who use a confidential identifying code and access code. One person has been designated to maintain control of all input documents and issuance of report information. All paper records and computer tapes/disks are kept in a locked cabinet or secure area when not in use.

RETENTION AND DISPOSAL:

No retention schedule established. Retained indefinitely.

SYSTEM MANAGER(S) AND ADDRESS:

Chairman, Board of Local Inspectors, Panama Canal Commission, APO Miami 34011.

NOTIFICATION PROCEDURE:

Information may be obtained from the System Manager or the Agency Records Officer, Panama Canal Commission, APO Miami 34011. Rules are published in 35 CFR Part 10.

RECORD ACCESS PROCEDURE:

Requests from individuals should be addressed to either of addressees designated in Notification Procedures, preceding.

CONTESTING RECORD PROCEDURES:

See rules published in 35 CFR Part 10.

RECORD SOURCE CATEGORIES:

Individuals involved in accident, administrative reports from Marine Transit Operations Division personnel, investigations by the Board.

[FR Doc. 82-11817 Filed 4-30-82; 8:45 am]
BILLING CODE 3640-01-M

DEPARTMENT OF TRANSPORTATION**Maritime Administration**

Construction-Differential Subsidy Tanker Construction Program; Application by Margate Shipping Co.; Determination by Maritime Subsidy Board That Neither a New nor a Supplemental Environmental Impact Statement is Required

The Maritime Subsidy Board (the Board) has received an application from Margate Shipping Company (Margate)

for Construction-Differential Subsidy (CDS) to aid in retrofitting tankers, designated MA Hull Nos. 269, 270 and 271, MA Design T6-S-93a, to comply with requirements for pollution prevention established by the Port and Tanker Safety Act of 1978. The Board has reviewed the application and has determined that the environmental impact of constructing such vessels, which can be categorized as handy size tank vessels, has already been adequately covered in the Environmental Impact Statement for the Tanker Construction Program (EIS) which was published on May 30, 1973, and adopted by the Maritime Administration/Maritime Subsidy Board in Docket No. A-75 on August 30, 1973.

A paper discussing the basis for the Board's decision, and copies of the EIS and Docket No. A-75, are available for public inspection in the Office of the Secretary, Room 7300, Maritime Administration, Department of Transportation, 400 7th St., SW., Washington, D.C. 20590.

(Catalog of the Federal Domestic Assistance Program 11.500)

Dated: November 4, 1981.

By Order of the Maritime Subsidy Board/
Maritime Administration.

Robert J. Patton, Jr.,
Secretary.

[FR Doc. 82-11743 Filed 4-30-82; 8:45 am]
BILLING CODE 4910-81-M

DEPARTMENT OF TREASURY**Public Information Collection Requirements Submitted to OMB for Review**

During the period April 15 through April 23, 1982, the Department of Treasury submitted the following public information collection requirements to OMB, for review and clearance under the Paperwork Reduction Act of 1980, Pub. L. 96-511. Copies of these submissions may be obtained from the Treasury Department Clearance Officer, by calling (202) 634-2179. Comments regarding these information collections should be addressed to the Treasury Reports Management Officer, Information Resources Management Division, Room 309, 1625 I St. NW., Washington, D.C. 20220; and to the OMB reviewer listed at the end of each entry. Date Submitted: April 19, 1982
Submitting Bureau: Alcohol, Tobacco and Firearms.

OMB Number: 1512-0216

Form Number: ATF F 5120.17(702)

Type of Submission: Extension

Title: Monthly Report of Wine Cellar
Operations

Purpose: Audit tool in performance of
revenue collection and protection
mission; used to monitor industry
operations; provides raw data for
compilation of wine industry statistics

OMB Reviewer: Karen P. Sagett (202)
395-6880, Office of Management and
Budget, Room 3201, New Executive
Office Building, Washington, D.C.
20503.

Joy Tucker,

Departmental Reports Management Officer

[FR Doc. 82-11941 Filed 4-30-82; 8:45 am]

BILLING CODE 4810-25-M

Sunshine Act Meetings

Federal Register

Vol. 47, No. 85

Monday, May 3, 1982

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

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1

U.S. COMMISSION ON CIVIL RIGHTS

PLACE: Room 512, 1121 Vermont Avenue NW., Washington, D.C.

DATE AND TIME: Monday May 3, 1982, 9:30 a.m.-12 noon, 1:30-4 p.m.

STATUS OF MEETING: Open to the public.

MATTERS TO BE CONSIDERED:

- I. Approval of Agenda
- II. Approval of Minutes of Last Meeting
- III. Review of Statement on the Impact of Budget Cuts on Civil Rights Enforcement
- IV. Review of Statement on Civil Rights Consequences of Proposed Budget Cuts on Education Programs
- V. State Advisory Committee Recharter: A. Pennsylvania
- VI. Colorado Advisory Committee Report Entitled *Federal Affirmative Action*
- VIII. Staff Director's Report:
 - A. Status of Funds
 - B. Personnel Report
 - C. Office Directors' Reports

PERSON TO CONTACT FOR FURTHER

INFORMATION: Barbara Brooks, Press and Communications Division (202) 254-6697.

[S-644-82 Filed 4-29-82; 2:14 pm]

BILLING CODE 6335-01-M

2

FEDERAL HOME LOAN BANK BOARD

TIME AND DATE: 10:00 a.m., Thursday, May 6, 1982.

PLACE: Board Room, Sixth Floor, 1700 G Street NW., Washington, D.C.

STATUS: Open meeting.

CONTACT PERSON FOR MORE

INFORMATION: Mr. Marshall (202-377-6679).

MATTERS TO BE CONSIDERED:

Revision to Ohio Working Understanding. Application for Bank Membership and Insurance of Accounts—Delta Savings and Loan Association, Westminster, California.

[No. 28, April 29, 1982]

[S-643-82 Filed 4-29-82; 10:18 am]

BILLING CODE 6720-01-M

3

FEDERAL MARITIME COMMISSION

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: April 29, 1982.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: 9 a.m., May 5, 1982.

CHANGES IN THE MEETING: Additions of the following items to the closed session:

1. Docket No. 73-17: Sea-Land Service, Inc. and Gulf Puerto Rico Lines, Inc.—Proposed Rules on Containers and Docket No. 74-40: Puerto Rico Maritime Shipping Authority—Proposed ILA Rules on Containers—Consideration of remand from the court.
2. Docket No. 81-11: "50 Mile Container Rules" Implementation by Common Carriers by Water Serving the Atlantic and Gulf Coast Ports of the United States—Possible Violations of the Shipping Act, 1916, and of the Intercoastal Shipping Act, 1933—Consideration of procedural motions.

[S-645-82 Filed 4-29-82; 3:19 pm]

BILLING CODE 6730-01-M

4

NUCLEAR REGULATORY COMMISSION

DATE: Week of May 3, 1982.

PLACE: Commissioner's Conference Room, 1717 H Street NW., Washington, D.C.

STATUS: Open.

MATTERS TO BE CONSIDERED: Tuesday, May 4:

1:30 p.m.: Briefing on Pressurized Thermal Shock

Thursday, May 6:

2:00 p.m.: Briefing on the Performance Appraisal Team (PAT) Inspection Program (Approximately 1½ hours)

3:30 p.m.: Affirmation/Discussion Session: Item to be affirmed and/or discussed:

a. Amendments to 10 CFR Chapter I Parts 19, 30, 40, 50, 60, 70, 72 and 150 With Respect to Employees Who Provide Information

ADDITIONAL INFORMATION: By a vote of 3-0, Commissioner Roberts not present, on April 23, the Commission determined pursuant to 5 U.S.C. 552b(e) and § 9.107a of the Commission's Rules that Commission business required that affirmation of Diablo Canyon—Closing of Newmark Inquiry, held that day, be held on less than one week's notice to the public.

AUTOMATIC TELEPHONE ANSWERING SERVICE FOR SCHEDULE UPDATE: (202) 634-1498. Those planning to attend a meeting should reverify the status on the day of the meeting.

CONTACT PERSON FOR MORE INFORMATION: Walter Magee (202) 634-1410.

Dated: April 27, 1982.
Walter Magee,
Office of the Secretary.

[S-646-82 Filed 4-29-82; 3:29 pm]

BILLING CODE 7590-01-M

5

CONSUMER PRODUCT SAFETY COMMISSION

Agenda

TIME AND DATE: Commission Meeting, Tuesday, May 4, 1982, 10:00 a.m.

LOCATION:

Third Floor Hearing Room, 1111-18th Street, N.W., Washington, DC

STATUS: Open to the Public
Matters to be considered:

1. FY 83 Priorities

The staff will brief the Commission on priorities for fiscal year 1983.

CONTACT PERSON FOR ADDITIONAL INFORMATION:

Sheldon D. Butts, Deputy Secretary,
Office of the Secretary, Suite 342, 5401 Westbard Ave., Bethesda, MD 20207,
Telephone (301) 492-6800.

[S-647-82 Filed 4-30-82; 8:59 am]

BILLING CODE 6355-01-M

Small Business Administration

**Monday
May 3, 1982**

Part II

Small Business Administration

**Small Business Size Standards; Size
Standards Revisions**

SMALL BUSINESS ADMINISTRATION**13 CFR Part 121****Small Business Size Standards; Size Standards Revisions****AGENCY:** Small Business Administration.**ACTION:** Second advance notice of proposed rulemaking.

SUMMARY: The Small Business Administration is proposing comprehensive revisions in its size standards regulations from those published in the *Federal Register* on March 10, 1980 (45 FR 15442). These new revisions are designed to balance the needs of both small business and the Federal Government. In structuring this second advance notice, specific consideration is given to each industry as a result of numerous public comments to SBA's First Advance Notice of Proposed Rulemaking. SBA also has revised its methodological approach to size standards in recognition of new budgetary limitations. These proposed revisions are structured to simplify SBA administrative rules and increase the effectiveness of SBA programs by steering SBA resources more closely towards smaller firms in the economy.

DATE: Written comments must be submitted by August 2, 1982.**ADDRESS:** Address all comments to: Andrew A. Canellas, Director, Office of Industry Analysis, Small Business Administration, 1441 L Street, NW, Room 500, Washington, D.C. 20416.**FOR FURTHER INFORMATION CONTACT:** Andrew A. Canellas (202) 653-6373.**SUPPLEMENTARY INFORMATION:****Reason for the Second Advance Notice**

This is the second advance notice of SBA's intent to revise its size standards. The widespread changes in size standards from the first notice to this notice incorporate three considerations. First, the large volume of public comment to its first notice has provided SBA with additional information to make informed judgments. Second, SBA has received updated data concerning the nonmanufacturing sector from the Census Bureau which, now, have been incorporated into the size standards process. (New data on manufacturing, mining, and construction will be incorporated into SBA decisions for the proposed rule prior to its future publication but are not incorporated into these present changes since the data have only recently become available.) Third, SBA has adopted a theoretical framework which is significantly different from the basis on which it set

size standards in its first advance notice. This new framework focuses on the industrial structure of industries in an attempt to give smaller firms the benefit of SBA's limited resources. SBA believes that it is in the best interest of small business at this time to publish this notice as a second advance notice rather than a proposal to allow additional time for public comment.

Approach to Size Standards

The term "size standards" as used by the Small Business Administration refers to a measure of eligibility for SBA programs based on size of business. The construction of such a measure is based on the premise that smaller concerns often are forced to compete with middle-sized as well as very large firms. It is the SBA's view, in consideration of this fact, that the standard for each industry should be established as low as reasonably possible to best serve small businesses and reflect the purposes of the Small Business Act.

Thus, SBA's objective is to provide assistance to small firms so that these firms have the opportunity to become successful and viable operations in the marketplace. Among other provisions, the Small Business Act states in part that the " * * * security and well-being [of the Nation] cannot be realized unless actual and potential capacity of small business is encouraged and developed." Section 2(a).

The distribution of firms by size, within each industry, is a key element of industrial structure and helps determine where size limits are set. The size standards in this notice are established to focus attention on smaller firms, not only on a relative size basis in which each industry is considered separately, but also on an absolute size basis in which limitations are placed on how high a size standard may be set for broad groups of industries. In the manufacturing and mining industries the upper limits of the size standards now are reduced to a level that eliminates medium-size firms and includes only smaller size firms in each industry category. In most of the nonmanufacturing industries the size standards now are raised sufficiently to encompass all firms with 25 employees or less.

However, special consideration is given to the procurement sensitive industries to reflect the large number of public comments received as well as the special needs of federal agencies involved in small business set-asides.

Since the Agency is facing reduced resources and budgeting restraints, this new outlook and revised methodology are compatible with the Agency's efforts

to narrow its clientele more precisely to those smaller firms that need assistance.

Principal Objectives of Revisions

While a new approach to the setting of size standards has been initiated in this second advance notice, five basic considerations are continued from the first advance notice. These five continuing considerations are summarized as follows:

1. Size standards will continue to be set based on 4-digit Standard Industrial Codes rather than a combination of SIC categories and numerous product or activity descriptions which is presently the SBA procedure.

2. A single size standard for each industry is still proposed which is applicable to all SBA programs. This contrasts with the variation in size standard eligibility criteria among various SBA programs which has traditionally occurred. In the past, this variation between program criteria has resulted in certain firms being eligible for some programs, but ineligible for others based on size.

3. The great majority of size standards in this advance notice continues to be stated in terms of number of employees. This is a marked departure from the traditional system in which numerous key size standards are stated in terms of gross revenues. This change is designed both to simplify size standards and provide a more stable size measure resistant to inflation.

The shift to an "employees" measure of size is not without difficulties. One problem is that it is difficult for the SBA to require firms to distinguish between their part-time and full-time workforces and thus part-time and full-time workers are equivalent for determining size standard eligibility.

A second problem is that firms can benefit by subcontracting extensively; thus, retaining SBA eligibility when size standard is expressed in "employees," since employee counts of those working directly for the firm understate the total workforce contributing to the firm's operations. In industries with strong subcontracting patterns and/or many part-time workers, inequities may result, since firms may be ruled ineligible for SBA assistance, while other firms producing a comparable output would be eligible for SBA assistance. SBA adjustment to these two potential problem areas is discussed on pages 9, 10, and 11, respectively.

4. Size standards in our proposed changes specifically reflect the structure of each individual industry. This contrasts with the traditional situation in which generalized measures (e.g. \$2.0

million in average annual receipts) often apply to entire groups of industries. For this reason there continues to be more variation in size standards among industries in major industry groups than has been the case in the past.

5. Size standards continue to be based on a detailed analysis of the industrial structure of each industry in question. However, there has been a shift in perspective away from the first advance notice's strong emphasis on competition. (This emphasis on competition has resulted in eligibility for many firms in the medium-size range.) SBA now proposes to concentrate its assistance heavily on smaller firms, thus focusing SBA's limited resources on those firms with the greatest needs.

SBA's new approach utilizes ranges in size standards for broad industry groups. Since manufacturing and, to a lesser extent, mining industries generally are characterized by higher firm size than other industry groups, they have a range of higher sizes. These size standards in manufacturing and mining industries now range from 100 to 500 employees. By contrast, most of the nonmanufacturing industries, including wholesale, retail, and services, range from a 25- to 100-employee size standard. Construction also has lower size standards than manufacturing, although, for special reasons as explained in a later paragraph, construction industries are stated in terms of gross revenues. Thus, the range in size standards within whole divisions of industries reflects the SBA's emphasis on the structure of industries as measured in the average operating sizes of firms within each industry.

This set of five principles continues to be embodied in this Second Advance Notice of Proposed Rulemaking. SBA's revised size standards have been coordinated in conformity to a new overall methodology based on industry structure. Size standards, thus, have become a policy tool to allocate SBA's limited resources to those firms most in need of government assistance within each industry.

Major Issues Published on September 10, 1980

As a result of the high level of public interest generated from its first advance notice, SBA extended its initial comment period and also held public hearings in each of the 10 SBA regions. These hearings were well-attended with participants actively expressing their views. Overall, SBA was to receive over 1,500 comments from both the public hearings and from written correspondence. The comments were

directed to 200 of a total of over 800 different industries.

Public interest in this issue was so intense that the SBA decided to elicit additional information in a notice which was published in the Federal Register on September 10, 1980 (45 FR 59587). This notice sought out public views in the following subject areas: (1) The proper relationship between size standards and the goal of economic competition, (2) the correct method of measuring competitiveness, (3) the preferred measure of firm size, (4) the degree to which size standards should vary from program to program, (5) the relevance of SBA size standards to the needs of other Federal agencies, and (6) the appropriate implementation schedule for size standards revisions.

Among those comments which were received, SBA notes that very little opposition was raised to using a single size standard for all programs and for using a firm's number of employees as a unit of measurement. (Strong opposition to a single size standard for all programs was received only from some small business investment companies, which generally favor a separate, higher standard for the SBIC program.) Much criticism, however, was received in regard to using the degree of economic competition as a factor in setting size standards, as well as the correct method of measuring competitiveness. As a result of this criticism, SBA now is changing its emphasis to focus its assistance towards small as opposed to medium-sized firms. SBA also explicitly considers the needs of its small business set-aside procurement program.

Changes Made as a Result of Public Response and Reexamination of Data

Very strong public interest also was generated from the specific changes in size standards relating to each industry which were suggested in our first advance notice. A total of 548 changes have now been proposed from our first advance notice. Most of these changes can be clustered into one of eight broad groups of adjustments which are discussed briefly in the following paragraphs.

1. The feeling in many procurement-sensitive industries that the proposed size standards fail to consider the needs of the Federal Government. In this view, the size standards in some cases were set too low, with the result that eligible firms would not be able to satisfy the average Federal procurement. In response to this complaint, the SBA now is proposing to modify the size standards in 51 sensitive industries (most of which are service and construction industries). In considering

industries sensitive to government procurement needs, SBA has attempted to set size standards in such sensitive industries at a level to ensure a sufficient number of bidders on procurement set-asides, and satisfactorily meet the agency's procurement needs.

2. Due to the uniqueness of the industry activity, SBA now is stating size standards, in two special cases, in terms of specific product lines or activities rather than 4-digit industries, e.g., naval architecture and marine engineering activities, and procurement activities relating to military apparel. (Dredging, a non-SIC category, already had been listed separately in the March 10, 1980, notice). This reflects the fact that most firms in these activities significantly deviate in size from other firms in their major 4-digit industry. Moreover, these firms are involved in highly procurement-sensitive industries. Thus, in order to meet the needs of the Federal Government and the needs of firms within the various industries, separate size standards are necessary for activities within industries in these few limited cases.

3. Among all 27 industries in the construction division, SBA now has changed to a gross-receipts measure of size in contrast to the normal employee measure. This stems from the high volume of subcontracting that typically occurs in these industries. A dollar volume measure of size prevents a firm with few employees from qualifying for a small business set-aside, because much of its activity is performed through subcontracting; while an equivalent firm, performing a comparable amount of business through its own activities, would be ineligible based on its employee count. Construction would then join farming in having a gross revenue size standard. Both major industry groups would require monitoring from time to time to adjust for inflationary movements.

4. Comments were received from a number of firms in different industry activities whose size standards were omitted in the first advance notice. As a result, SBA now is proposing 10 additional size standards compared to the first advance notice of March 10, 1980.

5. There was widespread sentiment that any realistic concept of what constitutes a small business would result in a higher size standard than the 15-employee level which was proposed for some industries in the first advance notice. SBA now is proposing to raise its floor level from 15 to 25 employees. This proposed change will increase size

standards in 97 service and retail industries.

6. The size standard ceiling of 2,500 employees, as set in the advance notice of March 10, 1980, has been lowered to 500 employees. This includes 303 size standards in the manufacturing, mining, and transportation industries; 287 of these changes were in the manufacturing industries. This ceiling was lowered in order to remove medium-size firms from eligibility. Although the 2,500-employee size standard included firms that were small relative to other firms within their own industry, they were considered medium-size on an absolute basis. Under this revised framework, the size standards for manufacturing and mining industries now range between 100 and 500 employees, instead of the recommended range in the first advance notice of 100 to 2,500 employees.

The lowering of the ceiling also is responsive to a number of comments that SBA has received which stated that firms in excess of 500 employees were not truly small business.

7. Firms in the Small Business Investment Company Program submitted arguments that (1) its program has sufficiently different needs than the other SBA programs to warrant separate size standards, and (2) the new size standards would seriously jeopardize the SBIC program. As a result, SBA now proposes to retain the special size standard measure now used in this program (defined as either \$6 million in net worth as well as net income after Federal income taxes of \$2 million or less, or the proposed size standard stated in this proposal which may be used by those concerns that do not qualify under either the net worth or net income measure but are eligible under the proposed size standard measure).

8. Many firms in service and trade industries contend that an employee measure of size would unfairly discriminate in their industries against firms with a high incidence of part-time workers. As a result, SBA now as adjusted upward its size standards in a number of industries with a high proportion of part-time workers. However, since the method of measuring a firm's number of employees (which includes an averaging of both full- and part-time employees) has not been clearly understood by many commenters, a more detailed explanation of the method of averaging all employees of the firm is illustrated as follows:

The number of employees includes full-time, part-time, temporary, and any other type of employee who appears on the firm's payroll for any pay period

during the preceding 12 months. This is averaged out over the entire year so that temporary, seasonal increases in employment will not usually affect a small firm's size status. The following examples illustrate the procedure for two firms, each of which happens to use 12 pay periods per year.

The number of employees for each pay period is added and the total divided by the number of pay periods. For Firm A, this is 780 divided by 12. For Firm B, this is 300 divided by 12. The relevant company size is not 780 or 300, but 65 employees for Firm A and 25 employees for Firm B. Note also that for Firm B, the relevant size standard is 25 employees on its payroll, even though

the firm, at no single period, has 25 employees on its payroll. This illustrates that a firm's eligibility is based on its average employment over the previous 12 months rather than its employment level at a single point in time. Note too, that part-time workers are counted equivalent to full-time workers. If employees are counted differently (such as on a full-time equivalency basis), it could entail substantial recording and paperwork problems for firms on the eligibility margin. Partly to compensate for this problem, SBA's new proposed size standards for industries with a high incidence of part-time work are set higher than they otherwise would be.

Pay period	Firm A (employees)			Firm B (employees)		
	Full time	Part time	Total	Full time	Part time	Total
1.....	25	0	25	20	0	20
2.....	25	10	35	30	0	30
3.....	25	30	55	20	0	20
4.....	25	50	75	30	0	30
5.....	25	100	125	20	0	20
6.....	25	100	125	30	0	30
7.....	25	30	55	20	0	20
8.....	25	0	25	30	0	30
9.....	25	50	75	20	0	20
10.....	25	100	125	30	0	30
11.....	25	10	35	20	0	20
12.....	25	0	25	30	0	30
	300	480	780	300	0	300

Notes:
780 ÷ 12 = 65 employees for SBA purposes.
300 ÷ 12 = 25 employees for SBA purposes.

In summary, in this second advance notice, the SBA has both changed the theory behind its size standards and taken into consideration new data which it has received from the Census Bureau. SBA also has taken into consideration many of the public comments relating to specific industries. SBA anticipates that this compromise between new theoretical concepts and practical considerations will result in a better and more realistic set of size standards than is presently in use.

Regulatory Requirement

Under Executive Order 12291 (February 17, 1981), Federal Agencies, including SBA, are required to assess the cost impact of proposed regulatory changes on consumers, individual industries, governments and geographic regions, and whether there might be any adverse impact on competition, employment, productivity, innovation, or foreign trade.

Further, the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) requires an analysis of the impact of these rule changes on "small entities," especially in terms of any mandatory cost burdens imposed by the Government.

Although SBA size standards are classified as a regulation, these

standards primarily indicate which size firm may be eligible for SBA programs and federal small business procurements. Size standards do not impose any mandatory burden on firms whether large or small. No firm is required or compelled to keep records, make reports, alter its way of doing business, or comply with the provisions of this proposed rule. The decision to participate in SBA programs (including procurement set-asides) and, consequently, to subject one's firm to a size standard test, is completely voluntary.

However, SBA will prepare an impact statement which fulfills the requirements of both E.O. 12291 and the Regulatory Flexibility Act, in order to determine how significant an impact the size standards revisions will have on the economy. This statement will be available at the time the proposed rule is published in the Federal Register. For this reason, the public is invited to comment on the impact of these proposed rules in terms of quantification of any costs to society, feasibility of alternatives, compliance costs on affected firms, and other issues as described in the above paragraph.

Procedural Changes

One key purpose of new size standards is the articulation of a consistent method of setting size standards and the establishment of individual industry standards which reflect this method. In addition, SBA is proposing to change certain procedures to make the administration of size standards more simple and uniform. These changes include:

1. The geographical differential which currently applies to states and territories outside the continental United States now would be terminated (§ 121.3-7).

2. Almost all size standards would be based on the standard industrial classification for industries rather than on written descriptions of activities.

3. The broad-based nonmanufacturer size standard of 250 employees for the loan program (§ 121.3-10(b)) and 500 employees used in procurement (§ 121.3-8(c)) would be replaced by size standards separately structured for each industry.

4. Size criteria for construction and agriculture would be based on average annual receipts for 3 years.

5. The current provision for procurement of construction (§ 121.3-8(a)(1)) specifies that if 75 percent or more (by value) of a construction contract is in a special trade, then the size standard for special trade (as opposed to general construction) shall be used. This provision would be deleted so that construction will be treated like any other procurement, i.e., the controlling size standard shall be that of the activity of greatest value in the contract.

6. The special size standard for surety bond guarantee assistance would be terminated (§ 121.3-15).

7. The 25 percent increase in the size standard for financial purposes applies only in cases where a firm will use the assistance in a labor surplus or redevelopment area (§ 121.3-7).

Senate Hearings on Size Standards

On May 5, 1981, the Senate Committee on Small Business held hearings in which the public was invited to comment on the Small Business Administration's size standards revisions which had been proposed on March 10, 1980. SBA has thoroughly reviewed and evaluated each testimony and statement presented at this hearing. These statements, where merited, along with the public comments (which were received following the March 10, 1980, advance notice), were incorporated into changes from the first to the second advance notice.

Implementation Period

One of the major issues which the SBA proposed for further discussion in its September 10, 1980, notice was the question of an implementation period for its changes in size standards. While there was not a strong public response to this issue, a majority of those who did respond favored an approach with a time delay to enable affected firms to adjust to changes in size standards. SBA favors this delayed implementation approach. Following this Second Advance Notice of Proposed Rulemaking, SBA will publish a proposed rule in which it will take into consideration comments to this second advance notice. Again, SBA will solicit public comments in response to the proposed rule prior to publishing a final rule.

Thus, SBA anticipates two additional public comment periods—one in response to this second advance notice, and the other in response to the future proposed rule. Furthermore, SBA is recommending in this second advance notice that the implementation date be set 180 days after the date of publication of its final rule. This delay of 180 days would provide a period of adjustment to firms in industries in which size standards have been changed from current levels. Such a delay also would provide time for Federal procurement agencies to adjust to the new size standards.

List of Subjects in 13 CFR Part 121

Small businesses.

Revisions to the Numbered Sections and Paragraphs of Part 121

Accordingly, pursuant to section 3 and 5(b)(6) of the Small Business Act, as amended (15 U.S.C. 632, 634), it is proposed to amend Part 121 of Title 13 of the Code of Federal Regulations as follows:

§§ 121.3, 121.3-3, 121.3-7, 121.3-8, 121.3-9, 121.3-10 through 121.3-16 and Schedules A through I [Removed]

1. By removing § 121.3, § 121.3-1, § 121.3-3, § 121.3-7, § 121.3-8, § 121.3-9, § 121.3-10 through § 121.3-16, and Schedules A through I.

2. By adding § 121.1 through § 121.6, as set forth below:

PART 121—SMALL BUSINESS SIZE STANDARDS

Sec.

Subpart A—Background

121.1 Purpose and method of establishing size standards.

Subpart B—Organization

121.2 Size standards responsibilities.

Subpart C—Definitions of Small Business

121.3 Standard industrial classifications and size standards.

121.4 Application of small business size standards.

121.5 Definition of small business for procurement assistance and subcontracting programs.

121.6 Definition of small business for the sale of government property.

Authority: Secs. 3 and 5(b)(6), Small Business Act, as amended (15 U.S.C. 632, 634).

Subpart A—Background**§ 121.1 Purpose and method of establishing size standards.**

The essence of the American system of private enterprise is free competition * * *. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encouraged and developed. It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise * * *.

Small Business Act, Section 2(a)

(a) To implement this policy, Congress established the Small Business Administration (SBA) in 1953 and gave it the responsibility to administer a range of programs designed to achieve these and other social goals. Eligibility for SBA programs requires that a firm be defined as "small." The actual setting of size standards, i.e., the precise specification of "small" is delegated to the Administrator of the SBA.

(b) Size standards are established primarily to define eligibility for SBA programs and Federal procurement purposes. It is clear, both from the Act itself and from the legislative history, that the matter of what is a small business has been left to administrative, rather than legislative, determination. Congress, however, provided broad guidance to the determination of definitions of small business, and these guidelines serve as the primary directive in formulating size standards. These guidelines are stated in Sections 2 and 3 of the Act and are the basis for establishing size standards. These basic criteria are to preserve and expand competition and "the definition [of small business] shall vary from industry to industry to the extent necessary to reflect differing characteristics of such

industries." Thus, size standards vary by industry with particular attention to the characteristic structure of each industry, as well as absolute size of firms. In its most basic sense, this is the approach of establishing size standards.

(c) The process of transposing this philosophy to numerical size standards for individual industries is a complex one. The basic sources of data used in establishing size standards include: the *Standard Industrial Classification Manual*, which is used as a guide in defining industries; U.S. Bureau of the Census, *Concentration Ratios in Manufacturing*, and *Enterprise Statistics*; special tabulations of the *Enterprise Statistics* prepared for SBA by the U.S. Bureau of the Census; U.S. Department of Commerce, *U.S. Industrial Outlook and Survey of Current Business*; Internal Revenue Service, *Statistics of Income*; Dun and Bradstreet, *DMI Market Profile*; Economic Information Service, *Marketing Information*; *Federal Procurement Data System* statistics, SBA's own extensive files of articles and correspondence on individual industries, and information provided by trade associations:

(d) From these data sources several indicators of each industry's structure and procurement characteristics are available. These factors, among others, are examined for the purpose of setting size standards: average firm size, the extent of industry dominance by large firms, the number of firms, the distribution by size of sales and employees among the firms in the industry, the presence of Federal procurement, and relation to other SBA programs. The development of size standards is not an exact quantitative procedure. No single measure or simple numerical device is used to establish an industry's size standard. Following an intensive economic analysis, the selection of the size standard for a particular industry is narrowed down to a minimum-maximum range in firm size. The final step in this process is the selection of the specific size standard from within this range based on the considerations described in paragraph (b), above.

(e) Under the Regulatory Flexibility Act (Pub. L. 96-354), Federal agencies promulgating regulations are required to define small business as a "small business concern" under Section 3 of the Small Business Act. SBA size standards may or may not be adaptable or applicable to the particular regulation involved. In such cases where the SBA size standard is not appropriate, the agency may, after consultation with the

SBA Office of Advocacy, establish a small business definition which is appropriate to the activities of the agency.

(f) Firms which meet size standards and are eligible for SBA programs should be given prompt and effective assistance. Small businesses, however, should not be protected from competition by becoming dependent on continuing assistance under the Small Business Act. SBA assistance should not be regarded as a permanent subsidy nor as the primary source of a firm's business. It should be used to assist a firm to compete in the regular business world, without SBA assistance.

Subpart B—Organization

§ 121.2 Size standards responsibilities.

(a) The Assistant Administrator, Bureau of Policy, Planning and Budgeting shall:

(1) Develop and recommend small business size standards to the Administrator of SBA for promulgation.

(2) Consider and take appropriate action on written requests to change existing size standards or establish new size standards.

(3) Conduct industry hearings pertaining to size standards.

(4) Perform other related functions (e.g., industry studies) as may be appropriate to administer the SBA size standards program.

(b) Requests to change the existing, or establish new, size standards should be addressed to the Director, Size Standards Branch, 1441 L Street, N.W., Washington, D.C. 20416, and should include information on the economic conditions and structure of the entire national industry, as well as specific reasons and justifications for the change or new size standard. The methodology described in the section on "Purpose and Method of Establishing Size Standards" (§ 121.1) provides basic criteria on the kinds of information desirable to make an appropriate request. If no size standard for an industry has been established in this part, then SBA, upon request, may issue an *ad hoc* or temporary size standard for the industry in question.

(c) The Office of General Counsel, in conjunction with the Assistant Administrator, Bureau of Policy, Planning and Budgeting, shall develop and recommend to the Administrator regulations and procedures to assist in implementing the size standards, and also provide interpretations of such regulations and procedures.

(d) The Size Appeals Board, within the Office of the Deputy Administrator, shall hear and resolve appeals of

regional office determinations concerning the small business size status of individual firms. (Protest procedures are described in § 121.10.) The Board resolves appeals concerning the appropriate standard industrial classification for particular small business set-aside procurements, and issues legal interpretations of the size standards regulations.

Subpart C—Definitions of Small Business

§ 121.3 Standard industrial classifications and size standards.

(a) All size standards are based on industries with size measured by number of employees, except for industries in Divisions A and C, which are based on annual receipts. The column labeled "SIC" follows the standard industrial classification code as published by the U.S. Government in the *Standard Industrial Classification Manual*. The number of employees or annual receipts indicates the maximum allowed for a firm to be considered small.

(b) The "number of employees" is a measure of the average employment of any firm, including the employees of its affiliates whether domestic or foreign.¹ "Employees" includes all persons employed on a full-time, part-time, temporary or other basis during each pay period of the preceding 12 months.

(c) These counts of employment are averaged out over an entire year so that temporary increases in employment will not usually affect a firm's size status.

(d) If a firm has been in existence for less than 12 months, "number of employees" means the average employment of such firm and its affiliates averaged over the period that such firm has been in business.

(e) "Annual receipts" means the gross income (less returns and allowances, sales of fixed assets, and interaffiliate transactions) of a firm (and its domestic and foreign affiliates) from sales of products and services, interest, rents, fees, commissions, and/or from whatever other source measured on average annual base over a period of its most recently completed 3 fiscal years (whether on a cash, accrual, completed

¹ If a firm has acquired an affiliate during the applicable accounting period, it is necessary, in computing the applicant's number of employees or receipts, to include the affiliate's average annual number of employees or receipts during the entire applicable accounting period rather than only its affiliate's employees or receipts during the period in which it has been an affiliate. The employees or receipts of a former affiliate are not included even if such firm had been an affiliate during a portion of the applicable accounting period.

contracts, percentage of completion, or other acceptable accounting basis) as entered on its regular books of account, and in the case of a firm subject to U.S. Federal income taxation, reported or to be reported to the U.S. Treasury Department, Internal Revenue Service,

for Federal income tax purposes.

(f) If a firm has been in business less than 3 years, its average annual receipts, for the purpose of a size standard based on 3 years' receipts, shall be computed by determining its average weekly receipts for the period in which it has

been in business and multiplying by 52.

(g) The following size standards apply to all SBA programs except sales of government property, physical disaster loans, Small Business Investment Companies, and Pollution Control Bonds.

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
Division A—Agriculture			
MAJOR GROUP 01—AGRICULTURAL PRODUCTION—CROPS ¹			
0111-0191	Agricultural Production—Crops	(in dollars) \$100,000	(in dollars) \$100,000
MAJOR GROUP 02—AGRICULTURAL PRODUCTION—LIVESTOCK ¹			
0211	Beef Cattle Feedlots (Custom)	(in dollars) \$1,000,000	(in dollars) \$1,000,000
0212-0291	Agricultural Production—Livestock, except 0211	100,000	100,000
MAJOR GROUP 07—AGRICULTURAL SERVICES			
0723	Crop Preparation Services for Market Except Cotton Ginning		50
0724	Cotton Ginning		50
All Others			25
MAJOR GROUP 08—FORESTRY			
All SIC's			25
MAJOR GROUP 09—FISHING, HUNTING, AND TRAPPING			
All SIC's			25
Division B—Mining			
MAJOR GROUP 10—METAL MINING			
1011	Iron Ores		
1021	Copper Ores	1,500	500
1031	Lead and Zinc Ores	2,500	500
1041	Gold Ores	2,500	500
1044	Silver Ores	250	250
1051	Bauxite and Other Aluminum Ores	250	250
1061	Ferrous Alloy Ores, Except Vanadium	250	250
1061	Metal Mining Services	250	250
1092	Mercury Ores	250	250
1094	Uranium-Radium-Vanadium Ores	100	100
1099	Metal Ores, Not Elsewhere Classified	500	500
		250	250
MAJOR GROUP 11—ANTHRACITE MINING			
1111	Anthracite	250	250
1112	Anthracite Mining Services	100	30
MAJOR GROUP 12—BITUMINOUS COAL AND LIGNITE MINING			
1211	Bituminous Coal and Lignite	250	250
1213	Bituminous Coal and Lignite Mining Services	250	100
MAJOR GROUP 13—OIL AND GAS EXTRACTION			
1311	Crude Petroleum and Natural Gas		
1321	Natural Gas Liquids	250	250
1381	Drilling Oil and Gas Wells	2,500	500
1382	Oil and Gas Field Exploration Service	200	200
1389	Oil and Gas Field Services, N.E.C.	250	100
		250	500
MAJOR GROUP 14—MINING AND QUARRYING OF NON-METALLIC MINERALS, EXCEPT FUELS			
1411	Dimension Stone	100	250
1422	Crush and Broken Limestone	100	100
1423	Crush and Broken Granite	100	100
1429	Crush and Broken Stone, N.E.C.	150	150
1442	Construction Sand and Gravel	250	150
1446	Industrial Sand	100	100
1452	Bentonite	250	250
1453	Fire Clay	100	100
1454	Fuller's Earth	100	75
1455	Kaolin and Ball Clay	500	500
1459	Clay, Ceramic, and Refractory Minerals, N.E.C.	500	250
		200	200

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
1472	Barite.....	500	500
1473	Fluorspar.....	500	500
1474	Potash, Soda, and Borate Minerals.....	2,500	500
1475	Phosphate Rock.....	2,500	400
1476	Rock Salt.....	1,000	500
1477	Sulfur.....	1,000	500
1479	Chemical and Fertilizer Mineral Mining, N.E.C.....	1,000	250
1481	Nonmetallic Minerals (Except Fuels) Services.....	1,000	500
1492	Gypsum.....	250	250
1496	Talc, Soapstone, and Pyrophyllite.....	250	200
1499	Miscellaneous Nonmetallic Minerals, N.E.C.....		

Division C—Construction¹

MAJOR GROUP 15—BUILDING CONSTRUCTION—GENERAL CONTRACTORS AND OPERATIVE BUILDINGS

		(In millions of dollars)	
1521	General Contractors—Single-Family Houses.....	25	\$6.0
1522	General Contractors—Residential Buildings, Other Than Single-Family.....	150	6.0
1531	Operative Builders.....	200	12.0
1541	General Contractors—Industrial Buildings and Warehouses.....	200	6.0
1542	General Contractors—Nonresidential Buildings, Other Than Industrial Buildings and Warehouses.....	200	6.0

MAJOR GROUP 16—CONSTRUCTION OTHER THAN BUILDING CONSTRUCTION—GENERAL CONTRACTORS

		(In millions of dollars)	
1611	Highway and Street Construction, Except Elevated Highways.....	200	\$6.0
1622	Bridge, Tunnel, and Elevated Highway Construction.....	200	12.0
1623	Water, Sewer, Pipe Line, Communication and Power Line Construction.....	200	6.0
1629	Heavy Construction, Except Dredging.....	500	12.0
1629	Dredging.....	1,000	9.5

MAJOR GROUP 17—CONSTRUCTION—SPECIAL TRADE CONTRACTORS

		(In millions of dollars)	
1711	Plumbing, Heating (Except Electric), and Air Conditioning.....	50	\$6.0
1721	Painting, Paper Hanging, and Decorating.....	50	6.0
1731	Electrical Work.....	50	6.0
1741	Masonry, Stone Setting, and Other Stonework.....	50	6.0
1742	Plastering, Drywall, Acoustical, and Insulation Work.....	50	6.0
1743	Terrazzo, Tile, Marble, and Mosaic Work.....	25	6.0
1751	Carpentering.....	50	6.0
1752	Floor Laying and Other Floor Work, N.E.C.....	50	6.0
1761	Roofing and Sheet Metal Work.....	50	6.0
1771	Concrete Work.....	50	6.0
1781	Water Well Drilling.....	50	6.0
1791	Structural Steel Erection.....	50	6.0
1793	Glass and Glazing Work.....	50	6.0
1794	Excavating and Foundation Work.....	50	6.0
1795	Wrecking and Demolition Work.....	200	6.0
1796	Installation or Erection of Building Equipment, N.E.C.....	50	6.0
1799	Special Trade Contractors, N.E.C.....		

Division D—Manufacturing²

MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS

2011	Meat Packing Plants.....	1,500	500
2013	Sausages and Other Prepared Meat Products.....	200	200
2016	Poultry Dressing Plants.....	250	200
2017	Poultry and Egg Processing.....	500	500
2021	Creamery Butter.....	1,000	500
2022	Cheese, Natural and Processed.....	1,000	500
2023	Condensed and Evaporated Milk.....	2,500	500
2024	Ice Cream and Frozen Desserts.....	2,500	500
2026	Fluid Milk.....	500	500
2032	Canned Specialties.....	2,500	500
2033	Canned Fruits, Vegetables, Preserves, Jams, and Jellies.....	250	250
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes.....	750	500
2035	Pickled Fruits and Vegetables, Vegetable Sauces and Seasonings, and Salad Dressings.....	2,500	500
2037	Frozen Fruit, Fruit Juices, and Vegetables.....	2,500	500
2038	Frozen Specialties.....	2,500	500
2041	Flour and Other Grain Mill Products.....	1,000	500
2043	Cereal Breakfast Foods.....	2,500	500
2044	Rice Milling.....	500	250
2045	Blended and Prepared Flour.....	2,500	500
2046	Wet Corn Milling.....	2,500	500
2047	Dog, Cat, and Other Pet Food.....	2,500	500
2048	Prepared Feeds and Feed Ingredients for Animals and Fowls, N.E.C.....	500	500
2051	Bread and Other Bakery Products, Except Cookies and Crackers.....	1,500	500
2052	Cookies and Crackers.....	2,500	500
2061	Cane Sugar, Except Refining Only.....	1,000	500
2062	Cane Sugar Refining.....	2,500	500
2063	Beet Sugar.....	2,500	500
2065	Candy and Other Confectionery Products.....	2,500	500
2066	Chocolate and Cocoa Products.....	2,500	500
2067	Chewing Gum.....	2,500	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
2074	Cottonseed Oil Mills		
2075	Soybean Oil Mills	1,000	500
2076	Vegetable Oil Mills, Except Corn, Cottonseed, and Soybean	2,500	500
2077	Animal and Marine Fats and Oils	2,500	500
2079	Shortening, Table Oils, Margarine and Other Edible Fats and Oils, N.E.C.	250	500
2082	Malt Beverages	2,500	500
2083	Malt	2,500	500
2084	Wines, Brandy, and Brandy Spirits	1,000	250
2085	Distilled, Rectified, and Blended Liquors	1,000	500
2086	Bottled and Canned Soft Drinks and Carbonated Waters	2,500	500
2087	Flavoring Extracts and Flavoring Syrups, N.E.C.	200	200
2091	Canned and Cured Fish and Seafoods	2,500	500
2092	Fresh or Frozen Packaged Fish and Seafoods	1,000	500
2095	Roasted Coffee	200	200
2097	Manufactured Ice	2,500	500
2098	Macaroni, Spaghetti, Vermicelli, and Noddies	500	500
2099	Food Preparations, N.E.C.	500	250
		2,500	500
MAJOR GROUP 21—TOBACCO MANUFACTURES			
2111	Cigarettes		
2121	Cigars	2,500	500
2131	Tobacco (Chewing and Smoking) and Snuff	2,500	500
2141	Tobacco Stemming and Redrying	2,500	250
		2,500	500
MAJOR GROUP 22—TEXTILE MILL PRODUCTS			
2211	Broad Woven Fabric Mills, Cotton		
2221	Broad Woven Fabric Mills, Man-Made Fiber and Silk	2,500	500
2231	Broad Woven Fabric Mills, Wool (Including Dyeing and Finishing)	2,500	500
2241	Narrow Fabrics and Other Smallwares Mills, Cotton, Wool, Silk, and Man-Made Fiber	500	500
2251	Women's Full Length and Knee Length Hosiery	250	250
2252	Hosiery, Except Women's Full Length and Knee Length Hosiery	2,500	500
2253	Knit Outerwear Mills	200	200
2254	Knit Underwear Mills	250	200
2257	Circular Knit Fabric Mills	2,500	500
2258	Warp Knit Fabric Mills	2,500	250
2259	Knitting Mills	1,000	500
2261	Finishers of Broad Woven Fabrics of Cotton	1,000	250
2262	Finishers of Broad Woven Fabrics of Man-Made Fiber and Silk	2,500	500
2269	Finishers of Textiles, N.E.C.	2,500	500
2271	Woven Carpets and Rugs	750	250
2272	Tufted Carpets and Rugs	2,500	500
2279	Carpets and Rugs, N.E.C.	250	500
2281	Yarn Spinning Mills: Cotton, Man-Made Fibers, and Silk	1,000	500
2282	Yarn Texturizing, Throwing, Twisting, and Winding Mills: Cotton, Man-Made Fibers, and Silk	2,500	500
2283	Yarn Mills, Wool, Including Carpet and Rug Yarn	2,500	500
2284	Thread Mills	2,500	500
2291	Felt Goods, Except Woven Felts and Hats	2,500	500
2292	Lace Goods	2,500	250
2293	Paddings and Upholstery Filling	250	250
2294	Processed Waste and Recovered Fibers and Flock	250	250
2295	Coated Fabrics, Not Rubberized	1,000	150
2296	Tire Cord and Fabric	2,500	250
2297	Nonwoven Fabrics	2,500	500
2298	Cordage and Twine	2,500	250
2299	Textile Goods, N.E.C.	500	250
		250	250
MAJOR GROUP 23—APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIALS ²			
2311	Men's, Youths', and Boys' Suits, Coats and Overcoats		
2321	Men's, Youths', and Boys' Shirts (Except Work Shirts) and Nightwear	250	250
2322	Men's, Youths', and Boys' Underwear	2,500	500
2323	Men's, Youths', and Boys' Neckwear	2,500	500
2327	Men's, Youths', and Boys' Separate Trousers	250	100
2328	Men's, Youths', and Boys' Work Clothing	1,000	500
2329	Men's, Youths', and Boys' Clothing, N.E.C.	2,500	500
2331	Women's, Misses', and Juniors' Blouses, Waists, and Shirts	200	200
2335	Women's, Misses', and Juniors' Dresses	200	200
2337	Women's, Misses', and Juniors' Suits, Skirts, and Coats	100	100
2339	Women's, Misses', and Juniors' Outerwear, N.E.C.	150	150
2341	Women's, Misses', Children's and Infants' Underwear and Nightwear	200	200
2342	Brassieres, Girdles, and Allied Garments	250	250
2351	Millinery	750	500
2352	Hats and Caps, Except Millinery	100	100
2361	Girls', Children's, and Infants' Dresses, Blouses, Waists, and Shirts	250	250
2363	Girls', Children's, and Infants' Coats and Suits	150	150
2369	Girls', Children's, and Infants' Outerwear, N.E.C.	150	150
2371	Fur Goods	500	250
2381	Dress and Work Gloves, Except Knit and All-Leather	100	100
2384	Robes and Dressing Gowns	500	500
2385	Raincoats and Other Waterproof Outerwear Garments	250	250
2386	Leather and Sheep Lined Clothing	500	500
2387	Apparel Belts	100	100
2389	Apparel and Accessories, N.E.C.	250	250
2391	Curtains and Draperies	250	250
2392	Housefurnishings, Except Curtains and Draperies	500	500
2393	Textile Bags	500	250
2394	Canvas and Related Products	250	150
2395	Pleating, Decorative and Novelty Stitching, and Tucking for the Trade	250	250
		250	150

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
2396	Automotive Trimmings, Apparel Findings, and Related Products	1,000	500
2397	Schiffli Machine Embroideries	100	100
2399	Fabricated Textile Products, N.E.C.	500	500
	Government Apparel Market	—	^a 500
MAJOR GROUP 24—LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE			
2411	Logging Camps and Logging Contractors	150	150
2421	Sawmills and Planing Mills, General	200	200
2426	Hardwood Dimension and Flooring Mills	150	150
2429	Special Product Sawmills, N.E.C.	1,000	100
2431	Millwork	200	200
2434	Wood Kitchen Cabinets	150	150
2435	Hardwood Veneer and Plywood	750	250
2436	Softwood Veneer and Plywood	2,500	500
2439	Structural Wood Members, N.E.C.	100	100
2441	Nailed and Lock Corner Wood Boxes and Shook	250	150
2448	Wood Pallets and Skids	100	100
2449	Wood Containers, N.E.C.	500	250
2451	Mobile Homes	2,000	500
2452	Prefabricated Wood Buildings and Components	500	500
2491	Wood Preserving	500	250
2492	Particleboard	2,500	500
2499	Wood Products, N.E.C.	200	200
MAJOR GROUP 25—FURNITURE AND FIXTURES			
2511	Wood Household Furniture, Except Upholstered	250	500
2512	Wood Household Furniture, Upholstered	200	200
2514	Metal Household Furniture	250	250
2515	Mattresses and Bedsprings	500	250
2517	Wood Television, Radio, Phonograph, and Sewing Machine Cabinets	2,500	500
2519	Household Furniture, N.E.C.	200	200
2521	Wood Office Furniture	500	500
2522	Metal Office Furniture	2,500	500
2531	Public Building and Related Furniture	500	250
2541	Wood Partitions, Shelving, Lockers, and Office and Store Fixtures	100	100
2542	Metal Partitions, Shelving, Lockers, and Office and Store Fixtures	200	200
2591	Drapery Hardware and Window Blinds and Shades	2,500	500
2599	Furniture and Fixtures, N.E.C.	150	150
MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS			
2611	Pulp Mills	2,500	500
2621	Paper Mills, Except Building Paper Mills	2,500	500
2631	Paperboard Mills	2,500	500
2641	Paper Coating and Glazing	2,500	250
2642	Envelopes	500	500
2643	Bags, Except Textile Bags	2,500	500
2645	Die-Cut Paper and Paperboard and Cardboard	750	250
2646	Pressed and Molded Pulp Goods	2,500	500
2647	Sanitary Paper Products	2,500	500
2648	Stationery, Tablets, and Related Products	500	500
2649	Converted Paper and Paperboard Products, N.E.C.	500	500
2651	Folding Paperboard Boxes	2,500	500
2652	Set-up Paperboard Boxes	100	100
2653	Corrugated and Solid Fiber Boxes	250	250
2654	Sanitary Food Containers	2,500	500
2655	Fiber Cans, Tubes, Drums, and Similar Products	2,500	500
2661	Building Paper and Building Board Mills	2,500	500
MAJOR GROUP 27—PRINTING, PUBLISHING, AND ALLIED INDUSTRIES			
2711	Newspapers: Publishing, Publishing and Printing	250	250
2721	Periodicals: Publishing, Publishing and Printing	1,000	500
2731	Books: Publishing, Publishing and Printing	250	250
2732	Book Printing	500	500
2741	Miscellaneous Publishing	500	500
2751	Commercial Printing, Letterpress, and Screen	150	150
2752	Commercial Printing, Lithographic	150	150
2753	Engraving and Plate Printing	250	250
2754	Commercial Printing, Gravure	2,500	500
2761	Manifold Business Forms	2,500	500
2771	Greeting Card Publishing	500	500
2782	Blankbooks, Looseleaf Binders and Devices	100	100
2789	Bookbinding and Related Work	100	100
2791	Typesetting	100	100
2793	Photoengraving	100	100
2794	Electrotyping and Stereotyping	250	100
2795	Lithographic Platemaking and Related Services	250	100
MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS			
2812	Alkalies and Chlorine	2,500	500
2813	Industrial Gases	2,500	500
2816	Inorganic Pigments	2,500	500
2819	Industrial Inorganic Chemicals, N.E.C.	2,500	500
2821	Plastics Materials, Synthetic Resins, and Nonvulcanizable Elastomers	2,500	500
2822	Synthetic Rubber (Vulcanizable Elastomers)	2,500	500
2823	Cellulosic Man-Made Fibers	2,500	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
2824	Synthetic Organic Fibers, Except Cellulosic		
2831	Biological Products	2,500	500
2833	Medicinal Chemicals and Botanical Products	2,500	500
2834	Pharmaceutical Preparations	2,500	500
2841	Soap and Other Detergents, Except Specialty Cleaners	2,500	500
2842	Specialty Cleaning, Polishing, and Sanitation Preparations	2,500	500
2843	Surface Active Agents, Finishing Agents, Sulfonated Oils and Assistants	2,500	500
2844	Perfumes, Cosmetics, and Other Toilet Preparations	500	500
2851	Paints, Varnishes, Lacquers, Enamels, and Allied Products	2,500	500
2861	Gum and Wood Chemicals	2,500	500
2865	Cyclic (Coal Tar) Crudes, and Cyclic Intermediates, Dyes, and Organic Pigments (Lakes and Toners)	2,500	500
2869	Industrial Organic Chemicals, N.E.C.	2,500	500
2873	Nitrogenous Fertilizers	2,500	500
2874	Phosphatic Fertilizers	2,500	500
2875	Fertilizers, Mixing Only	2,500	500
2879	Pesticides and Agriculture Chemicals, N.E.C.	750	500
2891	Adhesives and Sealants	2,500	500
2892	Explosives	200	200
2893	Printing Ink	2,500	500
2895	Carbon Black	2,500	500
2899	Chemicals and Chemical Preparations, N.E.C.	2,500	500
		250	250
MAJOR GROUP 29—PETROLEUM REFINING AND RELATED INDUSTRIES			
2911	Petroleum Refining ⁴		
2951	Paving Mixtures and Blocks	2,500	500
2952	Asphalt Felts and Coatings	150	150
2992	Lubricating Oils and Greases	2,500	500
2999	Products of Petroleum and Coal, N.E.C.	500	500
		1,000	500
MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS			
3011	Tires and Inner Tubes		
3021	Rubber and Plastics Footwear	2,500	500
3031	Reclaimed Rubber	2,500	500
3041	Rubber and Plastics Hose and Belting	750	100
3069	Fabricated Rubber Products, N.E.C.	2,500	500
3079	Miscellaneous Plastics Products	250	250
		250	250
MAJOR GROUP 31—LEATHER AND LEATHER PRODUCTS			
3111	Leather Tanning and Finishing		
3131	Boot and Shoe Cut Stock and Findings	200	200
3142	House Slippers	150	150
3143	Men's Footwear, Except Athletic	500	250
3144	Women's Footwear, Except Athletic	2,500	500
3149	Footwear, Except Rubber, N.E.C.	2,000	500
3151	Leather Gloves and Mittens	750	500
3161	Luggage	250	250
3171	Women's Handbags and Purses	500	500
3172	Personal Leather Goods, Except Women's Handbags and Purses	150	150
3199	Leather Goods, N.E.C.	500	500
		100	100
MAJOR GROUP 32—STONE, CLAY, GLASS, AND CONCRETE PRODUCTS			
3211	Flat Glass		
3221	Glass Containers	2,500	500
3229	Pressed and Blown Glass and Glassware, N.E.C.	2,500	500
3231	Glass Products, Made of Purchased Glass	2,500	500
3241	Cement, Hydraulic	2,500	500
3251	Brick and Structural Clay Tile	2,500	500
3253	Ceramic Wall and Floor Tile	200	200
3255	Clay Refractories	1,000	500
3259	Structural Clay Products, N.E.C.	2,500	500
3261	Vitreous China Plumbing Fixtures and China and Earthenware Fittings and Bathroom Accessories	2,000	500
3262	Vitreous China Table and Kitchen Articles	2,500	500
3263	Fine Earthenware (Whiteware) Table and Kitchen Articles	750	500
3264	Porcelain Electrical Supplies	1,000	250
3269	Pottery Products, N.E.C.	2,500	500
3271	Concrete Block and Brick	250	150
3272	Concrete Products, Except Block and Brick	100	100
3273	Ready-Mixed Concrete	150	150
3274	Lime	100	100
3275	Gypsum Products	2,500	500
3281	Cut Stone and Stone Products	2,500	500
3291	Abrasive Products	100	100
3292	Asbestos Products	2,500	500
3293	Gaskets, Packing, and Sealing Devices	2,500	500
3295	Minerals and Earths, Ground or Otherwise Treated	1,500	500
3296	Mineral Wool	500	500
3297	Nonclay Refractories	2,500	500
3299	Nonmetallic Mineral Products, N.E.C.	2,500	500
		250	250
MAJOR GROUP 33—PRIMARY METAL INDUSTRIES			
3312	Blast Furnaces (Including Coke Ovens), Steel Works, and Rolling Mills		
3313	Electrometallurgical Products	2,500	500
3315	Steel Wire Drawing and Steel Nails and Spikes	2,500	500
3316	Cold Rolled Steel Sheet, Strip, and Bars	250	250
3317	Steel Pipe and Tubes	2,500	500
		2,500	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
3321	Gray Iron Foundries	2,500	500
3322	Malleable Iron Foundries	2,500	500
3324	Steel Investment Foundries	2,500	500
3325	Steel Foundries, N.E.C.	2,500	500
3331	Primary Smelting and Refining of Copper	2,500	500
3332	Primary Smelting and Refining of Lead	2,500	500
3333	Primary Smelting and Refining of Zinc	2,500	500
3334	Primary Production of Aluminum	2,500	500
3339	Primary Smelting and Refining of Nonferrous Metals, N.E.C.	500	500
3341	Secondary Smelting and Refining of Nonferrous Metals	2,500	500
3351	Rolling, Drawing, and Extruding of Copper	2,500	500
3353	Aluminum Sheet, Plate, and Foil	2,500	500
3354	Aluminum Extruded Products	2,500	500
3355	Aluminum Rolling and Drawing, N.E.C.	2,500	500
3356	Rolling, Drawing, and Extruding of Nonferrous Metals, Except Copper and Aluminum	2,500	500
3357	Drawing and Insulating of Nonferrous Wire	250	250
3361	Aluminum Foundries (Castings)	200	200
3362	Brass, Bronze, Copper, Copper Base Alloy Foundries (Castings)	250	250
3369	Nonferrous Foundries (Castings), N.E.C.	150	100
3398	Metal Heat Treating	2,500	500
3399	Primary Metal Products, N.E.C.		

MAJOR GROUP 34—FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT

3411	Metal Cans	2,500	500
3412	Metal Shopping Barrels, Drums, Kegs, and Pails	500	500
3421	Cutlery	2,500	500
3423	Hand and Edge Tools, Except Machine Tools and Hand Saws	1,000	500
3425	Hand Saws and Saw Blades	1,000	250
3429	Hardware, N.E.C.	2,500	500
3431	Enameled Iron and Metal Sanitary Ware	2,500	500
3432	Plumbing Fixture Fittings and Trim (Brass Goods)	750	500
3433	Heating Equipment, Except Electric and Warm Air Furnace	750	500
3441	Fabricated Structural Metal	250	250
3442	Metal Doors, Sash, Frames, Molding, and Trim	250	250
3443	Fabricated Plate Work (Boiler Shops)	1,000	500
3444	Sheet Metal Work	150	150
3446	Architectural and Ornamental Metal Work	100	100
3448	Prefabricated Metal Buildings and Components	2,500	500
3449	Miscellaneous Metal Work	750	500
3451	Screw Machine Products	100	100
3452	Bolts, Nuts, Screws, Rivets, and Washers	500	500
3462	Iron and Steel Forgings	2,500	500
3463	Nonferrous Forgings	2,500	500
3465	Automotive Stampings	2,500	500
3466	Crowns and Closures	2,500	500
3469	Metal Stampings, N.E.C.	200	200
3471	Electroplating, Plating, Polishing, Anodizing, and Coloring	100	150
3479	Coating, Engraving, and Allied Services, N.E.C.	150	150
3482	Small Arms Ammunition	2,500	500
3483	Ammunition, Except for Small Arms, N.E.C.	2,500	500
3484	Small Arms	2,500	500
3489	Ordnance and Accessories, N.E.C.	500	500
3493	Steel Springs, Except Wire	500	500
3494	Valves and Pipe Fittings, Except Plumbers' Brass Goods	500	500
3495	Wire Springs	500	250
3496	Miscellaneous Fabricated Wire Products	200	200
3497	Metal Foil and Leaf	2,500	150
3498	Fabricated Pipe and Fabricated Pipe Fittings	500	250
3499	Fabricated Metal Products, N.E.C.	200	200

MAJOR GROUP 35—MACHINERY, EXCEPT ELECTRICAL

3511	Steam, Gas, and Hydraulic Turbines and Turbine Generator Set Units	2,500	500
3519	Internal Combustion Engines, N.E.C.	2,500	500
3523	Farm Machinery and Equipment	2,500	500
3524	Garden Tractors and Lawn and Garden Equipment	2,500	500
3531	Construction Machinery and Equipment	2,500	500
3532	Mining Machinery and Equipment, Except Oil Field Machinery and Equipment	2,500	500
3533	Oil Field Machinery and Equipment	2,500	500
3534	Elevators and Moving Stairways	500	500
3535	Conveyors and Conveying Equipment	500	500
3536	Hoists, Industrial Cranes, and Monorail Systems	2,500	500
3537	Industrial Trucks, Tractors, Trailers, and Stackers	2,500	500
3541	Machine Tools, Metal Cutting Types	750	500
3542	Machine Tools, Metal Forming Types	500	500
3544	Special Dies and Tools, Die Sets, Jigs and Fixtures, and Industrial Molds	100	100
3545	Machine Tool Accessories and Measuring Devices	250	250
3546	Power Driven Hand Tools	2,500	500
3547	Rolling Mill Machinery and Equipment	1,000	500
3549	Metalworking Machinery, N.E.C.	200	200
3551	Food Products Machinery	200	200
3552	Textile Machinery	750	500
3553	Woodworking Machinery	500	250
3554	Paper Industries Machinery	500	500
3555	Printing Trades Machinery and Equipment	750	500
3559	Special Industry Machinery, N.E.C.	250	250
3561	Pumps and Pumping Equipment	750	500
3562	Ball and Roller Bearings	2,500	500
3563	Air and Gas Compressors	2,500	500
3564	Blowers and Exhaust and Ventilation Fans	750	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
3565	Industrial Patterns	100	100
3566	Speed Changers, Industrial High Speed Drivers, and Gears	2,500	500
3567	Industrial Process Furnaces and Ovens	750	500
3568	Mechanical Power Transmission Equipment, N.E.C.	2,500	500
3569	General Industrial Machinery and Equipment, N.E.C.	200	200
3572	Typewriters	2,500	500
3573	Electronic Computing Equipment	2,500	500
3574	Calculating and Accounting Machines, Except Electronic Computing Equipment	2,500	500
3576	Scales and Balances, Except Laboratory	1,000	250
3579	Office Machines, N.E.C.	2,500	500
3581	Automatic Merchandising Machines	750	500
3582	Commercial Laundry, Dry Cleaning, and Pressing Machines	1,000	500
3585	Air Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment	2,500	500
3586	Measuring and Dispensing Pumps	2,500	250
3589	Service Industry Machines, N.E.C.	250	250
3592	Carburetors, Pistons, Piston Rings, and Valves	2,500	500
3599	Machinery, Except Electrical, N.E.C.	100	100
MAJOR GROUP 36—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT, AND SUPPLIES			
3612	Power, Distribution, and Specialty Transformers	2,500	500
3613	Switchgear and Switchboard Apparatus	2,500	500
3621	Motors and Generators	2,500	500
3622	Industrial Controls	2,500	500
3623	Welding Apparatus, Electric	1,500	500
3624	Carbon and Graphite Products	2,500	500
3629	Electrical Industrial Apparatus, N.E.C.	1,000	250
3631	Household Cooking Equipment	2,500	500
3632	Household Refrigerators and Home and Farm Freezers	2,500	500
3633	Household Laundry Equipment	2,500	500
3634	Electric Housewares and Fans	2,500	500
3635	Household Vacuum Cleaners	2,500	500
3636	Sewing Machines	1,000	250
3639	Household Appliances, N.E.C.	2,500	250
3641	Electric Lamps	2,500	500
3643	Current-Carrying Wiring Devices	2,500	500
3644	Noncurrent-Carrying Wiring Devices	2,500	500
3645	Residential Electric Light Fixtures	250	250
3646	Commercial, Industrial, and Institutional Electric Lighting Fixtures	500	500
3647	Vehicular Lighting Equipment	2,500	250
3648	Lighting Equipment, N.E.C.	2,500	500
3651	Radio and Television Receiving Sets, Except Communication Types	2,500	500
3652	Phonograph Records and Pre-recorded Magnetic Tape	1,000	500
3661	Telephone and Telegraph Apparatus	2,500	500
3662	Radio and Television Transmitting, Signaling, and Detection Equipment and Apparatus	750	500
3671	Radio and Television Receiving Type Electron Tubes, Except Cathode Ray	2,500	500
3672	Cathode Ray Television Picture Tubes	2,500	500
3673	Transmitting, Industrial, and Special Purpose Electron Tubes	2,500	500
3674	Semiconductors and Related Devices	2,500	500
3675	Electronic Capacitors	2,500	500
3676	Resistors, for Electronic Applications	2,500	500
3677	Electronic Coils, Transformers, and other Inductors	250	250
3678	Connectors, for Electronic Applications	2,500	500
3679	Electronic Components, N.E.C.	2,500	500
3681	Storage Batteries	2,500	500
3692	Primary Batteries, Dry and Wet	2,500	500
3693	Radiographic X-ray, Fluoroscopic X-ray, Therapeutic X-ray, and Other X-ray Apparatus and Tubes; Electromedical and Electrotherapeutic Apparatus	2,500	500
3694	Electrical Equipment for Internal Combustion Engines	2,500	500
3699	Electrical Machinery, Equipment, and Supplies, N.E.C.	250	250
MAJOR GROUP 37—TRANSPORTATION EQUIPMENT			
3711	Motor Vehicles and Passenger Car Bodies	2,500	500
3713	Truck and Bus Bodies	500	500
3714	Motor Vehicle Parts and Accessories	2,500	500
3715	Truck Trailers	2,500	500
3721	Aircraft	2,500	500
3724	Aircraft Engines and Engine Parts	2,500	500
3726	Aircraft Parts and Auxiliary Equipment, N.E.C.	2,500	500
3731	Ship Building and Repairing	2,500	500
3732	Boat Building and Repairing	200	200
3743	Railroad Equipment	2,500	500
3751	Motorcycles, Bicycles, and Parts	2,500	500
3761	Guided Missiles and Space Vehicles	2,500	500
3764	Guided Missile and Space Vehicle Propulsion Units and Propulsion Unit Parts	2,500	500
3769	Guided Missile and Space Vehicle Parts and Auxiliary Equipment, N.E.C.	2,500	500
3792	Travel Trailers and Campers	250	250
3795	Tanks and Tank Components	2,500	500
3799	Transportation Equipment, N.E.C.	750	500
MAJOR GROUP 38—MEASURING, ANALYZING, AND CONTROLLING INSTRUMENTS; PHOTOGRAPHIC MEDICAL, AND OPTICAL GOODS; WATCHES AND CLOCKS			
3811	Engineering, Laboratory, Scientific, and Research Instruments and Associated Equipment	750	500
3822	Automatic Controls for Regulating Residential and Commercial Environments and Appliances	2,500	500
3823	Industrial Instruments for Measurement, Display, and Control of Process Variables, and Related Products	2,500	500
3824	Totalizing Fluid Meters and Counting Devices	2,500	500
3825	Instruments for Measuring and Testing of Electricity and Electrical Signals	2,500	500
3829	Measuring and Controlling Devices, N.E.C.	2,000	500
3832	Optical Instruments and Lenses	2,500	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
3841	Surgical and Medical Instruments and Apparatus	2,000	500
3842	Orthopedics, Prosthetic, and Surgical Appliances and Supplies	2,500	500
3843	Dental Equipment and Supplies	750	500
3851	Ophthalmic Goods	2,500	500
3861	Photographic Equipment and Supplies	2,500	500
3673	Watches, Clocks, Clockwork Operated Devices, and Parts	2,500	500
MAJOR GROUP 39—MISCELLANEOUS MANUFACTURING INDUSTRIES			
3911	Jewelry, Precious Metal	250	250
3914	Silverware, Plated Ware, and Stainless Steel Ware	2,500	500
3915	Jewelers' Findings and Materials, and Lapidary Work	100	100
3931	Musical Instruments	2,500	500
3942	Dolls	250	250
3944	Games, Toys, and Children's Vehicles; Except Dolls and Bicycles	2,500	500
3949	Sporting and Athletic Goods, N.E.C.	750	500
3951	Pens Mechanical Pencils and Parts	750	500
3952	Lead Pencils, Crayons, and Artists' Materials	1,000	500
3953	Marking Devices	250	250
3955	Carbon Paper and Inked Ribbons	2,000	500
3961	Costume Jewelry and Costume Novelties, Except Precious Metal	150	150
3962	Feathers, Plumes, and Artificial Trees and Flowers	250	250
3963	Buttons	250	250
3964	Needles, Pins, Hooks and Eyes, and Similar Notions	1,500	500
3991	Brooms and Brushes	250	250
3993	Signs and Advertising Displays	100	100
3995	Burial Caskets	250	250
3996	Linoleum, Asphalted-Felt-Base, and Other Hard Surface Floor Coverings, N.E.C.	2,500	500
3999	Manufacturing Industries, N.E.C.	200	200
Division E—Transportation, Communications, Electric, Gas, and Sanitary Services			
MAJOR GROUP 40—RAILROAD TRANSPORTATION			
4011	Railroads, Line-haul Operating	1,000	500
4013	Switching and Terminal Establishments	250	250
MAJOR GROUP 41—LOCAL AND SUBURBAN TRANSIT AND INTERURBAN HIGHWAY PASSENGER TRANSPORTATION			
4111	Local and Suburban Transit	150	150
4119	Local Passenger Transportation, N.E.C.	50	50
4121	Taxis	50	50
4131	Intercity and Rural Highway Passenger Transportation	200	200
4141	Local Passenger Transportation Charter Service	50	100
4142	Passenger Transportation Charter Service, Except Local	50	100
4151	School Buses	50	50
4171	Terminal and Joint Terminal Maintenance Facilities for Motor Vehicle Passenger Transportation	50	50
4172	Maintenance and Service Facilities for Motor Vehicle Passenger Transportation	50	50
MAJOR GROUP 42—MOTOR FREIGHT TRANSPORTATION AND WAREHOUSING			
4212	Local Trucking Without Storage	100	100
4213	Trucking, Except Local	250	150
4214	Local Trucking With Storage	100	100
4221	Farm Product Warehousing and Storage	50	50
4222	Refrigerated Warehousing	25	25
4224	Household Goods Warehousing and Storage	25	25
4225	General Warehousing and Storage	100	100
4226	Special Warehousing and Storage, N.E.C.	50	50
4231	Terminal and Joint Terminal Maintenance Facilities for Motor Freight Transportation	50	50
MAJOR GROUP 44—WATER TRANSPORTATION			
4411	Deep Sea Foreign Transportation	750	500
4421	Transportation to and Between Noncontiguous Territories	400	250
4422	Coastwise Transportation	100	100
4423	Intercoastal Transportation	500	500
4431	Great Lakes-St. Lawrence Seaway Transportation	500	500
4441	Transportation on Rivers and Canals	250	250
4452	Ferries	200	200
4453	Lighterage	200	200
4454	Towing and Tugboat Service	200	200
4459	Local Water Transportation, N.E.C.	50	50
4463	Marine Cargo Handling	200	200
4464	Canal Operation	100	100
4469	Water Transportation Services, N.E.C.	50	50
MAJOR GROUP 45—TRANSPORTATION BY AIR			
4511	Air Transportation, Certified Carriers	2,500	500
4521	Air Transportation, Noncertified Carriers ²	200	500
4582	Airports and Flying Fields	125	125
4583	Airport Terminal Services	200	200
MAJOR GROUP 47—TRANSPORTATION SERVICES			
4712	Freight Forwarding	250	250
4722	Arrangement of Passenger Transportation	50	50
4723	Arrangement of Transportation of Freight and Cargo	100	100
4742	Rental of Railroad Cars With Care of Lading	1,500	500
4743	Rental of Railroad Cars Without Care of Lading	2,500	500

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
4782	Inspection and Weighing Services Connected With Transportation	50	50
4783	Packing and Crating	100	50
4784	Fixed Facilities for Handling Motor Vehicle Transportation, N.E.C.	500	500
4789	Services Incidental to Transportation, N.E.C.	100	100
MAJOR GROUP 48—COMMUNICATIONS			
4832	Radio Broadcasting	50	50
4833	Television Broadcasting	100	100
4899	Communication Services, N.E.C.	100	100
MAJOR GROUP 49—ELECTRIC, GAS, AND SANITARY SERVICES			
4941	Water Supply	50	50
4952	Sewerage Systems	50	50
4953	Refuse Systems	100	100
4959	Sanitary Services, N.E.C.	25	25
4961	Steam Supply	50	50
4971	Irrigation Systems	25	25
Division F—Wholesale Trade			
MAJOR GROUP 50—WHOLESALE TRADE—DURABLE GOODS			
5012	Automobiles and Other Motor Vehicles	50	75
5013	Automotive Parts and Supplies	50	100
5014	Tires and Tubes	25	25
5021	Furniture	25	25
5023	Home Furnishings	20	25
5031	Lumber, Plywood, and Millwork	25	50
5039	Construction Materials, N.E.C.	25	25
5041	Sporting and Recreational Goods and Supplies	25	25
5042	Toys and Hobby Goods and Supplies	20	25
5043	Photographic Equipment and Supplies	25	75
5051	Metals Service Centers and Offices	25	100
5052	Coal and Other Minerals and Ores	25	50
5063	Electrical Apparatus and Equipment, Wiring Supplies and Construction Materials	20	75
5064	Electrical Appliances, Television and Radio Sets	25	50
5065	Electronic Parts and Equipment	25	50
5072	Hardware	25	25
5074	Plumbing and Heating Equipment and Supplies (Hydronics)	25	50
5075	Warm Air Heating and Air Conditioning Equipment and Supplies	15	25
5078	Refrigeration Equipment and Supplies	25	25
5081	Commercial Machines and Equipment	15	75
5082	Construction and Mining Machinery and Equipment	25	75
5083	Farm and Garden Machinery and Equipment	15	25
5084	Industrial Machinery and Equipment	20	60
5085	Industrial Supplies	25	60
5086	Professional Equipment and Supplies	25	60
5087	Service Establishment Equipment and Supplies	20	25
5088	Transportation Equipment and Supplies, Except Motor Vehicles	20	50
5093	Scrap and Waste Materials	25	50
5094	Jewelry, Watches, Diamonds and Other Precious Stones	15	25
5099	Durable Goods, N.E.C.	15	25
MAJOR GROUP 51—WHOLESALE TRADE—NONDURABLE GOODS			
5111	Printing and Writing Paper	50	100
5112	Stationery Supplies	20	50
5113	Industrial and Personal Service Paper	25	60
5122	Drugs, Drug Proprietaries, and Druggists Sundries	25	50
5133	Piece Goods (Woven Fabrics)	20	25
5134	Notions and Other Dry Goods	25	25
5136	Men's and Boys' Clothing and Furnishings	25	25
5137	Women's, Children's and Infants' Clothing and Accessories	25	25
5139	Footwear	20	25
5141	Groceries, General Line	50	100
5142	Frozen Foods	20	25
5143	Dairy Products	25	50
5144	Poultry and Poultry Products	25	25
5145	Confectionery	20	25
5146	Fish and Seafoods	15	25
5147	Meats and Meat Products	20	50
5148	Fresh Fruits and Vegetables	50	25
5149	Groceries and Related Products, N.E.C.	25	50
5152	Cotton	15	25
5153	Grain	15	25
5154	Livestock	15	25
5159	Farm-Product Raw Materials, N.E.C.	15	25
5161	Chemicals and Allied Products	25	75
5171	Petroleum Bulk Stations and Terminals	20	50
5172	Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals	15	50
5181	Beer and Ale	20	25
5182	Wines and Distilled Alcoholic Beverages	50	50
5191	Farm Supplies	20	25
5194	Tobacco and Tobacco Products	20	25
5198	Paints, Varnishes, and Supplies	25	25
5199	Nondurable Goods, N.E.C.	25	25

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
Division G—Retail Trade			
MAJOR GROUP 52—BUILDING MATERIALS, HARDWARE, GARDEN SUPPLY, AND MOBILE HOME DEALERS			
5211	Lumber and Other Building Materials Dealers	25	25
5231	Paint, Glass, and Wallpaper Stores	25	25
5251	Hardware Stores	20	25
5261	Retail Nurseries, Lawn and Garden Supply Stores	20	25
5271	Mobile Home Dealers	15	25
MAJOR GROUP 53—GENERAL MERCHANDISE STORES			
5311	Department Stores	300	500
5331	Variety Stores	100	500
5399	Miscellaneous General Merchandise Stores	25	100
MAJOR GROUP 54—FOOD STORES			
5411	Grocery Stores	50	100
5422	Freezer and Locker Meat Provisioners	15	25
5423	Meat and Fish (Seafood) Markets	15	25
5431	Fruit Stores and Vegetable Markets	15	25
5441	Candy, Nut, and Confectionery Stores	25	25
5451	Dairy Products Stores	25	25
5462	Retail Bakeries—Baking and Selling	25	25
5463	Retail Bakeries—Selling Only	25	25
5499	Miscellaneous Food Stores	15	25
MAJOR GROUP 55—AUTOMOTIVE DEALERS AND GASOLINE SERVICE STATIONS			
5511	Motor Vehicle Dealers (New and Used)	50	50
5521	Motor Vehicle Dealers (Used Only)	15	25
5531	Auto and Home Supply Stores	20	25
5541	Gasoline Service Stations	15	25
5551	Boat Dealers	15	25
5561	Recreational and Utility Trailer Dealers	15	25
5571	Motorcycle Dealers	15	25
5599	Automotive Dealers, N.E.C.	15	25
MAJOR GROUP 56—APPAREL AND ACCESSORY STORES			
5611	Men's and Boys' Clothing and Furnishings Stores	20	25
5621	Women's Ready-to-Wear Stores	25	25
5631	Women's Accessory and Specialty Stores	25	25
5641	Children's and Infants' Wear Stores	25	25
5651	Family Clothing Stores	50	50
5661	Shoe Stores	25	25
5681	Furriers and Fur Shops	15	25
5699	Miscellaneous Apparel and Accessory Stores	25	25
MAJOR GROUP 57—FURNITURE, HOME FURNISHINGS, AND EQUIPMENT STORES			
5712	Furniture Stores	20	25
5713	Floor Covering Stores	20	25
5714	Drapery, Curtain, and Upholster Stores	20	25
5719	Miscellaneous Home Furnishing Stores	25	25
5722	Household Appliance Stores	15	25
5732	Radio and Television Stores	15	25
5733	Music Stores	20	25
MAJOR GROUP 58—EATING AND DRINKING PLACES			
5812	Eating Places	50	100
5813	Drinking Places (Alcoholic Beverages)	15	25
MAJOR GROUP 59—MISCELLANEOUS RETAIL			
5912	Drug Stores and Proprietary Stores	20	25
5921	Liquor Stores	15	25
5931	Used Merchandise Stores	25	25
5941	Sporting Goods Stores and Bicycle Shops	15	25
5942	Book Stores	25	25
5943	Stationery Stores	25	25
5944	Jewelry Stores	20	25
5945	Hobby, Toy, and Game Shops	20	25
5946	Camera and Photographic Supply Stores	15	25
5947	Gift, Novelty, and Souvenir Shops	15	25
5948	Luggage and Leather Goods Stores	20	25
5949	Sewing, Needlework, and Piece Goods Stores	25	25
5961	Mail Order Houses	150	150
5962	Automatic Merchandising Machine Operators	150	150
5963	Direct Selling Establishments	50	50
5982	Fuel and Ice Dealers, Except Fuel Oil Dealers and Bottled Gas Dealers	15	25
5983	Fuel Oil Dealers	100	50
5984	Liquefied Petroleum Gas (Bottled Gas) Dealers	25	25
5992	Florists	25	25
5993	Cigar Stores and Stands	20	25
5994	News Dealers and Newsstands	20	25
5999	Miscellaneous Retail Stores, N.E.C.	20	25

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
Division H—Finance, Insurance, and Real Estate *			
MAJOR GROUP 63—INSURANCE			
	Fire, Marine, and Casualty Insurance	—	500
MAJOR GROUP 64—INSURANCE AGENTS, BROKERS, AND SERVICE			
	Insurance Agents, Brokers, and Service	—	25
MAJOR GROUP 65—REAL ESTATE			
	Operators of Residential Mobile Home Sites	100	25
Division I—Services			
MAJOR GROUP 70—HOTELS, ROOMING HOUSES, CAMPS, AND OTHER LODGING PLACES			
	Hotels, Motels, and Tourist Courts	50	75
	Rooming and Boarding Houses	25	25
	Sporting and Recreational Camps	15	25
	Trailer Parks and Camp Sites for Transients	15	25
	Organization Hotels and Lodging Houses, on Membership Basis	50	50
MAJOR GROUP 72—PERSONAL SERVICES			
	Power Laundries, Family and Commercial	50	50
	Garment Pressing, and Agents for Laundries and Dry Cleaners	15	25
	Linen Supply	150	150
	Diaper Service	50	25
	Coin-operated Laundries and Dry Cleaning	15	25
	Dry Cleaning Plants, Except Rug Cleaning	25	25
	Carpet and Upholstery Cleaning	15	25
	Industrial Launderers	150	150
	Laundry and Garment Services, N.E.C.	15	25
	Photographic Studios, Portrait	15	25
	Beauty Shops	15	25
	Barber Shops	15	25
	Shoe Repair Shops, Shoe Shine Parlors, and Hat Cleaning Shops	15	25
	Funeral Service and Crematories	15	25
	Miscellaneous Personal Services	25	25
MAJOR GROUP 73—BUSINESS SERVICES			
	Advertising Agencies	25	50
	Outdoor Advertising Services	25	50
	Radio, Television, and Publishers' Advertising Representatives	75	75
	Advertising, N.E.C.	50	50
	Consumer Credit Reporting Agencies, Mercantile Reporting Agencies, and Adjustment and Collection Agencies	50	50
	Direct Mail Advertising Services	50	50
	Blueprinting and Photocopying Services	20	25
	Commercial Photography, Art, and Graphics	15	25
	Stenographic Services; and Reproduction Services, N.E.C.	15	25
	Window Cleaning	15	50
	Disinfecting and Exterminating Services	20	25
	Cleaning and Maintenance Services to Dwellings and Other Buildings, N.E.C.	50	200
	News Syndicates	100	50
	Employment Agencies	25	25
	Temporary Help Supply Services	250	150
	Personnel Supply Services, N.E.C. ²	200	300
	Computer Programming and Other Software Services	100	150
	Data Processing Services	100	150
	Computer Related Services, N.E.C.	100	150
	Research and Development Laboratories ³	100	150
	Management, Consulting, and Public Relations Services	25	50
	Detective Agencies and Protective Services	100	200
	Equipment Rental and Leasing Services	15	25
	Photofinishing Laboratories	75	75
	Trading Stamp Services	100	75
	Commercial Testing Laboratories	50	75
	Business Services, N.E.C.	25	25
MAJOR GROUP 75—AUTOMOTIVE REPAIR, SERVICES, AND GARAGES			
	Passenger Car Rental and Leasing, Without Drivers	25	50
	Truck Rental and Leasing, Without Drivers	50	50
	Utility Trailer and Recreational Vehicle Rental	15	25
	Parking Lots	20	25
	Parking Structures	25	25
	Top and Body Repair Shops	15	25
	Tire Retreading and Repair Shops	25	25
	Paint Shops	15	25
	General Automotive Repair Shops	15	25
	Automotive Repair Shops, N.E.C.	15	25
	Car Washes	15	25
	Automotive Services, Except Repair and Car Washes	15	25
MAJOR GROUP 76—MISCELLANEOUS REPAIR SERVICES			
	Radio and Television Repair Shops	15	25

SIC	Description	Size standards, No. of employees ¹	
		Advance notice (3/10/80)	Second advance notice
7623	Refrigeration and Air Conditioning Service and Repair Shops	15	25
7629	Electrical and Electronic Repair Shops, N.E.C.	20	25
7631	Watch, Clock, and Jewelry Repair	15	25
7641	Reupholstery and Furniture Repair	15	25
7692	Welding Repair	15	25
7694	Armature Rewinding Shops	20	25
7699	Repair Shops and Related Services, N.E.C.	15	25
MAJOR GROUP 78—MOTION PICTURES			
7813	Motion Picture Production, Except for Television	50	50
7814	Motion Picture and Tape Production for Television	50	50
7819	Services Allied to Motion Picture Production	50	100
7823	Motion Picture Film Exchanges	75	75
7824	Film or Tape Distribution for Television	50	50
7829	Services Allied to Motion Picture Distribution	50	25
7832	Motion Picture Theaters, Except Drive-In	50	50
7833	Drive-In Motion Picture Theaters	25	25
MAJOR GROUP 79—AMUSEMENT AND RECREATION SERVICES, EXCEPT MOTION PICTURES			
7911	Dance Halls, Studios, and Schools	15	25
7922	Theatrical Producers (Except Motion Pictures), Bands, Orchestras, and Entertainers	25	25
7929	Bands, Orchestras, Actors, and Other Entertainers and Entertainment Groups	25	100
7932	Billiard and Pool Establishments	15	25
7933	Bowling Alleys	20	25
7941	Professional Sports Clubs and Promoters	50	25
7993	Coin-operated Amusement Devices	15	25
7996	Amusement Parks	75	75
7999	Amusement and Recreation Services, N.E.C.	25	25
MAJOR GROUP 80—HEALTH SERVICES			
8011	Offices of Physicians	15	25
8021	Offices of Dentists	15	25
8031	Offices of Osteopathic Physicians	15	25
8041	Offices of Chiropractors	15	25
8042	Offices of Optometrists	15	25
8049	Offices of Health Practitioners, N.E.C.	15	25
8051	Skilled Nursing Care Facilities	200	100
8059	Nursing and Personal Care Facilities, N.E.C.	200	100
8062	General Medical and Surgical Hospitals	500	300
8063	Psychiatric Hospitals	500	300
8069	Specialty Hospitals, Except Psychiatric	500	300
8071	Medical Laboratories	25	25
8072	Dental Laboratories	15	25
8081	Outpatient Care Facilities	100	100
8091	Health and Allied Services, N.E.C.	100	100
MAJOR GROUP 81—LEGAL SERVICES			
8111	Legal Services	15	25
MAJOR GROUP 82—EDUCATIONAL SERVICES			
8299	Schools and Educational Services, N.E.C.*	15	50
Major Group 89—Miscellaneous Services			
8911	Engineering, Architectural, and Surveying Services, Except Naval Architectural and Marine Services	50	150
8911	Naval Architectural and Marine Engineering Services	—	200
8931	Accounting, Auditing, and Bookkeeping Services	25	100
8999	Services, N.E.C.	25	25

¹ All size standards are shown in "Number of Employees" except for Agriculture Production (Crops and Livestock) and Construction, which are expressed in "Average Annual Receipts."

² SIC Division D, Manufacturing: "Rebuilding on a factory basis or equivalent." For rebuilding machinery or equipment on a factory basis, use SIC code applicable for new manufactured product.

³ In addition to the individual SIC category size standards for Major Group 23, a separate size standard of 500 employees is established for the Federal procurement of government apparel.

⁴ SIC-2911: For purposes of Government procurement, the firm may not have more than 500 employees nor may it have more than 50,000 barrels per day crude oil or bona fide feedstock capacity. Such capacity may be from owned or leased facilities or from facilities made available to it under an arrangement such as, but not limited to, an exchange agreement; or a throughput or other form of processing agreement, with the same effect as though such facilities had been leased. Arrangements on a refined-product-for-refined-product basis are not permitted. The product to be delivered in the performance of the contract must be at least 90 percent refined by the bidder from either crude oil or bona fide feedstocks.

⁵ SIC-4521: Includes services requiring the use of one or more helicopters or fixed-wing aircraft.

⁶ Most industries in Division H—Finance, Insurance, and Real Estate—are excluded from SBA assistance.

⁷ If one of the activities in base maintenance, as defined in SIC-7369, can be identified with a separate industry, and that activity (or industry) accounts for 50 percent or more of the value of an entire contract, then the proper size standard shall be that for the particular industry, and not the base maintenance size standard.

⁸ SIC-7391: For research and development contracts requiring the delivery of the manufactured product, the size standard to use is that of the manufacturing industry in which the specific product is classified.

⁹ SIC-8299: Includes flight training services.

§ 121.4 Application of small business size standards.

The provisions within this section apply to the following SBA programs: Financial Assistance, Small Business Investment Companies, Surety Bonding, Pollution Control, and Minority Small

Business and Capital Ownership Development. For the Procurement Assistance and Property Sales Programs—see, respectively, § 121.5 and § 121.6. The following regulations are set forth in question-and-answer format for ease of comprehension.

(a) How do I determine if my firm is a small business eligible for SBA assistance? Since SBA size standards are set on an industry basis, you must first determine in which industry your firm is classified. To do this, refer to the *Standard Industrial Classification*

*Manual.*¹ Upon determining your firm's primary industry by the four-digit code, refer to the table contained in § 121.3 for the size standard.

(b) What if my firm is engaged in a number of different industries? If an applicant for SBA assistance is engaged in a number of product lines or industries, or has affiliates engaged in different product lines or industries, the size standard shall be that of the firm and its affiliates' primary industry.²

(c) Must I include employees or receipts in affiliated firms? Yes. Employees or receipts of the firm applying for assistance, as well as all employees or receipts of firms affiliated with the applicant firm, must be included in the employee or receipts count. For an explanation of what would constitute an affiliate, refer to § 121.7.

(d) Am I an exception to the size standards? Maybe. There are four exceptions:

(1) A firm which applies for an SBA loan to refinance an existing SBA loan but which, since the date of the original financing, has by natural growth (as distinguished from, e.g., merger), grown to a size which exceeds the applicable size standard, is considered as small for the purpose of refinancing if SBA administratively determines that refinancing is necessary to protect the Government's financial interest.

(2) The applicable size standards for the purpose of all financial assistance programs of the Small Business Administration, except the 8(a) Program and the Surety Bond Guarantee Assistance Program, are increased by 25 percent whenever the concern agrees to use the assistance within a "labor surplus area," or "redevelopment area."³

(3) A small business, for the purpose of receiving financial or other assistance from small business investment companies or development companies, or pollution control guarantee assistance under Pub. L. 94-305, is one which:

(i) Together with its affiliates, does not have net worth in excess of \$6 million, and does not have an average income after Federal income taxes for the preceding 2 years in excess of \$2 million (average net income to be computed without benefit of any carryover loss); a firm is also eligible for these programs if it qualifies under the size standard for its industry listed in the preceding § 121.3 of this part.

(4) A small business, for purpose of pollution control guarantee assistance under Pub. L. 94-305, is one that qualifies as small under the Small Business Investment Companies' definition in § 121.4(f)(3)(a), above.

(e) At what time and by whom is size status of the applicant firm and its affiliates determined for purposes of SBA financial assistance? The applicant firm's size status will be determined at the SBA District Office, by an SBIC, or by any other SBA office that may take final action on the financing request. The determination is made at the time of application for SBA financial assistance. Subsequent changes in size will not affect a firm's size status.

(f) How do size standards apply to the 8(a) program within the Minority Small Business and Capital Ownership Development program? At the time of entry to the MSB/COD programs and during the time your firm is in the program, it must meet the size standard for its primary industry as set forth in § 121.3. When a firm completes the 8(a) program or is informed by SBA that it is no longer in the program, the firm must, for future financial, procurement, or other assistance, meet the applicable SBA size standards.

§ 121.5 Definition of small business for SBA procurement assistance and subcontracting programs.

(a) How do I know if my firm is a small business eligible to bid on Federal contracts set aside for small business?

(1) For purposes of bidding on set-aside contracts, the applicable size standard as listed in § 121.3 will be the one for the industry that best depicts the products or service being procured. The firm's primary activity is not the controlling factor in determining small business eligibility for bidding on set-aside contracts.

(2) If your firm (together with all affiliates) meets the corresponding size standard for that industry set forth in the solicitation by SIC code, then you are eligible to bid on the set-aside contract. Size is determined on the date of written self-certification as a small business as part of a firm's submission of a bid or offer.

(b) Who determines the appropriate SIC code and size standard for a set-aside procurement and, if there is a disagreement with the contracting officer's code selection, who resolves the disagreement?

(1) The determination of the appropriate SIC classification of a product or service shall be made by the contracting officer of the agency letting the contract. Both the SIC classification and the applicable employee size standard shall be set forth in the solicitation, and the determination by the contracting officer is final unless appealed to the SBA in the manner provided in § 121.10.

(2) Clarification of an unclear or incomplete classification or size standard action by the contracting officer may be supplied by an SBA field office, or the Size Appeals Board or its Chairperson, as necessary, in connection with a size determination or size appeal.

(c) What if the procurement calls for more than one item with different SIC codes and employment standards? If a procurement calls for more than one item, and the solicitation permits the bidder to bid separately on each item, the bidder must meet the size standard for each item for which it submits a bid. If the procurement calls for more than one item, and a bidder is required to bid on all items, the bidder can qualify as small business for such procurement if it meets the size standard for the item accounting for the greatest percentage of the total contract value.

(d) Does my firm need to be certified by SBA prior to bidding on set-asides?

(1) No. SBA provides a self-certification procedure in which your firm certifies that it is a small business for that particular bid or proposal within the meaning of SBA Rules and Regulations.

(2) A firm which meets the size standards set forth in the solicitation and has not been determined ineligible as a result of a formal size determination, may represent that it is small business. In the absence of a written protest or other information which would cause the contracting officer to question the veracity of the self-certification, he shall accept the self-certification at face value for the particular procurement involved.

(3) Firms self-certifying their small business status should be aware of the following provisions:

(i) If the contracting officer has cause to question the veracity of a self-certification and elects to do so, he shall refer the eligibility issue to SBA by filing a formal protest pursuant to § 121.9. Other bidders or offers also may file a

¹ The Standard Industrial Classification Manual is intended to cover the entire field of economic activities. It classifies and defines all activities by industry categories and is the source used by SBA in defining industries for size standards. (You may obtain a copy of the publication from the U.S. Government Printing Office or in the reference section of most libraries.)

² The primary industry shall be based upon the distribution of annual receipts and/or employees of the firm.

³ "Redevelopment area," for the purpose of small business size determinations, means a geographical area within the United States which has been designated as a "redevelopment area" in accordance with the Public Works and Economic Development Act of 1965 (Pub. L. 89-136, Sec. 401, 75 Stat. 48). "Labor surplus areas" are defined semiannually in the Department of Labor Publication "Area Trends." These determinations are presently made in the Employment and Training Division, U.S. Department of Labor.

protest with the contracting officer, who will refer it to the SBA.

(ii) If a firm has been determined by SBA to be ineligible as a small business under a particular size standard and it has already self-certified as a small business on a pending procurement subject to the same or lower "number of employees" size standard, it shall immediately notify the contracting officer of such adverse size determination and shall not thereafter self-certify on a procurement subject to the same or a lower employee size standard until it has applied for recertification under § 121.8 based on a significant change in its ownership, management, or contractual relations, and has been determined eligible by SBA.

(e) Does SBA distinguish between manufacturers and nonmanufacturers (wholesalers) for procurements reserved for small business? Yes, there is a distinction. Any firm which submits a bid or offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is deemed to be a small business when:

(1) Its number of employees does not exceed the employment standard for the appropriate wholesale industry identified with the product being procured as defined in § 121.3, and

(2) In the case of Government procurement reserved for small businesses, such nonmanufacturer (wholesaler) must furnish, in the performance of the contract, the products of a small business manufacturer⁴ or producer as defined in this section for the set-asides. The supplied products must be manufactured or produced in the United States.

(3) The Government often purchases items in the form of kits such as, but not limited to, tool kits and survival kits which are not manufactured items but merely assemblages of separate manufactured items. Accordingly, a firm which purchases some of all of such items and packages them into kit form is considered to be a nonmanufacturer for size determination purposes. Such a firm

⁴For size determination purposes, there can only be one manufacturer of the end item being procured. The manufacturer of the end item being procured is the concern which, with its own forces, transforms inorganic or organic substances including raw materials, and/or miscellaneous parts or components, into such end item. Whether a bidder on a particular procurement is the manufacturer or nonmanufacturer for the purpose of a size determination is not for determination by the contracting officer. The decision shall be made by the appropriate SBA regional administrator or his delegatee, and need not be considered with the contracting officer's decision as to whether such firm is or is not a manufacturer for the purpose of the Walsh-Healy Act, etc.

can qualify as a small business only if it meets all other qualifications of a small nonmanufacturer set forth in these regulations and if more than 50 percent of the total value of the kit and its contents are accounted for by items manufactured by small business, as defined.

(f) Are there exceptions to the provision regarding nonmanufacturers? Yes. There are two exceptions to the nonmanufacturing provision:

(1) If the procurement has anticipated value of less than \$10,000 and is subject to, and is actually processed under, "small purchase procedures" as presently defined in the Defense Acquisition Regulation (DAR), Federal Procurement Regulation (FPR), and the National Aeronautics and Space Administration Procurement Regulation (NASAPR), as applicable, such nonmanufacturer may furnish any domestically produced or manufactured product.

(2) For the purpose of receiving a Certificate of Competency on an unrestricted procurement, a small business dealer meeting the size standard for its primary industry set forth in this section, may furnish any domestically produced or manufactured product. The applicable size standard for a COC shall be that of the item being procured.

(g) For subcontracting purposes, a firm is small if its total number of employees or receipts does not exceed the size standard for the product or service it is providing on the procurement.

§ 121.6 Definition of small business for the sale of Government property.

The Property Sales Program is divided into three distinct areas: Timber, Mineral Rights, and General Property Sales, each with specific size standards and related requirements. While size standards for other SBA programs define eligibility by specific industry, the Property Sales Program focuses on potential bidders who represent a variety of industries. Consequently, for the Property Sale Program, size standards are aggregated into major industrial groups for each type of property sales.

(a) At what point in time must my firm meet the size test for the sales of government-owned property? The size status of a firm (including its affiliates) is determined as of the date of written self-certification as a small business as part of a firm's submission of a bid or offer.

(b) How do I determine if my firm is a small business eligible to bid on a preferential timber sale? In order to be classified as a small business, your firm

must primarily be engaged in the logging or forest products industry⁵ and, together with your affiliates, have less than 500 employees. To determine your primary industry, see § 121.4(b).

(c) Are there any other requirements that must be met when a small business wins a preferential timber sale? Yes. There are a few additional requirements and they are as follows:

(1) When the timber purchase is for resale, the small business must agree that it will not sell⁶ more than 30 percent of the timber purchased to large business (those exceeding 500 employees).

(2) When timber from a preferential sale is for processing, the small business must do so with its own facilities⁷ or the facilities of another small business. § 121.6(c)(1) also applies to all processed timber.

(d) How do I determine if my firm is a small business eligible to bid on special salvage timber sales? Your firm would be a small business eligible to bid on Special Salvage Timber Sales if it is primarily engaged in the logging or forest products industry and, together with any affiliates, does not employ more than 25 employees during any pay period during the 12 months preceding the sale.

(e) Are there any other requirements? Yes. The provisions set forth in § 121.6(a) apply with one exception—special salvage timber may be disposed of without restriction when there are less than two eligible small business mills in the marketing area.

(f) How do I determine if my firm is a small business eligible to bid on the sale of mineral rights? Your firm is a small business eligible to bid on the sale of mineral rights if it meets the employee size standard set forth below. When bidding on:

(1) Coal leases—your firm, together with all affiliates, must not exceed 250 employees;

(2) Uranium leases—your firm, together with all affiliates, must not exceed 100 employees.

⁵"Forest products industry" means logging, wood preserving, and the manufacture of lumber and wood related products such as veneer, plywood, hardboard, particle board, or wood pulp, and of products of which lumber or wood related products are the principal raw material.

⁶The term "sell" includes but is not limited to the exchange of sawlogs on a product-for-product basis with or without monetary adjustment, and an indirect transfer such as the sale of the assets of (or controlling interest in) a concern after it has been awarded one or more set-aside sales of timber.

⁷This provision assumes that the successful bidder remain small business until the products have been manufactured. Requirements for disposal of timber from preferential sale are set forth in § 121.6(c)(1).

(3) Royalty oil—your firm, together with all affiliates, must not exceed 500 employees and not have more than a 50,000 barrels-per-day crude oil⁸ or bona fide feedstock capacity.⁹

(g) For the sale of any other type of government property, what is a small business? If your firm is primarily engaged in manufacturing and, together with all affiliates, employs 500 or fewer employees, it is eligible to bid on the sale of Government property. Firms (together with all affiliates) primarily engaged in industries other than manufacturing must have 50 or fewer employees.

Dated: April 21, 1982.

James C. Sanders,

Administrator.

[FR Doc. 82-11522 Filed 4-30-82; 8:45 am]

BILLING CODE 8025-01-M

⁸"Crude-oil capacity" means the maximum daily average crude throughput of a refinery in complete operation, with allowance for necessary shutdown time for routine maintenance, repairs, etc. It approximates the maximum daily average crude runs to stills that can be maintained for an extended period.

⁹"Bona fide feed stocks" means crude and any other hydrocarbon material actually charged to refinery processing units, as distinguished from materials used as components in products to be delivered after merely filtering, settling, or blending.